

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Profession/ Occupation	Nationality
Khairil Anuar bin Abdullah (Non-Independent Non-Executive Chairman)	20 Jalan 22/44 46300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lee Wai Kuen (Chief Executive Officer / Executive Director)	63 Sunset Way #01-07 Freesia Woods Singapore 597088	Company Director	British
Chong Yew Peng (Executive Director)	3343 Cheras Street Jinjang Utara 52000 Kuala Lumpur	Company Director	Malaysian
Chia Cher Khiang (Non-Independent Non- Executive Director)	Block 525 Serangoon North Ave 4 # 08-74 Singapore 550525	Company Director	Singaporean
Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman (Independent Non- Executive Director)	34 Jalan Tualang Bukit Bandaraya 59100 Kuala Lumpur	Company Director	Malaysian
Shahril Anwar bin Mohd Yunos (Alternate Director to Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman)	38 SS 1/23 Kampung Tunku 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Datuk Ramli bin Ibrahim (Independent Non- Executive Director)	No.15 Jalan Balau Bukit Damansara 50490 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Ramli bin Ibrahim	Chairman of Committee	Independent Non-Executive Director
Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman	Member of Committee	Independent Non-Executive Director
Chong Yew Peng	Member of Committee	Executive Director

1. CORPORATE DIRECTORY

- COMPANY SECRETARIES** : Mah Li Chen (MAICSA 7022751)
33 Jalan BRP 4/6
Bukit Rahman Putra
Seksyen U20
40160 Shah Alam
Selangor Darul Ehsan
- Tan Ley Theng (MAICSA 7030358)
203 Jalan Sri Petaling 2
Bandar Baru Sri Petaling
57000 Kuala Lumpur
- REGISTERED OFFICE** : C15-1 Level 15 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No.: +603-2166 2000
- HEAD / MANAGEMENT OFFICE** : First Floor Rajawali Block
Cyberview Garden Villa and Office Complex
Persiaran Multimedia
63000 Cyberjaya
Selangor Darul Ehsan
Tel No: +603-8318 1108
Email: info_my@bluechipstech.com
Website: www.bluechipstech.com
- REGISTRAR** : Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 26 Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel No: 03-2721 2222
- PRINCIPAL BANKERS** : Oversea-Chinese Banking Corporation Limited
(Company No. 193200032W)
65 Chulia Street
OCBC Centre
Singapore 049513
Tel No.: +65 6363 3333
- DBS Bank Ltd
(Company No. 196800306E)
6 Shenton Way
#11-08 DBS Building Tower One
Singapore 068809
Tel No.: +65 6222 2200
- AUDITORS / REPORTING
ACCOUNTANTS / INDEPENDENT
VALUER** : Horwath (AF No. 1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No.: +603 2166 0000

1. CORPORATE DIRECTORY

- SOLICITORS ON MALAYSIAN LAW** : Lee Hishammuddin Allen & Gledhill
Level 16 Menara Asia Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Tel No.: +603 2161 2330
- ADVISER, SPONSOR,
UNDERWRITER AND PLACEMENT
AGENT** : Southern Investment Bank Berhad
(Company No. 169955-T)
16th Floor Wisma Genting
28, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No.: +603 2059 4188
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
(Company No. 258345-X)
27th Floor Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel No: +603 2693 2075
- TRUSTEE** : Mayban Trustees Berhad
(Company No. 5004-P)
34th Floor Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Tel No.: +603 2078 8363
- INDEPENDENT MARKET
RESEARCHER** : InfoCredit D&B (Malaysia) Sdn Bhd
(Company No. 527570-M)
Level 9-3A Menara Milenium
Jalan Damanela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel No.:+603 2718 1000
- SOLICITORS ON SINGAPORE LAW** : Colin Ng & Partners
50 Raffles Place
#29-00 Singapore Land Tower
Singapore 048623
Tel No.: +65 6323 8383
- SOLICITORS ON HONG KONG
LAW** : Chiu, Szeto & Cheng Solicitors
17/F. & 26/F., C.M.A. Building
No. 64 Connaught Road Central
Hong Kong
Tel No.: +85 2529 9191

1. CORPORATE DIRECTORY

**ADVISER IN RESPECT OF
FOREIGN INVESTMENTS AND
REPATRIATION OF PROFITS
UNDER SINGAPORE LAW** : First Trust Partnership
Certified Public Accountants
(formerly known as TKH & Company)
1 Raffles Place
#29-01 OUB Centre
Singapore 048616
Tel No.: (65) 6221 0338

**ADVISER IN RESPECT OF
FOREIGN INVESTMENTS AND
REPATRIATION OF PROFITS
UNDER HONG KONG LAW** : Horwath Tax Limited
2001 Central Plaza
18 Harbour Road
Wanchai Hong Kong
Tel No.: +852 2526 2191

LISTING SOUGHT : MESDAQ Market of Bursa Securities

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2. INFORMATION SUMMARY

THIS INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS BEFORE MAKING YOUR INVESTMENT DECISION.

2.1 History, Principal Activities and Group Structure

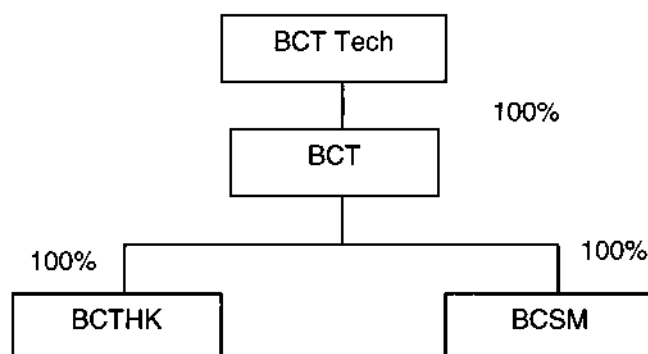
Our Holding Company was incorporated in Malaysia under the Act on 11 October 2004 as a private limited company. Our Holding Company was awarded its MSC status on 1 December 2004 and we were subsequently converted to a public company on 13 April 2005 to facilitate our listing on the MESDAQ Market.

We are a Fabless Chip product company. Our business model is such that we outsource the fabrication process to Foundries. As a Fabless Chip product group, we are able to focus our time, effort and resources to carry out research work, as well as design and develop innovative and advanced Chip products. This business strategy will enable us to maintain our competitive edge in terms of cost efficiency. It will also allow us to diversify away the business risk of having to maintain and operate an in-house fabrication manufacturing facility. Fabless business model are on the increasing trend due to the relatively high cost of investment to set-up an in-house fabrication manufacturing facility.

Our Holding Company is principally involved in investment holding, management, research, development and distributions of electronic and semiconductor products and solutions and has three (3) wholly-owned subsidiaries, namely BCT, BCSM and BCTHK.

BCT, our Singapore subsidiary, was incorporated in Singapore on 23 July 1994 and is principally involved in the design and supply of integrated circuits, the distribution of software solutions, provision of design related services and the licensing of intellectual property in integrated circuits related fields. BCSM, our Malaysia subsidiary, was incorporated in Malaysia on 27 September 2000 and its principal activities are in the distribution of software solutions and provision of related services. BCTHK, our Hong Kong subsidiary, was incorporated in Hong Kong on 8 November 2002 and is principally involved in the provision of product design, manufacturing of semiconductor integrated circuits and related services.

Our group structure is set out below:



2. INFORMATION SUMMARY

We commenced operations in 1994 with the formation of our Singapore subsidiary in Singapore. In the early years, we focused on providing integrated EDA tools to electronics product design companies in the ASEAN region. Electronic product design companies use these EDA tools for the design and development of Chip products and system products. Due to the complexity of Chips products, we recognised the need for more advanced EDA tools and the need for EDA tool providers to provide technical support to the electronic product design companies in solving their design problems using EDA tools. On this basis, we broadened our scope of services to include technical consultancy for our EDA customers.

We started diversifying our business in 1999 with the aim to become a global Chip product company as we recognised the limited local market size of EDA tools distribution and consultancy. We assembled a team of Analog circuit designers to offer Chip design services. Our strategy was to leverage on Chip design services to build our Chip product development infrastructure. Our focus then was on Analog circuit designs.

Within a span of two (2) years, we managed to secure major contracts from Agilent Technologies Singapore Pte Ltd (Agilent), a subsidiary of an established US semiconductor corporation for the advanced Chip design services. Agilent had contracted us as their outsource design partner to assist in designing Analog circuits. Subsequently, we were also responsible for the entire ASSP Chip design.

During the past 1½ years, we had successfully evolved from being an Analog Chip design service company to a Fabless Chip product company. We focused on Mixed-Signal and Analog ASICs (Application-Specific Integrated Circuits) and ASSPs (Application-Specific Standard Products). Our first three (3) ASICs and ASSPs were targeted at the high growth consumer electronics market. These products were developed under the following technology areas:

- (a) Power management technology, which led to the development of a fragrance/insect repellent dispenser platform specifically customised for our customer and DC/DC converters;
- (b) Solid State lighting technology, which led to the development of Bright LED Driver series i.e. LED Driver 100mA, 200mA and 1Watt; and
- (c) Display technology, which led to the development of LED display Driver for DVD players.

As part of our 5-year business plan to be a leading Fabless Chip product company focused on Mixed-Signal and Analog ASICs and ASSPs in the Asian region, we had restructured our set-up and housed our operating headquarters under our newly incorporated holding company, BCT Tech in Malaysia. Nonetheless, we will continue to leverage on our Singapore and Hong Kong business network and resources to help spearhead operations in Malaysia.

The setting-up of our company in Malaysia is to accelerate our expansion programme and help accomplish our product roadmap. Our Listing on the MESDAQ Market will help promote our presence in the Malaysian and regional markets and improve our marketability. The Listing will also enable us to tap into the capital market to fund our expansion plans.

Further information on our history and business is set out in Sections 5.1 and 5.5 of this Prospectus.

2. INFORMATION SUMMARY

2.2 Promoters, Substantial Shareholders and Directors

2.2.1 Particulars and Shareholdings of Promoters and Substantial Shareholders

Our Promoters and Substantial Shareholders' direct and indirect interests (with 5% or more shareholdings) after the Public Issue and Bonus Issue II are as follows:

Name	Designation/ Principal Activities	After Public Issue and Bonus Issue II ¹				Nationality/ Country of Incorporation
		Direct No. of Shares	%	Indirect No. of Shares	%	
Promoters and Substantial Shareholders						
Thomrose Holdings (BVI) Limited	Investment holding	25,772,714	21.13	-	-	British Virgin Islands
Lee Wai Kuen	CEO / Executive Director	20,443,550	16.76	-	-	British
Chong Yew Peng	Executive Director	17,267,782	14.16	-	-	Malaysian
Chia Cher Khiang	Non-Independent Non-Executive Director	7,399,432	6.07	-	-	Singaporean
Thomas Wan Wah Tong	Director of Thomrose Holdings (BVI) Limited	-	-	² 25,772,714	21.13	British

Notes:

- 1 Including Pink Form Allocation.
- 2 Thomas Wan Wah Tong is deemed interested in BCT Tech through his substantial shareholdings in Thomrose Holdings (BVI) Limited.

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2. INFORMATION SUMMARY

2.2.2 Particulars and Shareholdings of Directors

Our Directors' direct and indirect interests after the Public Issue and Bonus Issue II are as follows:

Name	Designation	After Public Issue and Bonus Issue II ¹				Nationality
		Direct		Indirect		
		No. of Shares	%	No. of Shares	%	
Khairil Anuar bin Abdullah	Non-Independent Non-Executive Chairman	1,980,108	1.62	-	-	Malaysian
Lee Wai Kuen	CEO / Executive Director	20,443,550	16.76	-	-	British
Chong Yew Peng	Executive Director	17,267,782	14.16	-	-	Malaysian
Chia Cher Khiang	Non-Independent Non-Executive Director	7,399,432	6.07	-	-	Singaporean
Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman	Independent Non-Executive Director	200,000	0.16	-	-	Malaysian
Shahril Anwar bin Mohd Yunos	Alternate Director to Tan Sri Datuk Dr. Haji Omar bin Abdul Rahman	-	-	-	-	Malaysian
Datuk Ramli bin Ibrahim	Independent Non-Executive Director	200,000	0.16	-	-	Malaysian

Note:

¹ Including Pink Form Allocation.

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2. INFORMATION SUMMARY

2.3 Historical Financial Information

You should read the summary of our audited proforma consolidated results for the financial period/years ended 31 December 2003 to 2005 together with the notes and assumptions extracted from the Reporting Accountants' Letter on Proforma Financial Information set out in Section 11.10 of this Prospectus.

This summary was prepared for illustrative purposes and based on the assumption that the current structure of our Group has been in existence throughout the financial years/period under review as set out below. The basis of preparation and commentary are set out in the notes to Section 11.1 of this Prospectus.

	Financial period/years ended 31 December		
	Proforma	Proforma	Audited
	2003	2004	2005
	RM'000	RM'000	RM'000
Revenue	3,289	10,377	20,324
Gross Profit (GP)	1,210	5,351	13,248
Earnings before interest, depreciation, tax and amortisation	(6,072)	1,794	6,532
Amortisation of development costs	(318)	(53)	(219)
Depreciation of equipment	(396)	(381)	(210)
Interest expense	(78)	(125)	(118)
Interest income	3	4	12
PBT/(LBT) ¹	(6,861)	1,239	5,997
Taxation	202	-	-
PAT/(LAT) but before extraordinary items	(6,659)	1,239	5,997
Extraordinary items	-	-	-
PAT/(LAT) after extraordinary items	(6,659)	1,239	5,997
MI	-	-	-
PAT/(LAT) ²	(6,659)	1,239	5,997
GP margin (%)	37	52	65
Net profit margin (%)	NA	12	30
Weighted average number of ordinary shares in issue of RM0.10 each [#] ('000)	8,756	14,865	48,780
EPS/(LPS) (sen):			
Gross*	(78.4)	8.3	12.3
Net*	(76.1)	8.3	12.3

Notes:

- * Gross EPS/(LPS) and net EPS/(LPS) were computed by dividing the PBT/(LBT) and PAT/(LAT) respectively by the weighted average number of ordinary shares in issue during the period. The gross EPS/(LPS) and net EPS/(LPS) computed were not annualised.
- # Assumed weighted number of ordinary shares in issue before the Proposed Public Issue and Proposed Bonus Issue II
- 1 There were no exceptional items during the financial years/period under review.
- 2 There were no share of profits and losses of associated corporations and joint venture
- 3 The proforma consolidated financial information was prepared on the basis that our Group has been in existence for the financial years presented.
- 4 The proforma consolidated income statements for the financial year presented have been prepared in accordance with the approved accounting standards in Malaysia as set out in Section 11.10 of this Prospectus.

2. INFORMATION SUMMARY

2.4 Proforma Consolidated Balance Sheets as at 31 December 2005

We have prepared our proforma consolidated balance sheets for illustrative purposes only to show the effects on our financial statements as at 31 December 2005 after taking into consideration the RCPS Conversion, Bonus Issue I, Public Issue, Bonus Issue II and ESOS II, as stated on the table below. We advise you to read the summary of our proforma consolidated balance sheets together with the accompanying notes and assumptions set out in Reporting Accountants' Letter on Proforma Financial Information set out in Section 11.10 of this Prospectus.

	As at 31 December 2005	Proforma I	Proforma II	Proforma III	Proforma IV
	RM	RM	RM	RM	RM
Non-current assets	3,941,563	3,941,563	3,941,563	3,941,563	3,941,563
Current assets	18,866,650	18,866,650	31,776,808	31,776,808	43,027,618
Current liabilities	9,458,959	9,458,959	9,458,959	9,458,959	9,458,959
Net current assets	9,407,691	9,407,691	22,317,849	22,317,849	33,568,659
	13,349,254	13,349,254	26,259,412	26,259,412	37,510,222
Financed by:					
Share capital	378,002	4,878,000	6,098,000	12,196,000	14,025,400
Redeemable Convertible Preference Shares	450,000	-	-	-	-
Share premium	4,050,000	2	11,690,160	5,592,160	15,013,570
Negative goodwill	2,531,177	2,531,177	2,531,177	2,531,177	2,531,177
Exchange fluctuation reserve	(86,891)	(86,891)	(86,891)	(86,891)	(86,891)
Retained profits	5,996,705	5,996,705	5,996,705	5,996,705	5,996,705
Shareholders' equity	13,318,993	13,318,993	26,229,151	26,229,151	37,479,961
Non-current liabilities					
Borrowings	30,261	30,261	30,261	30,261	30,261
	13,349,254	13,349,254	26,259,412	26,259,412	37,510,222
Number of ordinary shares in issue at RM0.10 each	3,780,020	48,780,000	60,980,000	121,960,000	140,254,000
NTA (RM)	9,073,612	9,523,612	22,433,770	22,433,770	33,684,580
NTA per ordinary share (RM)	2.40	0.20	0.37	0.18	0.24

2. INFORMATION SUMMARY

2.5 Audit Qualification in the Audited Financial Statements for the Past three (3) Financial/Period Years Ended 31 December 2003 to 2005

There were no audit qualification in the financial statements throughout the past three (3) financial period/years ended 31 December 2003 to 2005 under review for BCT, BCSM, and BCTHK. As BCT Tech was incorporated only on 11 October 2004, no audited financial statements had been prepared for BCT Tech for the financial year ended 31 December 2004. The financial statements of BCT Tech were reported upon without any audit qualification for the financial period ended 31 December 2005.

2.6 Summary of Risk Factors

An investment in our Public Issue Shares and Bonus Issue II Shares inevitably involves risks specifically related to our core business in the semiconductor industry. You should rely on your own evaluation and consider carefully the risk factors together with other information contained in this Prospectus that may affect us. This Prospectus contains forward-looking statements that involve risks and uncertainties. Some of the risk factors that should be considered include, but are not limited to the following:

2.6.1 Risks relating to our Group

- (i) Dependence on Directors and key personnel;
- (ii) Competition and new market entrants;
- (iii) Trademarks and technology know-how;
- (iv) Risk of losing major contracts/purchase orders;
- (v) MSC status;
- (vi) Delays in R&D;
- (vii) Outsourced facilities;
- (viii) Continuing demand for the Group's products and services;
- (ix) Adequacy of insurance coverage;
- (x) Investment activities;
- (xi) Product performance and product liability risk;
- (xii) Domestic and/or foreign borrowings; and
- (xiii) Uncertainty of 5-year business development plan.

2.6.2 Industry Specific Risks

- (i) Dependence on major customers;
- (ii) Dependence on major suppliers;
- (iii) Technological obsolescence; and
- (iv) Cyclical nature of semiconductor industry.

2. INFORMATION SUMMARY

2.6.3 Other Risks

- (i) Fluctuation in foreign exchange rates;
- (ii) Foreign operations;
- (iii) Marketability of our Shares;
- (iv) Underwriting risks;
- (v) Controlling shareholders and/or Promoters;
- (vi) Political, economic and regulatory considerations; and
- (vii) Disclosure regarding forward-looking statements.

Further information on the above risk factors is set out in Section 4 of this Prospectus.

2.7 Principal Statistics Relating to our Public Issue and Bonus Issue II

2.7.1 Share Capital

	RM
Authorised 250,000,000 Shares	<u>25,000,000</u>
Issued and fully paid-up 48,780,000 Shares	4,878,000
To be issued pursuant to the Public Issue 12,200,000 Shares	1,220,000
To be issued pursuant to the Bonus Issue II 60,980,000 Shares	6,098,000
Enlarged issued and paid-up share capital upon admission to the Official List 121,960,000 Shares	12,196,000
To be issued pursuant to ESOS II, assuming full exercise of ESOS II Options allocated 18,294,000 Shares	1,829,400
Enlarged issued and paid-up share capital upon full exercise of the ESOS II Options 140,254,000 Shares	<u>14,025,400</u>

Our Public Issue Price is payable in full upon application.

2. INFORMATION SUMMARY

We only have one (1) class of shares, being ordinary shares of RM0.10 each, the terms of which are as set out in our Articles of Association. The Public Issue Shares and Bonus Issue II Shares, upon allotment and issue, will rank *pari passu* in all respects with our existing issued and paid-up ordinary shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to our date of allotment of the Public Issue Shares and Bonus Issue II Shares.

Further information on our share capital is set out in Section 3.4 of this Prospectus.

2.7.2 Issue Price

Our issue price for each Public Issue Share	RM1.23
Our theoretical ex-bonus price for each Share after the Bonus Issue II	RM0.615

2.7.3 Market capitalisation upon admission to the Official List based on the theoretical ex-bonus price

Market capitalisation	RM75,005,400
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2.7.4 Proforma Consolidated NTA as at 31 December 2005

	NTA RM	NTA per share RM
After the Restructuring Scheme, Public Issue, use of proceeds from our Public Issue and Bonus Issue II	22,433,770	¹ 0.18
After the Restructuring Scheme, Public Issue, use of proceeds from our Public Issue, Bonus Issue II and ESOS II	33,776,050	² 0.24

Notes:

- 1 Calculated based on the enlarged number of 121,960,000 Shares after the Public Issue and Bonus Issue II
- 2 Calculated based on the enlarged number of 140,254,000 Shares after the Public Issue, Bonus Issue II and ESOS II

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2. INFORMATION SUMMARY

2.7.5 Consolidated profit forecast

The following table sets out a summary of the consolidated profit forecast of our Group for the financial year ending 31 December 2006 and should be read in conjunction with the accompanying notes included in the Reporting Accountants' Letter on the Consolidated Profit Forecast set out in Section 11.12 of this Prospectus.

Profit forecast for the financial year ending 31 December 2006	RM'000
Revenue	<u>50,605</u>
Consolidated PBT	10,770
Less: Taxation	<u>(350)</u>
Consolidated PAT	<u>10,420</u>
Net EPS (sen):	
- Based on enlarged issued and paid-up share capital ¹	8.54
- Based on weighted average number of shares ²	12.83
Net PE Multiple (times) ³	
- Based on enlarged issued and paid-up share capital ¹	7.20
- Based on weighted average number of shares ²	4.79

Notes:

- 1 Calculated based on the enlarged issued and paid-up share capital of 121,960,000 Shares after the Public Issue and Bonus Issue II
- 2 Calculated based on the weighted average number of shares in issue of 81,230,000 Shares, on the assumption that the Public Issue and Bonus Issue II will be completed by mid July 2006
- 3 Calculated based on the theoretical ex-bonus price of RM0.615 per Share.

2.8 Usage of Proceeds

The gross proceeds from our Public Issue of RM15,006,000 shall accrue to us entirely and is intended to be used within the following timeframe for the following purpose:

Purpose	Proceeds raised	Timeframe for usage of proceeds
	RM	
Development expenditure	4,500,000	Within 24 months from the date of listing
Marketing and business development	4,000,000	Within 24 months from the date of listing
Working capital	4,706,000	Within 12 months from the date of listing
Estimated listing expenses	<u>1,800,000</u>	Within 1 month from the date of listing
TOTAL	<u>15,006,000</u>	

Further information of our usage of the Public Issue proceeds is disclosed in Section 3.8 of this Prospectus.

3. DETAILS OF PUBLIC ISSUE

3.1 Introduction

This Prospectus is dated 26 June 2006.

We have registered a copy of this Prospectus with the SC. We have lodged a copy of this Prospectus, together with the application form with the ROC. Neither the SC nor the ROC takes responsibility for the contents.

We had on 27 February 2006 and 1 September 2005, obtained the approval from the SC for the Restructuring and Listing Scheme and the approval-in-principle from Bursa Securities for the admission to the Official List of the MESDAQ Market, permission to deal in and for the listing of and quotation for our entire enlarged issued and paid-up ordinary shares including the Public Issue and Bonus Issue II, which are the subject of this Prospectus.

Any allotment made in an application to subscribe for securities pursuant to this Prospectus shall be void if we do not apply for the permission in the form for the time being required by Bursa Securities before the third day on which Bursa Securities is open after the date of issue of this Prospectus or the permission is not granted before the expiration of six (6) weeks from the date of issue of this Prospectus or such longer period as may specified by SC, provided that we are notified by or on behalf of Bursa Securities within six (6) weeks or such longer period as may be specified by the SC.

In the event the permission has not been applied for or has not been granted by Bursa Securities as mentioned above, we shall forthwith repay without interest all monies received from you. If any such monies are not repaid within 14 days after we become liable to repay it, the provision of sub-section 52(2) of the Securities Commission Act 1993 shall apply accordingly.

Our Shares will be admitted to the Official List of the MESDAQ Market and quotation will commence upon receipt of confirmation from Bursa Depository that all CDS Accounts of the successful Applicants have been duly credited and notices of allotment have been despatched to all successful Applicants. The SC assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the MESDAQ Market is not to be taken as an indication of our merits or the merits of our securities.

The approval shall not be taken to indicate that the SC recommends the Public Issue and Bonus Issue II and you should rely on your own evaluation to assess the merits and risks of the Public Issue and Bonus Issue II.

Pursuant to the MMLR, we need to have at least 25% but not more than 49% of the total number of shares for which Listing is sought would be in the hands of public at the time of our admission to the MESDAQ Market and a minimum number of 200 public shareholders. We expect to achieve this at the point of Listing. However, if the above requirement is not met pursuant to our Public Issue and Bonus Issue II, we may not be allowed to proceed with the Listing. In this event, your monies paid will be returned to you without interest.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as a prescribed security. Consequently, our Public Issue Shares and Bonus Issue II Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the Central Depositories Act and Bursa Depository Rules. Under Bursa Securities' trading rules, effective from the date of listing, trading in all Bursa Securities listed securities can only be executed through an ADA who is also a Bursa Securities member.

3. DETAILS OF PUBLIC ISSUE

Only an Applicant who has a CDS account can make an Application by way of an Application Form. The Applicant shall furnish his/her CDS account number in the space provided in the Application Form and such Applicant shall be deemed to have authorised by Bursa Depository to disclose information pertaining to the CDS account to our Issuing House or us.

Where an Applicant does not presently have a CDS account, then such Applicant should open a CDS account at an ADA prior to making an application for our Shares. Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS account number may result in the Application being rejected. If a successful Applicant fails to state his/her CDS account number, we will instruct our Issuing House to reject the Application. In the case of an Application by way of Electronic Share Application, only an Applicant who is an individual and has a CDS account can make an Electronic Share Application, and the Applicant shall furnish his/her CDS account to the participating financial institution by way of keying his/her CDS account number if the instructions on the Electronic screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for our Shares by way of Electronic Share Application. We have not authorised any person to give any information or represent us in relation to our Public Issue and Bonus Issue II. Please bear in mind that this Prospectus shall not represent or imply that there have been no changes in our affairs since the issuance of this Prospectus.

The distribution of this Prospectus and the sale of the Public Issue Shares and the subsequent issue of Bonus Issue II Shares in certain other jurisdictions 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 or offer to subscribe for the Public Issue in any jurisdiction in which such invitation or offer is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation or offer.

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

3.2 Indicative Timetable

Events	Date/Day
Opening of Application for the Public Issue	26 June 2006 - Monday
Closing of Application of the Public Issue	3 July 2006 - Monday
Balloting date for the Public Issue	5 July 2006 - Wednesday
Allotment date of the Public Issue Shares and the Bonus Issue Shares II to successful Applicants	7 July 2006 - Friday
Listing date on the MESDAQ Market of Bursa Securities	13 July 2006 - Thursday

Note:

Application for our Public Issue will remain open from 10.00 a.m. on 26 June 2006 to 5.00 p.m. on 3 July 2006 or for such further period or periods as our Directors and/or Promoters in their absolute discretion may decide in consultation with the Underwriter. Should the closing date of the Application for our Public Issue be extended, the tentative dates for the balloting, despatch of Notices of Allotment and listing of our entire enlarged issued and paid-up share capital on the MESDAQ Market would be extended accordingly. We will not accept late Applications for our Public Issue.

3. DETAILS OF PUBLIC ISSUE

If our Directors and Underwriter decide to extend the closing date of the Application, appropriate press releases will be made to the local news agencies and will be advertised in a daily Bahasa Malaysia newspaper and a daily English newspaper prior to the original closing date of the Application.

This timetable is indicative and is subject to changes, which may be necessary to facilitate implementation procedures.

3.3 Purposes of the Public Issue and Bonus Issue II

3.3.1 Public Issue

The purposes of our Public Issue are as follows:

- (a) To raise funds for our continued operation and expansion (refer Section 3.8 below);
- (b) To obtain the listing of and quotation for our entire enlarged issued and paid-up share capital on the MESDAQ Market. This will enhance our reputation and result in greater recognition both domestically and internationally; and
- (c) To provide us with access to the capital market to raise funds for our future expansion and growth; and
- (d) To provide an opportunity to our Directors, employees and business associates and also the public investors to participate in the equity and continuing growth of our Group.

3.3.2 Bonus Issue II

The purposes of the Bonus Issue II are as follows:

- (a) To reward our shareholders for their loyalty and continuous support;
- (b) To increase our issued and paid-up share capital to reflect the growth and business expansion of our Group; and
- (c) To improve the trading liquidity of our Shares on Bursa Securities.

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3. DETAILS OF PUBLIC ISSUE

3.4 Share Capital

	RM
Authorised	
250,000,000 Shares	<u>25,000,000</u>
Issued and fully paid-up	
48,780,000 Shares	4,878,000
To be issued pursuant to the Public Issue	
12,200,000 Shares	1,220,000
To be issued pursuant to the Bonus Issue II	
60,980,000 Shares	6,098,000
Enlarged issued and paid-up share capital upon admission to the Official List	
121,960,000 Shares	<u>12,196,000</u>
To be issued pursuant to ESOS II, assuming full exercise of ESOS II Options allocated	
18,294,000 Shares	1,829,400
Enlarged issued and paid-up share capital upon full exercise of the ESOS II Options	
140,254,000 Shares	<u>14,025,400</u>

The Public Issue Price is payable in full upon application.

We only have one (1) class of shares, being ordinary shares of RM0.10 each, the terms of which are as set out in our Articles of Association. The Public Issue Shares and Bonus Issue II Shares, upon allotment and issue, will rank *pari passu* in all respects with our existing issued and paid-up ordinary shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to our date of allotment of the Public Issue Shares and Bonus Issue II Shares.

Save for the authorised nominee as defined under the Central Depositories Act, each member shall be entitled to attend and vote in person or may appoint up to three (3) proxies or attorneys or authorised representatives to attend and vote on his behalf provided that such member specify the proportion of his shareholding to be represented by each proxy or attorney or authorised representative. Our Articles of Association provide that proxy may but need not be a member and if the proxy is not a member, the proxy does not need to be an advocate, an approved company auditor or a person approved by the ROC.

3. DETAILS OF PUBLIC ISSUE

3.5 Details of the Public Issue and Bonus Issue II

3.5.1 Public Issue

Our Public Issue is subject to the terms and conditions of this Prospectus and, upon acceptance, we will allocate and allot our Public Issue Shares in the following manner:

(i) Placement

10,000,000 of our new Shares representing approximately 16.40% of our enlarged issued and paid-up share capital after our Public Issue (but assuming before Bonus Issue II and full exercise of ESOS II Options) will be made available for application under the Placement. The Placement Agent will allocate not more than 5% of our enlarged issued and paid-up share capital to each of the identified placees and that the identified placees shall fall under the "Public" definition under Part 1 of the amended MMLR in order to form part of the minimum 25% public shareholding spread required under the MMLR.

(ii) Public

1,000,000 of our new Shares representing approximately 1.64% of our enlarged issued and paid-up share capital after our Public Issue (but assuming before Bonus Issue II and full exercise of ESOS II Options) will be made available to the public.

(iii) Directors, Eligible Employees and Business Associates

1,200,000 of our new Shares representing approximately 1.97% of our enlarged issued and paid-up share capital after our Public Issue (but assuming before Bonus Issue II and full exercise of ESOS II Options) will be available for application by our Directors, eligible employees and business associates. As approved by our Board, the entitlement granted to each Director and employees is dependent on his/her seniority, position, length of service and contribution to our Group. Further, the entitlement granted to each business associate is dependent on its length of service and contribution to our Group.

As at the Latest Practicable Date, two (2) independent directors, eighteen (18) employees and eight (8) business associates are eligible to apply for the Pink Form Allocation.

A brief description on the allocation of our Shares to each category of directors, employees and business associates is as follows:

Category – Directors	Number of eligible person(s)	No. of Shares allocated
Tan Sri Datuk Dr Haji Omar bin Abdul Rahman	1	100,000
Datuk Ramli bin Ibrahim	1	100,000
Total	2	200,000

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Category – Employees	Number of eligible person(s)	No. of Shares allocated
Engineers	4	47,000
Technicians and Designers	4	55,000
Marketing and Sales	5	67,000
Administrative, IT and Finance	5	251,000
Total	18	420,000

Category – Business Associates	Number of eligible person(s)	No. of Shares allocated
Distributors	5	200,000
Business Partners	3	380,000
Total	8	580,000

Any Public Issue Shares not subscribed for under Section 3.5.1(iii) above will be made available for subscription by the public under Section 3.5.1(ii) above. Similarly, any Shares not subscribed for under Section 3.5.1(i) above will be made available for subscription by the public under Section 3.5.1(ii) above.

The Underwriter will underwrite our Public Issue Shares under Section 3.5.1(ii) and (iii) above based on the terms and conditions as specified in the Underwriting Agreement.

The basis of allocation is intended to distribute our Public Issue Shares to a reasonable number of Applicants with a view of broadening our shareholding base in order to meet the public spread requirements and to establish a liquid and adequate market for our Shares.

3.5.2 Bonus Issue II

As part of the Listing Scheme and an incentive to our shareholders subsequent to the Public Issue, we are implementing a bonus issue of 60,980,000 of our new Shares to be issued to all our shareholders on the basis of one (1) new Share for every one (1) existing Share held after the Public Issue which will be completed before the Listing.

The Bonus Issue II will be capitalised from the share premium account arising from our Public Issue. Our new Shares to be issued pursuant to the Bonus Issue II will rank *pari passu* with our existing Shares in all respects except that they will not be entitled to any dividends, rights, allotments and/or other distributions the entitlement date of which is prior to our allotment of the Bonus Issue II Shares.

3.6 Pricing of the Public Issue Shares

Prior to our Public Issue, there has been no public market for our Shares. Our Public Issue Price of RM1.23 per Share and theoretical ex-bonus issue price of RM0.615 was determined and agreed upon by us and SIBB as the Adviser and Underwriter based on various factors after taking into account the following:

- (i) Our proforma consolidated NTA per Share as at 31 December 2005 of RM0.18 based on our proforma consolidated NTA as at 31 December 2005 of approximately RM22.4 million and our enlarged issued and paid-up share capital upon Listing comprising 12,196,000 Shares as set out in Sections 2.7.1 and 2.7.4 of this Prospectus;

3. DETAILS OF PUBLIC ISSUE

- (ii) The forecast net PE Multiple of approximately 4.79 times based on our forecast net EPS of 12.83 sen for the financial year ending 31 December 2006 and our weighted average number of Shares assumed to be in issue of 81,230,000 as set out in Section 2.7.5 of this Prospectus;
- (iii) The general prevailing market condition which is currently consolidating amidst the uncertainties on rising global interest rates and inflationary pressures that had caused the recent lacklustre performance of the global equity markets;
- (iv) Our financial and operating history and conditions as outlined in Sections 5 and 11 of this Prospectus. Based on our net EPS for the financial period ended 31 December 2005 of 7.4 sen and our weighted average number of Shares assumed to be in issue of 81,230,000 Shares, the historical net PE Multiple is approximately 8.3 times; and
- (v) Our future prospects as outlined in Sections 6 and 7 of this Prospectus whereby the constant growth of global economy has ensured the expansion of the semiconductor market. Sales of worldwide electronic products sales are projected to increase 6% in 2006. (Source: IMR Report).

You should note that our Bonus Issue II will be implemented after our Public Issue but prior to our Listing on the MESDAQ Market. Based on our Public Issue/Placement Price of RM1.23 per Share, the theoretical ex-bonus price will be RM0.615 per Share.

Our market capitalisation upon Listing based on the theoretical ex-bonus price is RM75,005,400.

Further, you should note that the market price of our Shares upon Listing is subject to vagaries of market forces and other uncertainties, which may affect our share price being traded. You should form your own views on the valuation of our Public Issue Shares before deciding to invest in our Public Issue Shares.

3.7 Minimum Level of Subscription

There is no minimum level of subscription for our Public Issue.

3.8 Usage of Proceeds

The gross proceeds from our Public Issue of RM15,006,000 shall accrue entirely to us and are intended to be used within the following timeframe for the following purpose:

	Purpose	Proceeds raised RM	Timeframe for usage of proceeds
(i)	Development expenditure	4,500,000	Within 24 months from the date of listing
(ii)	Marketing and business development	4,000,000	Within 24 months from the date of listing
(iii)	Working capital	4,706,000	Within 12 months from the date of listing
(iv)	Estimated listing expenses	1,800,000	Within 1 month from the date of listing
	TOTAL	15,006,000	

3. DETAILS OF PUBLIC ISSUE

Notes:

(i) Development Expenditure

Out of our total listing proceeds, approximately RM4,500,000 will be earmarked for R&D activities. R&D activities will be focussed on our development of the following three (3) areas:

(a) Power management technology

(i) VRM Controller

We have a discrete prototype VRM Controller that is currently operating which meets the industry's specifications relating to microprocessors. The R&D activities to be undertaken are to achieve the following objectives:

Area of Focus	R&D activity	Objective
VRM Controller	Design circuit for the high voltage built-in MOSFET Driver. MOSFETs are useful for high-speed switching applications and also on Chips in computers	To develop high voltage MOS Driver

The EDA tools, equipment, new product prototypes and development expenses required for development of the VRM Controller are estimated to cost approximately RM2,400,000.

(ii) High Efficiency Power Supply

We are currently finalising our system design and building of a prototype for our High Efficiency Power Supply ZVS product.

The R&D activities to be undertaken are to achieve the following objectives:

Area of Focus	R&D activity	Objective
High Efficiency Power Supply	To develop architecture for ZVS	Develop circuit for ZVS which will not require any cooling fan thus, reducing the noise, size and form of the end product

The EDA tools, equipment, new product prototypes and development expenses required for the development of our High Efficiency Power Supply are estimated to cost approximately RM1,100,000.

(b) Solid State lighting technology

We currently have three (3) products in the Bright LED Driver family. They include:

- (i) Bright LED Driver 100mA;
- (ii) Bright LED Driver 200mA; and
- (iii) Bright LED Driver 1 Watt.

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The R&D activities to be undertaken are to achieve the following objectives:

Area of Focus	R&D activity	Objective
Bright LED Drivers	<ul style="list-style-type: none"> ▪ Develop a high current, high efficiency charge pump ▪ Develop a high voltage circuit for Solid State light 	<ul style="list-style-type: none"> ▪ To develop high efficiency and high current controller ▪ To develop architecture for the light bulb replacement

The EDA tools, equipment, new product prototypes and development expenses required for the development of our products are estimated to cost approximately RM1,000,000.

(ii) Marketing and business development

We intend to earmark approximately RM4,000,000 for our marketing and business development. The marketing activities include the following:

- (a) Maintain a team of system designers with broad Chip design knowledge and the relevant system design knowledge to promote and support our Chip products and advisory services.
- (b) Offer complete reference design solutions to suit customers' application and facilitate their ease of adoption through a Plug-and-Play solution which can be installed for immediate use.
- (c) Derive and suggest alternative applications to our customers for the same Chip to increase the overall volume of the Chip. This is to ensure the success of each product being launched.
- (d) Appoint more distributors to cover new regions which we presently do not cover, including Korea, Europe, US and Japan.
- (e) Collaborate with other Chip design houses such as PowerElab Ltd and Bonn Drafting Co. Ltd to penetrate and to gain market share for our products.
- (f) Conduct technical seminars in our targeted new regions to promote our new products.
- (g) Offer complete series of products from low to high-end applications.

Additionally, our sales strategy is to appoint a local component distributor, who has its own reference design to provide a reference solution to the end customers. The aim is to have this distributor design our Chips into the final products and subsequently offer the reference design solution to the end customer.

In addition, as part of our business development, we may use part of the proceeds to acquire businesses, products or technologies which are for the benefit of our Group if the opportunity arises in the future.

(iii) Working capital

We will use approximately RM4,706,000 for our day-to-day operational requirements as follows:

Details of utilisation	Amount (RM)
Inventory-raw material/assembly, packaging and testing cost	4,200,000
Payment of leasing expenses for software licensing	320,000
General and administration expenses	186,000
Total	4,706,000

3. DETAILS OF PUBLIC ISSUE

(iv) **Estimated listing expenses**

Our estimated listing expenses of RM1,800,000 consist of the following:

	RM'000
Professional fees	800
Authorities fees	62
Experts fees	120
Issuing house fee	80
Printing and advertising fees	200
Underwriting/Placement commission and brokerage fees	327
Miscellaneous/Contingencies	211
Total	1,800

3.9 Financial Impact from the Usage of Proceeds

The RM4,500,000 proceeds allocated for our development expenditure and RM4,000,000 proceeds allocated for our marketing and business development are expected to promote our expansion of product lines in the form of Chip design and product development.

The allocation of approximately RM4,706,000 for working capital from our proceeds raised is expected to strengthen our liquidity and cashflow position.

3.10 Brokerage, Underwriting Commission and Placement Fee

We will pay Brokerage in respect of our Public Issue Shares at the rate of 1.0% of the Public Issue Price in respect of successful Applications bearing the stamp of SIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or MIH.

Our Underwriter has conditionally agreed to underwrite our Public Issue Shares. We will pay the underwriting commission of 2.0% of the Public Issue Price to our Underwriter.

The Underwriting Agreement provides force majeure clauses to allow our Underwriter to withdraw from its underwriting commitment in the event of adverse circumstances. We have set out an extract of the salient terms and conditions of the Underwriting Agreement, stating the events that may affect the underwriting of our Public Issue Shares in Section 3.11 of this Prospectus.

We will pay a placement fee to our Placement Agent at the rate of 1.0% of the Placement Price.

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3. DETAILS OF PUBLIC ISSUE

3.11 Salient Terms of the Underwriting Agreement

We set out below an extract of the salient terms and conditions of the Underwriting Agreement, including force majeure clauses which may allow our Underwriter to withdraw from its underwriting commitment after the opening of Application for our Public Issue:

- In consideration of the underwriting commission, and relying upon each of the representations, warranties and undertakings by the Company, the Underwriter agrees to underwrite up to such number of the underwritten shares upon the terms and subject to the conditions of the Underwriting Agreement.
- The obligations of the Underwriter under the Underwriting Agreement are in all respects conditional upon:
 - (a) the approval-in-principle of Bursa Securities for the listing and quotation of the entire issued and paid-up share capital of the Company on the MESDAQ Market which is unconditional or subject to such conditions which are acceptable to the Underwriter;
 - (b) the registration of the Prospectus with the SC and lodgement of the Prospectus with the ROC before the date of issue of the Prospectus in accordance with the requirements of the Securities Commission Act 1993 and the Act, respectively;
 - (c) the issuance of the Prospectus (including advertisement of the Prospectus and all other procedures, requirements, letters and documents required under Chapter 2 of the MMLR for the MESDAQ Market) within two (2) months from the date of the Underwriting Agreement or such other period as may be agreed by the parties in writing;
 - (d) there having been, on or prior to the closing date, no adverse and material change or any development reasonably likely to involve a prospective adverse, material and sustained change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue;
 - (e) the issue, offering and subscription of BCT Tech Shares in accordance with the provisions of the Underwriting Agreement are not prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia, including the SC and Bursa Securities;
 - (f) all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect until the closing date;
 - (g) the delivery to and the receipt by the Underwriter, prior to the date of the registration of the Prospectus with the SC, of a copy certified as a true copy by an authorised officer of the Company, of all resolutions of the Board of Directors of the Company and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue, authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; and

3. DETAILS OF PUBLIC ISSUE

- (h) the delivery to the Underwriter on the closing date such reports and confirmations dated the closing date and signed by an authorised Director of the Company confirming that, to the best of the Company's knowledge and belief after having made all reasonable enquiries that the warranties and representations or undertakings as contained in the Underwriting Agreement remain valid and the Underwriter has been provided with all information in respect of its subsidiaries that affect the condition of the Company, its subsidiaries, financial or otherwise, or the earnings affairs or business prospects of the Company and its subsidiaries.
- The Company represents, warrants and undertakes that:
 - (a) the Board of Directors have made all reasonable enquiries to ensure all facts material for the Prospectus have been disclosed, and have verified the completeness and accuracy of all such information and to the best of their knowledge and belief, no material fact has been omitted therefrom;
 - (b) the Prospectus will be in a form and substance satisfactory and acceptable to and approved by the SC and will not contain any untrue statement or omit to state any material fact required or necessary to be stated therein so as to make the statements therein misleading;
 - (c) the Company will advertise the Prospectus in accordance with the requirements of the SC;
 - (d) the Company and the Prospectus will comply with all requirements and provisions of the Act, Securities Commission Act 1993 and the MMLR in respect of the Public Issue, unless exempted there from by the relevant authorities, and will comply with all conditions, if any, imposed by the relevant authorities;
 - (e) the implementation of the Public Issue do not and will not conflict with, or will not result in any default in, or breach of, any of the covenants, terms, conditions, or provisions of the Articles of Association of the Company or any trust deed or any agreement or other instrument or obligations to which the Company is a party or by which it is bound or any existing law, regulations or listing requirements applicable to or affecting the Company and its subsidiaries;
 - (f) the implementation of the Public Issue do not and will not infringe the terms of, or constitute a default under, any judgment, order, licence, permit, approval, consent, trust deed, agreement or other instrument or obligation to which the Company or its subsidiaries is a party or by which the Company or its subsidiaries or any part of the undertakings, assets, properties or revenues of the Company or its subsidiaries is bound or affected;
 - (g) the issuance of the Prospectus will not result in a default in or breach of any of the covenants, terms, conditions or provisions of the Memorandum and Articles of Association of the Company or any trust deed or material agreement or other instrument or obligations to which the Company is a party or by which it is bound or any existing law, regulations or listing requirements applicable to or affecting the Company and its subsidiaries;

3. DETAILS OF PUBLIC ISSUE

- (h) except as disclosed in the Prospectus, neither the Company nor any of its subsidiaries is a party to any litigation, arbitration or any other legal proceedings of a material nature pending, threatened or otherwise in Malaysia or elsewhere which is likely to materially and adversely affect the application for the underwritten shares and is aware of any evidence, information or facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company and its subsidiaries;
- (i) neither the Company nor any of its subsidiaries is in default or in breach of any agreement to which it is bound, or of the terms of any licence, permit, approval, directive, legislation or regulation of any relevant authority including Bursa Securities or SC applicable to or affecting it, the effect of which would materially and adversely affect the financial condition of the Company or any of its subsidiaries as a whole;
- (j) the Company and its subsidiaries will carry on and operate its business and affairs with due diligence and efficiency and in accordance with sound financial and commercial standards and practices;
- (k) neither the Company nor any of its subsidiaries have any contingent liabilities or capital commitments save as disclosed in the Prospectus or in the audited financial statements for the financial year ended 31 December 2004 or in writing by the Company to the Underwriter prior to the date of the Underwriting Agreement;
- (l) to the best knowledge of the Company, no circumstances or situations have arisen in connection with the financial condition or business of the Company or any of its subsidiaries which is or are likely to materially and adversely affect the success of the Public Issue or which renders any statement in the Prospectus inaccurate or untrue and that no material information has been withheld from the Underwriter which may in any way affect their decision to underwrite the underwritten shares;
- (m) the Company will promptly and without any delay whatsoever notify the Underwriter who must thereafter forthwith inform the Underwriter of any representations, warranties or agreements or of any facts, information, situations or circumstances affecting the financial condition or business of the Company or any of its subsidiaries which the Company believes may materially and adversely affect the success of the Public Issue and the Company will, at any time prior to the closing date, take such steps as may be reasonably requested by the Underwriter to remedy and publicise the same;
- (n) the Company will, at any time prior to the closing date, promptly give to the Underwriter any or all information which the Underwriter may reasonably require affecting the accounts or affairs of the Company or any of its subsidiaries in connection with the Public Issue or other proposals contained in the Prospectus and the documents (if any) attached thereto;
- (o) the Company will fix a date which will not exceed a period of three (3) months from the date of registration of the Prospectus with the SC, or such later date as may be agreed by the Company and the Underwriter, as the closing date;
- (p) the Company will give due notice to the Underwriter who will thereafter forthwith inform the Underwriter of the closing date;

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- (q) all consents, approvals, authorisations or other orders of all regulatory authorities required by the Company under the laws of Malaysia for or in connection with the execution of the Underwriting Agreement and the Public Issue:-
 - a. will (if not already obtained as at the date hereof) be obtained and be in force; or
 - b. if granted subject to conditions, such conditions will be fulfilled to the satisfaction of the Underwriter;
 - c. and all other actions will be taken by the Company to comply with all legal and other requirements necessary to ensure that the Public Issue will not infringe any existing laws or the terms of any such consent, approvals or authorisations; and
 - d. remain in full force and effect;
- (r) the execution and issue or delivery by the Company of the Underwriting Agreement and performance of the obligations to be assumed thereunder and in respect of the Public Issue have been duly authorised by the Company insofar as such authorisation is necessary, including but not limited to the approval of the shareholders of the Company in a general meeting (if and to the extent it is required) and so that upon due execution of the same will constitute valid and legally binding obligations of the Company;
- (s) the Prospectus has been approved in principle by the Board of Directors of the Company;
- (t) that the business of the Company and its subsidiaries has been carried on in the ordinary course and in accordance with the Memorandum and Articles of Association of the Company and its subsidiaries respectively;
- (u) the Company will apply and obtain the approval-in-principle of Bursa Securities for the admission of the Company to the Official List of Bursa Securities and for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the MESDAQ Market;
- (v) save as disclosed in the Prospectus or as has been disclosed to the Underwriter prior to the date of the Underwriting Agreement, neither the Company nor its subsidiaries has entered into any contract and/or commitment of an unusual or onerous nature, which, in the context of the Public Issue, might be material for disclosure;
- (w) all taxes (whether income tax, property tax or otherwise) of the Company, in particular but not limited to, all taxes which are material in the context of the Public Issue, for which the Company is liable or which ought to have been paid, have been duly paid or adequately provided for in the accounts; all the returns, notices or information which are required to be made or given by the Company for taxation, have been so made, are up to date, correct and on a proper basis, and are not subject to any dispute with any relevant or appropriate authorities and there are no present circumstances (of which the Company is or ought reasonably to be aware) which are likely to give rise to any such dispute;

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- (x) The Company will pay all and any stamp and other documentary taxes or duties, payable on, or in connection with, the creation, issue and distribution of the BCT Tech Shares and the execution of the Underwriting Agreement including any interest and penalties resulting from delay or omission on the part of the Company;
- (y) that all information supplied or to be supplied to the Underwriter and the Underwriter for the purpose of or in connection with the Prospectus is or will be true, complete and accurate in all respects and nothing has been furnished or supplied or omitted from such information which would or may make any of the information untrue, incomplete, inaccurate or misleading or which would or reasonably be expected to affect the willingness of the Underwriter to underwrite the underwritten shares;
- (z) every statement of, opinion, intention and expectation made in the Prospectus and the documents (if any) attached thereto are truly, fairly, reasonably and honestly held by the Board of Directors of the Company and have been or will be made after due and careful enquiries and consideration and represent or will represent reasonable expectations based on facts known to the Company as at the date of such disclosure, and to the extent it is based on assumptions those assumptions are reasonable;
- (aa) the accounts of the Company have been prepared in accordance with the law and on a basis consistently applied in accordance with accounting principles, standards and practices generally accepted in Malaysia so as to give a true and fair view of the financial results and state of affairs of the Company and its subsidiaries as a whole for the financial periods/years ended 31 December 2002 to 2004, and the Company and its subsidiaries have made adequate provisions for appropriate disclosures of all known material liabilities whether actual or contingent, of the Company and its subsidiaries as a whole as at such dates and have complied in all respects with the requirements of all relevant laws and accounting principles and practices then in force and generally accepted in Malaysia and since the latest accounts, there has been no material adverse change in the financial position of the Company or its subsidiaries taken as a whole, save as may be disclosed in the Prospectus and the documents (if any) attached thereto, or prior to the closing date, in any public announcement or publicly available document or as has been disclosed to the Underwriter prior to the date of the Underwriting Agreement;
- (bb) the records, statutory books and books of accounts of the Company and its subsidiaries are duly entered and maintained in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with therein and all such books and records and documents (including documents of title) are in their possession or under their control and all accounts, documents and returns required to be delivered or made to the Registrar of Companies or other relevant authorities have been duly and correctly delivered or made;
- (cc) all the assets of the Company and its subsidiaries which are of an insurable nature have at all material times been and are at the date hereof, adequately insured against fire and other risks normally insured against by companies carrying on similar businesses or owning property of a similar nature. In respect of such insurances, all premiums have been duly paid to date and all the policies are in force and not voidable on account of any act, omission or non-disclosure on the part of the insured party;

3. DETAILS OF PUBLIC ISSUE

- (dd) that the Company shall, not later than three (3) market days after the receipt of the application of the Underwriter at the Company's own cost and expense allot and issue the relevant number of BCT TechShares to the relevant Underwriter, despatch the notices of allotment to the relevant Underwriter and procure the Registrar to notify Bursa Depository of the names of the Underwriter together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the securities account of the respective Underwriter. Each Underwriter may request the Company to credit the underwritten shares into its CDS Account or the CDS Account(s) of its nominee(s) and, subject always to Clause 3.1 of the Underwriting Agreement, the Company's obligations herein are discharged as soon as the Company has duly complied with such requests; and
- (ee) there will be no material variation between the Prospectus in the form attached to the Underwriting Agreement and the Prospectus in the form registered by the SC without the prior written consent of the Underwriter.

- If at any time prior to the closing date the Underwriter have notice of:

- (a) any material breach of the undertakings or obligations in the Underwriting Agreement by the Company; or
- (b) any change rendering any of the warranties or representations inaccurate in a material respect,

the Underwriter will be entitled to terminate the Underwriting Agreement by notice to the Company.

- It will be an event of force majeure if in the reasonable opinion of the Underwriter:

- (a) the success of the Public Issue is seriously jeopardised by the coming into force of any laws or Governmental regulations or directives which seriously affect or will seriously affect the business of the Company and its subsidiaries;
- (b) there is a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates that would prejudice materially the success of the offering of the underwritten shares and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market); or
- (c) the success of the Public Issue is seriously jeopardised by the Kuala Lumpur Composite Index falling below 850 points and remaining below 850 points for three (3) consecutive market days at any time between the effective date of the Underwriting Agreement and the closing date.

- In the event of a force majeure, the Underwriter may, subject to prior consultation with the Company, at any time prior to the closing date:

- (a) terminate the Underwriting Agreement by notice to the Company; or
- (b) request that the closing date be extended to such reasonable date as the Underwriter may decide.