

4. INFORMATION ON THE PMBT GROUP (cont'd)

- Established Track Record

The PMBT Group has established itself as a specialist in the designing, fabrication and installation of architectural exterior façade and has a proven track record of successfully completed more than fifteen(15) buildings in the Asia Pacific Region since it commenced its operation in 1996. Its track record had led its well established customers in Hong Kong, namely the Hang Lung Development Ltd and Henderson Real Estate Ltd to award PMBT Group with new contracts.

- Quality Products and Services

The PMBT Group is committed to ensure that its products are of high standard and quality. It adopted two(2) quality assurance tests. One on its design, fabricating and installation of curtain wall and the other on its manufacturing of aluminium ladders.

Apart from ensuring the quality of its products, the PMBT Group also strives to provide quality service to its customer. It also continues to develop and improve the skills of its employees. The PMBT Group is in the process of obtaining its ISO 9001 accreditation for its subsidiary, PMBF whereas, EASB has obtained the ISO 9001 accreditation in 2003.

- Experienced Management

The PMBT Group is headed by Koon Poh Ming, Dato' Koon Poh Keong Koon Poh Weng and Koon Poh Tat, who have more than 18 years of experience in the manufacturing of aluminium ladders and designing, fabrication and installation of curtain wall. They are assisted by two(2) management teams at EASB Group and PMBF Group. One specializes in the design, fabrication and installation of curtain wall and the other in the manufacturing of aluminium ladders as well as distribution of building materials. The Directors believe that the experience and knowledge of its management team is one of the contributing factors to their success.

- Marketing Plan and Strategies

With well planned marketing strategies, the PMBT Group has managed to overcome the economic downturn. The directors believe that the PMBT Group will continue to benefit from its following marketing plan and strategies:-

- (a) Guarantee and warranties given to customers for their products

The PMBT is confident that their products are manufactured at the best quality. It offers damages to be paid for any injuries caused by their products. For the aluminium ladders, the PMBT group offers guarantee of up to a limit of RM1 million if the consumers suffer any injuries as a result of the quality of its aluminium ladders.

For the designing, fabrication and installation of curtain wall, the PMBT Group provides system warranty for two(2) years whilst its material warranty is for a period of ten(10) years.

- (b) Trade-in Program

In marketing its aluminium ladders, the Company has included in its strategy a trade-in program. In the said strategy, the Company buys back its old ladders at 25.0% of the original cost of the old ladders when a consumer purchases a new "Everlas" (previously known as "Everlast") ladder. The trade-in program is available through its distributors nationwide.

4. INFORMATION ON THE PMBT GROUP (cont'd)

(c) Attractive Packaging

The Company is aware of the power of attractive packaging in the selling process and believes that it is the only ladder manufacturer in Malaysia that has invested in shrink-film packing with colourful header-cards. With this attractive packing material, product by the company stands out when displayed in the market place.

(d) A one stop center for construction materials

As the nature of the interior construction segment requires the business to be at the place where the activity is, the Company has established a network of subsidiaries to tap into the interior construction activities of the other major cities and townships. The PMBT Group is now able to achieve wider distribution coverage by being presented in Sungai Besi in Kuala Lumpur, Sungai Petani, Kuantan and Johor Bahru.

(e) Re-engineering of ladders into "knock-down" model

Ladder in its complete form is very bulky. Therefore, transportation cost represents a significant portion of the eventual export price. To continue to promote the export sales, the PMBT Group has re-engineered its product into "knock-down" format for final assembly at the destination market. By supplying in the knock-down format brings down significantly the shipping cost content in the delivered price and increase the volume per shipping container by approximately 7 times. This gives the PMBT Group an upper hand in the export market.

(f) Development of new compact model

As a further step to bring down transport cost content in the export market, the PMBT Group also emphasizes its development effort in the introduction of compact model. It is now introducing a new model of platform ladder that can fold to a mere 40mm. With compact model like this, the loading capacity per container is increased by about 3 times if compared to traditional design.

(g) Outsource contracts

Having achieved the ISO 9001 certification, EASB has established a quality manufacturing system and has been able to offer a unique solution to the ladder manufacturer in high labour cost economy by accepting outsourcing contract from them. The PMBT Group has started to supply the loft ladders to Lyte Ladders Industries of UK in the fully fabricated format for final assembly at the factory in Wales. The PMBT Group is now negotiating to supply additional models and believes that the growth potential in this segment is very significant as the concept can be replicated in other high labour cost economies.

(h) Establishing its operation in Hong Kong

The PMBT Group established its operations in the design, fabrication and installation of façade systems in Hong Kong with the objective of penetrating into the China market. With the proven track record amongst the reputable developers in Hong Kong, PMBT has been invited to tender for new development projects in China undertaken by these property developers.

4. INFORMATION ON THE PMBT GROUP (cont'd)

- Consistency in supply of raw materials

As mentioned above, the raw material of the PMBT Group comprised mainly aluminium extrusion, which can be easily obtained from PMB, its holding company. Further, PMBT Group has close relationship with other suppliers and would be able to obtain the most competitive price for their raw materials, thus limiting their overhead costs.

- R&D

As mentioned above, the PMBT Group has developed numerous models of ladders over the years. It has also managed to develop ladders, which qualities are in line with the British standards BS 2037:1994.

In addition, its R&D Department also managed to develop a new fabrication method using hydraulic assembly for the extension ladders. It has filed a patent application on this new fabrication method to the Intellectual Property Division, Ministry of Domestic Trade and Consumer Affairs in 1999 and is pending approval. The hydraulic process has halved the production time and thus increased the productivity.

- Product name

The business of PMBT Group has been in existence for approximately more than 16 years. Its product name "Everlas" (previously known as "Everlast") is a well recognised household and industrial name in Malaysia for its quality as EASB achieved ISO 9001 for their manufacturing of aluminium ladders. The ladders produced by the Company also achieved certification by SIRIM to be in compliance with the British Standard. The aluminium ladders are available at many hardware retail outlets and hypermarkets throughout Malaysia.

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4. INFORMATION ON THE PMBT GROUP (cont'd)

4.5 Subsidiary Companies

PMBF

(i) History and Business Overview

PMBF was incorporated as a private limited company under the Act in Malaysia on 5 March 1994 as Classic Skyline Sdn Bhd and changed its name to Oliver-Davey Gypsum Glass Sdn Bhd on 6 June 1994. It assumed its present name with effect from 7 January 1997. PMBF is principally involved in the designing, fabricating and installing of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products. PMBF has five(5) subsidiary companies. A list of PMBF's subsidiary companies are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital	Equity Interest (%)	Principal Activities
PMBF(H.K.)	17.05.99 Hong Kong	HKD10,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other products
PMBC	11.02.00 Hong Kong	HKD13,000,000	100.00	Design, fabrication and installation of aluminium curtain wall, cladding system and other products
PMBF(S)	20.07.00 Singapore	SGD25,000	70.00	Supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services
KAI-PMBF	18.10.00 Bangladesh	Taka5,000,000	51.00	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings
<i>Subsidiary Company held indirectly through PMBC</i> UIL	09.06.99 Hong Kong	HKD100.00	80.00	Contracting for architectural products

As at 15 September 2003, PMBF has 65 employees whilst PMBF Group has 88 employees.

(ii) Share Capital

The present authorised share capital of PMBF is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which RM692,126 comprising 692,126 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
05.03.1994	2	1.00	Subscribers' shares	2
31.10.1994	99,998	1.00	Cash	100,000
29.12.1994	200,000	1.00	Cash	300,000
22.12.1995	200,000	1.00	Cash	500,000
15.09.2003	192,126	1.00	Acquisition of 3,900,000 ordinary shares of HKD1.00 each in PMBC	692,126

(iii) Profit and Dividend

Please refer to Section 9 for details of PMBF's profit and dividend track record.

4. INFORMATION ON THE PMBT GROUP (cont'd)

PMBF(H.K.)

(i) History and Business Overview

PMBF(H.K.) was incorporated as a private limited company in Hong Kong on 17 May 1999 under the Companies Ordinance, Chapter 32 of the laws of Hong Kong. PMBF is principally involved in the designing, fabricating and installing of aluminium curtain wall, cladding systems and other products. PMBF(H.K.) does not have any subsidiary or associated company.

As at 15 September 2003, PMBF(H.K.) has 3 employees.

(ii) Share Capital

The present authorised share capital of PMBF(H.K.) is HKD10,000 comprising 10,000 shares of HKD1 each, of which all the shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of PMBF(H.K.) since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (HKD)	Consideration	Total (HKD)
17.05.1999	2	1.00	Subscribers' shares	2
17.05.1999	9,998	1.00	Cash	10,000

(iii) Profit and Dividend

Please refer to Section 9 for details of PMBF(HK)'s profit and dividend track record.

PMBC

(i) History and Business Overview

PMBC was incorporated as a private limited company in Hong Kong on 11 February 2000 under the Companies Ordinance, Chapter 32 of the laws of Hong Kong. PMBC is principally involved in the designing, fabricating and installing of aluminium curtain wall, cladding systems and other products. PMBC has a subsidiary, namely UIL in which it holds 80% equity interest. PMBC does not have any associated company.

As at 15 September 2003, PMBC has 15 employees.

(ii) Share Capital

The present authorised share capital of PMBC is HKD20,000,000 comprising 20,000,000 shares of HKD1 each, of which HKD13,000,000 comprising 13,000,000 shares of HKD1 each have been issued and fully paid-up.

4. INFORMATION ON THE PMBT GROUP (cont'd)

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

Date of allotment	No. of shares	Par value (HKD)	Consideration	Total (HKD)
11.02.2000	2	1.00	Subscribers' shares	2
08.03.2000	9,998	1.00	Cash	10,000
05.01.2001	990,000	1.00	Cash	1,000,000
12.03.2001	12,000,000	1.00	Cash	13,000,000

(iii) Profit and Dividend

Please refer to Section 9 for details of PMBC's profit and dividend track record.

PMBF(S)

(i) History and Business Overview

PMBF(S) was incorporated as a private limited company in Singapore on 20 July 2000 under the Companies Act (Chapter 50) of Singapore. It is principally involved in supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services. PMBF(S) does not have any subsidiary or associated company.

As at 15 September 2003, PMBF(S) has no employee under its employment.

(ii) Share Capital

The present authorised share capital of PMBF(S) is SGD100,000 comprising 100,000 shares of SGD1.00 each of which SGD25,000 comprising 25,000 shares of SGD1.00 each have been issued and fully paid-up.

The changes in the issued and paid-up share capital of PMBF(S) since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (SGD)	Consideration	Total (SGD)
20.07.2000	10	1.00	Subscribers' shares	10
05.09.2000	9,990	1.00	Cash	10,000
15.10.2000	15,000	1.00	Cash	25,000

The major shareholders of PMBF(S) (5% or more shareholding interest) as at 15 September 2003 are set out below:-

Name of major shareholders	As at 15 September 2003			
	Direct		Indirect	
	No. of ordinary shares of SGD1.00 each	% of issued capital	No. of ordinary shares of SGD1.00 each	% of issued capital
PMBF	17,500	70.00	-	-
Ng Swee How	7,500	30.00	-	-
PMB	-	-	*17,500	70.00

Notes:

* Deemed interested by virtue of its major shareholdings, under Section 6A of the Act, in PMBF

4. INFORMATION ON THE PMBT GROUP (cont'd)

(iii) Profit and Dividend

Please refer to Section 9 for details of PMBF(S)'s profit and dividend track record.

KAI-PMBF

(i) History and Business Overview

KAI-PMBF was incorporated as a private limited company in Bangladesh on 18 October 2000. It is principally involved in supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings. KAI-PMBF does not have any subsidiary or associated company.

As at 15 September 2003, KAI-PMBF has 2 employees.

(ii) Share Capital

The present authorised share capital of KAI-PMBF is Taka50,000,000 comprising 500,000 shares of Taka100 each of which Taka5,000,000 comprising 50,000 shares of Taka100 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (Taka)	Consideration	Total issued and paid-up share capital (Taka)
18.10.2000	50,000	100	Cash	5,000,000

The major shareholders of KAI-PMBF (5% or more shareholding interest) as at 15 September 2003 are set out below:-

Name of major shareholders	As at 15 September 2003			
	Direct		Indirect	
	No. of ordinary shares of Taka1.00 each	% of issued capital	No. of ordinary shares of Taka1.00 each	% of issued capital
PMBF	25,500	51.00	-	-
Kai Bangladesh Ltd	24,500	49.00	-	-
PMB	-	-	*25,500	51.00

Notes:

* Deemed interested by virtue of its major shareholdings, under Section 6A of the Act, in PMBF

(iii) Profit and Dividend

Please refer to Section 9 for details of KAI-PMBF's profit and dividend track record.

UIL

(i) History and Business Overview

UIL was incorporated as a private limited company on 9 June 1999 in Hong Kong under the Companies Ordinance, Chapter 32 of the laws of Hong Kong. It is principally involved in contracting for architectural products. UIL does not have any subsidiary or associated company.

As at 15 September 2003, UIL has 3 employees.

4. INFORMATION ON THE PMBT GROUP (cont'd)**(ii) Share Capital**

The present authorised share capital of UIL is HKD10,000 comprising 10,000 shares of HKD1.00 each of which HKD100 comprising 100 shares of HKD1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (HKD)	Consideration	Total issued and paid-up share capital (HKD)
09.06.1999	100	1.00	Subscribers' shares	100

The major shareholders of UIL (5% or more shareholding interest) as at 15 September 2003 are set out below:-

Name of major shareholders	As at 15 September 2003			
	Direct		Indirect	
	No. of ordinary shares of HKD1.00 each	% of issued capital	No. of ordinary shares of HKD1.00 each	% of issued capital
PMBC	80	80.00	-	-
Full Talent Enterprise Limited	20	20.00	-	-
PMBF	-	-	*80	80.00
PMB	-	-	*80	80.00

Notes:

[^] Deemed interested by virtue of its major shareholdings, under Section 6A of the Act, in PMBC

^{*} Deemed interested by virtue of its major shareholdings, under Section 6A of the Act, in PMBF

(iii) Profit and Dividend

Please refer to Section 9 for details of UIL's profit and dividend track record.

EASB**(i) History and Business Overview**

EASB was incorporated as a private limited company in Malaysia on 7 May 1988 under the Act. EASB is principally involved in the marketing, retailing and trading of aluminium related materials. EASB has six(6) subsidiary companies.

A list of EASB's subsidiary companies are as follow:-

Name	Date and Place of Incorporation	Issued & Paid-up Capital (RM)	Equity Interest (%)	Principal Activities
EEM	15.11.90 Malaysia	1,337,000	100.00	Dormant
PMB NORTHERN	27.03.98 Malaysia	102	100.00	Marketing of aluminium and other products
PMB CENTRAL	11.09.97 Malaysia	102	100.00	Marketing of gypsum board and other related products

4. INFORMATION ON THE PMBT GROUP (cont'd)

Name	Date and Place of Incorporation	Issued & Paid-up Capital (RM)	Equity Interest (%)	Principal Activities
EATSB	19.08.99 Malaysia	100,000	100.00	Manufacturing and marketing of aluminium and other products
PMB EASTERN	16.07.97 Malaysia	150,000	100.00	Marketing of all types aluminium sections, gypsum board and other related products
PMB SOUTHERN	13.06.00 Malaysia	100	100.00	Marketing of aluminium and other products

As at 15 September 2003, EASB has 38 employees while EASB Group has 163 employees.

(ii) Share Capital

The present authorised share capital of EASB is RM200,000 comprising 200,000 ordinary shares of RM1.00 each of which RM130,110 comprising 130,110 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
07.05.1988	110	1.00	Subscribers' shares	110
31.05.1988	80,000	1.00	Pursuant to the takeover of assets and liabilities of Everlast Aluminium Trading Co	80,110
28.05.1990	50,000	1.00	Cash	130,110

(iii) Profit and Dividend

Please refer to Section 9 for details of EASB's profit and dividend track record.

EATSB(i) History and Business Overview

EATSB was incorporated as a private limited company in Malaysia on 19 August 1999 under the Act. EATSB is principally involved in the manufacturing and marketing of aluminium and other products. EATSB does not have any subsidiary or associated company.

As at 15 September 2003, EATSB has 63 employees.

(ii) Share Capital

The present authorised share capital of EATSB is RM100,000 comprising 100,000 shares of RM1.00 each of which all the shares have been issued and fully paid-up.

4. INFORMATION ON THE PMBT GROUP (cont'd)

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
19.08.99	2	1.00	Subscribers' shares	2
23.07.02	99,998	1.00	Cash	100,000

(iii) Profit and Dividend

Please refer to Section 9 for details of EATSB's profit and dividend track record.

EEM

(i) History and Business Overview

EEM was incorporated as a private limited company in Malaysia on 15 November 1990 under the Act as Everlast Plating Sdn Bhd. It assumed its present name with effect from 30 May 1996. EEM is currently a dormant company. EEM does not have any subsidiary or associated company.

As at 15 September 2003, EEM has no employee.

(ii) Share Capital

The present authorised share capital of EEM is RM5,000,000 comprising 5,000,000 shares of RM1.00 each of which RM1,337,000 comprising 1,337,000 shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
15.11.1990	30,000	1.00	Subscribers' shares	30,000
10.05.1995	1,307,000	1.00	Cash	1,337,000

(iii) Profit and Dividend

Please refer to Section 9 for details of EEM's profit and dividend track record.

PMB CENTRAL

(i) History and Business Overview

PMB CENTRAL was incorporated as a private limited company in Malaysia on 11 September 1997 under the Act as Everlast Gypsum & Building Materials (M) Sdn Bhd. It assumed its present name with effect from 2 April 2003. PMB CENTRAL is principally involved in the marketing of gypsum board and other products. PMB CENTRAL does not have any subsidiary or associated company.

As at 15 September 2003, PMB CENTRAL has 37 employees.

4. INFORMATION ON THE PMBT GROUP (cont'd)**(ii) Share Capital**

The present authorised share capital of PMB CENTRAL is RM100,000 comprising 100,000 shares of RM1.00 each of which RM102 comprising 102 shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
11.09.1997	2	1.00	Subscribers' shares	2
29.05.1998	100	1.00	Cash	102

(iii) Profit and Dividend

Please refer to Section 9 for details of PMB CENTRAL's profit and dividend track record.

PMB NORTHERN**(i) History and Business Overview**

PMB NORTHERN was incorporated as a private limited company in Malaysia on 27 March 1998 under the Act as Everlast Aluminium (Sg. Petani) Sdn Bhd. It assumed its present name with effect from 2 April 2003. PMB NORTHERN is principally involved in the marketing of aluminium and other products. PMB NORTHERN does not have any subsidiary or associated company.

As at 15 September 2003, PMB NORTHERN has 9 employees.

(ii) Share Capital

The present authorised share capital of PMB NORTHERN is RM100,000 comprising 100,000 shares of RM1.00 each of which RM102 comprising 102 shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
27.03.1998	2	1.00	Subscribers' shares	2
29.05.1998	100	1.00	Cash	102

(iii) Profit and Dividend

Please refer to Section 9 for details of PMB NORTHERN's profit and dividend track record.

4. INFORMATION ON THE PMBT GROUP (cont'd)

PMB EASTERN

(i) History and Business Overview

PMB EASTERN was incorporated as a private limited company in Malaysia on 16 July 1997 under the Act as Kuantan Gypsum Board Sdn Bhd. It changed its name to Everlast Aluminium (Kuantan) Sdn Bhd on 17 January 2002 and assumed its present name with effect from 2 April 2003. PMB EASTERN is principally involved in the marketing of gypsum boards and other products. PMB EASTERN does not have any subsidiary or associated company.

As at 15 September 2003, PMB EASTERN has 10 employees.

(ii) Share Capital

The present authorised share capital of PMB EASTERN is RM500,000 comprising 500,000 shares of RM1.00 each of which RM150,000 comprising 150,000 shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
16.07.1997	2	1.00	Subscribers' shares	2
11.09.1997	149,998	1.00	Cash	150,000

(iii) Profit and Dividend

Please refer to Section 9 for details of PMB EASTERN's profit and dividend track record.

PMB SOUTHERN

(i) History and Business Overview

PMB SOUTHERN was incorporated as a private limited company in Malaysia on 13 June 2000 under the Act as Everlast Marketing Sdn Bhd. It assumed its present name with effect from 28 March 2003. PMB SOUTHERN is principally involved in the marketing of aluminium and other products. PMB SOUTHERN does not have any subsidiary or associated company.

As at 15 September 2003, PMB SOUTHERN has 6 employees.

(ii) Share Capital

The present authorised share capital of PMB SOUTHERN is RM100,000 comprising 100,000 shares of RM1.00 each of which RM100 comprising 100 shares of RM1.00 each have been issued and fully paid-up.

4. INFORMATION ON THE PMBT GROUP (cont'd)

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

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
13.06.2000	100	1.00	Cash	100

(iii) Profit and Dividend

Please refer to Section 9 for details of PMB SOUTHERN's profit and dividend track record.

4.6 Industry Overview

(i) Overview of Malaysia Economy

The Malaysian economy remains resilient to post a higher real gross domestic product (GDP) growth in the first half of 2003, despite the adverse external economic environment. While the outbreak of the Severe Acute Respiratory Syndrome (SARS) in the region had some transitory negative effects on tourism-related industries, it did not significantly impact the overall performance of the economy in the first half of the year. Consumer and business sentiments are expected to be further enhanced following the containment of SARS and better world economic outlook anticipated for the rest of the year. After expanding 4.5% in the first half and with prospects of sustained growth in the second half, the economy is set to achieve its targetted growth of 4.5% this year, higher than the 4.1% achieved in 2002.

In tandem with higher expansion in economic activities, national income is envisaged to increase by 7.1% to RM359,259 million with per capita income rising by 4.8% to RM14,343 (2002: 6.4%; RM13,683), leading to a better standard of living. Likewise, per capita purchasing power parity is estimated to increase by 6% to USD9,390 (2002: 6.3%; USD8,862).

The economic outlook for 2004 is envisaged to be favourable. Real GDP growth is expected to gain momentum and register a higher rate of 5.5%-6% in 2004. Growth is expected to emanate from higher exports on account of continuing improvement in world economic prospects while domestic demand will continue to be driven by pro-growth fiscal and monetary measures.

(Source : Economic Outlook 2003/4)

(ii) Overview of Global Economy

The world economic performance in the first half of 2003 took a dive on account of the war in Iraq and the outbreak of SARS. With the end of the Iraq war and containment of SARS, global economic performance in the second half of 2003 is expected to improve, supported by indications of an upturn in the major economies towards the end of the second quarter. The expected return of investor and consumer confidence, resulting from accommodative monetary policies and fiscal easing in major economies, will further boost demand. Global growth continues to be dependent on the US, whose growth is expected to be slightly lower than the previous year at 2.2% (2002: 2.4%). In the euro area, real GDP growth was maintained at 0.1% during the first quarter of 2003 (Q4 2002:0.1%).

The key to the recovery of world trade is contingent upon the recovery of the US economy. China and other Asian economies are also anticipated to continue to be significant contributors to growth in world trade. As world economic growth recovers, trade is also expected to pick up to 4.3% in 2003 (2002: 2.9%).

4. INFORMATION ON THE PMBT GROUP (cont'd)

Global economic growth for the second half of 2003 is projected to be gradual but firm. This is supported by the more positive economic data on Japan, the euro area and in particular, the US. On the regional front, with the containment of SARS and the positive impact following the implementation of various economic relief packages introduced by SARS-affected countries, regional growth is envisaged to further accelerate in 2004. China is expected to continue on its strong growth track to register 7.5% GDP growth in the coming year. With stronger export growth benefiting from pent-up demand pushing up consumption and the positive impact of stimulus packages introduced by many countries in the region, the pace is expected to gain momentum. The momentum from growth in the second half of this year is expected to be sustained into 2004, when world growth is expected to reach 4.1% (2003: 3.2%).

(Source : Economic Outlook 2003/4)

(iii) Overview of Hong Kong Economy

Looking ahead, external economic factors will continue to have a mixed effect on the overall economy of Hong Kong in 2003. The EU and US economies will still be affected by the unstable situation in the Middle East, whereas the Mainland's accelerated institutional reforms will support the continued growth of its economy.

(Source : The 2003-4 Budget Speech)

In the Hong Kong economy, the improvement after June is most visible in inbound tourism and the travel-related sectors, as visitor arrivals, being bolstered in particular by the swift return of Mainland visitors, are recovering fast from the earlier trough. Locally, consumer sentiment is also seen to be progressively improving, with strong promotion by the affected trades and relaunch by the Government helping to activate consumers' inclination to spend.

According to the preliminary figure on GDP released by the Census and Statistics Department, GDP fell only modestly in the second quarter of 2003, by 0.5% in real terms over a year earlier, though distinctly down from the solid growth of 4.5% in the first quarter (latter figure unchanged from the estimate put out earlier). On a seasonally adjusted quarter-to-quarter comparison, GDP fell more visibly, by 3.7% in real terms in the second quarter of 2003, following a 0.3% decline in the first quarter.

Overall, the forecast growth rate in real terms of GDP for 2003 is now put at 2%, half of a percentage point up from that of 1.5% in the May round. This is in recognition of the GDP outturn in the second quarter being not as low as earlier thought, and the current upturn proceeding at a generally robust pace.

There could be more upside potential if the growth momentum in exports of goods and offshore trade remains just as strong through the latter part of the year, and if inbound tourism surges even more.

(Source : Economic Situation in the Second Quarter of 2003 and updated GDP and Price Forecast for 2003 released on 29 August 2003)

Over the medium term period 2003 to 2007, we forecast a trend GDP growth rate of 3% per annum in real terms. There will be gradual easing of deflation. Over the same period, our forecast trend rate of overall price change in the economy is 0% per annum and the trend growth rate of nominal GDP is 3%.

(Source : The 2003-4 Budget Speech)

(iv) Overview of Sectoral Performance in Malaysia

On the supply side, growth is anticipated across the board, with higher growth in manufacturing, services, mining as well as construction. After expanding at 5.9% in the first half of 2003, the manufacturing sector is expected to record a growth of 6.5% for the year, given the better world economic outlook and continuing recovery in the electronics sector.

4. INFORMATION ON THE PMBT GROUP (cont'd)

The manufacturing sector remains the second largest contributor to GDP growth. Domestic-oriented industries recorded double-digit growth, spurred by higher consumption in food and beverages, and continuing demand for products of construction-related industries, particularly non-metallic minerals such as cement and concrete as well as higher growth of fabricated metal products in the second quarter of 2003. In line with the concerted effort towards a domestic-driven economy, construction-related industries, mainly cement, steel and concrete, rebounded to register 11.5% growth during the period against 0.8% recorded in 2002. In the first six months of 2003, export earnings of iron, steel and metal products increased sharply by 29.2% (January-June 2002: -0.2%) and remained the fourth largest contributor with export value of RM5,578 million. Meanwhile, exports of fabricated metals increased by 16% on account of higher exports of base metal products.

Underpinned by continued demand in selected segments of the property market and higher expected budgetary allocation for public infrastructure projects, value added in the construction sector is envisaged to grow by 2.5% in 2003. Construction of residential properties remains active despite slower demand for housing as the Iraq war and SARS affected consumer confidence during the first five months of 2003. Housing starts in the residential sector grew by 4.6% during the first half of 2003. Overall, the supply and demand of purpose-built office and shopping complexes largely remain stable since 2000. Total existing stock of purpose-built office space in the second quarter of 2003 was 13.2 million square meters (sq.m.), reflecting a marginal increase of 0.2% from the preceding quarter while the average occupancy rate rose to 79% in the second quarter (first quarter 2003: 78.3%). Similarly, the average occupancy rate of total shopping complexes rose from 78.2% in the first quarter to 78.6% in the second quarter, while the total existing space decreased by 0.2% to 6.33 million sq.m. during the same period. The supply and demand situation for shop units and industrial units is generally balanced. The demand for shop units and industrial units is expected to pick up as a result of higher growth in the business and manufacturing sector.

The construction sector will continue to be supported by the property sub-sector, driven by measures and incentives introduced under the Package to stimulate construction and sales of residential properties, in particular affordable houses. On-going public and privatized infrastructure projects as well as off-shore fabrication works in the oil and gas industry will further boost the growth of the sector. The construction sector is, therefore, projected to register a slightly stronger growth of 2.6%.

(Source : Economic Outlook 2003/4)

(v) Overview of Property Sector in Hong Kong

The sales market for residential property remained sluggish during most of the first half of 2003. After a relatively more active start early in the year, acquisition interest was curtailed further during mid-March to early June, amidst the impact from the spread of SARS in Hong Kong. Then, with the impact of SARS fading away since early June, there were signs of improvement in sentiment, lifting demand mostly in the primary market. Meanwhile, the luxurious end of the market turned slightly more active during the first half of this year. As to the rental market for residential property, performance likewise remained lacklustre in overall terms, given the still subdued user demand and increased supply of flats for lease.

On commercial property, both the sales and rental markets for office space remained weak in the first half of 2003, upon further consolidation and downsizing in the corporate sector amidst an uncertain business outlook, especially under the impact of SARS. The sales and rental markets for shopping space also remained bleak in the first half of 2003, especially during mid-March to early June when both inbound tourism and local consumption were hit by the spread of SARS in Hong Kong. On industrial property, the sales and rental markets remained stagnant in overall terms in the first half of 2003, on the back of a continued downtrend in local manufacturing activity.

4. INFORMATION ON THE PMBT GROUP (cont'd)

The forecast rate of change in real terms in expenditure on building and construction in 2003, at -7.1%, is also not much different from that of -7.4% in the earlier forecast. Private sector building activity is likely to remain on the fall in the near term, in view of subdued demand against an ample supply of new premises in the property market. Public sector building and construction activity is also likely to remain sluggish, with work on the priority railway projects tapering down and with public housing production shrinking even further.

(Source : Economic Situation in the Second Quarter of 2003 and updated GDP and Price Forecast for 2003 released on 29 August 2003)

4.7 Major Customers

The PMBT Group does not overly depend on any single customer. The top ten customers of the PMBT Group for the period ended 30 June 2003 are as follows:-

Name and Address of Company	Product	Length of Relationship (No. of years)	% of total sales (%)
AP World Ltd	Design, supply, fabrication and installation of aluminium curtain walls, window and cladding systems	4	15.33
AP Joy Ltd	Design, supply and installation of system Formworks	2	9.34
Henderson Real Estate Ltd	Design, supply, fabrication and installation of aluminium curtain wall, glass cladding wall, glass wall and etc	5	3.5
Grace Sign Ltd	Design, supply, fabrication and installation of aluminium curtain wall system and glass canopies	2	6.01
Cheer Master Investments Ltd	Design, supply, fabrication and installation of aluminium curtain wall system	1	2.78
Ireka Engineering & Construction Sdn Bhd	Design, supply, fabrication and installation of aluminium curtain wall system and cladding system	1	6.77
IJM Construction Sdn Bhd	Design, supply, fabrication and installation of aluminium curtain wall system, wall cladding and canopies	3	4.97
Lyte Industries (Wales) Limited	Ladders	3	4.03
Winstar Enterprise Sdn Bhd	Ladders	8	1.17
Ching Shing Trading Sdn Bhd	Ladders	11	1.03

4.8 Major Suppliers

PMBT Group has not committed to any long-term contract with its supplier. The top ten(10) major suppliers of the PMBT Group during the financial period ended 30 June 2003 are as follows:-

Name and Address of Company	Product/Raw Material Supplied	Length of Relationship (No. of years)	% of total purchase (%)
Press Metal Berhad	Aluminium Extrusions	13	25.0
Everpress Aluminium Industries Sdn Bhd	Aluminium Extrusions	8	15.0

4. INFORMATION ON THE PMBT GROUP (cont'd)

Name and Address of Company	Product/Raw Material Supplied	Length of Relationship (No. of years)	% of total purchase (%)
Architectural Metal Coating & Limited	Fabricated Aluminium Extrusion	6	8.0
Ajiya Safety Glass Sdn Bhd	Glass	8	8.0
Boral Plasterboard (M) Sdn Bhd	Gypsum Board, Gypsum Ceiling Boards	5	4.0
Armstrong World Industries (HK) Ltd	Mineral Fibre Boards	5	3.0
Wing Wo installation Co. Ltd	Aluminium Louvres & cladding	6	3.0
Sze Cheong Engineering Co. Ltd	Aluminium and steel Products	4	3.0
Wai Hang Kay Co. Ltd	Steel Products	3	2.0
Tyrone & Company	Glass	5	2.0

4.9 Prospects of the PMBT Group**i) Market Share**

The information on market share of the PMBT Group is not available as there are no publicly available industry-recognised statistics data on the sector in which the Group operates. However, the directors are of the view that PMBT Group is the largest aluminium ladders manufacturer in Malaysia and one of the largest specialists in the aluminium facade system industry in Malaysia and Hong Kong. With its proven track record, the directors of PMBT believe that the PMBT Group is well established in the aluminium ladders and facade system industry. Based on the directors' estimation, there are over RM200 million worth of contracts for curtain wall systems in the Malaysian market whereas in Hong Kong, the estimated market size for curtain wall systems is estimated to be more than RM1 billion during the year 2003.

ii) Joint Venture with Hong Kong Business Partners

The past contractual experience between the PMBT Group's directors and senior management with some of the more active business partners in Hong Kong is expected to reap benefits for the Groups as an increasing number of large scale construction projects in the region (particularly in the Chinese mainland) are led by Hong Kong investors due to the positive outlook of the China economy with high economic growth. Hong Kong's construction industry players, especially the professionals have an advantage over overseas competitors in securing work on many major construction projects in Asia. The Group's association and relationship with these players will assist in securing new contracts for the Group in Hong Kong and China region.

iii) Current and Potential Contracts

As at 15 September 2003, the PMBT Group is currently undertaking several projects worth approximately RM232.5 million. The contracted sum is projected to contribute significantly to the PMBT Group's earnings for the financial years ending 2003 and 2004.

In their efforts to further increase the growth of the Company, the directors of PMBT Group continuously identify new projects for tendering. As at 15 September 2003, the PMBT Group has tendered for thirteen(13) projects in Hong Kong, China and Malaysia, worth approximately RM213.45 million.

4. INFORMATION ON THE PMBT GROUP (cont'd)

iv) Quality Products

The PMBT Group has been known for the quality of its aluminium ladders produced. The Company achieved ISO 9001 for their manufacturing of aluminium ladders in 2003. In 1999, the ladders produced by the Company also received certification from SIRIM to be in compliance with the British Standard, BS 2037:1994.

The PMBT Group has also been known in Malaysia and Hong Kong for being able to provide sophisticated design concepts of curtain wall to its customers. Such capabilities were proven by the Group as currently, it is able to design, fabricate and install curtain walls which addresses energy efficiency by allowing sufficient natural light into the building, provides insulation against the changes in the weather and thus, reduces energy consumption. The Group is also able to produce well-designed curtain wall, which reduces the noise level to within acceptable limits. Such achievements have shown a good prospect for the PMBT Group to further flourish as the Group is at all times riding on the competitive edge in comparison to its competitors.

v) Established Product Name and Track Record

The prospect of the PMBT Group is further boosted by its long establishment in the aluminium extrusion, ladder and curtain wall industry. The business of PMBT Group has been in existence for approximately more than 16 years. Its product name "Everlas" is a well recognized household and industrial name in Malaysia for ladders. The aluminium ladders are available at most hardware retail outlets and hypermarket throughout Malaysia.

The PMBT Group has established itself as a specialist in the designing, fabrication and installation of architectural exterior façade and has a proven track record of successfully completed more than fifteen(15) buildings in the Asia Pacific Region since it commenced its operation in 1996. Its track record had led its well established customers in Hong Kong, namely the Hang Lung Development Ltd and Henderson Real Estate Ltd to award PMBT Group with new contracts.

vi) Competition within the Industry

The curtain wall and cladding industry is a specialized industry whereby it would require substantial financial backing and project management and engineering skills to be competitive. This provides PMBT Group an edge as it has a good track record of financial strength and being in the aluminium curtain walling industry for so many years, it has established a reputable name for the local market as well as in Hong Kong. In addition, the PMBT Group is led by its experienced and skilled project management team and engineers who are able to meet the sophisticated design required by the industry.

vii) Continuous supply of quality raw materials

Besides that, the PMBT Group does not face any problem on raw material shortage, which is obtained from its holding Company, PMB. Further to that, the PMBT Group has close relationship with other suppliers and would be able to obtain the most competitive price for their raw materials, thus limiting their overhead costs.

4. INFORMATION ON THE PMBT GROUP (cont'd)

viii) R&D

The Directors and senior management of the PMBT Group always stress on research and development of their products in order to maintain and further improve their market positioning. This is a crucial area of the business because the competitive advantage is gained through sophisticated and new designs being churned out consistently to meet the market demand in the future. The R&D Department has managed to develop a new fabrication method using hydraulic assembly for the extension ladders. It has filed a patent application on this new fabrication method to the Intellectual Property Division, Ministry of Domestic Trade and Consumer Affairs in 1999 and is pending approval. The hydraulic process has halved the productions time and thus increased the productivity. This would definitely give the Group the competitive advantage in the foreseeable future.

Further, the PMBT Group had also successfully achieved certification for its platform ladder to be in compliance to the British Standards BS 2037:1994. With the certification, the PMBT Group managed to secure orders and had started to supply ladders on "knock-down" basis to England. Efforts are currently being made to seek compliance with the Australian Standards as well as the American and European Standards so as to enable the PMBT group to further expand its export in aluminium ladders.

4.10 Future Plans

The PMBT Group will continue to focus on its present core activities involving the downstream aluminium products of designing, fabricating and installation of aluminium curtain walls and cladding system, manufacturing and trading of aluminium ladders and distribution and trading of interior construction materials and would adopt the following strategies for growth:-

(i) Expansion in new markets

The Group is always exploring opportunities to develop its business globally. It participates in both local and international trade shows to expose its large range of aluminium ladders product to the global market. The PMBT Group targets to secure more participants in its knock-down assembly ladders and out-sourcing projects from other countries such as India, Vietnam, Sri Lanka, United Kingdom, United States, Australia and China.

As for the designing, fabricating and installation of aluminium curtain wall and cladding systems businesses the Group sees an expansion opportunity in China due to its open market policy with the China government joining the World Trade Organization and hosting of the Olympic Game in year 2008.

Expectations on the influx of multinationals after an anticipated end to the global economic slowdown is likely to be seen in the next 3 to 5 years in China. Foreign and Hong Kong companies are moving on to open up offices in fast developing parts of China such as, Shenzhen and Guangzhou. This would give rise to demand for more office buildings to be constructed.

Moreover, the successful bid by China to host the 2008 Olympic Games in Beijing will further boost the construction industry in China. Construction and renovation of all 19 new Olympic venues will be open for bidding to the worldwide companies.

(Source : China Economic Information Network, P.R.China. [http:// ce.cei.gov.cn](http://ce.cei.gov.cn))

The PMBT Group has bid for various projects in China. With the directors' contacts and business alliances with the business community in Hong Kong as well as China, the directors believe that the Group's prospect to diversify into China market is quite high.

4. INFORMATION ON THE PMBT GROUP (cont'd)

(ii) Expansion in the local market

The PMBT Group continues to identify potential projects in Malaysia. As at 30 June 2003, the PMBT Group has tendered for eleven(11) new projects in Malaysia with a total contract sum of approximately RM126.07 million. The outcome of these tender has yet to be known.

The PMBT Group also continues to identify suitable locations in Malaysia to establish more outlets to tap into the market for interior building material activities. This is true in the involvement of the Group in bidding for projects in the Putrajaya and Cyberjaya.

(iii) R&D

The Group realizes the importance of technological advancement and development of its products in maintaining its competitive position. In the manufacturing of aluminium ladders, the PMBT Group plans to continue its effort to develop new model of ladders to meet the specification and compliance of the European Standards and American Standards. The R&D Department also targets to introduce several new models in each quarter of the year and new production of ladders away from being labour intensive in order to improve productivity.

Innovative approaches will be initiated through planning, design, development and marketing so that the quality of the PMBT product will be improved and be competitive. The subsidiary of PMBT, EASB had upgraded the ISO 9002 International Quality Standard for quality assurance in the fields of manufacturing, management and administration to ISO 9001, whereas PMBF is still in the process of obtaining the certification for upgrading to ISO 9001.

(iv) New Products

The PMBT Group has just started the manufacturing of expanded aluminium mesh suitable for use as grill for the door, window and rail in building. A trade name "Duralmesh" has been adopted and the PMBT Group will create a market for these products and hopes to see "Duralmesh" as the future window and door grills and gains from the volume of this product.

The PMBT Group has also started the manufacturing of mobile aluminium scaffolding towers. This is one of the recent products introduced into the market after months of research and testing by its in-house R&D Department.

The prospect for an improvement in the performance of the world economy has remained uncertain at this point of time. However, we had witnessed some improvement after the world economy had been severely hit by the US-led Iraq war in the Middle East and the SARS outbreak in the Asian region. The world economy is only expected to recover in the last quarter of 2003. Notwithstanding that, the Directors believes that with the experience from the economy downturn and the use of appropriate business strategies, the PMBT Group remains optimistic of achieving results for the future financial year.

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