

1. SUMMARY INFORMATION

THE FOLLOWING SUMMARY INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE PIC GROUP AND SHOULD BE READ AND UNDERSTOOD IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

1.1 HISTORY AND BUSINESS

PIC was incorporated in Malaysia under the Act as a private limited company on 27 August 1990. The principal activities of PIC are that of investment holding and the provision of management and administrative services to its subsidiaries. PIC was established and founded by Haji Zaid bin Haji Abdullah, a man with extensive experience in the corporate business world. Haji Zaid bin Haji Abdullah comes from a family of seven (7) brothers and four (4) sisters. He obtained his early education in Sekolah Tengku Ampuan Rahimah, Klang and graduated from University of Malaya with Bachelor of Economic (Acc) in 1977 and Advanced Diploma in Accounting in 1978. Upon graduation, he joined the Shapadu group of companies ("Shapadu Group") as one of its founder members. He was appointed as the Finance Director of Shapadu Group from 1978 to 1982. In 1983, he was promoted as Group Executive Director where he was in charged of and involved in the group's overall operations, focusing mainly in the oil and gas, civil engineering and transportation sectors. Having acquired extensive corporate experience in the various business of the Shapadu Group, he decided to venture out on his own and in 1992, set up PIC. Hajjah Zaidah binti Mohd Salleh, the spouse of Haji Zaid bin Haji Abdullah who is also a Chartered Accountant, joined him in 1993 to assist in building up the PIC Group.

From a humble beginning, PIC slowly carved a niche in the environmental and laboratory testing business. In 1993, Haji Zaid bin Haji Abdullah had his major breakthrough when he set up ASMA and worked towards servicing the Government of Malaysia in providing environmental consulting services. The Government of Malaysia (through the DOE) awarded a 20-year concession to ASMA in 1995 to monitor the quality of air and water and the establishment of a data center. In order to assist PIC in developing the environmental consultancy business under ASMA, Haji Zaid bin Haji Abdullah had successfully convinced and invited PUNB and PNS to invest in a total of 51% equity in PIC to fund ASMA's operation. Haji Zaid bin Haji Abdullah had also invited Bovar International Ltd ("BIL"), a Canadian environmental management services company, listed on The Toronto and Frankfurt Stock Exchanges to invest in a 25% equity stake in ASMA. BIL's main role was to provide the technology and technical support to ASMA.

Having strong footing in the environmental consulting business through ASMA, Haji Zaid bin Haji Abdullah then proceeded to acquire through PIC a majority stake in ALS by entering into a joint venture agreement with Australian Laboratory Services Pty Ltd., a group of companies which operate the largest commercial laboratory-testing in the Australian region and specializes in environmental testing for the environmental industry, geochemical testing for the mineral exploration industry and engine oil testing for the transportation industry.

The concession project with the DOE and the collaboration between PIC and Australian Laboratory Services Pty Ltd has served as a catalyst for the growth of both ASMA's and ALS's businesses wherein the Group's non-concession business has grown significantly over the years. Having acquired significant technical knowledge in the environmental consultancy business over the past few years, it is timely for PIC to acquire the remaining 25% equity interest in ASMA, thereby making it a wholly-owned Malaysian company.

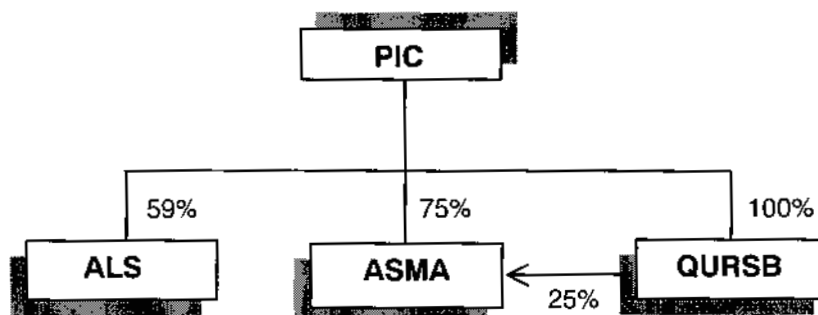
1. SUMMARY INFORMATION (Cont'd)

The details of the subsidiaries of PIC are as follows: -

Corporation	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
ASMA	28 May 1993 / Malaysia	1,052,632	100.00	Provision of environmental consulting and environmental monitoring services
ALS	12 April 1984 / Malaysia	100,000	59.00	Laboratory analysis services covering environmental, food and industrial hygiene
QURSB	3 September 2003 / Malaysia	2	100.00	Investment holding

Further details on the history and business of the Group are set out in Section 4 of this Prospectus.

The structure of the Group is as set out below:

**1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF THE PIC GROUP**

The direct and indirect shareholdings of the promoters, Substantial Shareholders, Directors and key management of the Group are as follows: -

Name	Designation	No. of Shares Held in PIC After the IPO ^			
		Direct	(%)	Indirect	(%)
Promoters / Substantial Shareholders					
ZKSB	Shareholder	38,745,674	41.22	-	-
Haji Zaid bin Haji Abdullah	Group Managing Director	19,055,710	20.27	⁽¹⁾ 39,065,674	41.56
Hajjah Zaidah binti Mohd Salleh	Group Executive Director	320,000	0.34	⁽²⁾ 57,801,384	61.49
Hassan bin Hussain	Group Executive Director	8,200,000	8.72	-	-

1. SUMMARY INFORMATION (Cont'd)

Name	Designation	No. of Shares Held in PIC After the IPO ^			
		Direct	(%)	Indirect	(%)
Directors					
Haji Zaid bin Haji Abdullah	Group Managing Director	19,055,710	20.27	⁽¹⁾ 39,065,674	41.56
Hajjah Zaidah binti Mohd Salleh	Group Executive Director	320,000	0.34	⁽²⁾ 57,801,384	61.49
Hassan bin Hussain	Group Executive Director	8,200,000	8.72	-	-
Dato' Mohamed bin Hashim	Independent, Non-Executive Chairman	150,000	0.16	-	-
Emeritus Professor Dato' Dr. Mohd Sham bin Mohd Sani	Independent, Non-Executive Director	150,000	0.16	-	-
Lee Weng Chong	Independent, Non-Executive Director	150,000	0.16	-	-

Notes: -

- (1) Deemed interested by virtue of his substantial shareholding in ZKSB and his spouse's direct shareholding in PIC.
- (2) Deemed interested by virtue of her substantial shareholding in ZKSB and being the spouse of Haji Zaid bin Haji Abdullah.

^ Assuming full subscription of Shares made available to them via the Public Issue.

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1. SUMMARY INFORMATION (Cont'd)

Name	Designation	No. of Shares Held in PIC After the IPO #			
		Direct	(%)	Indirect	(%)
Key Management					
Raman bin Kasim	Managing Director / Principal Consultant (ASMA)	200,000	0.21	-	-
Dr. Chin Teen Teen	General Manager (ALS)	200,000	0.21	-	-
Dr. Abdul Rani bin Abdullah	General Manager / Principal Consultant (ASMA)	100,000	0.11	-	-
Mohamed Nazari bin Jaafar	Senior Manager - GIS / EIT Department (ASMA)	20,000	0.02	-	-
Azman bin Zainal Abidin	Senior Manager - Air Department (ASMA)	20,000	0.02	-	-
Nurida binti Mohd Yusop	Client Service Manager (ALS)	30,000	0.03	-	-
Nadzrah Hashim	Group Finance and Accounts Manager (PIC)	60,000	0.06	-	-
Fadillah binti Omar	Finance and Accounts Manager (ASMA)	15,000	0.01	-	-
Dr Koh Yew Ming	Deputy Laboratory Manager (ALS)	20,000	0.02	-	-
Lam Nen Ying	Business Manager (ALS)	20,000	0.02	-	-

Notes: -

Assuming full subscription of Shares made available to them via the Public Issue.

Details of the Promoters, Substantial Shareholders, Directors and key management of the PIC Group are set out in Section 5 of this Prospectus.

1. SUMMARY INFORMATION (Cont'd)**1.3 FINANCIAL HIGHLIGHTS**

The proforma consolidated income statement of the Group as set out below is based on the audited financial statements of PIC, ASMA, ALS and QURSB and have been presented on the basis that the Disposals had been in effect throughout the relevant years under review.

However, the proforma Group results for the financial years ended 31 December 1999 to 2002 exclude the financial results of QURSB as the company was incorporated on 3 September 2003. The results of QURSB that is included in the proforma Group results for the financial year ended 31 December 2003 are from 3 September 2003 to 31 December 2003. Accordingly, the minority interests portion throughout the relevant years under review includes 25% equity interest in ASMA which was acquired by QURSB on 30 December 2003. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 10 of this Prospectus.

Financial year ended 31 December						5 months period ended
	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	31.05.04 (RM'000)
Revenue	27,715	30,543	33,037	34,010	38,009	16,990
EBIDTA	14,954	14,705	16,030	17,010	17,817	8,020
Finance costs	(1,394)	(1,261)	(1,241)	(989)	(781)	(388)
Interest income	-	-	-	-	-	-
Depreciation	(3,749)	(4,040)	(4,279)	(4,213)	(4,384)	(1,822)
Amortisation of goodwill	-	-	-	(49)	(49)	(259)
Share of profits of associated companies	-	-	-	-	-	-
PBT	9,811	9,404	10,510	11,759	12,603	5,551
Taxation	(3,261)	(3,840)	(3,427)	(4,455)	(4,430)	(1,754)
PAT	6,550	5,564	7,083	7,304	8,173	3,797
MI	(2,000)	(2,521)	(2,714)	(2,464)	(3,193)	(629)
PAT after MI	4,550	3,043	4,369	4,840	4,980	3,168
No. of Shares assumed in issue ('000)	20,878	20,878	20,878	20,878	20,878	20,878
Gross EPS (RM)	0.47	0.45	0.50	0.56	0.60	0.27
Net EPS (RM)	0.22	0.15	0.21	0.23	0.24	0.15

Notes: -

- (a) For the financial year ended 31 December 1999, revenue is mainly contributed by ASMA amounting to RM23.6 million. The revenue of ASMA is in turn, mainly derived from managing the National Environmental Data Centre which provides environmental data to its main customer, DOE. Similarly, PBT is also mainly contributed by ASMA which recorded a PBT of RM7.3 million for 1999.
- (b) For the financial year ended 31 December 2000, the Group's revenue increased by approximately 10% to RM30.5 million. This is mainly due to revenue contributed by ASMA which increased by approximately 15% to RM27 million in 2000 compared to the previous year as a result of all its fifty (50) CAQM stations being fully built and ready for operations in 2000. Revenue recorded by ALS has also increased by 38% and this has contributed to the increase in the PIC Group's revenue. In line with the increase in revenue, the PBT of ASMA increased by approximately 28% to RM9.4 million. Notwithstanding this, the overall PBT declined slightly as the increase was dampened by a provision for diminution in value of investment in unit trust amounting to RM 1.1 million made during the year.
- (c) For the financial years ended 31 December 2001 and 31 December 2002, the Group recorded an increase in revenue to RM33.0 million and RM34.0 million respectively. Accordingly, PBT also showed an increase from RM10.5 million in 2001 to RM11.8 million in 2002 in line with the favourable business conditions in Malaysia.

1. SUMMARY INFORMATION (Cont'd)

- (d) For the financial year ended 31 December 2003, revenue increased further to RM38 million. The increase in revenue was derived from sales to new customers consistent with the company's strategy to expand its customer base. With the increase in revenue, the Group's PBT increased accordingly by approximately 7% to RM12.6 million.
- (e) Assuming the share capital of 20,878,342 ordinary shares of RM1.00 each.
- (f) The proforma gross and net EPS are computed based on the number of shares assumed to be issued of 20,878,342 ordinary shares of RM1.00 each.
- (g) There were no extraordinary items and exceptional items in respect of the financial years under review.

1.4 PROFORMA CONSOLIDATED BALANCE SHEETS OF THE PIC GROUP AS AT 31 MAY 2004

	Audited					
	As at	Proforma	Proforma	Proforma	Proforma	Proforma
	31.5.2004	I	II	III	IV	V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non Current Asset						
Property, plant and equipment	26,974	24,477	29,638	29,638	29,638	29,638
Investment in associate	1,028	-	-	-	-	-
Goodwill on consolidation	12,079	12,079	12,079	12,079	12,079	12,079
	<u>40,081</u>	<u>36,556</u>	<u>41,717</u>	<u>41,717</u>	<u>41,717</u>	<u>41,717</u>
Current Assets						
Inventories and contract work-in-progress	8,144	611	611	611	611	611
Other receivables	2,679	4,260	4,260	4,260	4,260	4,260
Trade receivables	14,416	8,771	8,771	8,771	8,771	8,771
Investment in unit trusts	132	20	20	20	20	20
Fixed deposits with licensed banks	8,089	7,904	7,904	7,904	7,904	7,904
Cash and bank balances	13,341	3,234	3,234	3,234	3,234	3,234
	<u>46,801</u>	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>
Current Liabilities						
Other payables	23,829	3,624	3,624	3,624	3,624	3,624
Trade payables	1,680	879	879	879	879	879
Due to associate	950	-	-	-	-	-
Due to directors	796	105	105	105	105	105
Taxation	72	-	-	-	-	-
Short term borrowings	6,589	1,898	1,898	1,898	-	-
	<u>33,916</u>	<u>6,506</u>	<u>6,506</u>	<u>6,506</u>	<u>4,608</u>	<u>4,608</u>
Net Current Assets	<u>12,885</u>	<u>18,294</u>	<u>18,294</u>	<u>18,294</u>	<u>20,192</u>	<u>20,192</u>
	<u>52,966</u>	<u>54,850</u>	<u>60,011</u>	<u>60,011</u>	<u>61,909</u>	<u>61,909</u>

1. SUMMARY INFORMATION (Cont'd)

	Audited					
	As at	Proforma	Proforma	Proforma	Proforma	Proforma
	31.5.2004	I	II	III	IV	V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	20,878	20,878	20,878	38,800	43,500	47,000
Share premium	-	-	-	-	-	250
Revaluation reserves	-	-	3,716	2,701	2,701	2,701
Retained profits	17,755	20,685	20,685	3,778	3,778	3,778
Shareholders' equity	38,633	41,563	45,279	45,279	49,979	53,729
Minority interests	3,387	2,845	2,845	2,845	2,845	2,845
	42,020	44,408	48,124	48,124	52,824	56,574
Reserve on consolidation	196	196	196	196	196	196
Long term borrowings	7,682	7,178	7,178	7,178	4,376	626
Deferred taxation	3,068	3,068	4,513	4,513	4,513	4,513
	52,966	54,850	60,011	60,011	61,909	61,909
No. of Shares in issue	20,878	20,878	20,878	38,800	43,500	94,000
NTA	26,750	29,680	33,396	33,396	38,096	41,846
NTA per share (RM)	1.28	1.42	1.60	0.86	0.88	0.44

Notes: -

- Proforma I – After incorporation of disposal of subsidiaries;
Proforma II – Incorporates Proforma I and the Revaluation;
Proforma III – Incorporates Proforma II and the Bonus Issue
Proforma IV – Incorporates Proforma III and the Rights Issue; and
Proforma V – Incorporates Proforma IV, Share Split and Public Issue.*

Detailed Proforma Consolidated Balance Sheets and the Reporting Accountants' letter thereon are set out in Sections 9.11 and 10 of this Prospectus respectively.

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1. SUMMARY INFORMATION (Cont'd)

1.5 SUMMARY OF MATERIAL RISK FACTORS

The following are a list of some of the material risk factors (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the IPO should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the IPO :-

- (a) Business risks;
- (b) New Investment activities risks;
- (c) Financial risks;
- (d) Industry life-cycle;
- (e) Dependence on certain customers and suppliers;
- (f) Foreign exchange rate risks;
- (g) Dependence on key personnel;
- (h) Security and systems disruptions;
- (i) Insurance coverage on assets;
- (j) Rapid advancement of technological change;
- (k) Competitive risks;
- (l) Dependence on particular markets and geographical locations;
- (m) Absence of long term contractual arrangement with customers and suppliers;
- (n) Control by Promoters;
- (o) Political, economic, regulatory and environmental considerations;
- (p) Material litigation/legal uncertainties;
- (q) Financial performance;
- (r) Achievability of profit forecasts;
- (s) Disclosure regarding forward-looking statements;
- (t) Related party transactions/ conflict of interest;
- (u) No prior market for PIC's Shares; and
- (v) Abortion/delay in the Listing.

Further details of the material risk factors are set out in Section 3 of this Prospectus.

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1. SUMMARY INFORMATION (Cont'd)**1.6 PROFIT AND DIVIDEND RECORD****CONSOLIDATED PROFIT FORECAST**

Financial Year Ending 31 December	Forecast 2004 (RM'000)
Revenue	42,666
PBT after exceptional item ^(Note 1)	18,243
Taxation	(5,468)
PAT	12,775
MI	(1,561)
Net profit for the year	11,214
Enlarged issued share capital ('000)	94,000
Gross EPS (sen)	17.75
Net EPS (sen)	11.93
Gross PE Multiple (times) ^(Note 2)	4.23
Net PE Multiple (times) ^(Note 2)	6.29

Notes: -

- (1) Including exceptional item arising from the disposal of subsidiaries pursuant to the Disposals of RM4.208 million.
- (2) Based on the IPO price of RM0.75 per Share.

The consolidated profit forecast of the PIC Group together with the Reporting Accountants' Letter thereon are set out in Section 9 of this Prospectus.

DIVIDEND FORECAST

Financial Year Ending 31 December	Forecast 2004
Gross dividend per Share	3.47 sen
Net dividend per Share	2.50 sen
Gross dividend yield ^(Note 1)	4.63%
Net dividend yield ^(Note 1)	3.33%
Net dividend cover (times) ^(Note 2)	4.77

Note: -

- (1) Based on the IPO price of RM0.75 per Share.
- (2) Based on net EPS.

Detailed information on the profit and dividend forecast are set out in Section 9 of this Prospectus.

1. SUMMARY INFORMATION (Cont'd)**1.7 PROFORMA GROUP NTA AS AT 31 MAY 2004**

	⁽¹⁾ Proforma Group NTA (RM'000)	NTA per Share (RM)
After adjusting for the IPO	41,846	0.44

Note: -

(1) After deducting the estimated listing expenses of RM1.5 million. Please refer to Section 2.6 for details on the estimated listing expenses.

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 94,000,000 Shares in PIC. Details of the proforma consolidated NTA are set out in Section 1.4 of this Prospectus.

1.8 PRINCIPAL STATISTICS RELATING TO THE IPO**1.8.1 Share Capital**

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

	Share capital (RM)
AUTHORISED SHARE CAPITAL	100,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL	
• 87,000,000 Shares	43,500,000
To be issued pursuant to the Public Issue	
• 7,000,000 Shares	3,500,000
Enlarged Share Capital	47,000,000
To be offered pursuant to the Offer For Sale	
• 18,000,000 Shares	9,000,000

The IPO Price is RM0.75 per Share payable in full upon application, subject to the terms and conditions of this Prospectus.

1.8.2 Class of Shares

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 IPO Shares shall rank pari passu in all respects with the existing Shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

1. SUMMARY INFORMATION (Cont'd)**1.9 UTILISATION OF PROCEEDS**

The total gross proceeds from the Rights Issue and Public Issue will be utilised as follows :-

	Timeframe for utilisation	Amount (RM'000)
(i) Repayment of borrowings	6 months	6,000
(ii) Working capital	Immediate	2,450
(iii) Finance estimated listing expenses	6 months	1,500
Total proceeds		9,950

The proceeds arising from the Rights Issue based on the issue price of RM1.00 per Rights Share will raise gross proceeds of RM4,700,000.

All proceeds of the Public Issue after deducting the relevant listing expenses will accrue to PIC. The estimated total gross proceeds of the Public Issue are RM5.25 million. PIC will bear all other expenses incidental to the listing and quotation of PIC's Shares on the Second Board of Bursa Securities which include underwriting commission, brokerage, management fee, registration fee, professional fees, SC fees, advertising, share issue expenses and other fees the aggregate of which is estimated to be approximately RM1.5 million.

The Offer For Sale will raise gross proceeds of RM13.5 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by PIC. The Offerors shall bear all expenses, such as, underwriting commission, placement fees, management fees, brokerage, registration and share transfer fee relating to the Offer Shares.

Further details of the utilisation are set out in Section 2.6 of this Prospectus.

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1. SUMMARY INFORMATION (Cont'd)**1.10 WORKING CAPITAL, MATERIAL LITIGATION, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS****(i) Working Capital**

The Directors are of the opinion that, after taking into account the cashflow position, the banking facilities available and the net proceeds from the Public Issue and Rights Issue, the Group will have adequate working capital for a period not less than twelve (12) months from the date of this Prospectus.

(ii) Material Litigation

Save as disclosed, as at 31 August 2004, being the latest practicable date prior to the printing of this Prospectus, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of PIC and its subsidiaries :-

- (a) PIC has a filed a summons against JC Creative Sdn Bhd via Summons No. 4-52-435-2001 in the Shah Alam Session Courts claiming from JC Creative Sdn Bhd for the refund of the sum of RM67,500 being deposit for payment for rental of shoplots. PIC declined to move into the shop lot in view that the premises is not suitable for rental as usage of gas tanks in the shop lot is not allowed. The hearing was fixed on 18 February 2004 for oral submission and the Court has fixed for delivery of its decision on 2 March 2004. The court has fixed the above matter for full trial on 3 August 2004 and 4 August 2004. The matter has been further postponed to 7 February 2005 and 8 February 2005.

(iii) Borrowings

As at 31 August 2004, being the latest practicable date prior to the printing of this Prospectus, the total borrowings, which are charged at a fixed profit rate, comprise term loans and hire purchase financing amounted to approximately RM10.5 million. The borrowings can be analysed further as follows: -

	Amount (RM'000)
Short term borrowings	6,487
Long term borrowings	3,977
Total Borrowings	10,464

The Group has not defaulted in any of its payment of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the financial period thereof immediately preceding the date of this Prospectus.

1. SUMMARY INFORMATION (Cont'd)

(iv) Contingent Liabilities

As at 31 August 2004, being the latest practicable date prior to the printing of this Prospectus, there was no contingent liabilities incurred by the Group .

(v) Material Commitments

As at 31 August 2004, being the latest practicable date prior to the printing of this Prospectus, there were no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group save as disclosed below :-

	RM'000
Authorised and not contracted for	<u>843</u>

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2. PARTICULARS OF THE IPO

This Prospectus is dated 30 September 2004.

A copy of this Prospectus has been registered with the SC and lodged with the Registrar of Companies who take no responsibility for its contents.

The approval of the SC obtained vide its letter dated 21 June 2004 shall not be taken to indicate that the SC recommends the IPO and that investors should rely on their own evaluation to assess the merits and risks of the IPO.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the securities of PIC, which are required to be deposited into the CDS. In consequence thereof, the Shares offered through this Prospectus will be deposited directly with the Bursa Depository and any dealings in these Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules.

Application will be made to Bursa Securities 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 entire enlarged issued and fully paid-up share capital of PIC on the Second Board of Bursa Securities. These Shares will be admitted to the Official List on the Second Board of Bursa Securities and official quotation will commence upon receipt of confirmation from the Issuing House that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of Applications for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation of the entire enlarged issued and fully paid-up Shares on the Second Board of Bursa Securities. Accordingly, monies paid in respect of any application accepted from the IPO 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 Bursa Securities within the aforesaid timeframe.

Pursuant to the Listing Requirements of Bursa Securities, at least 25% of the issued and paid up share capital of the Company must be held by a minimum number 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 IPO, the Company may not be allowed to proceed with its listing on the Second Board of Bursa Securities.

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

Applicants of the IPO Shares must have a CDS account. In the case of an applicant by way of Application Form, an applicant should state his/her CDS account number in the space provided in the Application Form. In the case of an applicant 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 Institutions by 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 to do so. A corporation or institution cannot apply for the Shares by way of Electronic Share Application.

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

2. PARTICULARS OF THE IPO (Cont'd)

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

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

2.1 SHARE CAPITAL

	Share capital (RM)
AUTHORISED SHARE CAPITAL	100,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL	
• 87,000,000 Shares	43,500,000
To be issued pursuant to the Public Issue	
• 7,000,000 Shares	3,500,000
Enlarged Share Capital	47,000,000
To be offered pursuant to the Offer For Sale	9,000,000
• 18,000,000 Shares	

The IPO Price is RM0.75 per Share in respect of the Public Issue Shares/Offer Shares payable in full upon application, subject to the terms and conditions of this Prospectus.

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 IPO Shares shall rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

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

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 a 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.

2. PARTICULARS OF THE IPO (Cont'd)

2.2 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price of RM0.75 per Share was determined and agreed upon by the Company, the Offerors and AmMerchant Bank as Adviser and Managing Underwriter based on various factors including the following:-

- (i) The Group's financial operating history and conditions and financial position as outlined in Sections 1.3 and 1.4 respectively of this Prospectus;
- (iii) The forecast net PE Multiple of approximately 6.29 times based on the forecast net EPS (including the exceptional item arising from the Disposals of RM4.208 million) of approximately 11.93 sen based on the enlarged issued and paid-up share capital of 94,000,000 Shares in PIC;
- (iii) The Proforma Consolidated NTA of PIC as at 31 May 2004 of RM0.44 per Share based on the enlarged issued and paid-up share capital of 94,000,000 Shares in PIC; and
- (iv) The prospects of the industry in which the Group operates as outlined in Section 4.6 of this Prospectus.

The shareholders should also note that the market price of the PIC Shares upon listing on Bursa Securities are subject to the vagaries of the market forces and other uncertainties which may affect the price of the PIC Shares being traded.

2.3 DETAILS OF THE IPO

The Public Issue of 7,000,000 Shares at an IPO Price of RM0.75 per Share, and the Offer For Sale of 18,000,000 Shares at an IPO Price of RM0.75 per Share, are payable in full on application upon such terms and conditions as set out in this Prospectus. The total 25,000,000 Shares to be offered under the Public Issue and Offer For Sale will be allocated and allotted in the following manner: -

(i) Malaysian Public

4,000,000 Public Issue Shares and 2,000,000 Offer Shares will be made available for application by the Malaysian Public to be allotted by way of balloting. At least 30% of the 6,000,000 Public Issue and Offer Shares are to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Directors, Eligible Employees and Business Associates of the PIC Group

3,000,000 Shares under the Public Issue will be reserved for the Directors, eligible employees and business associates of the Group.

The Shares will be allotted to 138 Directors, eligible employees and business associates of the Group respectively based on the following criteria as approved by the Company's Board of Directors: -

- (a) At least eighteen (18) years of age;
- (b) Job position; and
- (c) Length of service.

2. PARTICULARS OF THE IPO (Cont'd)

Details of the Directors' pink form allocation based on the aforementioned criteria are as follows: -

Name of Directors	Designation	No. of Shares
Haji Zaid bin Haji Abdullah	Group Managing Director	340,000
Hajjah Zaidah binti Mohd Salleh	Group Executive Director	320,000
Hassan bin Hussain	Group Executive Director	220,000
Dato' Mohamed bin Hashim	Independent, Non-Executive Chairman	150,000
Emeritus Professor Dato' Dr. Mohd	Independent, Non-Executive Director	150,000
Sham bin Mohd Sani		
Lee Weng Chong	Independent, Non-Executive Director	150,000
Total		1,330,000

(iii) Placees

The 16,000,000 Shares to be offered pursuant to the Offer For Sale will be placed to selected investors (who are deemed public).

In summary, the IPO Shares will be allocated and allotted in the following manner: -

	Public Issue Shares	Offer Shares	Total IPO Shares
Malaysian Public (via balotting)	4,000,000	2,000,000	6,000,000
Directors, eligible employees and business associates of the PIC Group	3,000,000	-	3,000,000
Malaysian Public (via placement)	-	16,000,000	16,000,000
Total	7,000,000	18,000,000	25,000,000

The 7,000,000 Public Issue Shares available for application by the Malaysian public and the Directors, eligible employees and business associates of the Group have been fully underwritten. The 18,000,000 Offer Shares available for application by the Malaysian public and identified placees have also been underwritten.

Any IPO Shares which are not taken up by eligible employees, Directors and/or the business associates of the Group will be made available for application by Malaysian Public and/or identified placees via private placement. Any IPO Shares by Malaysian Public which are not taken up will be made available to identified placees via private placement if the private placement is oversubscribed and vice versa. Any further IPO Shares not subscribed for will be made available for subscription by the Underwriters in the proportion specified in the Underwriting Agreement dated 13 August 2004.

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2. PARTICULARS OF THE IPO (Cont'd)**2.4 CRITICAL DATES OF THE IPO**

Events	Tentative Date
Issue of Prospectus/Opening date of the IPO	30 September 2004
Closing date of the IPO*	7 October 2004
Balloting of Applications	11 October 2004
Listing of the Company's entire issued and paid-up share capital on the Second Board of Bursa Securities	19 October 2004

* The Closing Date of the IPO may be extended for further period or periods as the Directors and/or Promoters together with the Managing Underwriter in their absolute discretion may decide, subject to Bursa Securities' approval.

Should the closing date of the aforesaid application be extended, the dates for the balloting and listing of PIC's entire issued and paid up capital on the Second Board of Bursa Securities might be extended accordingly. Any changes to the application period for the Public Issue will be notified to the public via an advertisement in a daily Bahasa Malaysia and English newspaper.

2.5 PURPOSES OF THE IPO

The purposes of the IPO are as follows: -

- (i) To enable the Group to gain recognition and certain stature through its listing status and further enhance its corporate reputation and assist the Group in expanding its customer base;
- (ii) To repay part of the Group's bank borrowings;
- (iii) To facilitate the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Second Board of Bursa Securities;
- (iv) To provide additional funds to meet the present and future working capital requirement of the Group;
- (v) To enable the Group to gain access to the capital market to raise funds for future expansion, diversification, modernisation and continued growth of the Group; and
- (vi) To provide the opportunity for the Directors, eligible employees and business associates of the Group and the Malaysian investing public and institutions to participate in the equity and continuing growth of the Group.

2. PARTICULARS OF THE IPO (Cont'd)**2.6 UTILISATION OF PROCEEDS FROM THE RIGHTS ISSUE, PUBLIC ISSUE, AND OFFER FOR SALE**

The total gross proceeds from the Rights Issue and Public Issue will be utilised as follows :-

		Timeframe for utilisation	Amount (RM'000)
(i)	Repayment of borrowings	6 months	6,000
(ii)	Working capital	Immediate	2,450
(iii)	Finance estimated listing expenses	6 months	1,500
Total proceeds			9,950

The proceeds arising from the Rights Issue based on the issue price of RM1.00 per new Rights Share shall accrue to PIC.

All proceeds of the Public Issue after deducting the relevant listing expenses will accrue to PIC. The estimated gross proceeds of the Rights Issue and Public Issue amounted to RM4.7 million and RM5.25 million respectively. PIC will bear all other expenses incidental to the listing and quotation of PIC's Shares on the Second Board of Bursa Securities which include underwriting commission, brokerage, management fee, registration fee, professional fees, SC fees, advertising, share issue expenses and other fees the aggregate of which is estimated to be approximately RM1.5 million. The Offer For Sale will raise gross proceeds of RM13.5 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by PIC. The Offerors shall bear all expenses, such as, underwriting commission, placement fees, management fees, brokerage, registration and share transfer fee relating to the Offer Shares.

There is no minimum subscription to be raised from the IPO as the IPO Shares are fully underwritten.

(i) Repayment of borrowings

As at 31 August 2004, the total borrowings of the Group amounted to approximately RM10.5 million. The aforesaid borrowings have been utilised to finance, *inter alia*, the working capital requirements of the Group and the acquisition of the 25% equity interest in ASMA from BIL via QURSB.

An amount of RM6.0 million from the proceeds of the Rights Issue and Public Issue will be utilised as part repayment of the Group's borrowings. Accordingly, at the prevailing profit rate of 8% per annum, PIC Group would enjoy a total finance costs savings of approximately RM480,000 per annum.

(ii) Working capital

The working capital is required by the Group for its environmental monitoring and laboratory service business and to enable them to distribute a wider range of services to its clients. Instead of utilising the banking facilities which entail finance costs and are subject to interest rate risks, PIC will utilise RM2.45 million of the IPO proceeds for its working capital purposes.

2. PARTICULARS OF THE IPO (Cont'd)**(iii) Estimated listing expenses**

The estimated listing expenses for the listing of and quotation for the enlarged share capital of 94,000,000 Shares in PIC on the Second Board of Bursa Securities are as follows: -

Estimated listing expenses	Amount (RM)
Fees to authorities	92,800
Professional fees #	680,000
Underwriting commission, management fee and brokerage charges	345,000
Printing, advertising and other miscellaneous expenses @	382,200
Total	1,500,000

Notes: -

Include fees for the Adviser, Reporting Accountants, Solicitors and other professional advisors.

@ Any unutilised amount shall be used for working capital purposes of the Group.

2.7 FINANCIAL IMPACT FROM UTILISATION OF PROCEEDS

The utilisation of the total gross proceeds arising from the Rights Issue and Public Issue by the Group is expected to have a financial impact on the Group by way of savings in finance costs through the repayment of RM6.0 million of the Group's borrowings. At the prevailing profit rate of 8% per annum, the repayment of the Group's borrowings will result in a savings in finance costs of approximately RM480,000 per annum.

2.8 UNDERWRITING COMMISSION, MANAGEMENT FEES AND BROKERAGE

The Managing Underwriter and Underwriter as mentioned in Section 1 of this Prospectus, have agreed to underwrite the 7,000,000 of the Public Issue Shares to be issued to the Malaysian Public, the Directors, eligible employees and business associates of the Group as well as the 18,000,000 Offer Shares to be offered to the Malaysian Public and identified placees. Underwriting commission is payable by PIC and the Offerors at the rate of 2.0% of the total underwritten shares of 25,000,000 at the IPO Price of RM0.75 per Share to the respective underwriters.

Brokerage is payable in respect of the Public Issue / Offer For Sale made available for application by the Malaysian Public at the rate of 1.0% of the IPO Price of RM0.75 per Share in respect of successful applications which bear the stamp of AmMerchant Bank, participating organisation of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

2. PARTICULARS OF THE IPO (Cont'd)

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Note: Unless stated, all capitalised terms shall bear the same meanings as prescribed in the Underwriting Agreement.

The following are some of the Clauses of the Underwriting Agreement dated 13 August 2004 ("Agreement"), including escape clauses, which may allow the underwriters to withdraw from obligations under the agreement after the opening of the offer: -

Clause 6.1

The obligations of each of the Underwriters to underwrite the Underwritten Shares under this Agreement are conditional on the performance by the Company and the Offerors of its obligations under this Agreement and on:

6.1.1 The Managing Underwriter receiving the reports or confirmation, stating and confirming that:

6.1.1:1 there has been no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group taken as a whole from that provided in the Prospectus to the satisfaction of the Managing Underwriter at the Closing Date; or

6.1.1:2 there has not occurred any event or the discovery of any facts or circumstances which would render any representation, warranty or undertaking in Clause 11 (Representations, Warranties and Undertakings) untrue or inaccurate or result in a material breach of this Agreement by the Company and/or the Offerors to the satisfaction of the Managing Underwriter at the Closing Date;

6.1.2 The Managing Underwriter receiving a certificate in the form contained in Schedule 3A (Certificate of Company) of this Agreement dated the Issue Date signed by all the Directors of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 11 (Representations, Warranties and Undertakings) of this Agreement and the Managing Underwriter receiving a certificate in the form contained in Schedule 3B (Certificate of Offerors) of this Agreement dated the Issue Date signed by all the Offerors stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 11 (Representations, Warranties and Undertakings) of this Agreement;

6.1.3 The issue of the Prospectus not later than 1 month from the date of this Agreement or such later date as the Managing Underwriter and the Company may from time to time agree;

6.1.4 The registration of the Prospectus and such other documents as may be required in accordance with the SCA in relation to the Public Issue and the Offer for Sale with the SC and its lodgement with the ROC by the Issue Date;

2. PARTICULARS OF THE IPO (Cont'd)

- 6.1.5 *The approval of SC referred to in Clause 2.2 (Approval) to the admission of the Company to the Official List and the listing of and quotation for its entire issued and paid up share capital being obtained on terms acceptable to the Managing Underwriter remaining in full force and effect and that all conditions precedent to the approval (except for any which can only be complied with after the Public Issue and the Offer for Sale has been completed) have been complied with;*
- 6.1.6 *The Managing Underwriter being satisfied that the Company will, following completion of the Public Issue and the Offer for Sale be admitted to the Official List and its share capital be listed and quoted on the Second Board within three (3) months from the date of the Prospectus;*
- 6.1.7 *The Managing Underwriter being satisfied with the arrangements of the Company and the Offerors to pay the expenses referred to in Clause 10 (Fees and Commission);*
- 6.1.8 *The Managing Underwriter receiving a copy certified by a director or secretary of the Company to be a true and accurate copy and in full force and effect of a resolution of the Directors in form and substance acceptable to the Managing Underwriter:*
- 6.1.8:1 *approving the Issue/Offer Documents, this Agreement and the transactions contemplated by it;*
- 6.1.8:2 *authorising a person to sign and deliver this Agreement on behalf of the Company;*
- 6.1.8:3 *authorising the issuance of the Issue/Offer Documents;*
- 6.1.9 *In the case of an Offeror being a corporation, the Managing Underwriter receiving a copy certified by a director or secretary of such Offeror to be a true and accurate copy and in full force and effect of a resolution of the directors of such Offeror in form and substance acceptable to the Managing Underwriter:*
- 6.1.9:1 *approving the Issue/Offer Documents, this Agreement and the transactions contemplated by it;*
- 6.1.9:2 *authorising a person to sign and deliver this Agreement on behalf of such Offeror;*
- 6.1.9:3 *authorising the issuance of the Issue/Offer Documents;*
- 6.1.10 *This Agreement being signed by all parties and stamped;*
- 6.1.11 *The Public Issue and Offer for Sale not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Public Issue and Offer for Sale and all consents, approvals, authorisations or other orders required by the Company and/or the Offerors under such laws for or in connection with the Public Issue and/or the Offer for Sale and/or listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board have been obtained and are in force on the Closing Date or the Managing Underwriter being reasonably satisfied that the same will be in force on the Closing Date;*

2. PARTICULARS OF THE IPO (Cont'd)

6.1.12 *The Managing Underwriter being satisfied that the Company and/or the Offerors have complied with and that the Public Issue and Offer for Sale is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto; and*

6.1.13 *The Public Issue and Offer for Sale being approved by the shareholders of the Company in an extraordinary general meeting.*

Clause 10.2

The Underwriting Commission shall be payable to the Underwriters whether or not any allotment is made to the Underwriters or their respective nominees and whether or not the Underwriters become obliged to apply for any Underwritten Shares pursuant to Clause 9 (Underwriting Obligations). For the avoidance of doubt, any service tax chargeable in respect of the Underwriting Commission shall be borne by the Company and the Offerors in respect of their portion of the Underwritten Shares.

Clause 10.3

Subject to Clause 9 (Underwriting Obligations), the Underwriting Commission (or the balance of any such Underwriting Commission which remains payable notwithstanding the deduction pursuant to Clause 9.2 (Underwriting Obligations)) shall be paid by the Company and the Offerors, in respect of their portion of the Underwritten Shares, to the Underwriters within 3 Market Days after the listing of the entire share capital of the Company on the Second Board provided always that so long as any moneys which are due from any of the Underwriters under Clause 9 (Underwriting Obligations) in respect of any Underwritten Shares shall remain unpaid that Underwriter shall not be entitled to receive payment of the Underwriting Commission.

Clause 14.1

14.1 *Notwithstanding anything herein contained, the Managing Underwriter and/or the Underwriters, acting through the Managing Underwriter may by notice in writing to the Company and the Offerors given at any time before the Closing Date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:-*

14.1.1 *there is any breach by the Company and/or the Offerors of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company and/or the Offerors, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriters, which is required to be disclosed pursuant to this Agreement which, in the opinion of the Managing Underwriter and/or the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue and/or the Offer for Sale, or the distribution of the Issue Shares and/or the sale of the Offer Shares; or*

14.1.2 *there is withholding of information of a material nature from the Underwriters, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company and Offerors, which, in the opinion of the Managing Underwriter and/or Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue and/or the Offer for Sale, or the distribution of the Issue Shares and/or the sale of the Offer Shares; or*

2. PARTICULARS OF THE IPO (Cont'd)

14.1.3 *there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group; or*

14.1.4 *there shall have occurred, happened or come into effect any of the following circumstances:-*

(a) *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*

(b) *any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Managing Underwriter and/or the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);*

which, (in the reasonable opinion of the Managing Underwriter and/or the Underwriters), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or the Group, the success of the Public Issue and/or the Offer for Sale, or the distribution of the Issue Shares and/or the sale of the Offer Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or

14.1.5 *there is failure on the part of the Company and/or the Offerors to perform any of their respective obligations herein contained.*

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3. RISK FACTORS

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

(a) Business Risks

The PIC Group is principally involved in the provision of a comprehensive range of environmental services ranging from consulting, monitoring, equipment integration, data management, GIS, modelling and laboratory testing. The PIC Group's clients include governmental bodies and private industries ranging from chemical, electronic and food manufacturing and the oil & gas sector. Like any other businesses operating in an open market, PIC is subject to market forces and is subject to certain business risks inherent in these industries. These include but are not limited to changes in government regulatory framework, curtailments in government expenditures on environmental monitoring programs, the possibility of not being able to secure future contracts, scarcity of trained and experienced technical and supporting personnel, certain monitoring and testing services being obsolete, decrease in demand for environmental services resulting in lower revenue, monitoring and laboratory process technologies being cost ineffective, increase in labour, equipment and chemical costs, entry of new players resulting in price erosion, credit risks as billings are made upon delivery of environmental solutions/reports and is subject to approval by the customer, unforeseen requirements in environmental monitoring and testing technologies and limitations in technological availability.

The PIC Group seeks to limit these risks by constantly seeking out new markets in Malaysia and overseas, constant development of new consulting, monitoring and testing services, nurturing and maintaining good business relationships with its clients in the governmental and private industries, expansion of market share, expanding its efforts in research and development of new technologies and continuing to improve upon its quality management system. To date, ASMA has achieved the ISO 9001 accreditation while ALS has achieved the ISO 17025 accreditation.

The Group's ability to manage business risks can be gauged from its ability to maintain its growth in revenue during the recent regional economic crisis as reflected in its audited accounts for the last 5 financial years. Nevertheless, no assurance can be given that changes to any of the factors cited above will not have an adverse impact on the Company's business.

(b) New Investment Activities Risk

As at 31 August 2004, being the latest practicable date prior to the printing of the Prospectus, the Group is not involved in any material investment activities, save for placement of excess funds in short-term, non-speculative and Islamic investment instruments. Notwithstanding this, the Group may, if appropriate opportunities present themselves, invest in new ventures, acquire businesses or enter into synergistic joint ventures that the Group believes will be in the interest of its shareholders. As such there are potential risks that investments may have longer than expected gestation periods or may not be entirely successful. In this respect, the Group may take time to recover or be unable to recover its initial investments,

To mitigate this risk, the Group will exercise due care in the evaluation of such new investment activities. Nevertheless, there can be no assurance that such ventures, if any, will yield positive returns to the Group. The Group will however, undertake a detailed evaluation and consider all related risks prior to undertaking any acquisitions and joint ventures.

3. RISK FACTORS (Cont'd)

(c) Financial Risks

Save as disclosed in Section 9.4 of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings, including bank overdraft and liabilities under acceptances, hire purchase or commitments or guarantees. As at 31 August 2004, the total banking facilities of the Group amounts to RM16.1 million of which approximately RM10.5 million is outstanding.

Some of the Group's working capital requirements are met partially by borrowings and internally generated funds. To mitigate these financial risks, the Group has and will secure Islamic banking facilities wherein the financial costs are committed and capped at a pre-agreed yield throughout the tenure of the funding period.

(d) Industry Life-Cycle

The PIC Group performance will, to some extent, depend on the outlook and nature of the environmental industry. Any slowdown in consumer demand will present a risk to the demand for environmental services. As such, there can be no assurance that any adverse development in the environmental industry will not affect PIC's business, operating results and financial conditions.

(e) Dependence on certain Customers and Suppliers

DOE has been contributing between sixty-five percent (65%) and eighty percent (80%) of the Group's revenue for the past seven (7) years ended 31 December 2003. Although the Group has been awarded with the concession business with DOE for twenty (20) years, there is no guarantee or assurance that DOE will maintain the concession for the entire period of the concession or that the concession may not be terminated due to some unforeseen reasons.

To mitigate the risk of dependency on the concession business from the DOE, the Group has embarked on an aggressive business strategy to expand its non-concession business in the public and private sectors. This is evidenced by the increase in the Group's non-concession business revenue by approximately fifty-three percent (53%) for the financial year ended 31 December 2003 compared to that of the previous year.

Apart from revenue generated from Malaysia, the PIC Group also exports its services to neighbouring countries in the ASEAN region and as such, has been able to maintain a steady stream of environmental works from overseas. Although the PIC Group has established good business relationships with its major clients for several years and believes it has built up good rapport, there can be no assurance that a reduction in demand from the local and overseas clients would not affect the Group's operating results.

Apart from two ambient air monitoring suppliers located in the US, the PIC Group is not dependent on any other major supplier for all its monitoring and testing equipment and as such has established a wide network of suppliers. Such network is established over long term business relationships with most of its contractors over the past few years and experience in the industry cultivated over time. In addition, the Group's materials are sourced from a large panel of suppliers to prevent disruption of the supply of raw materials which also enhances the Group's bargaining strength in price negotiations.

3. RISK FACTORS (Cont'd)

(f) Foreign Exchange Rate Risk

The PIC Group imports its major equipments and consumables from various countries such as the USA, Germany, Japan, United Kingdom and Australia. On the other hand, the Group's services are exported to countries within the ASEAN region. As such, the Group is exposed to the foreign exchange rate risk. Given that the exports are denominated in US dollars, the risk is mitigated in the medium term due to the current Ringgit being pegged against the US Dollar. In spite of this, as the US dollars remain susceptible to the vagaries of the world foreign exchange market, the Group's import of equipments and consumables and export of services may be affected by the strengthening and weakening of the US dollars against the other major currencies such as the Euro, pounds sterling and yen.

However, there can be no assurance that the currency control will remain in Malaysia and that the future foreign exchange fluctuation arising from the lifting of the currency controls or the adjustment of the Ringgit peg will not adversely impact the PIC Group. In view of this, the management of the PIC Group are constantly monitoring the PIC Group's Ringgit exposure and hedging foreign exchange risks, whenever deemed appropriate.

(g) Dependence on Key Personnel

The PIC Group believes that its continued success will depend to a significant extent upon the abilities and continued efforts of existing Directors and senior management. The loss of certain key members of the Board and senior management team may affect the PIC Group's ability to compete competitively in various economic sectors in which the Group is involved. However, the PIC Group has adequate competent personnel and a succession program and the Group's future success will also depend upon its ability to continually attract highly competent personnel. Towards this end, the Group will strive to continue attracting and retaining skilled personnel to support its business operation and has made efforts to train its staff. As a result of this, the Group has enjoyed the support of management staff.

The success of the Group's business was achieved through the deliberate and careful planning of the Directors with the support of the Group's key management team.

(h) Security and systems disruptions

In view of the nature of PIC Group's subsidiary businesses, uninterrupted data transmission, data processing and storage is critical to the business in particular to ASMA's operation. ASMA is dependent on the quality of services provided by local telecommunication providers and service disruptions may occur from time to time. Collated and compiled data are stored in secured server with daily back up which in turn kept at our off-site data center. ASMA has also taken stringent measures to protect its computer system from intrusion by hackers and viruses. Therefore, the potential impact of security and system disruptions is substantially minimised.

In the event of service disruptions, the Group may be liable to damages, which could have adverse impact to the Group. The Group has not experienced any major service disruption for the past years, and will continue to ensure viability of the services by taking the necessary preventive measures.

3. RISK FACTORS (Cont'd)

(i) Insurance Coverage on 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 stocks, machineries and all its other assets are adequately covered by insurance, there can be no assurance that the insurance coverage can be adequate for the replacement cost of the other assets of PIC Group, including but not limited to the stocks, machineries or any consequential cost arising therefrom.

(j) Rapid advancement of technological change

The PIC Group's environmental services are inherent to risks characterised by rapid technological developments, evolving industry standards, rapid changes in client's requirements and rapidly introduced environmental monitoring and testing requirements. The Group seeks to minimise these risks by actively and continuously pursuing technology innovation, to stay abreast with local and international regulatory requirements, industry best practices and strategic business alliances with its clients to address the sophisticated needs of its clients. The Group also provides continuous staff training (local and overseas at conferences and technical products meetings) and development in the latest monitoring and laboratory technologies to align their skills and knowledge with industry's requirements. However, there is still no assurance that the emergence of new technologies and customer's requirements will not render its technology or process obsolete or uncompetitive.

(k) Competitive Risks

PIC Group faces competition from both foreign and local companies who may offer similar environmental services. There are many environmental consulting and environmental testing companies in Malaysia offering similar services. While no assurance can be given that PIC 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 revenue for the past financial years, despite the recent economic downturn. Many of PIC Group's clients are multi-national corporations in Malaysia and overseas where the selection criteria for its services are based on high quality analytical data, good post sales support, technological innovation, competitive pricing and high reliability.

Nonetheless, no assurance could be given that any change to these factors would not have any material adverse impact on the Group's business.

(l) Dependence on Particular Markets and Geographical Locations

The PIC Group currently undertakes projects in Malaysia and neighboring ASEAN countries. Most of the revenue of the Group is derived from DOE and within Malaysia. The management is aware of this risk and has taken steps to mitigate it. The Group is progressively expanding into new markets throughout Asia and the Middle East and is not expected to be overly dependent on any particular market or geographical location in the near future.

Furthermore, the Group has diversified its business into other niche market to ensure a stable stream of income for the Group.

3. RISK FACTORS (Cont'd)

(m) Absence of Long Term Contractual Arrangement with Customers and Suppliers

With the exception of DOE, the PIC Group does not have any long-term contractual agreement with its customers. The PIC Group seeks to limit this risk by employing multiple strategies to broaden its clientele base which includes venturing into new markets (new consulting or testing divisions) locally and internationally, expansion beyond the Malaysian market.

(n) Control by Promoters

After the IPO, the Promoters, as set out in Section 1.2 of this Prospectus will collectively control 70.55% of PIC's enlarged issued and paid-up capital. As a result, these Promoters will 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 by the relevant authorities.

However, in the event of related party transactions involving any of the Promoters of the Company, such transactions have to be announced in accordance with the requirements of the Listing Requirements of Bursa Securities and the substantial shareholder would be required to abstain from voting. In addition, PIC has appointed three (3) independent non-executive directors, as a step towards good corporate governance and protecting the interests of minority shareholders.

(o) Political, Economic, Regulatory and Environmental Considerations

Adverse developments in political, economic, regulatory and environment conditions in Malaysia and other countries where the Group may operate could materially and adversely affect the financial prospects of the Group. The Group will continue to take effective measure such as prudent management and increase efficiency of its operations through training. The Group will also intensify its marketing efforts to expand its market to the regional countries to reduce its dependency on a particular country.

In view of the linkage between the services offer by the Group and the environmental industry, the financial prospects of the Group may be similarly be affected by any legislation or regulation imposed on the aforementioned industry.

(p) Material Litigation/Legal Uncertainties

Save as disclosed in Section 1.10 and Section 13.6 of this Prospectus, as at 31 August 2004, the Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group.

(q) Financial Performance**Restrictive Covenants**

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

3. RISK FACTORS (Cont'd)**Capital Commitment**

As at 31 August 2004, the Group does not have any material commitment, which may have a substantial impact on the results or the financial position of the Group save for the following :-

	RM'000
Authorised and not contracted for	843

Indebtedness

As at 31 August 2004, the total banking facilities of the Group amounts to RM16.1 million of which approximately RM10.5 million is outstanding.

(r) Achievability of Profit Forecast

It should be noted that the profit forecast are based on various assumption with respect to the levels and timing of revenues, cost, finance cost rates, exchange rates and various other matters of an operational or financial nature, which assumptions are believed by the Directors of the Company to be reasonable. These assumptions are nevertheless subject to uncertainties and contingencies. Because of the subjective judgments and inherent uncertainties of forecast and because of the events and circumstances may not occur as expected, no assurance can be given that such assumptions and the resultant forecast results will be realised, and actual results may be materially different from that shown. Potential investors should note carefully the bases and assumptions to the profit estimate and forecast as well as the comments by the Reporting Accountants in their letter on the consolidated profit forecast as set out in Section 9.6 of this Prospectus.

(s) Disclosure Regarding Forward-Looking Statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results, and any forward-looking statements in nature are subject to uncertainties and contingencies. All forward-looking statements are based on forecasts and assumptions made by the Company, and although believed to be reasonable, are subject to 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 express or implied in such forward-looking statements. Such factors include, inter-alia, general economic and business conditions, competition and the impact of new laws and regulations affecting the Group. In the light of these and other uncertainties, the inclusion of any forward-looking statements in this Prospectus should not be regarded as a representation of the Company or its adviser that the plans and objectives of the Group will be achieved.

(t) Related-Party Transactions/ Conflict of Interest

As disclosed in Section 7 of this Prospectus, there are certain related-party transactions involving the Directors and Substantial Shareholders and/or persons connected with the Directors or Substantial Shareholders of PIC. The Directors and Substantial Shareholders of PIC have given an undertaking that all business transactions between the Group and the Directors and Substantial Shareholders and their related persons, shall be based on commercial terms that shall not be disadvantageous to the Group.

3. RISK FACTORS (Cont'd)

(u) No Prior Market for PIC's Shares

Prior to this IPO, there has been no public market for PIC's shares. There can be no assurance that an active market for PIC's shares will develop and continue to develop upon or subsequent to its listing on the Second Board of Bursa Securities or, if developed, that such a market will be sustained. The IPO Price of RM0.75 for the Public Issue and Offer Shares has been determined after taking into consideration a number of factors, including but not limited to, the Company's financial and operating history and condition, its prospects and the prospects of the industry in which the Company operates, the management of the Company, the market prices for shares of companies engaged in business similar to that of the Company and the prevailing market conditions at the time the application for listing of PIC was submitted to the SC. There can be no assurance that the IPO Price will correspond to the price at which PIC's shares will trade on the Second Board of Bursa Securities upon or subsequent to its listing.

(v) Abortion/Delay In The Listing

The success of the listing exercise is also exposed to the risk that it may fail or be delayed should any of the following event occurs:

- (i) The underwriters exercising its rights pursuant to the Underwriting Agreement discharging themselves from their obligations thereunder; and
- (ii) PIC is unable to meet the public spread requirements i.e. at least 25% of the issued and paid-up capital of PIC must be held by a minimum of 1,000 public shareholders holding no less than 100 ordinary shares in PIC each.

Although the Directors will endeavour to ensure compliance by PIC of the Listing Requirements, including inter-alia, the public spread requirements imposed by the SC and Bursa Securities for the successful listing, no assurance can be given that the above-mentioned factors will not cause delay or abortion of the Listing.

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