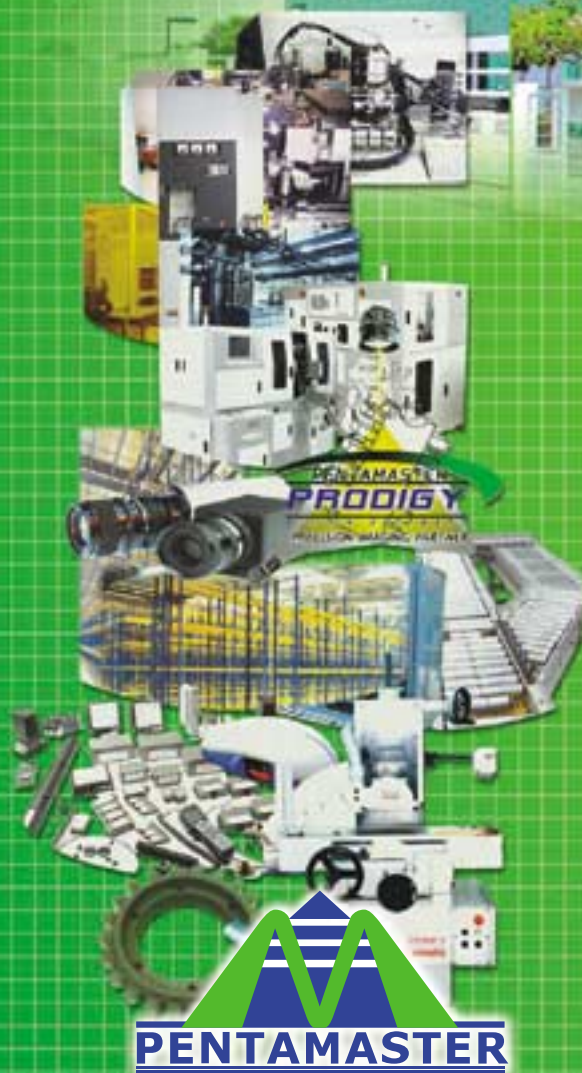


P R O S P E C T U S

SEMICONDUCTOR STANDARD EQUIPMENT
CUSTOMIZED MACHINE MODULE
TURN-KEY ENGINEERING SOLUTIONS
VISION SOLUTIONS
SPECIALIZED TECHNOLOGY SOLUTIONS
MATERIAL HANDLING & DISTRIBUTION SYSTEMS
PRECISION FABRICATION
WAREHOUSING SOLUTIONS



PENTAMASTER CORPORATION BERHAD
(572307-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Penang, Malaysia
Plot 18 &19, Technoplex, Medan Bayan
Lepas, Taman Perindustrian Bayan Lepas,
Phase IV, 11900 Penang, Malaysia.
Tel: 604 646 9212
Fax: 604 641 5600
Website: <http://www.pentamaster.com.my>

Penang, Malaysia
No. 1&3 Lintang Bayan Lepas 1,
Taman Perindustrian Bayan Lepas
Phase IV, 11900 Penang, Malaysia.
Tel: 604 646 9212
Sales: 604 641 2620
Fax: 604 641 5600
Website: <http://www.pentamaster.com.my>
Email: pmaster@pentamaster.com.my

Kuala Lumpur, Malaysia
Lot L2-I-2, Enterprise 4,
Technology Park Malaysia
Lebuhraya Puchong - Sg Besi
Bukit Jalil, 57000 Kuala Lumpur
Tel: 603 8998 8998
Fax: 603 8996 9212
Email: pmaster@pentamastercorp.com.my

Shanghai, China
D-8/F, Building B, Jia Fa Mansion,
No.57, Lane 605, Beijing Road West,
Shanghai China.
Tel: 021 6218 2809



PENTAMASTER CORPORATION BERHAD
(572307-U)
(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF 12,340,000 ORDINARY SHARES OF RM0.50 EACH AT AN OFFER PRICE OF RM1.40 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:-

1. 3,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIA PUBLIC;
2. 2,468,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT;
3. 4,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF PENTAMASTER CORPORATION BERHAD AND ITS SUBSIDIARY COMPANIES; AND
4. 2,872,000 ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTERA INVESTORS AND INSTITUTIONS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

IN CONJUNCTION WITH ITS LISTING ON THE SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" SET OUT IN SECTION 3 HEREOF

Adviser, Managing Underwriter and Placement Agent



AmMerchant Bank Berhad

(23742-V) A member of the AmBank Group

This Prospectus is dated 24 June 2003

This Prospectus has been seen and approved by the Directors, Promoters and Offerors of Pentamaster Corporation Berhad ("PMCB") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

The Adviser, Managing Underwriter and Placement Agent acknowledge that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and are satisfied that the profit forecast (for which the Directors of PMCB are fully responsible) prepared for inclusion in the Prospectus have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission has approved the offer or invitation in respect of the public offering and that the approval shall not be taken to indicate that the Securities Commission recommends the public offering.

The Securities Commission shall not be liable for any non-disclosure on the part of PMCB and assumes no responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of PMCB or of its securities.

A copy of this Prospectus has been registered by the Securities Commission and lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

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TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the 80,000,000 ordinary shares of RM0.50 each representing the entire issued and paid-up share capital in PMCB of RM40,000,000 on the Second Board of the Kuala Lumpur Stock Exchange is set out below:-

<u>Indicative Date</u>	<u>Event</u>
24 June 2003	Issue of Prospectus/opening date of the Offer for Sale
3 July 2003	Closing date of the Offer for Sale
7 July 2003	Tentative date for balloting of applications
23 July 2003	Tentative listing date on the KLSE

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 3 JULY 2003 OR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF PMCB TOGETHER WITH MANAGING UNDERWRITER MAY DECIDE.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

Acquisition of PESB	— The acquisition by PMCB of the entire issued and paid-up share capital of PESB, comprising of 600,000 ordinary shares of RM1.00 each, for a total consideration of RM17,879,185 satisfied by the issuance of 17,027,795 new ordinary shares of RM1.00 each in PMCB, credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share of RM1.00 each
Acquisition of PPSB	— The acquisition by PMCB of the entire issued and paid-up share capital of PPSB, comprising of 100,000 ordinary shares of RM1.00 each, for a total consideration of RM346,675 satisfied by the issuance of 330,167 new ordinary shares of RM1.00 each in PMCB, credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share of RM1.00 each
Acquisition of PTSB	— The acquisition by PMCB of the entire issued and paid-up share capital of PTSB, comprising of 600,000 ordinary shares of RM1.00 each, for a total consideration of RM7,053,821 satisfied by the issuance of 6,717,925 new ordinary shares of RM1.00 each in PMCB, credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share of RM1.00 each
Acquisitions	— Acquisitions of PESB, PPSB and PTSB collectively
Act	— Companies Act, 1965
ADA	— Authorised Depository Agent
ADA Code	— ADA (Broker) Code
AmMerchant Bank	— AmMerchant Bank Berhad (23742-V)
Application(s)	— Application for the Offer for Sale Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	— The printed application form(s) for the application of the Offer for Sale Shares accompanying this Prospectus
ATM	— Automated Teller Machine
Bye-Laws	— The rules, regulations, terms and conditions of the ESOS scheme
CCM	— Companies Commission of Malaysia
CDS	— Central Depository System
Electronic Share Application	— Application for the Offer for Sale Shares through a Participating Financial Institution's ATM
EPS	— Earnings Per Share

DEFINITIONS (Cont'd)

ESOS	— The employees' share option scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the scheme, or such additional number that may be permitted by the SC during the duration of the scheme
ESOS Committee	— A committee comprising Director(s) and senior management personnel appointed by the board of Directors to administer the ESOS scheme
ESOS Options	— The contract constituted by acceptance by an employee in the manner provided in Bye-Law 8, of an offer made to such employee by the ESOS Committee pursuant to Bye-Law 7. Each option shall entitle an employee to subscribe for one(1) Share upon its exercise
FIC	— Foreign Investment Committee
GDP	— Gross Domestic Product
IC	— Integrated Circuit
ICT	— Information Communication Technology
IT	— Information Technology
KLSE	— Kuala Lumpur Stock Exchange (30632-P)
Listing	— Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital in PMCB of RM40,000,000 comprising 80,000,000 Shares on the Second Board of the KLSE
LMW	— Licence Manufacturing Warehouse
MCD or Central Depository	— Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary company of KLSE
MIH or Issuing House	— Malaysian Issuing House Sdn Bhd (258345-X)
Market Day	— Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the KLSE is open for the trading of securities
MITI	— Ministry of International Trade and Industry
MNC(s)	— Multi-National Company(ies)
NTA	— Net Tangible Assets
Offer for Sale or Offer	— Offer for sale of 12,340,000 Shares representing approximately 15.42% of the enlarged issued and paid-up share capital of PMCB at an offer price of RM1.40 per Share to eligible Directors, employees, business associates, Malaysian public and Bumiputera investors / institutions approved by MITI
Offer for Sale Shares or Offer Shares	— The 12,340,000 Shares being the subject of the Offer for Sale

DEFINITIONS (Cont'd)**Offerors**

— The offerors of the Offer Shares are :

Name	No. of Shares	Percentage of Enlarged Capital
Chuah Choon Bin	3,702,000	4.63%
Tan Boon Teik	3,702,000	4.63%
Chun Sa Nga	371,960	0.46%
Lim Ah Ooi @ Lim Ah Moi	304,270	0.38%
Tan Guat Kim	202,846	0.25%
Tan Leng Ang @ Tan Teng Chun	202,846	0.25%
Perbadanan Nasional Berhad	3,448,386	4.31%
Noor Ashikin Bin Amman	405,692	0.51%
Total	12,340,000	15.42%

Option Shares

— The ordinary shares of RM1.00 each pursuant to a Call and Put Option Agreement made on 24 August 2001 between PNS, Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir, and the Promoters as follows:-

- 170,000 ordinary shares of RM1.00 each in PESB and PTSB acquired by PNS;
- Such amount of new ordinary shares of RM1.00 each in PMCB as may be approved by the relevant authorities in respect of any rights issue; and
- All such successor ordinary shares of RM1.00 each in PESB and PTSB which have been undertaken and warranted by the Promoters to be swapped for ordinary shares of RM1.00 each in PMCB

Participating Financial Institution(s)

— Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 12.8(n) of this Prospectus

PAT

— Profit After Tax

PBT

— Profit Before Tax

PE Multiple

— Price Earnings Multiple

PESB

— Pentamaster Engineering (M) Sdn Bhd (460116-T)

Private Placement

— Private placement of 2,468,000 Shares in PMCB representing 3.09% of the enlarged issued and paid-up share capital of PMCB at an offer price of RM1.40 per Share to potential investors (who are deemed public) by the Placement Agent

Placement Agent

— AmMerchant Bank

PCMB Group or Group

— PMCB and its subsidiary companies

PCMB or Company

— Pentamaster Corporation Berhad (572307-U)

PNS

— Perbadanan Nasional Berhad (9157-K)

PPSB

— Pentamaster Precision (M) Sdn Bhd (531995-W)

Promoters

— The promoters of PMCB are Chuah Choon Bin and Tan Boon Teik

PTSB

— Pentamaster Technology (M) Sdn Bhd (336488-H)

DEFINITIONS (Cont'd)

Put Option Shares	— Option Shares or any part of the Option Shares after the exercise of the call option by Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir
RFID	— Radio Frequency Identification
Rights Issue	— The rights issue of 15,924,111 new ordinary shares of RM1.00 each in PMCB at an issue price of RM1.00 per ordinary share of RM1.00 each to the existing shareholders of PMCB on the basis of approximately six hundred and sixty one(661) new ordinary shares of RM1.00 each for every one thousand(1,000) existing ordinary shares of RM1.00 each held after the Acquisitions
Rights Shares	— The 15,924,111 new ordinary shares of RM1.00 each issued by PMCB pursuant to the Rights Issue
RM and sen	— Ringgit Malaysia and sen respectively
R&D	— Research and Development
SC	— Securities Commission
SC Guidelines	— Policies and Guidelines on Public Issue/Offer of Securities issued by the Securities Commission as amended or expanded from time to time
SGD	— Singapore Dollar
Share(s)	— Ordinary share(s) of RM0.50 each
Sq ft	— Square feet
US or USA	— United States of America
USD	— United States of America Dollar

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation and Nationality
Mustaffa Kamil Bin Md. Ismail	241, Persiaran Zaaba Taman Tun Dr. Ismail 60000 Kuala Lumpur	Non-Executive Chairman Malaysian
Chuah Choon Bin	20, Lorong Hijau 8 11600 Penang	Chief Executive Officer Malaysian
Tan Boon Teik	63, Cangkat Sungai Ara 3 11900 Bayan Lepas Penang	Deputy Chief Executive Officer Malaysian
Zainal Abidin Bin Abas	8, Jalan Setiajaya Bukit Damansara 50490 Kuala Lumpur	Executive Director Malaysian
Abdul Razak Bin Mohd Tahir	69, Jalan Setiakasih Satu Damansara Heights 50490 Kuala Lumpur	Executive Director Malaysian
Loh Nam Hooi	2, Jalan Lima Tanjong Tokong 10470 Penang	Independent Non-Executive Director Malaysian
Ooi Hun Pin	20, Jalan PJS 9/22 Bandar Sunway 46150 Petaling Jaya	Independent Non-Executive Director Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Ooi Hun Pin	Chairman	Independent Non-Executive Director
Loh Nam Hooi	Member	Independent Non-Executive Director
Mustaffa Kamil Bin Md. Ismail	Member	Non-Executive Chairman

COMPANY SECRETARIES

- : Lim Kim Teck (MAICSA 7010844)
12B, Jalan Arratoon
10050 Penang
- : Teh Ai Geik @ Teh Ai Gek (MAICSA 7033180)
11A, Lorong Kikik 6
Taman Inderawasih
13600 Prai

CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : 14A, Jalan Todak 3, Pusat Bandar
Bandar Seberang Jaya
13700 Seberang Jaya, Prai
Tel: 04-3976672 Fax: 04-3976675
- HEAD OFFICE** : Plot 18 & 19, Technoplex
Medan Bayan Lepas
Taman Perindustrian Bayan Lepas
Phase IV
11900 Penang
Tel: 04-6469212 Fax: 04-6415600
Email : pmaster@pentamaster.com.my
Website : www.pentamaster.com.my
- REGISTRARS & TRANSFER OFFICE** : Securities Services (Holdings) Sdn Bhd (36869-T)
Suite 18-05, Plaza MWE
No. 8, Lebuhr Farquhar
10200 Penang
Tel: 04-2631966 Fax: 04-2628544
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose,
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
- PRINCIPAL BANKERS** : RHB Bank Berhad (6171-M)
Burmah House Branch, Pulau Tikus, Penang
Ground & Mezzanine Floor
Suite G-02, Burmah House
Jalan Burmah, Pulau Tikus
10350 Penang
- Alliance Bank Malaysia Berhad (88103-W)
Ground & Mezzanine Floor, Wisma Malvest
20 & 20A Jalan Tun Dr. Awang
Sungai Nibong Kecil
11900 Bayan Lepas,
Pulau Pinang, Malaysia
- AUDITORS AND REPORTING ACCOUNTANTS** : Folks DFK & Co (AF 0502)
Suite 4024, 4th Floor President House
Jalan Sultan Ismail
50250 Kuala Lumpur
- SOLICITORS FOR DUE DILIGENCE** : Ghazi & Lim
19th Floor, Plaza MWE
No. 8, Lebuhr Farquhar
10200 Penang
- ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

UNDERWRITERS

: AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

Hwang-DBS Securities Berhad (14389-U)
Levels 2,3,4,7 & 8
Wisma Sri Pinang
60, Green Hall
10200 Pulau Pinang

Mercury Securities Sdn Bhd (113193-W)
Ground, 1st, 2nd & 3rd Floor
Wisma UMNO
Lorong Bagan Luar Dua
12000 Butterworth
Seberang Prai
Pulau Pinang

LISTING SOUGHT

: Second Board of the Kuala Lumpur Stock Exchange

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PENTAMASTER CORPORATION BERHAD

(Company No. 572307-U)

(Incorporated in Malaysia under the Companies Act, 1965)

1. INFORMATION SUMMARY

THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE PMCB GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE SHARES OF THE COMPANY.

1.1 History and Business

PMCB was incorporated on 26 February 2002 in Malaysia under the Companies Act, 1965 as a public limited company. PMCB is principally an investment holding company whilst its subsidiary companies are principally involved in the manufacturing of automated and semi-automated machine and equipment, designing and manufacturing of precision machinery components as well as design, assembly and installation of computerised automation systems and equipment.

In 1995, PTSB was incorporated to focus on equipment and scalable and interoperable software automation. To the best knowledge of the Directors, PTSB was one of the first leading local companies in Malaysia to develop and deploy software vision automation system, which utilises digital camera to acquire any object image and convolve the digital image for processing into qualitative and quantitative information. PTSB emphasises on continuous development and enhancement of its software automation technology. With the rapid changes and evolution in the development of new technology, PTSB strives to be one of the first to produce improved software automation solutions based on its cutting edge software development technologies.

With the increase in repeat orders for custom-built equipment, PESB was incorporated in 1998 to manage mass production of automated and semi-automated machine and equipment for the semiconductor and computer industries.

PPSB was incorporated in 2000 to manufacture precision machinery components, which are used by PTSB and PESB in new product development and mass production of standard equipment such as standard equipment handlers and intelligent conveyor system. This strategic move was aimed at ensuring both operational and cost efficiency in managing the cost of manufactured equipment by manufacturing some of the input materials within the Group. Today, PMCB Group is able to design and manufacture complete equipment handlers for vision inspection process, laser marking process, testing of ICs and loader and unloader for material handling. PMCB Group is also selling its standard equipment handlers and intelligent conveyor system worldwide into export markets such as China, Philippines, Thailand, Singapore, Ireland, Italy, India and USA.

The technologies used by PMCB Group are mechanical automation technology, software automation technology, image processing technology and IC manufacturing process technology for the design and manufacturing of semiconductor equipment.

1. INFORMATION SUMMARY (Cont'd)

Over the years, the Group has received numerous awards as follows:

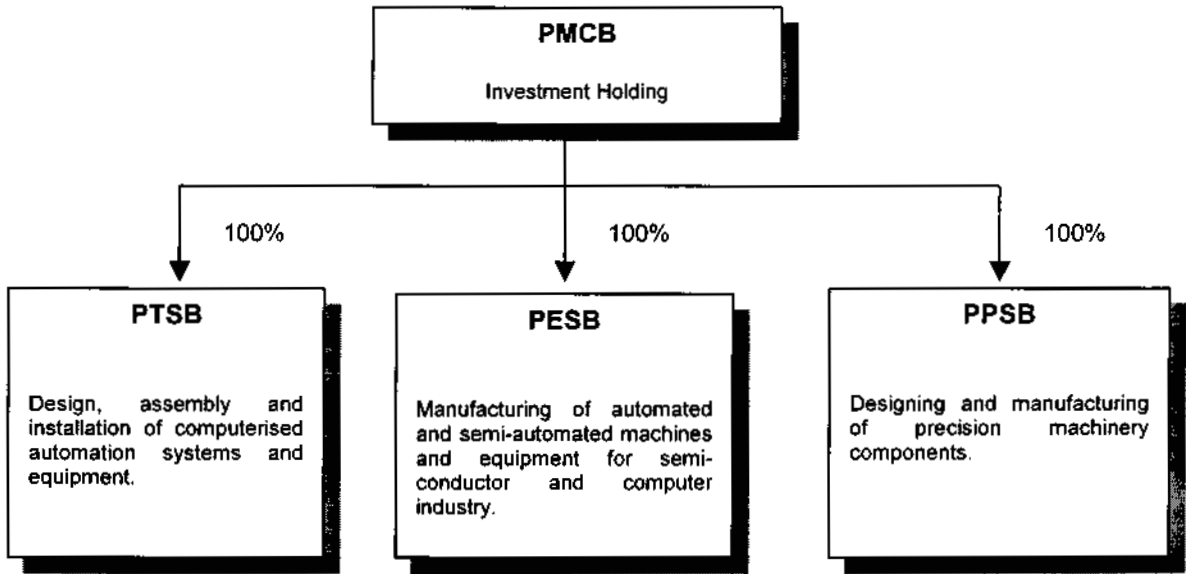
Awards	Customers/ Organisation	Year	Recognition
International Supplier of the Year	A well known MNC	1999 and 2000	Excellence in world wide process technology
Partnership Appreciation Award	Unisem (M) Berhad	2000	Outstanding achievements in the manufacturing of high technological products and quality services
Merit Award -MSC-Asia Pacific ICT Awards	Multimedia Development Corporation	2002	Best industrial applications and manufacturing design for distribution information with centralised computer control via vision inspection system and RFID system
Top Enterprise Winner-Enterprise 50 Award	Accenture and SMIDEC	2002	Achievement as Malaysia's enterprising homegrown company, which is well positioned for the future
Deloitte Touche Tohmatsu Asia Pacific Technology Fast 500 Program - Ranked 126th position	Deloitte Touche Tohmatsu	2002	Achievement as one of the fast growing technology companies in Asia Pacific region
Global Top Enterprise Golden Rim Award (Taiwan)	Medium Business Development Association of China	2003	Excellence in entrepreneur performance and business stability
Global Corporate Leader Golden Rim Award (Taiwan)	Medium Business Development Association of China	2003	Excellence in entrepreneur performance and business stability

Presently, the Group's activities are focused on four main divisions namely mechanical engineering, vision inspection, software engineering as well as control and instrumentation. A significant portion of the Group's products is sold to manufacturers in the semiconductor industry while the remaining is sold to the computer, IT, manufacturing and other industries. PMCB Group has appointed four(4) distributors to operate in the southern region of Peninsular Malaysia, Singapore, Taiwan and China. The distributor in Singapore also accepts orders from India, Indonesia, Philippines and Thailand.

Presently, PMCB Group has two(2) plants. One of the plants has a built-up area of approximately 17,500 sq ft on a leasehold land of approximately 32,754 sq ft located at No. 1 & 3, Lintang Bayan Lepas 1, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang. The other plant is the newly constructed two(2)-storey factory building at Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang with a built-up area of approximately 96,000 sq ft on a leasehold land of approximately 175,547 sq ft. This additional production space that came on-stream in December 2002 will enable PMCB Group to expand its customer and revenue base.

1. INFORMATION SUMMARY (Cont'd)

The PMCB Group's corporate structure is set out as follows: -



Further information on the PMCB Group is set out in Section 4 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)

1.2 Shareholdings of Promoters, Substantial Shareholders, Directors and Key Management

	No. of Shares Held After the Offer for Sale			
	Direct		Indirect	
	No.	%	No.	%
<u>Promoters</u>				
Chuah Choon Bin	*20,378,000	25.47	-	-
Tan Boon Teik	*20,378,000	25.47	-	-
<u>Substantial Shareholders</u>				
Chuah Choon Bin	*20,378,000	25.47	-	-
Tan Boon Teik	*20,378,000	25.47	-	-
PNS (Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir) [@]	18,907,438	23.63	-	-
Ministry of Finance Incorporated#	-	-	18,907,438	23.63
<u>Directors</u>				
Chuah Choon Bin	20,378,000	25.47	-	-
Tan Boon Teik	20,378,000	25.47	-	-
Zainal Abidin Bin Abas	^60,000	0.07	-	-
Abdul Razak Bin Mohd Tahir	^60,000	0.07	-	-
Mustaffa Kamil Bin Md. Ismail	-	-	-	-
Loh Nam Hooi	^60,000	0.07	-	-
Ooi Hun Pin	^60,000	0.07	-	-
<u>Key Management</u>				
Fong Kum Wai	^66,000	0.08	-	-
Lim Soon Hin	^66,000	0.08	-	-
Tan Hwa Seng	^45,000	0.06	-	-
Ramesh A/L Manogaran	^45,000	0.06	-	-
Hon Tuck Weng	^45,000	0.06	-	-
Kumar A/L Ramasamy	^45,000	0.06	-	-
Yeoh Theam Seng	^45,000	0.06	-	-
Teh Eng Chuan	^45,000	0.06	-	-
Ho Liang Heng	^45,000	0.06	-	-

* Including 80,000 Shares each pursuant to their respective entitlements in the allocation of Offer for Sale Shares to eligible Directors, employees and business associates of PMCB Group.

^ Based on their respective entitlements pursuant to the allocation of Offer for Sale Shares to eligible Directors, employees and business associates of PMCB Group.

Deemed interested as the holding company of PNS.

@ Pursuant to a Call and Put Option Agreement ("Option Agreement") made the 24th day of August 2001 between PNS, Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir ("the Proponents") and the Promoters, PNS granted the Proponents a call option in respect of 75% of the Option Shares and the Proponents granted PNS a put option in respect of the Put Option Shares. The call option is exercisable for a period of two(2) years from the date of the Option Agreement and may be extended for another year by the parties thereto in writing ("Call Option Period"). The put option is exercisable as follows:

- upon expiry of the Call Option Period and shall continue for a period of six(6) months commencing on such date of expiry of the Call Option Period;
- immediately upon listing of PMCB;
- immediately upon any breach by any of the Proponent of any of his obligation under the subscription agreement made the 24th day of August 2001 between PTSB, PESB, PNS, the Proponents and the Promoters.

And in any or all events under paragraphs (b) and (c) above, to continue for a period of six(6) months from the commencement and/or the expiry of six(6) months from the date of the expiry of the Call Option Period, whichever is the later. Upon the exercise of the call option by the Proponents or the put option by PNS pursuant to the Option Agreement, the Proponents may become substantial shareholders of PMCB holding up to 18,907,438 Shares depending upon the amount of shares exercised under the call option or put option.

PNS via its letter dated 3 December 2002, approved the call option to be redeemed solely by Zainal Abidin Bin Abas. Twenty five(25) percent of the Option Shares are to be redeemed prior to listing and the remaining seventy five(75) percent of the Option Shares are to be redeemed within six(6) months after listing.

The information of the Promoters, Substantial Shareholders, Directors and Key Management of PMCB Group are detailed in Section 5 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.3 Financial Statistics for the Past Five(5) Financial Years

The following table has been extracted from the Accountants' Report in Section 9 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

A summary of the proforma consolidated results of PMCB Group for the past five(5) financial years ended 31 December 1998 to 2002 has been prepared for illustrative purposes only based on the audited financial statements of PMCB, PTSB, PESB and PPSB on the assumption that the current structure of the Group has been in existence throughout the period under review, and after making such adjustments considered necessary:-

	Financial Year Ended 31 December				
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Revenue	9,309	18,057	40,820	47,676	54,146
Profit before interest, depreciation and taxation	633	3,029	10,152	14,041	14,921
Interest expense	(22)	(60)	(144)	(268)	(195)
Interest income	-	-	-	32	55
Depreciation	(115)	(296)	(654)	(810)	(1,346)
PBT	496	2,673	9,354	12,995	13,435
Taxation	(173)	(83)	(1,087)	(1,785)	(838)
PAT	323	2,590	8,267	11,210	12,597
Proforma no. of Shares in issue ('000)	80,000	80,000	80,000	80,000	80,000
EPS (sen)					
- Gross	0.62	3.34	11.69	16.24	16.79
- Net	0.40	3.24	10.33	14.01	15.75
Effective tax rate (%)	35	3	12	14	6
Gross dividend rate (%)	-	-	-	-	-

Notes: -

- i) *The proforma consolidated income statements are prepared for illustrative purposes only and are based on the audited financial statements of PMCB, PTSB, PESB and PPSB and on the assumption that the Group had existed throughout the years under review. The Group came into existence on 30 November 2002 and under the circumstances the audited consolidated income statement of PMCB to 31 December 2002 will not provide a meaningful comparison if used.*
- ii) *There were no minority interests in all the years under review.*
- iii) *The results of PPSB for the period from 14 November 2000 (date of incorporation) to 31 December 2001 have been reflected entirely in the year ended 31 December 2001 as the results for the period from 14 November 2000 to 31 December 2000 were not significant.*
- iv) *The increase in revenue for 1999 and 2000 was due to the higher demand from existing customers for locally designed and assembled automated machines in the semiconductor and computer industries and diversification of PTSB's product range. The growth in revenue for 2001 was due to higher demand for the supply and installation of intelligent conveyor system from a major customer of PESB as a result of an expansion of the said customer's manufacturing operations. The increase in revenue for 2002 was mainly due to the continued expansion of the customer base.*
- v) *The PBT over the last five years generally increased with the growth in revenue.*

1. INFORMATION SUMMARY (Cont'd)

vi) *The effective rate of taxation was higher than the statutory tax rate for the year ended 31 December 1998 principally due to certain expenses not being deductible for tax purposes. No current Malaysian taxation was provided on the profit for the year ended 31 December 1999 in view of the tax waiver on business income earned during that year. The taxation amount for the year ended 31 December 1999 represented the provision for deferred taxation of PTSB. The effective rate of taxation for the proforma group was lower than the statutory tax rate for the years ended 31 December 2000, 2001 and 2002 principally due to claims for reinvestment allowance by PTSB and the pioneer status granted by the MITI under the Promotion of Investments Act, 1986 which exempts 70% of the statutory income of PESB and PPSB from Malaysian taxation for a period of five years.*

There were no material over or underprovision for taxation during the years under review.

vii) *There were no exceptional or extraordinary items during the years under review.*

viii) *The proforma number of shares in issue represents the enlarged number of issued and paid-up share capital of PMCB based on the assumption that the Acquisitions and Rights Issue and the sub-division of every one (1) ordinary share of PMCB of RM1.00 each into two (2) ordinary shares of RM0.50 each had been effected on 1 January 1998.*

ix) *The gross EPS is calculated based on the PBT and on the proforma number of shares in issue.*

x) *The net EPS is calculated based on the PAT and on the proforma number of shares in issue.*

xi) *All inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.*

The financial information of the PMCB Group is detailed in Section 7 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.4 Summary of Proforma Consolidated Balance Sheets of PMCB Group as at 31 December 2002**

The proforma consolidated balance sheets of PMCB as set out below is provided for illustrative purpose only to show the effects on the audited consolidated balance sheets of PMCB as at 31 December 2002 had the Offer for Sale been effected on that date:-

	Audited as at 31 December 2002 RM'000	After Offer for Sale and Listing RM'000
PROPERTY, PLANT AND EQUIPMENT	27,142	27,142
GOODWILL	(8,883)	(8,883)
CURRENT ASSETS		
Inventories	9,190	9,190
Trade receivables	20,968	20,968
Other receivables, deposits & prepayments	527	527
Tax recoverable	106	106
Fixed deposits with licensed banks	1,837	1,837
Cash & bank balances	6,264	5,600
	<u>38,892</u>	<u>38,228</u>
CURRENT LIABILITIES		
Trade payables	10,509	10,509
Other payables and accrued liabilities	2,443	2,443
Provision for warranty cost	108	108
Hire-purchase payables	201	201
Short term borrowings	1,799	1,799
Provision for taxation	120	120
	<u>15,180</u>	<u>15,180</u>
NET CURRENT ASSETS	23,712	23,048
	<u>41,971</u>	<u>41,307</u>
Financed by :-		
SHARE CAPITAL	40,000	40,000
SHARE PREMIUM	708	44
RETAINED PROFITS	515	515
SHAREHOLDERS' FUNDS	<u>41,223</u>	<u>40,559</u>
LONG TERM & DEFERRED LIABILITIES		
Hire purchase payables	432	432
Deferred taxation	316	316
	<u>41,971</u>	<u>41,307</u>
NTA (RM'000)	<u>50,106</u>	<u>49,442</u>
Number of Shares in issue ('000)	<u>80,000</u>	<u>80,000</u>
NTA per Share (RM)	<u>0.63</u>	<u>0.62</u>

Note :-

The Reporting Accountants' Letter on the proforma consolidated balance sheet and the notes to the proforma consolidated balance sheet of PMCB Group thereon are set out in Section 7.10 and 7.11 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

The Reporting Accountants' Letter on the Proforma Consolidated Balance Sheet and Proforma Consolidated Balance Sheet of PMCB Group as at 31 December 2002 are contained in Section 7.10 and 7.11 of this Prospectus respectively.

1.5 Audit Qualification

The audited financial statements of PMCB and its subsidiary companies, namely PESB, PPSB and PTSB were not subject to any Auditors' qualifications for the past five(5) financial periods/years ended 31 December 2002.

1.6 The Risk Factors

The following is a list of some of the main investment considerations (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the Offer for Sale Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the Offer for Sale Shares:-

- (i) No Prior Market for PMCB Shares;
- (ii) Foreign Currency Risk;
- (iii) Political and Economic Factors;
- (iv) Control by Substantial Shareholders;
- (v) Dependence on Key Management;
- (vi) Competitive Conditions;
- (vii) Risk Relating to Technological Obsolescence;
- (viii) Business Risks;
- (ix) Dependence on the Electronics Industry;
- (x) Intellectual Property;
- (xi) Absence of Long Term Contractual Agreement with Customers and/or Suppliers;
- (xii) Security and Systems Disruptions;
- (xiii) Risk of Severe Acute Respiratory Syndrome ("SARS");
- (xiv) Dependency on Particular Markets and Geographical Locations;
- (xv) Dependency on Certain Customers;
- (xvi) Achievability of Forecast;
- (xvii) Adequacy of Insurance Coverage of the Group's Assets;
- (xviii) Capital Market Risk;
- (xix) Failure in Listing Exercise;
- (xx) Forward Looking Statements; and
- (xxi) Risk of Implementation of Asean Free Trade Area ("AFTA")/ Common Effective Preferential Tariff ("CEPT").

Details of the risk factors are set out in Section 3 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.7 Principal Statistics Relating to the Offer for Sale**

The following statistics relating to the Offer for Sale are derived from the full text of this Prospectus and should be read in conjunction with the text.

	RM
AUTHORISED SHARE CAPITAL	
100,000,000 Shares	<u>50,000,000</u>
ISSUED AND FULLY PAID-UP SHARE CAPITAL	
• Existing : 80,000,000 Shares	<u>40,000,000</u>
TO BE OFFERED PURSUANT TO THE OFFER FOR SALE	
• 12,340,000 Shares	<u>6,170,000</u>
OFFER PRICE PER SHARE	RM1.40

There is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank pari passu with one another. The Offer for Sale Shares will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the Offer for Sale Shares.

1.8 Proforma Consolidated NTA and NTA per Share

PROFORMA CONSOLIDATED NTA AS AT 31 DECEMBER 2002	RM
Proforma consolidated NTA (after taking into account the Offer for Sale and deducting estimated listing expenses of RM1.16 million)	49,442,000
Proforma consolidated NTA per Share	0.62

Detailed calculations of the Proforma NTA are set out in Section 7.11 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.9 Highlights of the Consolidated Profit Forecast and Dividend Forecast**

CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003		
Turnover	(RM'000)	53,778
Consolidated PBT	(RM'000)	14,640
Taxation	(RM'000)	(1,379)
Consolidated PAT	(RM'000)	13,261
Number of Shares in issue	('000)	80,000
Gross EPS	(sen)	18.30
Net EPS	(sen)	16.58
Gross PE Multiple based on offer price of RM1.40 per Share	(times)	7.65
Net PE Multiple based on offer price of RM1.40 per Share	(times)	8.45

FORECAST DIVIDEND FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2003		
Tax exempt dividend per Share	(sen)	4.00
Dividend yield (based on the Offer for Sale price of RM1.40 per Share)	(%)	2.86
Net dividend cover (based on the forecast tax-exempt dividend of 4.0 sen per Share)	(times)	4.14

The details of the Consolidated Profit Forecast and Dividend Forecast are contained in Sections 7.6 and 7.9 respectively.

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1. INFORMATION SUMMARY (Cont'd)**1.10 Basis of Arriving at the Offer for Sale Price**

The Offer for Sale price of RM1.40 per Share was determined and agreed upon by the Company and AmMerchant Bank as Adviser, Managing Underwriter and Placement Agent based on various factors including the following:-

- i) the forecast net PE multiple of 8.44 times based on the consolidated forecast net EPS of 16.58 sen (computed based on enlarged issued and paid-up share capital of 80,000,000 Shares) and the Offer for Sale price of RM1.40 per Share;
- ii) the future plans and prospects of the PMCB Group as outlined in Section 4.12 of this Prospectus; and
- iii) the consolidated NTA per Share of PMCB as at 31 December 2002 of RM0.62.

The Directors of PMCB Group and AmMerchant Bank are of the opinion that the Offer for Sale price is fair and reasonable after careful consideration of the abovementioned factors.

However, investors should also note that the market price of the PMCB Shares upon listing on the Second Board of the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of PMCB Shares being traded.

1.11 Utilisation of Proceeds of the Rights Issue

All the proceeds from the Rights Issue of RM15.92 million will accrue to PMCB and will be utilised as follows:-

<u>Purposes</u>	<u>RM'000</u>	<u>Expected Utilisation Period After Listing</u>
Construction of a factory building	10,300	*
Purchase of machinery	1,000	12 months
Working capital	3,464	Not applicable
Estimated listing expenses	1,160	6 months
Total	15,924	

* *The proceeds allocated for the construction of factory building has been fully utilised as the construction of the said factory building was completed in December 2002.*

PMCB will bear all other expenses incidental to the listing of and quotation for PMCB's Shares on the Second Board of the KLSE which includes brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees the aggregate of which is estimated to be approximately RM1.16 million.

The Offer for Sale will raise a total gross proceeds of RM17,276,000. All the proceeds from the Offer for Sale will accrue to the Offerors and no part of the proceeds is receivable by PMCB. The Offerors shall bear all expenses including Private Placement fees, underwriting commission, registration and transfer fees relating to their respective portion of the Offer Shares.

Please refer to Section 2.6 of this Prospectus for a detailed commentary of the above-mentioned proceeds.

1. INFORMATION SUMMARY (Cont'd)

1.12 Summary of all Material Litigations, Commitments and Contingent Liabilities

As at 31 May 2003 (being the latest practicable date prior to the printing of this Prospectus):-

a) Material Litigation

The Company and its subsidiary companies are not engaged in any material litigation, claim and arbitration whether, as plaintiff or defendant, and the Board of Directors of PMCB have no knowledge of any proceeding pending or threatened against the Company and its subsidiary companies or any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the Company and its subsidiary companies.

b) Material Commitments

The Directors of PMCB are not aware of any material commitments, which, upon becoming enforceable, may have material impact on the profit or net asset value of the Group.

c) Material Contingent Liabilities

The Group does not have any material contingent liability.

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