
2. DETAILS OF THE IPO

This Prospectus is dated 29 September 2003.

A copy of this Prospectus has been registered with the SC and lodged with the Chief Executive Officer of the Companies Commission of Malaysia who takes no responsibility for its contents.

The approval of the SC obtained vide its letter dated 22 January 2003, 9 May 2003 and 21 July 2003 shall not be taken to indicate that the SC recommends the IPO, and that investors should rely on their own evaluation to assess the merits and risks of the IPO.

Application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission of PMBT to the Official List and for the listing of and quotation for the issued and fully paid-up share capital of PMBT on the Second Board of the KLSE. These Shares will be admitted to the Official List on the Second Board of the KLSE and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Acceptance of applications for the IPO Shares will be conditional upon permission being granted by the KLSE to deal in and for the quotation of the entire enlarged issued and fully paid-up Shares on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the Public Issue will be returned if the said permission for listing is not granted within six(6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC).

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39 (1)(j) of the Act, KLSE has prescribed PMBT as a prescribed security. In consequence thereof, the shares issued through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depositories) Act and the Rules of the MCD.

An applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of the Company or of its Shares.

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

The distribution of this Prospectus and the making of the IPO in certain other jurisdictions outside Malaysia may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the IPO shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation

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

2. DETAILS OF THE IPO (cont'd)

2.1 Share Capital

	RM
<i>Authorised:-</i> 100,000,000 Shares	<u>50,000,000</u>
<i>Issued and fully paid-up :-</i>	
• 70,000,000 Shares	35,000,000
<i>To be issued pursuant to the IPO :-</i>	
• 10,000,000 new Shares	5,000,000
Enlarged Share Capital	<u>40,000,000</u>

There is only one class of shares in the Company, namely ordinary shares of RM0.50 each. The IPO Shares will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends the entitlement of which is subsequent to the allotment of the IPO Shares.

Subject to any special rights attaching to any Shares which may be issued by the Company in the future, the holders of Shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and the whole of any surplus in the event of the liquidation of the Company.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representatives or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representatives shall have one vote for each Share held.

2.2 Basis of Arriving at the Issue Price

The IPO price of RM1.05 per Share was determined and agreed upon by PMBT and AmMerchant Bank as Adviser and Managing Underwriter based on various factors including the following:-

- i) the proforma forecast net PE multiple of approximately 7.76 times, based on the proforma consolidated forecast net EPS of approximately 14.0 sen for the financial year ending 31 December 2003 and the IPO price of RM1.05 per Share;
- ii) based on the proforma consolidated NTA per Share as at 30 June 2003 of RM0.73, the IPO price of RM1.05 per Share represents a premium of RM0.32 or 30.48% to the proforma Group NTA per Share; and
- iii) the future plans and prospects of the PMBT Group as outlined in Section 4 of this Prospectus.

The Directors of the PMBT Group, the Offeror and AmMerchant Bank are of the opinion that the IPO price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of PMBT shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of PMBT shares being traded.

2. DETAILS OF THE IPO (cont'd)

2.3 Particulars of the IPO

The Public Issue of 10,000,000 Shares respectively at an IPO price of RM1.05 per Share is payable in full on application upon such terms and conditions as set out in this Prospectus.

The 10,000,000 Shares arising from the Public Issue will be allocated and allotted in the following manner:-

Public Issue Shares

- (i) 3,000,000 of the Public Issue Shares will be made available for application by the Malaysian Public, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions;
- (ii) 3,000,000 of the Public Issue Shares will be placed to investors (who are deemed public) which have been/to be identified; and
- (iii) 4,000,000 of the Public Issue Shares have been reserved for eligible Directors and employees and business associates of the PMBT Group.

The Public Issue Shares of 10,000,000 represents approximately 12.5% of the enlarged issued and paid-up share capital of 80,000,000 Shares of RM0.50 each.

All the Public Issue Shares in paragraph (i) and (iii) above as well as 550,000 Shares in paragraph (ii) have been underwritten. The remaining 2,450,000 Shares in paragraph (ii) allocated to exempt investors as defined under Schedule 2 and 3 of the Securities Commission Act 1993 will not be underwritten as irrevocable undertakings from except investors have been obtained for the subscription of the said shares.

Any Shares in paragraph (i) not subscribed will be made available for placement in paragraph (ii) and vice versa. Any Shares in respect of paragraph (iii) not subscribed for by the eligible Directors and employees and business associates of the PMBT Group will be made available for application by the public in paragraph (i) or placement in paragraph (ii).

Offer Shares

- (i) 24,000,000 Offer Shares have been reserved for Bumiputera investors approved by MITI; and
- (ii) 2,200,000 Offer Shares will be placed to investors (who are deemed public) which have been/to be identified.

The Offer Shares are not underwritten.

2.4 Critical dates of the IPO

Events	Tentative Date
Date of Prospectus	29 September 2003
Opening and Closing of Application List for the IPO	9 October 2003
Balloting of Applications	16 October 2003
Despatch of Notices of Allotment of the Shares of PMBT to successful applicants	30 October 2003
Listing of the Company's entire issued and paid up share capital on the Second Board of the KLSE	5 November 2003

2. DETAILS OF THE IPO (cont'd)

2.5 Purposes of the IPO

The purposes of the IPO are as follows:-

- (i) the listing of PMBT Shares on the Second Board of the KLSE is expected to further enhance the Group's corporate reputation and assist the Group in expanding its customer base both in Malaysia and overseas;
- (ii) to provide an opportunity for Malaysian investors and institutions and the eligible employees, Directors and business associates of the PMBT Group to participate in the equity and continuing growth of the PMBT Group;
- (iii) to enable the PMBT Group to gain access to the capital markets for funds for its future expansion and growth;
- (iv) to obtain a listing of and quotation for PMBT's entire issued and paid-up share capital of PMBT Shares on the Second Board of the KLSE;
- (v) to comply with National Development Policy ("NDP") requirements in respect of Bumiputera equity participation of PMBT; and
- (vi) to retire bank borrowings of PMBT Group partially in order to save on interest on borrowing.

2.6 Utilisation of Proceeds

PMBT will receive the total proceeds of RM11.89 million from its listing exercise from the issuance of the Rights Issue Shares and Public Issue Shares. The PMBT intends to use the said proceeds in the following manner:-

	RM'000
i) Repayment of bank borrowings	6,500
ii) Working Capital	3,888
iii) Estimate listing expenses	1,500
Total proceeds	11,888

PMBT will bear all other expenses incidental to the listing and quotation of PMBT's Shares on the Second Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees the aggregate of which is estimated to be approximately RM1.50 million.

PMBT is expected to utilize the proceeds from the Rights Issue and Public Issue by end of year 2003.

The Offer for Sale will raise gross proceeds of RM26,121,935. This amount shall accrue to the Offeror and no part of the proceeds is receivable by PMBT. The Offeror shall bear all expenses, such as underwriting commission, brokerage, registration fee and share transfer fee relating to the Offer Shares.

There is no minimum subscription to be raised from the IPO.

2. DETAILS OF THE IPO (cont'd)

Brief details on the utilisation of proceeds are as follows:

Notes:-

i) Repayment of Bank Borrowings

The PMBT Group proposes to repay part of the following bank borrowings subject to a maximum of RM6.5 million:-

Borrower	Name of Banks	Type of Facility	Purpose of facility	Interest / Repayment Terms	Amount outstanding @ 30 June 2003 RM	Repayment of Loan from Listing Proceeds RM	Interest Savings Year 2003 RM
EASB	Hong Leong Bank Bhd	Bankers Acceptance (BA)	For import and local Purchase	1.25% p.a . Acceptance Comm.	3,500,000.00	(1,500,000)	15,000
PMBF	UOB (Malaysia) Bhd	Revolving Credit	Working Capital	1.50% p.a + COF	1,000,000.00	(1,000,000)	25,000
PMBF	Maybank Berhad	BA	For import and local purchase	1.25%p.a. Acceptance Comm.	2,195,000.00	(2,195,000)	22,000
PMBF	Bumiputera-Commerce Bank Bhd	BA	For import and local purchase	1.00% p.a. Acceptance Comm.	2,470,000.00	(1,805,000)	18,000

ii) Working Capital

The balance of RM3.89 million from the Public Issue and the Rights Issue will be utilised as working capital for purchase of raw materials and other operating expenses and repayment to creditors.

iii) Estimated Listing Expenses

The listing expenses is estimated at RM1,500,000.

Major cost items	RM'000
Estimated Professional Fees	500
Underwriting commission and Placement fees	320
Brokerage	74
Printing of Prospectus and Application Forms and envelopes	200
Advertising of Prospectus	30
Issuing House fees	50
SC fees	70
KLSE fees	20
Registration of Prospectus	6
Miscellaneous	*230
Total	1,500

As the listing proceeds are only expected to be received by the fourth quarter of 2003, it is not expected to have a material financial impact on the PMBT Group for the financial year ending 31 December 2003.

2. DETAILS OF THE IPO (cont'd)

2.7 Brokerage and Underwriting Commission

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 7,550,000 Public Issue Shares, comprising 3,000,000 Shares made available for application by the Malaysian Public, 550,000 Shares placement to investors (who are deemed public) which have been/to be identified and 4,000,000 of the Public Issue Shares have been reserved for eligible Directors and employees and business associates of the PMBT Group. Underwriting commission is payable by the Company at the rate of 2.0% of the IPO price of RM1.05 per Share for the Shares which are being underwritten. The Offer Shares will not be underwritten.

Brokerage is payable in respect of the IPO Shares by the Company at the rate of 1% of the IPO price of RM1.05 per Share in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

2.8 Details of the Underwriting Agreements

The Managing Underwriter and the Underwriters (collectively referred to as the "Underwriters" and individually as the "Underwriter") have agreed to underwrite up to 7,550,000 Public Issue Shares. The underwriting commission is payable by PMBT at the rate of 2.0% of the IPO price of RM1.05 per Share for the ordinary shares which are being underwritten.

The following are extract of some of the salient Clauses contained in the Underwriting Agreement dated 16 September 2003, including escape clauses, which may allow the underwriters to withdraw from obligations under the agreement after the opening of the offer:-

"Extracts of the clauses relating to covenants and undertakings by the Company

In consideration of the Underwriters agreeing, at the request of the Company, to underwrite the Underwritten Shares, the Company covenants and undertakes to the Underwriters as follows:-

Compliance with Companies Act 1965 and the Securities Commission Act 1993 of Malaysia: *the Company shall comply with and procure that its directors comply with all relevant requirements and provisions of the Companies Act 1965 and the Securities Commission Act 1993 in relation to the Public Issue and the Prospectus;*

Listing on the KLSE: *to apply for and obtain the approval-in-principle of the KLSE for admission of the Company to the Official List of the KLSE and for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE before the Closing Date and to comply with all requirements and provisions of the Companies Act, the Securities Commission Act, the Listing Requirements of the KLSE and all other applicable laws, rules and regulations and the requirements of all other relevant authorities;*

Compliance : *to comply with all the conditions, if any, imposed by the SC and KLSE and any other relevant authority for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE;*

Undertaking to Inform: *the Company shall promptly and without any delay notify the Underwriters of and provide the Underwriters with any facts, information, situations or circumstances which the Underwriters may reasonably need or require in relation to the Public Issue or which the Company believes may have or is likely to have a material adverse effect on the success of the Public Issue or on the sale of any Underwritten Shares and in particular and without prejudice to the generality of the foregoing, of any material adverse effect on the financial condition or business or operations of the Company, or on the prospects or future financial condition or business or operations of the Company or which affect any of the aforesaid representations or warranties at any time prior to the Closing Date or the Extended Closing Date, as the case may be, and take such steps as may be reasonably requested by the Underwriters to remedy and/or publicise the same;*

2. DETAILS OF THE IPO (cont'd)

Notice of Certain Events: Without prejudice to the generality of **Clause 4.1(g)**, the Company shall promptly and without any delay notify the Underwriters of the following:

- (i) the transmittal to the SC for filing or registration of any supplement to the Prospectus;
- (ii) any request by the SC for any amendment or supplement to the Prospectus or for additional information;
- (iii) any misrepresentation by the Company in this Agreement that will cause this Agreement to be void;
- (iv) the issuance by the SC of any order suspending the effectiveness of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE or the initiation of any proceedings for that purpose. In this respect, the Company shall make every reasonable effort to prevent the issuance of any such order and, if any such order is issued, to obtain the lifting thereof at the earliest possible time unless the Company shall, in consultation with the Underwriters, determine that it is not in its best interest to do so; and
- (v) any announcement proposed to be made to the public which would conflict in any material respect with any statement in the Prospectus but the giving of any such notice and any discussion shall not affect or prejudice any of the rights of the Underwriters;

Costs: the Company shall pay all and any stamp duties and other fees, taxes or duties, including any interest and penalties resulting from delay or omission on the part of the Company, payable in Malaysia on or in connection with the execution of this Agreement, the Public Issue and/or the creation, issue and allotment of the Public Issue Shares;

Further Assurance: the Company shall (i) execute and do and procure all other persons, if necessary, to execute and do all such further deeds, assurance, acts and things as may be reasonably required by the Underwriters in order to implement and complete the Public Issue so that full effect may be given to the terms and conditions of this Agreement and (ii) to the extent permitted by law, not to make any public information which will or is likely to affect the market price of the Issue Share without prior written notice to and the prior consent of the Underwriters unless required to do so by law;

CONDITIONS PRECEDENT FOR UNDERWRITING

The obligations of the Underwriters under this Agreement shall be conditional upon the fulfillment and/or satisfaction of the following:-

- (a) the KLSE having agreed in principle on or prior to the Closing Date or such other date as maybe agreed between the Managing Underwriters and the Company, to the listing of and quotation for (on terms satisfactory to the Underwriters) the entire issued and paid-up share capital of the Company on the Second Board of the KLSE;
- (b) the approval of the board of directors of the Company to enter into this Agreement;
- (c) the issuance of and subscription for the Public Issue Shares pursuant to and in accordance with the provisions hereof and in the Prospectus not being prohibited by, and in compliance with, the SC Act, SC guidelines, SC requirements and any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any agency, legislative, executive or regulatory body or authority of Malaysia (including the KLSE);
- (d) the approval from the SC in respect of the Prospectus and registration of the Prospectus with the SC pursuant to the Securities Commission Act 1993 and subsequent lodgement of the Prospectus with the Chief Executive Officer of the Companies Commission of Malaysia;

2. DETAILS OF THE IPO (cont'd)

- (e) *all other necessary approvals and consents required in relation to the Public Issue and the Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;*
- (f) *the issue of the Public Issue Shares having been approved by the shareholders of the Company in an extraordinary general meeting;*
- (g) *there having been, as at any time hereafter up to and including the Closing Date or the Extended Closing Date, as the case may be, no event of default pursuant to the provisions herein contained, and no breach of any representation, warranty, covenant, undertaking or obligation of the Company in this Agreement or which is contained in any certificate, statement, or notice provided under or in connection with this Agreement or which proves to be incorrect in any material respect;*
- (h) *there having been, as at any time hereafter up to and including the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Company or business or operations of the Company or in the prospects or future financial condition or business or operations of the Company (which in the reasonable opinion of the Underwriters, is or will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained.*

*In the event any of the conditions set forth in **Clause 6.1** are not satisfied on or before the Closing Date or Extended Closing Date, as the case may be, the Underwriters shall be released and discharge from their obligations hereunder whereupon this Agreement shall be of no further force and no party shall be under any liability to the other in respect of this Agreement, save and except that the Company shall remain liable in respect of its obligations and liabilities hereunder including the payment of the Underwriting Commission and the payment of costs and expenses as provided in **Clause 16** which has already incurred prior to or in connection with such termination and for any antecedent breach under this Agreement.*

TERMINATION

Notwithstanding anything herein contained, the Underwriters may, at any time, be entitled to terminate their obligations under this Agreement by notice in writing delivered to the Company, if in the reasonable opinion of the Underwriters, there shall have occurred, happened or come into effect, any of the following circumstances, on or before the Closing Date or the Extended Closing Date as the case may be, namely:-

- (a) *any government requisition or other occurrence of any nature whatsoever which would or is likely to have a material adverse effect on the financial condition or business or operations of the Company, and/or the prospects or future financial condition or business or operations of the Company; or*
- (b) *any change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or oversea, foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange control or currency exchange rates which would or is likely to have a material adverse effect on the success of the Public Issue and the distribution of the Public Issue Shares or the sale of any Underwritten Shares (whether in the primary or in respect of dealings on the secondary market); or*

2. DETAILS OF THE IPO (cont'd)

- (c) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of event beyond the reasonable control of the Underwriters (including without limitation, acts of Gods, act of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents) which would or is likely to have a material adverse effect on the success of the Public Issue and the distribution of the Public Issue Shares or the sale of any Underwritten Shares (whether in the primary or in respect of dealings on the secondary market); or
- (d) any event or series of events beyond the reasonable control of the Underwriters by reason of force majeure which has or is likely to make this Agreement or any part thereof incapable of performance or which would or is likely to have a material adverse effect on the success of the Public Issue and the distribution of the Public Issue Shares or the sale of any Underwritten Shares.
- "Force Majeure" shall mean causes which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including without limitation (i) war, acts of warfare, hostilities (whether war be declared or not) invasion, incursion by armed force, act of hostile army, nation or enemy; (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power, civil war, industrial action; (iii) flood, fire, arson, storm, lightning tempest, accident, or other Acts of God; and (iv) epidemic, explosion, disease, earthquake, hijacking, sabotage, crime; or*
- (e) any breach of any representation, warranty, covenant, undertaking or obligation of the Company in this Agreement or which is contained in any certificate, statement, or notice provided under or in connection with this Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number days as stipulated in the notice (informing of such breach) given to the Company; or
- (f) any failure on the part of the Company to perform its obligations herein contained; or
- (g) there is any withholding of information of a material nature by the Company from the Underwriters which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares; or
- (h) the occurrence of any event or the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained.

Upon the delivery of such notice referred to in **Clause 13.1** by the Underwriters, the Underwriters shall be released and discharged from their obligations hereunder whereupon this Agreement shall be of no further force and effect and no party shall be under any liability to any other in respect of this Agreement, save and except that the Company shall remain liable in respect of its obligations and liabilities hereunder including the payment of the Underwriting Commission and the payment of costs and expenses as provided to or in connection with such termination and for any antecedent breach under this Agreement.

The Underwriters and the Company may confer with a view to deferring the Public Issue or amending its terms or the terms of this Agreement and enter into a new underwriting agreement accordingly, but neither the Underwriters nor the Company shall be under any obligation to enter into a new agreement."

2. DETAILS OF THE IPO (cont'd)

2.9 Approvals from Authorities

The Acquisitions, Public Issue, Offer for Sale and the Listing were approved by the following authorities as follows:-

Authorities	Date
SC	22 January 2003, 9 May 2003 and 21 July 2003
MITI	5 August 2002
FIC	7 October 2002

The details of the conditions of the authorities' approval and status of compliance amongst others are set out below: - -

Conditions imposed by the SC vide its letter dated 22 January 2003	Status of compliance
i) PMBT is to obtain the approval from other relevant authorities prior to the issuance of the listing prospectus;	Complied. The approvals from the relevant authorities are as set out above.
ii) the promoters/major shareholders are not allowed to sell, transfer or assign their shareholdings in respect of 45% of the total issued and paid-up share capital in PMBT for one(1) year from PMBT's listing date. Thereafter, they are allowed to sell, transfer or assign not more than one third(1/3) of their respective shareholdings under moratorium in each following year. A moratorium shall also apply to the shareholders/promoters of PMBT as tabulated in Table 1. A moratorium shall also apply to the shareholders of Weng Fatt Stainless Steel Sdn Bhd and Cyberwall Limited, wherein all the shareholders of the said Companies are to provide their respective undertakings that they shall not sell, transfer or assign their respective shareholdings during the moratorium period. However, the respective major shareholders/promoters are allowed to avail themselves to the SC's new Guidelines in line with the implementation of the final phase of the disclosure-based regulation;	Noted and will be complied. Pursuant to the press release issued by SC on 11 March 2003, the moratorium period requirement had been amended to 1 year. The promoters/major shareholders of PMBT and the shareholders of Weng Fatt Stainless Steel Sdn Bhd and Cyberwall Limited had vide their letter dated 25 September 2003 respectively to SC gave their undertaking not to sell, transfer or assign their respective shareholdings during the moratorium period. Refer to Section 2.10 of this prospectus.
iii) The promoters and major shareholders of PMB and PMBT are required to provide their undertaking that they will not be involved in similar or competitive businesses which may result in conflicts of interest with the existing businesses of PMBT;	On 18 March 2003, AmMerchant Bank had on behalf of PMBT, requested for a waiver from the SC for the major shareholders of PMB to provide their undertaking that they will not be involved in similar or competitive businesses, which may result in conflicts of interest with the existing businesses of PMBT. The waiver was granted by the SC vide its letter dated 9 May 2003. The promoters and major shareholders of PMBT had vide their letter dated 25 September 2003 gave an undertaking to SC that they will not be involved in similar or competitive businesses which may result in conflicts of interest with the existing businesses of PMBT.

2. DETAILS OF THE IPO (cont'd)

Conditions imposed by the SC vide its letter dated 22 January 2003	Status of compliance
(iv) PMBT Group will not be involved in any other businesses other than its current core business for a period of three (3) years from the date of its listing on the Second Board of the KLSE;	Noted and will be complied. PMBT has vide its letter dated 25 September 2003 undertook that PMBT Group will ensure that it will not be involved in any other businesses other than its current core business for a period of three(3) years from the date of its listing on the Second Board of the KLSE.
(v) The Directors and major shareholders who are involved in the operation of the PMBT Group on a full time basis are not be permitted to involve themselves in their own private businesses on a full time basis;	Noted and will be complied. The directors, namely Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng and Koon Poh Tat and major shareholders, namely, PMB, Cyberwall Limited, Huan Boon Peng, Weng Fatt Stainless Steel Sdn Bhd, Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng, Koon Poh Kong, Koon Poh Tat and Mo Po Ping, Henry, who are involved in the operation of PMBT Group had vide their letters dated 25 September 2003 to SC gave their undertaking that they will not be involve in their own business of a full time basis.
(vi) Any future business transactions between the PMBT Group and the parties of which the directors/major shareholders of PMBT are related or interested in are to be conducted on arm's length basis, and not on terms which will be prejudicial to PMBT. In this respect, the Audit Committee of PMBT is required to monitor the terms of these transactions and the Directors of PMBT are required to report such transactions, if any, in the annual report of PMBT each year;	Noted and will be complied. PMBT will ensure that the future transactions, if any, between the PMBT Group and the parties of which the directors/major shareholders of PMBT are related or interested in, are based on normal commercial terms and not on conditions that are disadvantageous to PMBT. In addition, the Audit Committee will monitor and report such transactions, if any, in the annual report of PMBT.
(vii) In relation to the trade debtors, PMBT is required to observe the following conditions:-	Complied. Refer to Section 4 (xv).
(a) Full disclosure in the prospectus on the status of the trade debtors, ageing analysis of the debts together with those debts which have exceeded the Company's credit terms and the comments of PMBT's Directors on the recoverability of the debts exceed the Company's credit terms;	Complied. The SC had granted PMBT the approval to not having to make provision for retention sums and any trade debts on active on-going transactions, which the PMBT Group has received settlement by way of post-dated cheques, i.e. payments by installments with credit period of more than six (6) months when determining the provisions for doubtful and bad debts. The SC's decision is subject to (i) the vendors of the companies to be acquired by PMBT, namely PMBF and EASB reimbursing PMBT in cash in the event the retention sum and the trade debts, which are to be settled by way of post-dated cheques exceed six(6) months from the date of the prospectus and (ii) the vendors of PMBF and EASB are also required to provide their written undertaking prior to the issuance of the prospectus in which had been complied with.
(b) Provisions are to be made for the PMBT Group's debts, whereby: <ul style="list-style-type: none"> • there is dispute/doubt on the debts; or • legal action has commenced/been taken; or • the debts have remained outstanding for a period of more than six (6) months 	The vendors of PMBF and EASB had vide their letters dated 25 September 2003 to SC undertook that they shall reimburse PMBT in cash in the event the retention sum and the trade debts, which are to be settled by way of post-dated cheques exceed six(6) months from the date of the prospectus.

2. DETAILS OF THE IPO (cont'd)

Conditions imposed by the SC vide its letter dated 22 January 2003	Status of compliance
(c) In relation to the above, the directors of PMBT are required to provide to the SC with a written confirmation that the trade debts which have exceeded the credit period are recoverable and provisions for doubtful and debts have been made to the financial accounts and the financial forecast/projections;	Complied. The Directors of PMBT had vide their letters dated 25 September 2003 confirmed to SC that the trade debts which have exceeded the credit period are recoverable and provisions for doubtful and debts have been made to the financial accounts and the financial forecast/projections.
(viii) To fully disclose the following matters in the Prospectus of PMBT:-	
(a) Risk management plans of the PMBT Group to mitigate the main risk factors which may affect the operations and financial performance of PMBT;	Complied. Disclosed under Section 3(iii) of this prospectus.
(b) Full disclosure of all the completed projects of PMBT Group and those currently being undertaken;	Complied. Disclosed under Section 4.4 of this prospectus.
(c) A management succession plan of PMBT; and	Complied. Disclosed under Section 3(ix) of this prospectus.
(d) The risk faced by PMBT in relation to the part of its operations which are derived from the construction sector, the risks of the absence of long term contracts and its reliance on PMB for the raw material supply, in particular aluminium extrusions, and the steps taken or to be taken by PMBT to mitigate such risks.	Complied. Disclosed under Section 3(iv), (xii) and (vii) of this prospectus, respectively.
(ix) PMBT is to provide a written confirmation that the PMBT Group is operating in premises/buildings, whereby the building plans have been approved and the Certificates of Fitness have been legally issued prior to the issue of the prospectus; and	<p>On 5 September 2003, AmMerchant Bank had on behalf of PMBT, requested for a waiver from the SC on this condition. The waiver was granted by the SC vide its letter dated 23 September 2003 subject to the following conditions:-</p> <p>(i) PMBT is required to provide a written undertaking that it would in its best endeavours obtain the approvals for the building plans and subsequently the Certificate of Fitness from the relevant authorities within one(1) year from 23 September 2003;</p> <p>(ii) PMBT is required to make quarterly announcement to the KLSE on the status of its application for the approval of the building plans and the Certificate of Fitness and to inform the SC of such announcement; and</p> <p>(iii) The Architect is to declare in writing to the SC that the building plans submitted are in accordance with the relevant law/regulation and are representative of the actual buildings on site.</p> <p>Conditions (i) and (iii) have been complied via a letter of undertaking provided by PMBT and a written declaration from the Architect to SC, both dated 25 September 2003. Condition (ii) has been noted and will be complied.</p>
(x) the independent advice letter in respect of the acquisition of the 30% equity interest in PMBC is to be submitted to the SC for their review.	Complied.

2. DETAILS OF THE IPO (cont'd)

Conditions imposed by the SC vide its letter dated 9 May 2003 in relation to Dividend Payout, Placement and Request for Waiver on SC's condition set out as item (iii) in its letter dated 22 January 2003	Status of compliance
i) the value of the net tangible assets ("NTA") of the proposed subsidiary companies of PMBT must not be less than the value of the NTA of the respective Subsidiary Companies as at 31 December 2001;	Complied.
ii) the promoters and major shareholders of PMBT must provide a declaration to the SC that they do not act on behalf of the major shareholders of PMB (namely, Kuan Shin @ Kuan Nyong Hin, Kwan Yun Hong @ Kuan Onn Hing, Kuan Pek Seng, Kwan Chin Heng and Doitbest Holdings Sdn Bhd) nor do they hold any shares in PMBT for the said major shareholders of PMB;	Complied. The promoters and major shareholders of PMBT had vide their letters dated 25 September 2003 gave their declaration to the SC that they do not act on behalf of the major shareholders of PMB as named above nor do they hold any shares in PMBT for the said major shareholders of PMB.
iii) PMBT is required to fully disclose in its prospectus as to the reasons why a conflict of interest situation will not arise with the existing businesses of PMBT in respect of the involvement of the major shareholders of PMB (namely, Kuan Shin @ Kuan Nyong Hin, Kwan Yun Hong @ Kuan Onn Hing, Kuan Pek Seng, Kwan Chin Heng and Doitbest Holdings Sdn Bhd) in Chin Foh Berhad;	Complied. Disclosed under Section 3(vi) of this prospectus.
iv) The placement shares must be placed out by an independent placement agent and the public investors must be identified and proposed by the said independent placement agent;	Noted and will be complied.
v) At least 30% of the shares allocated for placement should, to the extent possible, be allocated to Bumiputera investors; and	Noted and will be complied.
vi) The independent placement agent must furnish to the SC for their information, the final list of public investors under the placement exercise and written confirmation that the private placement complies with the Guidelines for Private Placement which was issued on 3 September 2001 upon completion of the placement exercise.	Noted and will be complied.

Conditions imposed by the MITI vide its letter dated 5 August 2002	Status of compliance
i) the approval of the Securities Commission ("SC") is obtained;	Complied. Approval from the SC was obtained vide its letter dated 22 January 2003.
ii) the approval of the Foreign Investment Committee is obtained; and	Complied. Approval from the FIC was obtained vide its letter dated 7 October 2002.
iii) 30% of the enlarged issued and paid-up share capital of PMBT comprising 24,000,000 shares shall be reserved to Bumiputera investors, whereby its allocation will be determined separately by MITI after the approval of the SC has been obtained	Noted and will be complied.

Conditions imposed by the FIC vide its letter dated 7 October 2003	Status of compliance
i) at least 30% of the equity interest in PMBT shall be held directly by Bumiputera upon listing of PMBT	Noted and will be complied.

2. DETAILS OF THE IPO (cont'd)

2.10 Moratorium Shares

It is a condition of the SC that the Promoters/major shareholders not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the total issued and paid-up share capital in PMBT within a year from the date of admission of the Company to the Official List of the Second Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign their respective shareholdings in the Company. Accordingly, the Company proposes that moratorium be imposed on the disposal of shares by the major shareholders/promoters of PMBT as tabulated below:-

Major Substantial shareholder/Promoter	Shareholdings after the IPO		Shareholdings subject to moratorium restriction	
	Total Shares	%	Total Shares	%
PMB	21,475,958	26.84	21,475,954	26.84
Weng Fatt Stainless Steel Sdn Bhd	8,297,288	10.37	8,297,288	10.37
Huan Boon Peng	4,813,288	6.01	4,226,758	5.28
Cyberwall Limited	6,165,051	7.71	2,000,000	2.50
TOTAL	40,751,585	50.94	36,000,000	45.00

The abovementioned moratorium condition is also imposed on the ultimate shareholders of Weng Fatt Stainless Steel Sdn Bhd and Cyberwall Limited. The ultimate shareholders had provided their respective undertakings to the SC that they will not sell, transfer or assign their shareholdings in the respective companies for the duration of the abovementioned moratorium condition.

The restriction, which has been fully accepted by the aforementioned substantial shareholder/Promoter, is specifically endorsed on the share certificate and notice of allotment representing the shareholdings of the substantial shareholder/Promoter, which are under moratorium. This is to ensure that the Company's registrar does not register any transfer, which is not in compliance with the restriction imposed by the SC.

The statement to be endorsed on the aforesaid certificate reads as follows:-

*"The shares comprised herein are not capable of being sold, transferred or assigned for a period to be determined by the Securities Commission ("**Moratorium Period**"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate(s) will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."*

3. THE RISK FACTORS

In evaluating an investment in the IPO Shares, prospective applicants should carefully consider all information contained in this Prospectus including but not limited to the general and specific risks of the following investment considerations:-

i) No Prior Market for PMBT's Shares

Prior to this IPO, there has been no public market for PMBT's Shares. There can be no assurance that an active market for PMBT's Shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such a market will be sustained. The issue price of RM1.05 for the Public Issue Shares has been determined after taking into consideration a number of factors, including but not limited to, the Company's financial and operating history and condition, its prospects and the prospects of the industry in which the Company operates, the management of the Company, the market prices for shares of companies engaged in business similar to that of the Company and the prevailing market conditions at the time the application for PMBT listing was submitted to the SC. There can be no assurance that the issue price will correspond to the price at which PMBT's Shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for PMBT's Shares will develop and continue to develop upon or subsequent to its listing.

ii) Competitive Conditions faced by the Façade System Industry

The PMBT Group faces competition from the local companies as well as foreign companies as it operates both locally and overseas. The facade system industry in which the Group operates is a niche market, on which service providers compete amongst each other in terms of their reputation, proven track record, sound financial backing, expertise costs as well as technical know-how. In some instances, the competition within the industry itself can be highly competitive and contracts are usually awarded to the party with the best tender price. This is advantageous to the PMBT Group as it has a good track record, financial strength and experienced management with the technical know-how. PMBT, being in the facade system industry for so many years, has also established a reputable name for itself in the local market as well as in Hong Kong.

There is no assurance that the PMBT Group will be able to maintain its growth in revenue in the façade industry in the future. However, the Directors of the PMBT Group believe that it will be able to remain highly competitive due to its close relationship with its customers, its extensive knowledge and expertise in the field and the high level of integration and synergies which exist within the PMBT Group particularly. In some instances, the competition within the industry itself can be highly competitive and contracts are usually awarded to party with the best tender price in relation to the procurement of aluminium based raw materials.

iii) Business Risks

Companies involved in the designing, fabrication and installation of curtain wall and cladding systems and manufacturing of aluminium ladders is faced with certain risks that are inherent within the industry. PMBT Group is not insulated from these risks either. The risks include but are not limited to, shortages of labour and raw materials, increase in the costs of labour and raw materials, labour disputes, dispute with main contractor and customers, availability and rising cost of financing, changes in the general economic, technological, business and credit conditions. As the contract sums for designing, fabricating and installation of curtain wall and cladding system are fixed, any increase in cost may not be fully passed to its client and therefore may lead to cost overruns and potential losses.

The PMBT Group, however, has made efforts to reduce their exposure to such inherent business risks. One of its major shareholders and promoters, PMB, is one of the largest manufacturers of aluminium extrusion in Malaysia. The raw material supplies risks are therefore reduced, as the PMBT Group is able to benefit from prompt delivery of raw materials, uninterrupted supply and an assurance on the quality of raw materials. In addition, to avoid cost overruns, the Company commits prices and deliveries with its suppliers immediately upon award of a contract.

3. THE RISK FACTORS (cont'd)

As the Group undertakes several projects for the design, fabrication and installation of curtain wall and cladding systems as well as its continuous manufacturing of aluminium ladders activities, it is able to purchase its raw materials in bulk, which gives them better prices as a major customer of its suppliers. The PMBT Group had also managed to go through economic downturn and emerged stronger as one of the largest aluminium ladders manufacturers in Malaysia and as well as a specialist in the fabrication of curtain wall and cladding systems.

However, no assurance can be given that any change to these factors will not have a materially adverse effect on the Group's business.

iv) Exposure to the Construction Industry

The PMBT Group's current principal activities, which include, the designing, fabrication and installation of façade systems and distribution of building materials such as aluminium extrusions are dependent on the construction industry. Any downturn in the construction industry whether in Malaysia or the markets, in which it operates, may have an adverse effect on the Group's performance.

However, the PMBT Group has made efforts to minimize any adverse impacts should such event arise by expanding its business to different geographical areas such as Hong Kong, Bangladesh and Singapore. Further, the Group is also looking to expand to new markets in the future such as China. In addition, the principal activities of PMBT Group are also diversified with the venture into manufacturing and exports of aluminium ladders. The contributions from the sales of the aluminium ladders can help reduce part of the adverse effect caused by any downturn in the construction industry.

v) Control by Major Shareholders

After the IPO, PMB and the Koon Brothers will collectively own 37.21% of the Company's issued and paid-up share capital directly and indirectly. As a result, they will be able in the foreseeable future to effectively control the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law, covenants and/or by the relevant authorities.

vi) Common major shareholders with other listed company and conflict of interest

Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng and Koon Poh Tat are Executive Directors of PMBT and PMB. The Koon brothers save for Dato' Koon Poh Keong are also shareholders of PMBT. Their brothers, Koon Poh Kong and Koon Poh Tat are also major shareholders of PMBT by virtue of their major shareholdings in Weng Fatt Stainless Steel Sdn Bhd.

Koon Poh Ming is also a major shareholder of PMB and director of PMB.

A summary of the shareholdings and directorships held by the Koon Brothers are set out below:-

	Shareholding in PMBT after the Listing		Shareholding in PMB as at 15 September 2003		Directorship held as at 15 September 2003	
	Direct %	Indirect %	Direct %	Indirect %	In PMB	In PMBT
Koon Poh Ming	0.04	^10.37	5.43	-	Yes	Yes
Dato' Koon Poh Keong	-	-	3.57	-	Yes	Yes
Koon Poh Weng	-	^10.37	3.02	-	Yes	Yes
Koon Poh Tat	-	^10.37	2.29	-	Yes	Yes

Notes:-

^ Deemed interested by virtue of his major shareholdings, under Section 6A, in Weng Fatt Stainless Steel Sdn Bhd

After the completion of the Listing, PMB is also a major shareholder of PMBT with a shareholding of approximately 26.84% held directly.

3. THE RISK FACTORS (cont'd)

Pursuant to the Restructuring and Listing Scheme, PMB disposed of its entire direct shareholdings in EASB and PMBF to PMBT. In order to minimise any potential conflict of interest between PMB and PMBT in the future, PMB has subsequently rationalized its core business activities to concentrate on the upstream activities of manufacturing and trading of aluminium extrusion. By doing so, PMB also enhances its own value by participating in PMBT's growth as it supplies aluminium extrusion to PMBT Group

The Audit Committee of PMBT Group will monitor any related party transactions to ensure that any transactions between the PMBT Group and its related parties such as PMB are carried out on commercial terms which will not be detrimental to the PMBT Group and to report the positions of such related transactions, if any, in the Annual Report of PMBT.

The SC has, vide its letter dated 9 May 2003, granted the approval for a waiver from the SC for the major shareholders of PMB to provide their undertaking that they will not be involved in similar or competitive businesses which may result in conflicts of interest with the existing businesses of PMBT. The substantial shareholders of PMB include Kuan Shin @ Kuan Nyong Hin, Kwan Yun Hong @ Kuan Onn Hing, Kuan Pek Seng, Kwan Chin Hing and Doitbest Holdings Sdn Bhd (controlled by the Kuan's family) ("Parties"). These substantial shareholders of PMB are also substantial shareholders and directors in Chin Foh Berhad. Chin Foh Berhad has interests in similar or competitive businesses as PMBT, i.e. the planning, designing, fabrication supply and installation of curtain wall and cladding through its subsidiary company, Lucksoon Contract Sdn Bhd.

The Directors of PMBT are of the opinion that no conflict of interest situation would arise due to the followings:-

- (i) The Parties have no management control at all in PMBT. PMBT is controlled by its own board of directors and furthermore its key management staff as set out in this prospectus does not include any of the Parties. As such the Parties do not influence the decision of PMBT's management; and
- (ii) The Parties are not major shareholders of PMBT, but major shareholders of PMB.

vii) Relationship with Major Supplier

The main raw material used in PMBT's production is aluminium extrusions. As there are only a few major players in the aluminium extrusion industry in Malaysia, PMBT sources substantially from its substantial shareholder, PMB for quality aluminium extrusion. The trades are carried out on an arms-length transaction. As at 30 June 2003, at least 50% of the raw materials comprising aluminium extrusion used in the local fabrication of curtain wall and cladding systems and manufacturing of aluminium ladders are supplied by PMB.

As PMB is a major shareholder of the PMBT Group, the risk arising from dependency of its major supplier is therefore reduced. The PMBT Group does not perceive that its sourcing of supplies substantially from PMB will be a risk of dependency on a single supplier as suppliers are also available elsewhere.

viii) Foreign Exchange Rate Risk

The PMBT Group's revenues from sales of its products and services are derived from its local customers as well as from its export markets. Its design, fabrication and installation contracts for overseas works are mainly denominated in the said country's local currency, especially the Hong Kong dollar since there are various projects carried out in Hong Kong. However, the risk of fluctuations foreign exchange is contained as there is a natural hedge against foreign exchange fluctuations as it also receives income denominated in the local currency.

As for the sale of aluminium ladders, the exports made are mainly denominated in US dollars and British pounds whereas the raw materials are mainly purchased from local traders.

3. THE RISK FACTORS (cont'd)

The PMBT Group's exports of aluminium ladders are therefore exposed to foreign exchange transaction risks arising from the fluctuation in the exchange rates of the abovementioned currencies. However, it should be noted that most raw materials for the ladders are purchased locally. Moreover, the Group minimizes its foreign exchange rate risk by way of hedging when they purchase raw material from overseas. However, the risk of fluctuations is reduced because the Ringgit is currently pegged against the US dollar. Nonetheless, no assurance can be given that future foreign exchange fluctuation would not have any adverse impact the on PMBT Group if and when the Ringgit peg is removed.

ix) **Dependence on Key Management**

The management of PMBT Group currently lies with the Directors and some senior management, some of whom have been with the Group since the late 80s. Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng, Paul Tsui and Henry Mo Po Ping are some of the Directors cum promoters of PMBT and they have considerable experience of approximately 10 to 20 years in the aluminium industry and facade systems industry. The directors are supported by a team of experienced senior management with some of them having approximately 10 to 20 years of experience within the aluminium and/or facade industry. *Please refer to Section 5 of this Prospectus for a detailed summary of its management team's industry experience.*

As in any other businesses, the Board of Directors believes that the continuity of the Group's success will depend to a significant extent on the abilities and commitments of its key Directors and senior management. The loss of key members of the senior management may adversely affect PMBT's ability to compete in the industry. Therefore, every effort has been made to groom the junior members and experienced personnel to complement the senior members to ensure the continuity and the competency of the management team.

Furthermore, in order to mitigate the risk of the key management in Hong Kong, Singapore and Bangladesh, the Group has been monitoring all transactions, including the procurement of fabricated aluminium curtain wall, outsourcing of design and its financing status from Malaysia's office. The Malaysian management team has close ties with the suppliers and is able to source for cheap and quality raw material in Malaysia as well as in China. They also have the knowledge and network of outsourcing the design work for the curtain wall systems and for the resolution of other technical issues with regards to the construction/installation of the curtain wall.

x) **Continuity of Skilled Labours and Technical Expertise**

The future success of the Group will also be dependent on its skilled labour and technical expertise. The Group will strive to continue attracting and retaining its skilled labour and technical expertise to support its business operations especially for its facade business. The Group provides on the job-training to its skilled labour to keep up staff motivation and spends on research and development to increase their technical expertise.

Apart from the in-house technical experts, the PMBT Group also has a group of professional consultants under their panel. Through these professional consultants, the PMBT Group is able to obtain specialised knowledge on the work done by the professionals for the future development of the Group.

xi) **Political, Economic and Regulatory Consideration**

Adverse developments in political, economic and regulatory conditions in Malaysia and the other countries where the Group may operate, source its supplies or market its products could materially and adversely affect the financial and business prospects of the Group. Political and economic uncertainties include (but are not limited to) risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation and currency exchange controls.

Whilst PMBT will continue to take effective measures such as financial management and efficient operating procedures, there is no assurance that the adverse political, economic and regulatory conditions will not materially affect the Company.

3. THE RISK FACTORS (cont'd)

xii) Duration and Termination of Contracts

The PMBT Group does not have any long-term contracts with its customers or suppliers. The average period of its current contracts in-hand are two(2) years and some of these contracts are overseas such as in Hong Kong. However, this is a normal duration for contracts in such business activities. As part of their business operations, the PMBT Group has continued bidding for new projects. As at 15 September 2003, the Company has bid for thirteen(13) projects with a total contract revenue of RM213.5 million.

Further, in view of the current economic situation both globally and locally, PMBT may face the risk of its secured contracts being terminated or being unable to collect all or part of the contract sums. The Directors have mitigate the risk by only dealing with highly reputable developers such as, the Hang Lung and Henderson Group, which are amongst the most reputable developers in Hong Kong and other blue chip companies such as Sun Hung Kai and Hutchinson Whampoa. In relation to local projects, the Group also deals with well-established companies such as IJM group, Road Builders group and Putra Perdana Sdn Bhd.

The manufacturing of aluminium ladders and the distribution of building materials do not face such risks as their revenues are not contract based.

xiii) Delay in Completion of Projects for Facade System

The completion of the contracted projects may be faced with unanticipated delays. Any delays caused by the PMBT Group will result in liquidated damages being incurred. In order to minimize this risk, the experience project management team promptly report the contractual implication with the assistance of the professional quantity surveyor. In the past years, the Group has had no unjustifiable delays in its projects and no penalties or liquidated damages have been claimed or are chargeable by the developers.

Barring any unforeseen circumstances, the Directors do not anticipate any delays in its current projects.

xiv) Systems and Materials Warranty

The PMBT Group provides systems warranty of approximately two(2) years for potential defects in design, fabrication and installation works of each and every façade system project it undertakes. It also gives materials warranty for an average period of ten(10) years. These warranties given are in the ordinary course of business of the Group. As the warranty covers a substantial period, the PMBT Group is exposed to the risk of product defects and materials failure.

In view of the importance of the structure of the building and usage of quality materials, the PMBT Group has taken the following steps to mitigate any structural defects and material failure:-

- (a) Ensured that only quality raw materials are used and obtained back-to-back guarantees from its suppliers in respect of the raw materials purchased;
- (b) The design of the curtain wall are carried out by a group of experienced and technically sound engineers;
- (c) Testing on the structure of the curtain wall design are carried out by an independent tester at the request of clients; and
- (d) All its curtain wall and cladding system designs are certified by independent engineers.

The PMBT Group also offers damages to be paid for any personal injuries caused by its aluminium ladders. The guarantee offers up to a limit of RM1 million if the consumers suffer any injuries as a result of the quality of its aluminium ladders. In this connection, the Company has taken up insurance coverage to mitigate the risk.

3. THE RISK FACTORS (cont'd)

xv) **Achievability of Forecasts**

The Prospectus contains certain forecasts for the Group that are based on assumptions that are subject to uncertainties and contingencies. The Directors have considered the assumptions used in the preparation of the forecasts to be reasonable. Because of the subjective judgements and inherent uncertainties of forecasts and because events and circumstances frequently do not occur as expected, there can be no assurance that the forecasts contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the description of the assumptions and uncertainties underlying the forecasts that is contained herein.

xvi) **Capital Market Risks**

The performance of our local bourse is very much dependent on external factors such as the performance of the regional and world bourses and the flows of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on KLSE, thus adding risk to the market price of the listed shares of PMBT. It should be noted that the profitability of PMBT is not dependent on the performance of the KLSE as the business activities of PMBT have no direct correlation with the performance of the KLSE.

xvii) **Covenant on Borrowings**

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

Although the PMBT Group seeks to limit the above risks, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's businesses. Save as disclosed in the preceding paragraphs and to the best knowledge of the Directors, the PMBT Group is not vulnerable to any other major specific risk factors or events.

xviii) **Building Plans and Certificate of Fitness**

PMBT Group operates from premises/buildings erected on Lot 1797, Lot 1798 and Lot 1853, Jalan Balakong, Bukit Belimbing, 43300 Seri Kembangan, Selangor Darul Ehsan. Applications have been made for the approval of the building plans and the Certificate of Fitness for these premises/buildings. However, as at todate the building plans have not been approved whilst the Certificate of Fitness has not been obtained as the infrastructure for the vicinity has just been completed in 2003.

The SC has vide its letter dated 23 September 2003, approved PMBT's application to waive the condition that PMBT is to provide a written confirmation that the PMBT Group is operating in premises/buildings, whereby the building plans have been approved and the Certificates of Fitness have been legally issued prior to the issue of this prospectus subject to the condition, amongst others, that PMBT is to obtain the Certificate of Fitness and the approval for the building plans within one(1) year from the issuance of this Prospectus. In the event that the building plans are not approved and the Certificate of Fitness is not obtained within the said period, PMBT may be required to be relocated. Nonetheless, the architect had submitted the building plans and the application for the Certificate of Fitness to the relevant authorities for approval and the directors of PMBT are of the view that the building plans and Certificate of Fitness will be approved and issued with the completion of the infrastructure at the vicinity of the premises/buildings.