
2. PARTICULARS OF THE OFFER FOR SALE

This Prospectus is dated 24 June 2003.

A copy of this Prospectus has been registered by the SC and lodged with the CCM who takes no responsibility for its contents.

The approval of the SC obtained vide its letter dated 6 November 2002 shall not be taken to indicate that the SC recommends the Offer for Sale. Investors should rely on their own evaluation to assess the merits and risks of the Offer for Sale.

Application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission to the Official List and for the listing of and quotation for the issued and fully paid-up share capital of PMCB on the Second Board of the KLSE. These Shares will be admitted to the Official List on the Second Board of the KLSE and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Acceptance of applications for the Offer for Sale Shares will be conditional upon permission being granted by the KLSE to deal in and for the quotation of the entire enlarged issued and fully paid-up Shares of PMCB on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the Offer for Sale will be returned without interest if the said permission for listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that the Company is notified by or on behalf of the KLSE within the aforesaid timeframe. Admission to listing is not being sought on any other stock exchange.

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

An applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. Where an applicant already has a CDS account, he/she should not complete the preferred ADA Code. 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 number to the Participating Financial Institution by way of keying his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application.

Pursuant to the Listing Requirements of KLSE, an applicant must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each at the point of listing. In the event that the above requirement is not met pursuant to the Offer for Sale, the Company may not be allowed to proceed with its listing on the Second Board of the KLSE.

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

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

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

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

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

2.1 Share Capital

	RM
<i>Authorised:-</i>	
100,000,000 Shares	<u>50,000,000</u>
<i>Issued and fully paid-up</i>	
• Existing: 80,000,000 Shares	<u>40,000,000</u>
<i>To be offered pursuant to the Offer for Sale</i>	
• 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.

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

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

2.2 Details of the Offer for Sale

The Offer for Sale of 12,340,000 Shares, representing approximately 15.42% of the enlarged issued and paid up share capital of 80,000,000 Shares, at an Offer for Sale price of RM1.40 per Share is payable in full on application upon such terms and conditions as set out in this Prospectus.

The 12,340,000 Shares arising from the Offer for Sale will be allocated and allotted in the following manner:-

(i) Malaysian Public**(a) Balloting**

3,000,000 Offer Shares, representing approximately 3.75% of the enlarged issued and paid-up share capital, will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions; and

(b) Private Placement

2,468,000 Offer Shares, representing approximately 3.09% of the enlarged issued and paid-up share capital, will be by way of Private Placement to potential investors (who are deemed public) by the Placement Agent;

(ii) Eligible Directors, Employees and Business Associates

4,000,000 Offer Shares, representing approximately 5.00% of the enlarged issued and paid-up share capital, have been reserved for eligible Directors, employees and business associates of the PMCB Group who are Malaysians; and

(iii) Bumiputera Investors and Institutions Approved by MITI

2,872,000 Offer Shares, representing approximately 3.59% of the enlarged issued and paid-up share capital, will be reserved for Bumiputera investors and institutions approved by MITI.

The Shares in respect of paragraph (i)(a) and (ii) above have been fully underwritten. Any Shares in respect of paragraph (ii) not subscribed for by the eligible Directors, employees and business associates of the PMCB Group will be made available for application by the Malaysian public. The Offer for Sale Shares under paragraph (i)(b) and (iii) above are not underwritten.

There is no minimum subscription required to be raised for the purpose of the Offer for Sale.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

2.3 Details on the Pink Forms Allocation

A brief description on the criteria of allocation of the pink forms as approved by the Board of Directors to the Directors, Malaysian employees and business associates is as follows:-

Category	Number	No. of Shares To Be Allocated To Each Person	Pink Form Allocations
Directors	6	60,000 to 80,000	400,000
Managerial and Professional	17	36,000 to 66,000	750,000
Technical and supervisory	110	12,000 to 30,000	1,959,000
Clerical and related occupations plus sales personnel	31	5,000 to 16,000	394,000
Factory workers	25	5,000 to 9,000	209,000
Business Associates	5	10,000 to 100,000	288,000
Total	194		4,000,000

However, the above pink forms allocation is subject to the Directors, employees and business associates subscribing to their respective allocations.

The details of the Directors' pink forms allocation are as follows:-

Name of Directors	Pink Form Allocations
Chuah Choon Bin	80,000
Tan Boon Teik	80,000
Zainal Abidin Bin Abas	60,000
Abdul Razak Bin Mohd Tahir	60,000
Mustaffa Kamil Bin Md. Ismail	-
Loh Nam Hooi	60,000
Ooi Hun Pin	60,000
Total	400,000

2.4 Critical Dates of the Offer for Sale

Events	Tentative Date
Date of Prospectus – Opening date of Application list for the Offer for Sale	24 June 2003
Closing of Application list for the Offer for Sale	3 July 2003
Tentative date for balloting of Applications	7 July 2003
Tentative date of despatch of notices of allotment of the Shares of PMCB to successful applicants	17 July 2003
Tentative Listing date of the Company's entire issued and paid-up share capital on the Second Board of the KLSE	23 July 2003

Important note:- 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.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

2.5 Purposes of the Offer for Sale

The purposes of the Offer for Sale are as follows:-

- (i) The listing of PMCB Shares on the Second Board of the KLSE is expected to further enhance the Group's corporate image and assist the Group in expanding its customer base both in Malaysia and overseas;
- (ii) To provide an opportunity for Malaysian investors and the eligible Directors, employees and business associates of the PMCB Group to participate in the equity and continuing growth of the PMCB Group;
- (iii) To enable the PMCB Group to gain access to the capital markets for funds for its future expansion; and
- (iv) To obtain a listing of and quotation for PMCB's entire issued and paid-up share capital on the Second Board of the KLSE.

2.6 Utilisation of Proceeds of the Rights Issue

The total gross proceeds of RM15.92 million from the Rights Issue based on the Rights Issue price of RM1.00 per new ordinary share of RM1.00 each shall accrue to the Company and will be utilised in the following manner:-

<u>Purposes</u>	<u>Notes</u>	<u>RM'000</u>	<u>Expected Utilisation Period After Listing</u>
Construction of a factory building	a	10,300	*
Purchase of machinery	b	1,000	12 months
Working capital	c	3,464	Not applicable
Estimated listing expenses	d	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.*

- a) To part finance the construction of a new 2-storey factory at Plot 18 & 19, Technoplex, Medan Bayan Lepas, Taman Perindustrian Bayan Lepas, Phase IV, 11900 Penang with an estimated total construction cost of approximately RM15.50 million.

The construction of the new factory building will provide an additional built-up area of approximately 96,000 sq ft. The Group will have additional floor space to house new plants and machinery and for future expansion. Part of the new factory building will be occupied by PPSB, which previously operated from three rented terrace factories. The Group is expected to save approximately RM107,800 per annum in rental expenses.

The Group has drawn down a term loan of RM6.51 million at an average interest rate of approximately 7.65% per annum, which has been repaid using the Rights Issue proceeds. The interest savings arising from the repayment of the bank borrowings is estimated at RM498,300 per annum.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

- b) PMCB Group expects to spend approximately RM1.0 million to purchase new machineries to increase its manufacturing capacity in order to support future growth projections. These new machines will enable the Group to plan its schedules of production activities better, thus ensuring timely delivery of machinery and equipment to its customers.
- c) The Group will utilise approximately RM3.46 million of the proceeds for its working capital requirements to finance the day-to-day operations of the Group and to facilitate future expansion.
- d) The expenses relating to the listing of and quotation for the entire issued and paid-up share capital of PMCB on the Second Board of the KLSE, estimated at RM1.16million, which comprise professional fees of approximately RM650,000; advertising, printing and registration of Prospectus of approximately RM235,300; relevant authorities' fees of approximately RM65,000 and other miscellaneous expenses are to be borne by the Company. Any variation in the actual listing expenses from the estimated amount will be adjusted in the working capital.

2.7 Brokerage and Underwriting Commission

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 7,000,000 Offer for Sale Shares to be offered to the Malaysian public, eligible Directors, employees and business associates of PMCB Group. Underwriting commission is payable by the Offerors at 2.0% and 1.5% of the Offer price of RM1.40 per Share in respect of 3,000,000 Offer Shares for the Malaysian Public and 4,000,000 Offer Shares for eligible Directors, employees and business associates of PMCB Group respectively.

Brokerage is payable in respect of the Offer Shares by the Company at the rate of 1.0% of the Offer price of RM1.40 per Share in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

2.8 Salient Terms of the Underwriting Agreement

The following are some of the Clauses of the Underwriting Agreement dated 18 June 2003 between the Company and the Underwriters stating the events that may affect the Underwriting of the Offer Shares:-

3 WARRANTIES

3.1 In consideration of the Underwriters severally agreeing at the request of the Offerors to underwrite the Underwritten Shares, the Offerors hereby jointly and severally represent warrant and undertake with the Underwriters that to the best of its knowledge and belief:-

- (a) the Prospectus shall be in form and substance satisfactory and acceptable to and approved by the Securities Commission and the Kuala Lumpur Stock Exchange and shall comply with all the relevant provisions of the Securities Commission Act, 1993 and shall not contain any untrue statement or omit to state any material fact required to be stated therein or make any statement which may be misleading and shall be lodged with the Companies Commission of Malaysia;
- (b) the Offer For Sale and the issue of the Prospectus and the compliance with the terms thereunder and hereunder will not result up to and on the Closing Date in a default or breach of any of the covenants, terms, conditions, provisions of the Memorandum and Articles of Association of the Company or any agreement or other instrument or obligations to which the Company is a party or by which it is bound, and the execution and issue or delivery of this Agreement and the Prospectus and the performance of its obligations hereunder have been duly authorised so that upon the execution or issue or delivery thereof the same shall constitute valid and legally binding obligations of the Company;
- (c) save and except for litigation as disclosed in the Prospectus, the PMCB Group is not a party to any litigation arbitration or any other legal proceedings of a material nature pending threatened or otherwise in Malaysia or elsewhere and further that there is no evidence information or facts likely to give rise to any such litigation or legal proceedings;
- (d) that all consents, approvals, authorisations or other orders required by the Company under the laws of Malaysia in connection with the Offer For Sale shall be obtained and shall be in force and all other actions will be taken by the Company to comply with all legal and other requirements necessary to ensure that the Offer For Sale will not infringe any existing laws or the terms of any such consent, approval or authorisation; and
- (e) that, save and except as disclosed in the Prospectus, since the date hereof until the Closing Date as regards the Company and/or PMCB Group:-
 - (i) its' business has been carried on in the ordinary course and in accordance with its Memorandum and Articles of Association so as to maintain the same as a going concern;
 - (ii) it has not disposed of any material assets otherwise than in the ordinary course of business;

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

- (iii) its business has not been adversely affected in a material way by any abnormal factor not affecting similar businesses to a like extent and as far as can be ascertained there are no facts or circumstances which are likely to give rise to any such effects and there has been no adverse change in the PMCB Group's financial condition;
 - (iv) no dividend or other distribution has been declared made or paid by the PMCB Group to its members except as provided for in the Prospectus; and
 - (v) no material obligation or liability whether contingent actual or otherwise has been incurred, assumed or agreed to be assumed by the PMCB Group otherwise than in the ordinary course of business.
 - (f) that the PMCB Group has not entered into any contracts or commitments of any unusual or onerous nature except as disclosed in the Prospectus.
- 3.2 In consideration of the Underwriters agreeing at the request of the Offerors to underwrite the Underwritten Shares the Offerors hereby jointly and severally represent undertake and warrant to the Underwriters and each of them as follows:-
- (a) that the Company will promptly and without any delay whatsoever notify the Underwriters of any fact, information, situation or circumstance which they believe may adversely affect the success of the Offer For Sale and in particular and without prejudice to the generality of the foregoing of any material change affecting any of the aforesaid representations, warranties or agreements at any time prior to the Closing Date and take such steps as may be reasonably required by the Underwriters to remedy and/or publicise the same; and
 - (b) that the Company will give to the Underwriters information which the Underwriters may reasonably need or require affecting the Offer For Sale of the Offer Shares and the accounts or affairs of the Company.
- 3.3 In consideration of the Underwriters agreeing at the request of the Offerors to underwrite the Underwritten Shares the Offerors hereby jointly and severally represent and warrant to and agree with the Underwriters and each of them as follows:-
- (a) that the Company and the Offerors shall comply with all the requirements and provisions of the Securities Commission Act, 1993 and all conditions (if any) imposed by the Securities Commission, the Kuala Lumpur Stock Exchange in relation to the Offer For Sale; and
 - (b) that the execution and delivery by the Offerors of this Agreement and performance of the obligations to be assumed hereunder and in respect of the Offer For Sale have been duly authorised so that upon due execution the same will constitute valid and legally binding obligations of the Offerors.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

- 3.3A In consideration of the Underwriters agreeing at the request of the Offerors to underwrite the Underwritten Shares, the Offerors hereby represent and warrant to and agree with the Underwriters and each of them that the Offer Shares are or will be registered in the name and beneficially owned by the Offerors and are free from any claims, charges, liens, encumbrances or equities and that the Offerors have and will continue to retain the unrestricted right to transfer the Offer Shares and that there is no and will not be any option over or right to acquire any of such Offer Shares.
- 3.4 Upon any material breach of the warranties or representations set out in sub-clauses 3.1, 3.2, 3.3 and/or 3.3A or any material failure to perform any of the said agreements or any change rendering any of the said warranties representations or agreements inaccurate in any material respect coming to the notice of the Underwriters prior to the Closing Date the Underwriters shall be entitled by giving notice in writing to the Managing Underwriter and the Offerors to elect to treat such breach, failure or change as releasing and discharging them or any of them from their obligations hereunder **PROVIDED THAT** the Offerors shall remain liable for the payment of the costs and expenses referred to in Clause 7.2 below which are incurred prior to or in connection with such release and discharge **AND PROVIDED FURTHER THAT** failure to make such election as aforesaid shall be without prejudice to the right of the Underwriters concerned to treat any further or other breach, failure or change as releasing and discharging the Underwriters from their obligations as aforesaid.
- 3.5 The obligations of each Underwriter to underwrite the Underwritten Shares are undertaken on the basis of the aforesaid representations, warranties and agreements. Without prejudice to the other rights and remedies of any of the Underwriters, the Offerors undertake with each Underwriter that they will hold each Underwriter fully and effectually indemnified from and against any and all losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands which each Underwriter may incur or which may be made against each Underwriter as a result of or arising out of or in relation to any misrepresentation by the Company and the Offerors or any breach of any of the aforesaid representations warranties or agreements and such indemnity shall extend to include all costs charges and expenses which each Underwriter may reasonably pay or incur in disputing or defending any claim or action or other proceeding in respect of which indemnity may be brought against the Offerors.
- 3.6 The rights and remedies conferred upon the Underwriters by the aforesaid representations, warranties, agreements and indemnities shall continue in full force and effect notwithstanding completion of the Offer For Sale and notwithstanding any investigations by or on behalf of any of the Underwriters.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

4 OBLIGATIONS CONDITIONAL

- 4.1 The several obligations of the Underwriters under this Agreement shall be conditional upon:-
- (a) the lodgement and registration with the Companies Commission of Malaysia of the Prospectus in accordance with the requirements of Section 43 of the Securities Act, 1993 and accompanying documents on or before their issue, circulation or distribution to the Public;
 - (b) there not having been, on or prior to the Closing Date, any material adverse change or development reasonably likely to involve a material prospective adverse change in the condition (financial or otherwise) of the Company from that expressly described in the Prospectus; and
 - (c) the Company being granted permission in principle by the Kuala Lumpur Stock Exchange prior to the listing of and quotation for the Offer Shares or the Underwriters being reasonably satisfied that such listing and quotation will be granted.
- 4.2 If any of the foregoing conditions are not satisfied on or before the Closing Date the Underwriters shall thereupon be entitled to terminate this Agreement by notice in writing delivered to the Managing Underwriter and the Offerors and in that event the parties hereto shall be released and discharged from their obligations hereunder **PROVIDED THAT** in such event the Offerors shall remain liable for the payment of the costs and expenses referred to in Clause 7.2 which are incurred prior to or in connection with such termination and such release and discharge **PROVIDED HOWEVER THAT** the Underwriters may at its discretion and subject to such conditions as the Underwriters may impose, waive compliance with any of the provisions of this Clause.

7.9 Force Majeure

No party hereto shall be liable in any manner for failure to perform or delay in performing all or any part of this Agreement which is directly or indirectly due to any cause or circumstances beyond the control of such party including without limitation, acts of God, fire, flood, storm, earthquake, typhoon, tidal wave, plague or other epidemics, governmental laws, orders, regulations, sanctions or restrictions, war, armed conflict or serious threat of the same, hostilities, mobilization, blockade, embargo, detention, revolution, riot, looting, lockout, strike, unavailability of transportation or severe economic dislocation that will directly and materially affect the financial position of the Company or the listing and quotation of the Offer Shares on the Kuala Lumpur Stock Exchange.

Upon the happening of one of the above events, the Underwriters may at any time before the Closing Date elect to terminate its obligations under this Agreement by the giving of a notice in writing to the Company and the Offerors and thereafter the parties hereto shall (except for the liability of the Offerors in respect of the payment of costs and expenses referred to in Clause 7.2 hereof incurred prior to or in connection with such termination) be released and discharged from their obligations hereunder.

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

2.9 Moratorium on Shares

Under the SC Guidelines and as a condition of the SC's approval for listing, the shareholders/promoters of PMCB will not be allowed to sell, transfer or assign their shareholdings in PMCB amounting to 45% of the enlarged issued and paid-up capital of PMCB for one(1) year from the date of admission of PMCB of 80,000,000 Shares to the Official List of the Second Board of KLSE. Thereafter, they are not allowed to sell, transfer or assign their shareholdings of not more than one-third (1/3) of the Shares under moratorium per annum. In connection with the moratorium condition, PMCB can apply any amendment to the SC Guidelines in relation to the moratorium condition on sale of shares in line with implementation of the third phase disclosure based regime.

As proposed by PMCB and approved by the SC, the shareholdings of the shareholders/promoters which are subject to the moratorium are as follows:-

Name	Shareholdings After Offer for Sale	% of Enlarged Issued and Paid-Up Share Capital	No. of Shares Under Moratorium	% of Enlarged Issued and Paid-Up Share Capital
Chuah Choon Bin	20,378,000 [^]	25.47	15,200,000	19.00
Tan Boon Teik	20,378,000 [^]	25.47	15,200,000	19.00
PNS (Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir)*	18,907,438	23.63	5,600,000	7.00
	<u>59,663,438</u>	<u>74.57</u>	<u>36,000,000</u>	<u>45.00</u>

[^] 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.

* 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 Promoters 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 obligations 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 restriction, which is fully accepted by the shareholders/promoters, is specifically endorsed on the share certificates representing the respective shareholding of the shareholders/promoters which are under moratorium to ensure that PMCB's registrars do not register any transfer not in compliance with the restriction imposed by the SC and the KLSE. The endorsement affixed on the share certificates are as follows:-

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

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

By their letter dated 18 June 2003, Chuah Choon Bin, Tan Boon Teik and PNS (Zainal Abidin Bin Abas and Abdul Razak Bin Mohd Tahir) have given their undertakings to the SC to comply with the abovementioned terms relating to the sale of their shares under moratorium as outlined above.

2.10 Approvals from Authorities

The Offer for Sale was approved by the following authorities as follows:-

Authorities	Date
FIC	29 July 2002 and 21 October 2002
MITI	24 August 2002 and 9 October 2002
SC	6 November 2002

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

Conditions Imposed By FIC	Status of Compliance
(1) <i>FIC's letter dated 29 July 2002</i> No conditions imposed by FIC.	Not Applicable
(2) <i>FIC's letter dated 21 October 2002</i> No conditions imposed by FIC.	Not Applicable

Conditions Imposed By MITI	Status of Compliance
(1) <i>MITI's letter dated 24 August 2002</i>	
(i) 30% of the total recognised bumiputera shareholdings are allowed to be disposed within 12 months after the Company has been listed and the balance of 70% progressively after prior approval from MITI is obtained.	To be complied
(ii) PMCB is to obtain approvals from the SC and FIC	Complied. Approval dates as stated above.
(2) <i>MITI's letter dated 9 October 2002</i>	
(i) 30% of the total recognised bumiputera shareholdings are allowed to be disposed within 12 months after the Company has been listed and the balance of 70% progressively after prior approval from MITI is obtained.	To be complied
(ii) The allocation of 2,872,000 shares is subject to MITI's special shares under the offer for sale scheme, whereby the allocation will be decided separately after approval from SC has been obtained for the listing.	Complied

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

Conditions Imposed By SC	Status of Compliance
(1) The conditions to be complied for the utilisation of proceeds are as follows:-	
(i) The approval of SC is to be obtained for any change in the original utilisation of proceeds if the said change involved utilisation other than for the core business activities of the PMCB Group;	To be complied
(ii) Approval from the shareholders of PMCB is to be obtained for any change of 25% or more from the original utilisation of the said proceeds. If the change is less than 25%, proper disclosure should be made to the shareholders of PMCB;	To be complied
(iii) The time frame for the utilisation of proceeds is to be disclosed in the listing prospectus. Any extension to the proposed time frame for the utilisation of proceeds must be approved by the Board of Directors of PMCB through final resolution and must be fully disclosed to the KLSE; and	To be complied
(iv) Appropriate disclosure on the status of the utilisation of the proceeds is to be made in the quarterly report and annual report of PMCB until the proceeds are fully utilised.	To be complied
(2) The approval of SC on the proposed listing of PMCB is subject to the following conditions:-	
(i) Promoters, Directors and substantial shareholders of PMCB are not allowed to carry out any business activity, which could result in a situation of direct or indirect conflict of interest with the business of PMCB Group. In this respect, the promoters, Directors and substantial shareholders of PMCB are required to give undertakings that they will not involve themselves in any business that is similar/compete with the existing business of PMCB Group.	Complied. Approval from the SC was obtained via its letter dated 20 June 2003 to waive the requirement that this condition be complied by PNS.
(ii) Moratorium condition is imposed on 36,000,000 Shares of PMCB, representing 45% of the enlarged issued and paid-up share capital of PMCB, that are held by the promoters/substantial shareholders, as stated in paragraph 10.12 of the SC Guidelines. The said promoters/substantial shareholders are not allowed to sell, transfer or assign their shareholding for one(1) year from the date of listing of PMCB on the KLSE. Thereafter, they are only allowed to sell, transfer or assign their shareholdings of not more than one-third (1/3) of the shares under moratorium per annum. In relation to the moratorium condition above, PMCB can apply any amendment to the SC Guidelines in relation to the moratorium condition on sale of shares when announced later in line with the implementation of the third phase of disclosure based regime.	To be complied, as detailed in Section 2.9 of this Prospectus
(iii) PMCB is required to disclose in its listing prospectus on the following risk and steps taken by the PMCB Group to mitigate these risks:-	Complied, as detailed in Section 3 of this Prospectus
▪ a risk-management plan to mitigate the major risks related to the business of the Company;	Complied, as detailed in the overall Section 3 of this Prospectus
▪ the risk of exposure to the electronic industry; and	Complied, as detailed in Section 3 para ix of this Prospectus
▪ risks of dependency on a well known MNC and Unisem (M) Berhad as major customers.	Complied, as detailed in Section 3 para xii of this Prospectus

2. PARTICULARS OF THE OFFER FOR SALE (Cont'd)

Conditions Imposed By SC	Status of Compliance
(iv) PMCB is required to ensure that the Reporting Accountants review again all the trade debts of PMCB Group exceeding the credit period and to determine whether appropriate provisions have been made for the bad and doubtful debts. The Reporting Accountants are required to provide a written confirmation to SC on the outcome of the said review.	Complied
(v) The Directors of PMCB are required to provide a written confirmation to SC that all trade debts of PMCB that exceed the credit period are recoverable and appropriate provisions for the bad and doubtful debts have been made in the accounts of PMCB Group.	Complied
(vi) Full disclosures are required to be made in the listing prospectus of PMCB on the following matters:- (a) Total and current status of the trade debts of PMCB Group and the ageing analysis of the said trade debts, including debts that exceed the credit period; (b) Reporting Accountants' comments on the review of the trade debts of PMCB Group that exceed the credit period and whether appropriate provisions for bad and doubtful debts have been made; and (c) Comments/statements by the Directors of PMCB on the ability of the Company to recover the trade debts that exceed the credit period.	Complied, as detailed in Section 7.2.5, of this Prospectus Complied, as detailed in Section 9 of this Prospectus Complied, as detailed in Section 7.7, of this Prospectus
(vii) PMCB is required to add a clause in its ESOS bye-laws to state that no additional options will be granted in the event the total options granted exceed 10% of the issued and paid-up share capital of PMCB after share buy-back.	Complied, as detailed in Section 10 para 4.2, of this Prospectus
(viii) AmMerchant Bank is required to furnish a confirmation letter to state that:- (a) all SC's approval conditions have been complied with and the ESOS bye-laws do not contravene the SC Guidelines on ESOS; and (b) the ESOS have been approved by all parties involved and complied with the conditions imposed.	To be complied To be complied
(ix) PMCB is required to draft and implement a management succession/continuation plan and the details of the said plan are to be disclosed in the listing prospectus.	Complied, as detailed in Section 5.11, of this Prospectus
(x) Full compliance with the relevant requirements for the listing of a company, as provided in the SC Guidelines, including the requirements under paragraph 10.17, whereby PMCB Group is not allowed to venture into activities that are not related to its core business for a period of at least three(3) years from the date of PMCB listing on the Second Board of KLSE.	To be complied
(xi) PMCB and all parties involved are required to provide written confirmation on the compliance to all terms and conditions imposed by SC after the listing of PMCB has been completed.	To be complied

3. THE RISK FACTORS

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

i) No Prior Market for PMCB Shares

Prior to this Offer, there has been no public market for PMCB's Shares. There can be no assurance that an active market for PMCB's Shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such a market will be sustained. The Offer price of RM1.40 for the Offer Shares has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and conditions, its prospects and the prospects of the industry in which the Group operates, the management of the Group, the market prices for shares of companies engaged in business similar to that of the Group and the prevailing market conditions. There can be no assurance that the Offer price will correspond to the price at which PMCB's Shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for PMCB's Shares will develop and continue to develop upon or subsequent to its listing.

ii) Foreign Currency Risk

PMCB Group exports its products to various countries such as China, USA, Philippines, Ireland, Thailand, Singapore, India and Italy. The exports are mostly denominated in USD. PMCB Group also imports raw materials from overseas which are mainly denominated in USD and SGD. As such, the Group is exposed to exchange rate risk.

Given that both exports and imports are denominated in USD, this provides a natural hedge against exchange rate risk. However, the effects of the natural hedge will depend on the ratio of USD exports against imports. Currently the risk of exchange fluctuation is low as the Ringgit is pegged against the USD. Nevertheless, there is no certainty that the currency peg will remain and no assurance that any future foreign exchange fluctuations arising from the lifting of the currency controls or the adjustment of the Ringgit to USD peg will not adversely affect the financial results of the PMCB Group.

iii) Political and Economic Factors

Adverse development in political, economic and regulatory conditions in Malaysia as well as other countries where the Group may operate, source its supplies or market its products could materially and adversely affect the financial and operational conditions as well as the overall profitability of the Group. For the financial year ended 31 December 2002, PMCB Group sourced approximately 42.80% of its raw materials from overseas while approximately 44.40% of its products are sold to Free Trade/Industrial Zones, LMW and other local customers. Direct export accounted for approximately 55.60% of total sales. Political and economic uncertainties include (but not limited to) changes in general economic, business and credit conditions, government legislations and policies affecting manufacturers, inflation, interest rates, fluctuations in foreign exchange rates, political or social development, risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts, methods of taxation and currency exchange controls.

iv) Control by Substantial Shareholders

Upon completion of the Offer, Chuah Choon Bin and Tan Boon Teik will collectively own approximately 50.94% of the Company's issued and paid-up share capital. As a result, they would be able to exercise some extent of influence on the outcome of certain matters requiring the vote of the Company's shareholders, unless they are required to abstain from voting by law, covenants and / or the relevant authorities.

3. THE RISK FACTORS (Cont'd)

v) Dependence on Key Management

The success of PMCB Group could be attributed to the leadership and stewardship of its experienced Directors and the key management team. However, the Group's continued success will depend substantially upon the vision and continued efforts of the Directors and key management and the availability of skilled workers.

As part of the long-term plan to nurture its key management, PMCB Group intends to groom younger members of the management staff and other employees to participate in the management of PMCB. The Group has a policy in place such that it is not dependent on one person to perform an important job function to prevent dependency on any particular person. Emphasis is placed on team work and all important projects will have backup personnel.

The Directors of PMCB recognise the importance of attracting and retaining skilled personnel to support its business operation by providing attractive remuneration package and conducive working environment.

However, there can be no assurance that the Group will always be successful in retaining key management.

vi) Competitive Conditions

The semiconductor and automation industries in Malaysia are highly competitive, subject to rapid technological changes and new product development. While no assurance can be given that PMCB Group is able to maintain its competitive edge over its competitors and also its ability to maintain its customer base, it is pertinent to note that the Group has been able to chart continued growth in its business since incorporation of its first subsidiary in 1995, as evidenced from its profit track record, despite the recent economic downturn. This is the result of the Group's continued effort in providing high quality products and services to its existing customers as well as attracting new ones.

Many of PMCB Group's customers are MNCs in Malaysia and in overseas where the selection of equipment for their manufacturing process are based on stringent criterias such as high quality standard equipment, good after sales service support, competitive pricing and also dependability of the products.

Having its own software development team is another competitive edge against its competitors. Software development requires advanced technology know-how and also the expertise of the computer system engineers. PMCB Group's software for machine control is 100% developed in-house. All these competitive advantages to the Group serve as barriers for new prospective entrants in the business.

vii) Risk Relating to Technological Obsolescence

The PMCB Group is subjected to the inherent risk due to the rapid technological development. The Group's products are characterised by rapid technological developments, evolving industry standards, swift changes in customer requirements, new product introductions and enhancements. The Group seeks to minimise these risks by actively and continuously pursuing technology innovation and advancement, industry best practices and strategic business alliances to address the increasing sophisticated needs of its customers. The Group also provides continuous staff development to align their skills and knowledge with the requirements of the latest technology in the automation and semiconductor industries.

Continuous efforts are constantly made to increase the efficiencies of the R&D team for the development of new products and to strategically develop a continuing effective and dynamic management team to ensure the continued improvement of the Group's performance in the future.

Although the Group has put in its efforts to mitigate the risk, there is no assurance that the Group will be successful in developing and marketing new products or making enhancements to its existing products.

3. THE RISK FACTORS (Cont'd)

viii) Business Risks

PMCB Group, like other businesses operating in an open economy, is subject to market forces. There would be potential for products being obsolete, process technologies being cost ineffective, its market share being eroded or the industry experiencing downturn.

In order to mitigate such risks, the Group had implemented various strategies such as increasing its product range, expansion of market base and R&D to strengthen and expand its business activities. However, no assurance can be given that any change in the market forces will not have a material adverse effect on the Group.

The PMCB Group is involved in new product development whereby a substantial amount of pre-launch testing is conducted before a new product is officially marketed. However, the performance of its products will only be truly assessed when the machinery are being used on the field. The products may encounter various unforeseeable problems, resulting in the disruption of customers' operations. Unless immediately rectified, this will result in negative exposure, which will affect the Group's reputation and business opportunities. In an industry where product brand and performance are crucial, the market share of PMCB Group may stand to be adversely affected should such negative publicity arise.

To minimise exposure to such risk, the Group believes in strengthening its R&D by recruiting and training more skilled personnel and to invest in R&D activities. Emphasis is also placed on continuous quality checking to ensure the products meet customers' requirement and are of high quality to avoid any unwanted negative publicity.

Excellent after sales services will be given priority to help users who encounter problems with the new products. As PMCB Group's products are made according to specifications required by customers and are not available off the shelf, after sales service is crucial to ensure smooth running of customers' operations. Excellent sales service is also a way to maintain and build good reputation and relationship with the customers.

ix) Dependence on the Electronics Industry

The Group sells its products and services to customers from various sub-sectors of the electronics industry. As such, the Group's performance will, to a large extent, depend on the outlook and cyclical nature of the electronics industry. Any slow down in consumer demand locally and overseas will present a risk to the demand for the Group's products designed for use in the electronics industry. As such, there can be no assurance that any adverse development in the electronics industry will not affect the Group's business, operating results and financial conditions.

In addition, the demand for the Group's products and services can be characterised by changing technology and continuing process development. Thus, the future success of the Group will depend on its ability to maintain and enhance its technological capabilities, develop and market manufacturing services to meet the ever changing customers' needs and successfully anticipate technological changes.

Although the Group is continuously exploring other areas of technological improvement, there is no assurance that its efforts will be successful or that the emergence of new technologies and customers' requirements will not render its technology or process obsolete or uncompetitive.

3. THE RISK FACTORS (Cont'd)

x) Intellectual Property

All the products produced by PMCB Group depend heavily on the use of its own intelligent technology know-how. The Group's success will also depend on its ability to use industry standard third party proprietary technology, and to protect its own technological know-how. However, the existing patent, copyright, trademark and trade secret laws afford only limited protection. Accordingly, there can be no assurance that the Group will be able to protect its proprietary rights against unauthorised third party copying, use or exploitation, any of which could have a material adverse effect on the Group's business, operating results and financial conditions.

The Directors believe that the risk is relatively low due to the nature of the Group's products, as the equipment produced by the Group involves numerous aspects, which are complex and time consuming to develop and integrate.

To further mitigate the risk, the Group has submitted applications to register several of its trademarks and affirmed the relevant statutory declarations in respect of the copyrights of certain software products. All the employees are also required to sign a non-disclosure agreement ("NDA") to protect the Company's interest.

xi) Absence of Long Term Contractual Agreement with Customers and/or Suppliers

There is no long term contractual agreement between PMCB Group and its customers and/or suppliers. The Group seeks to limit this risk by employing various strategies to broaden its clientele base, which includes, inter alia, venturing into new markets through setting up of new marketing/sales office abroad.

Despite the absence of long-term contracts with its customers, the Group has an established and proven track record in terms of providing quality products and services, which has earned the Group the confidence and recognition of the various MNCs and overseas customers. PMCB Group also ensures that its relationships with existing customers is continuously nurtured by providing product enhancement, product upgrading and related after sales services.

The major raw materials utilised by the Group such as aluminium, stainless steel, delrin (an antistatic plastic material) and perspex (transparent plastic cover) can be easily sourced and thus it is not necessary for the Group to enter into long term contracts with its suppliers.

xii) Security and Systems Disruptions

The software products developed by PMCB consists of :

- Manufacturing process monitoring and control software system;
- Vision inspection system; and
- RFID for control and monitoring.

These software products are stored in a secured server room with daily back-up on tape which is kept at a remote location. Adequate and prompt system recovery plan is in place to handle any contingency situations that may arise. Therefore, the impact of security and system disruptions is substantially mitigated and will not have any major impact to PMCB's business.

3. THE RISK FACTORS (Cont'd)

xiii) Risk of Severe Acute Respiratory Syndrome (“SARS”)

Major health crisis of global proportions caused by SARS are expected to unfavourably affect the growth of both global and Malaysian economies. Reduction in business travelling to affected countries will to a certain extent affect business growth. However, PMCB's presence in China through its representative office based in Shanghai will provide competitive edge over our competitors who do not have a physical presence in China.

PMCB believes that any temporary deferment of orders from China will be shortlived and in view of PMCB wide customer base globally, the risk associated with SARS on PMCB's operation in China will be mitigated through marketing efforts directed to non SARS affected countries. PMCB believes that any adverse impact on the automation industry should be minimal as indications are showing that the SARS epidemic is under control in China and is diminishing in other parts of the world.

xiv) Dependence on Particular Markets and Geographical Locations

The Group currently focuses on semiconductor and manufacturing industries in Malaysia, with clients in various states in Malaysia and other countries stretching across Asia, Europe and USA. However, the Group will not be overly dependent on any particular market and geographical location as the Group has progressively expanded its customer base throughout Peninsular Malaysia and the overseas market.

xv) Dependency On Certain Customers

The major customers of the Group for the financial years ended 31 December 2000, 2001 and 2002 are as follows:-

Customers	----- Financial Year Ended ----->		
	31 December 2000	31 December 2001	31 December 2002
A well known MNC (China)*	22.63%	1.30%	14.53%
A well known MNC (Malaysia)*	26.49%	66.28%	14.81%
A well known MNC (Ireland)*	-	0.51%	12.39%
Unisem (M) Berhad	23.83%	16.44%	11.30%
Total	72.95%	84.53%	53.03%

* PMCB was unable to obtain the written consents of the said customers for the disclosure of their names in this Prospectus.

The above major customers of PMCB Group accounted for approximately 72.95%, 84.53% and 53.03% of the PMCB Group's total turnover for the financial years ended 31 December 2000, 2001 and 2002 respectively. Although the PMCB Group has established business relationships with these customers for several years and believes that it has built up good rapport, there can be no assurance that these companies would continue to be the Group's major customers, or that the failure to maintain this business relationships or reduction in orders from the major customers would not affect the Group's operating results.

PMCB Group will continue to enhance its value added services propositions, improve its service levels and maintain its competitiveness including broadening its products range and to develop a more diversified portfolio of customers and markets in the future, both locally and overseas, to lessen its dependency on the major customers and industry.

Some of the strategies taken include intensifying its overseas expansion by setting up a sales representative office in Shanghai, China in January 2002. These strategies has shown their results as indicated in the reduction in the percentage of turnover contributed by certain major customers in the financial years ended 31 December 2001 and 2002.

3. THE RISK FACTORS (Cont'd)

xvi) Achievability of Forecast

This Prospectus contains the profit forecast of PMCB Group that are based on certain assumptions made by the Directors of PMCB, but which nevertheless are subject to uncertainties and contingencies. Because of the subjective judgments and inherent uncertainties of the profit forecast, and due to events and circumstances which do not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the profit forecast that are contained herein.

xvii) Adequacy of Insurance Coverage of the Group's Assets

The Group is aware of the adverse consequences arising from inadequate insurance coverage that could cripple its business operation. In ensuring such risks are maintained to the minimum, the Group reviews and ensures adequate coverage for its assets on a continuous basis.

Although the Group has taken necessary measures to ensure that its raw materials, finished products and all its other assets are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the other assets of PMCB Group, including but not limited to the raw materials, finished products or any consequential cost arising therefrom.

xviii) Capital Market Risk

As an investor of PMCB, it is to be noted that PMCB will be listed on the Second Board of the KLSE. The performance of our local bourse is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors will invariably contribute to the volatility of trading volumes witnessed on KLSE, thus adding risk to the market price of the Shares of PMCB to be listed on the KLSE. Nevertheless, it shall be noted that the profitability of PMCB is not dependent on the performance of the KLSE.

xix) Failure in Listing Exercise

The listing exercise is also exposed to the risk that it may fail or be delayed should the following events occur:-

- (a) The Bumiputera investors and institutions approved by MITI fail to subscribe to the portion of Offer Shares allocated to them;
- (b) The eligible Directors, employees and business associates of PMCB Group fail to subscribe to the portion of Offer Shares allocated to them;
- (c) The Company or the Underwriters fail to honour their obligation under the underwriting agreement;
- (d) The Underwriters, in honouring their obligations become a shareholder holding 5% or more of the Shares in the Company; and
- (e) The Company is unable to meet the public spread requirements i.e. at least 25% of the total number of shares for which listing is sought must be in the hands of a minimum of 1,000 public shareholders holding not less than 100 Shares each.

3. THE RISK FACTORS (Cont'd)

xx) Forward Looking Statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results, and others are forward looking in nature, which are subject to uncertainties and contingencies.

All forward looking statements are based on estimates and assumptions made by the Board of Directors of the Company, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward looking statements.

Such factors include, inter-alia, general economic and business conditions, competition, the impact of new laws and regulations affecting the PMCB Group and the industry and changes in interest rates. In the light of these uncertainties, the inclusion of forward looking statements in this Prospectus should not be regarded as a representation or warranty by the PMCB or its advisers that the plans and objectives of the Group will be achieved.

xxi) Risk of Implementation of Asean Free Trade Area ("AFTA") / Common Effective Preferential Tariff ("CEPT")

PMCB believes that the equipment automation industry is not subject to any risk associated with the implementation of AFTA/CEPT as presently, there is no tariff imposed on intra Association of South-East Asian Nations ("ASEAN") trade for equipment used in the semiconductor industry. Furthermore, raw materials and components sourced from ASEAN countries are not subject to high import duty and in most cases, the importing companies enjoy import tax-exempt privileges when bringing raw materials and components into Malaysia from overseas including ASEAN countries.

However, there is no assurance that the implementation of AFTA/CEPT will not have any material impact on the Group's operation.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK