
2. DETAILS OF THE OFFER FOR SUBSCRIPTION

This Prospectus is dated 31 July 2003.

A copy of this Prospectus has been registered with the SC and lodged with the Chief Executive Officer of the Companies Commission of Malaysia who takes no responsibility for its contents.

The approval of the SC obtained vide its letter dated 24 December 2002 shall not be taken to indicate that the SC recommends the Restricted Offer for Subscription and Offer for Subscription, and that investors should rely on their own evaluation to assess the merits and risks of the Restricted Offer for Subscription and Offer for Subscription.

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 AWC on the Second Board of the KLSE. These Shares will be admitted to the Official List 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 Restricted Subscription Shares and Subscription 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 AWC on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the Restricted Offer for Subscription and Offer for Subscription 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.

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

The KLSE 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 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 Restricted Offer for Subscription and Offer for Subscription or if made, such information or representation must not be relied upon as having been authorised by AWC. Neither the delivery of this Prospectus nor any Restricted Offer for Subscription and Offer for Subscription 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 AWC since the date hereof.

The distribution of this Prospectus and the making of the Restricted Offer for Subscription and Offer for Subscription 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 Restricted Subscription Shares and Subscription 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.

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2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)**2.1 Share Capital**

AUTHORISED SHARE CAPITAL	RM
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000.00</u>
ISSUED AND FULLY PAID-UP SHARE CAPITAL :	
• Existing 206,579,227 new Shares	103,289,613.50
<i>To be issued pursuant to the Restricted Offer for Subscription</i>	
• 5,000,000 Shares	2,500,000.00
<i>To be issued pursuant to the Offer for Subscription:</i>	
• 17,100,000 Shares	8,550,000.00
Enlarged Share Capital	<u>114,339,613.50</u>

There is only one class of shares in AWC, namely ordinary shares of RM0.50 each. The Restricted Subscription Shares and Subscription Shares to be issued pursuant to this Prospectus 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 this Prospectus.

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 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 representatives shall have one vote for each Share held.

2.2 Details of the Restricted Offer for Subscription and Offer for Subscription**Restricted Offer for Subscription**

The Restricted Offer for Subscription of 5,000,000 new Shares are priced at RM0.60 per Share and payable in full on application upon such terms and conditions as set out in this Prospectus. The Restricted Offer for Subscription will be allocated to certain existing shareholders of AWC as set out below:-

	No. of shares
K-Capital [^]	2,334,476
Hew Tze Kwon	128,000
Lianti Rahardja	128,000
Hew Tze Ken	110,000
AKN Capital	1,081,524
LCB	571,000
PJISB	394,000
Lim Kian Seng	123,000
Knights Technology Sdn Bhd	130,000
	<u>5,000,000</u>

Note:

[^] K-Capital was incorporated to hold the shareholdings of Dato' Haji Mat Yasir bin Juli, Abdul Samad bin Mat Taib, Ahmad Bustamam bin Sharif, Musa bin Zainuddin, Abdul Razak bin Abdul Rahman and Dato' Ahmad Kabeer bin Mohamed Nagoor pursuant to the Corporate and Debt Restructuring Scheme.

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Offer for Subscription

The Offer for Subscription of 17,100,000 new Shares are priced at RM0.60 per Share and payable in full on application upon such terms and conditions as set out in this Prospectus.

The 17,100,000 Subscription Shares will be allocated and allotted in the following manner:-

- (i) 1,000,000 Subscription Shares will be made available for application by the Former Shareholders of TCHB;
- (ii) 4,100,000 Subscription Shares will be made available for application by the Malaysian Public; and
- (iii) 12,000,000 Subscription Shares will be placed out to public investors who have been/to be identified by the Directors of AWC of which 9,300,000 have been reserved for Bumiputra investors approved by MITI.

Any Subscription Shares in respect of paragraph (i) not subscribed for will be made available for application by the Malaysian Public should there be an oversubscription for Subscription Shares in respect of paragraph (ii). Similarly, any undersubscribed Subscription Shares in respect of paragraph (ii), will be made available for application by the Former Shareholders of TCHB.

Any portion of the 12,000,000 Shares not subscribed for by the identified placees will be made available for application by the Former Shareholders of TCHB and/or the Malaysian Public.

The Subscription Shares represent 7.48% of the enlarged issued and paid-up share capital of AWC of 228,679,227 Shares.

The Shares in respect of paragraph (i) and (ii) have been fully underwritten. The Shares in respect of paragraph (iii) are not underwritten.

As part of the proceeds from the Restricted Offer for Subscription and Offer for Subscription will be utilised for repayment to the Preferential Creditors of TCHB and the Scheme Subsidiaries pursuant to the Debt Settlement Scheme of TCHB, the minimum subscription to satisfy the said objective is approximately 16.67 million Shares.

2.3 Basis of Arriving at the Subscription Price

The Restricted Offer for Subscription price and Offer for Subscription price of RM0.60 per Share was determined and agreed upon by the Company and AmMerchant Bank as Adviser and Managing Underwriter based on various factors including the following:-

- i) the proforma forecast net PE multiples of 12.00 times based on the proforma forecast net EPS of 0.05 sen;
- ii) the prospects and future plans of the AWC Group as outlined in Section 4.7 and 4.8 of this Prospectus.

The Directors of AWC and AmMerchant Bank are of the opinion that the Restricted Offer for Subscription price and Offer for Subscription Price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of AWC shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of AWC shares being traded.

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2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)**2.4 Critical dates of the Restricted Offer for Subscription and Offer for Subscription**

Events	Tentative Date
Date of Prospectus – Opening Date of Application for the Restricted Offer for Subscription and Offer for Subscription	31 July 2003
Closing of Application List for the Restricted Offer for Subscription and Offer for Subscription Shares	13 August 2003
Tentative Date for the Balloting of Applications	15 August 2003
Tentative Date of Despatch of Notices of Allotment of the Restricted Offer for Subscription and Offer for Subscription Shares to successful applicants	27 August 2003
Tentative Listing Date of the Company's entire issued and paid up share capital on the Second Board of the KLSE	3 September 2003

2.5 Purposes of the Restricted Offer for Subscription and Offer for Subscription

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

- (i) To achieve the public shareholding spread for the listing of and quotation for AWC's entire issued and paid-up share capital of 228,679,227 Shares on the Second Board of the KLSE. The listing of AWC Shares is expected to enhance the AWC Group's corporate reputation and assist the AWC Group its to gain access to the capital market for its future expansion and growth;
- (ii) To provide an opportunity for Malaysian investors and institutions to participate in the equity and continuing growth of the AWC Group;
- (iii) To obtain a listing of and quotation for AWC's entire issued and paid-up share capital of 228,679,227 Shares on the Second Board of the KLSE; and
- (iv) To raise proceeds for the settlement of the indebtedness due to the Preferential Creditors of TCHB and the Scheme Subsidiaries pursuant to the Debt Settlement Scheme.

The purposes of the Restricted Offer for Subscription are as set out in item (iii) and (iv) above.

2.6 Proceeds of the Restricted Offer for Subscription and Offer for Subscription and its Utilisation

AWC will receive gross proceeds from the Restricted Offer for Subscription and Offer for Subscription totalling RM13.26 million. The proceeds from the Restricted Offer for Subscription and Offer for Subscription will be utilised as follows:-

	RM'000
Repayment to the Preferential Creditors of TCHB and the Scheme Subsidiaries pursuant to the Debt Settlement Scheme	10,000
Estimated restructuring and listing expenses	2,500
Working Capital	760
TOTAL	13,260

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

AWC will bear all other expenses incidental to the listing and quotation of AWC's Shares on the Second Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees the aggregate of which is estimated to be approximately RM2.5 million.

As the proceeds from the Restricted Offer for Subscription and Offer for Subscription are only expected to be received in the second half of 2003, the proceeds are not expected to have financial impact on the AWC Group's financial results for the year ended 30 June 2003. The AWC Group is expected to utilize the proceeds for the repayment to the Preferential Creditors of TCHB and the Scheme Subsidiaries pursuant to the Debt Settlement Scheme and estimated restructuring expenses by the 4th quarter of year 2003. The remainder of the proceeds will be utilised for working capital purposes.

Notes:

1. Repayment to the Preferential Creditors of TCHB and the Scheme Subsidiaries pursuant to the Debt Settlement Scheme

The AWC Group will repay the outstanding indebtedness of the Preferential Creditors of TCHB, TCSB, TCTSB and TCESB, which is subject to a maximum of RM10 million pursuant to the Debt Settlement Scheme.

Any surplus from the proceeds reserved for part repayment pursuant to the Debt Settlement Scheme, which is subject to the limit of RM10 million, shall be utilised as working capital to the AWC Group.

2. Estimated restructuring and listing expenses

The restructuring of TCHB and the listing expenses for the listing of the entire issued and paid-up share capital of AWC on the Second Board of the KLSE are estimated to amount to RM2.50 million which will be settled out from the proceeds from the Restricted Offer for Subscription and Offer for Subscription. Details of the estimated restructuring and listing expenses are set out below:-

	RM'000
Advisory fees (merchant bankers, solicitors and auditors)	1,500
Fees to authorities, e.g. SC, KLSE	200
Printing and others	200
Underwriting Commission and Placement and Brokerage Fees	160
Miscellaneous	440
Total	2,500

Any cash surplus after settlement of the listing expenses will be utilized as working capital to the AWC Group.

3. Working Capital

The balance of the proceeds from the Restricted Offer for Subscription and Offer for Subscription of RM760,000 will be utilized as working capital for the purposes of managing the day-to-day operations of the AWC Group.

2.7 Underwriting Commission and Brokerage

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 5,100,000 Offer for Subscription Shares to be offered to the Former Shareholders of TCHB and the Malaysian Public. Underwriting commission of 2.0% and management fees of 1.0% of the Subscription price of RM0.60 per Share are payable by AWC to the Underwriters and Managing Underwriter, respectively.

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Brokerage is payable in respect of the Restricted Subscription Shares and Subscriptions Shares by AWC at the rate of 1% of the issue price of RM0.60 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 Association of Merchant Banks in Malaysia or MIH.

2.8 Salient Terms of the Underwriting Agreements

The following are some of the salient clauses contained in the Underwriting Agreement dated 17 July 2003, including clauses, which may allow the underwriter to withdraw from the underwriting obligations under the Underwriting Agreement after the opening of the offer:-

Extracts of the clauses relating to undertakings by the Company

"The Company irrevocably and unconditionally, covenants and undertakes with the Underwriters to some acts as set out below:-

- (a) *to pay all and any stamp and other documentary taxes or duties, payable on, or in connection with, the creation, issue and distribution of the Issue Shares and the execution of this Agreement including any interest and penalties resulting from delay or omission on the part of the Company;*
- (b) *to apply for and obtain the approval-in-principle of the KLSE for the admission of the Company to the Official List of the KLSE and for the listing of and quotation for the entire issued and paid up share capital of the Company on the Second Board of the KLSE before the Closing Date and to comply with all requirements and provisions of the Companies Act 1965, the Securities Commission Act 1993, the KLSE Listing Requirements and all other applicable laws, rules and regulations and the requirements of all other relevant authorities;*
- (c) *to comply with all the conditions, if any, imposed by the SC and the KLSE and any other relevant authority for the listing of and quotation for the entire issued and paid up share capital of the Company on the Second Board of the KLSE;*
- (d) *to promptly and without any delay whatsoever notify the Managing Underwriter who shall thereafter inform the other Underwriters of any breach of any of the representations, warranties or agreements or of any facts, information, situations or circumstances which the Company in its reasonable opinion believes may materially and adversely affect the business of the Company and/or the Group as a whole, or the success of the Public Issue and without prejudice to the generality of the foregoing, to take such steps as may be reasonably requested by the Managing Underwriter and/or the Underwriters (as the case may be) to remedy and/or publicise the same, at any time prior to the Closing Date;*

The obligations of the Underwriters under the Agreement shall be conditional upon the Managing Underwriter having been satisfied that the Company has complied and that the Public Issue is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto;

If any of the conditions stipulated in the Underwriting Agreement are not satisfied on or before the Closing Date and if after the Closing Date it shall become apparent to the Underwriters that the Public Shareholding Spread has not been met, the Underwriters shall thereupon be entitled, to terminate this Agreement by notice in writing to the Company and in that event the Parties hereto shall be released and discharged from their respective obligations hereunder PROVIDED THAT the Company shall remain liable for the payment of the Underwriting Commission and Management Fee and of all other costs and expenses including but not limited to those referred to in the clause pertaining to the cost of underwriting.

Force Majeure

Notwithstanding anything herein contained the Underwriters may at any time be entitled to terminate their obligations under this Agreement with a notice in writing delivered to the Company on the occurrence of all or any of the matters stated in this Clause 5 on or before the

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Closing Date if the success of the Public Issue is, in the opinion of the Managing Underwriter (whose opinion is final and binding), seriously jeopardised by:

- (a) *any Government requisition or other occurrence of any nature whatsoever which in the opinion of the Managing Underwriter (whose opinion is final and binding) seriously affects or will seriously affect the business and/or financial position of the Company;*
- (b) *any change or any development involving a prospective change in national or international monetary, financial (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Managing Underwriter prejudice materially the success of the Public Issue and its distribution or sale (whether in the primary or in respect of dealings on the secondary market); or*
- (c) *any breach of the representations, warranties and undertakings referred to in Clause 3 hereof or withholding of information of a material nature from the Managing Underwriter and/or Underwriters; or*
- (d) *any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, which in the opinion of the Managing Underwriter and/or Underwriters have or is likely to have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Company; or*
- (e) *any event or series of events beyond the reasonable control of the Managing Underwriter (including without limitation acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which has or is likely to have the effect of making any material part of this Agreement incapable of performance with its terms or which prevents the processing of application, crediting of accounts and/or payments pursuant to the Public Issue or pursuant to the underwriting hereof; or*
- (f) *the imposition of any moratorium, suspension or material restriction on trading in securities generally in the KLSE due to exceptional financial circumstances or otherwise.*

On delivery of such a notice by any of the Underwriters to the Company and confirmation of such a notice by facsimile or by hand, this Agreement shall be terminated and the obligations of that Underwriter under this Agreement shall be discharged accordingly. In the event of any such termination under this Clause 6, the Company shall bear all the cost and expenses incurred under this Agreement including but not limited to those stated in Clause 7.03 hereof.

Termination

Notwithstanding anything herein contained, the Underwriters and/or the Managing Underwriter (as the case may be) may by notice in writing to the Company given at any time before the Closing Date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if :-

- (a) *there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or*
- (b) *there is failure on the part of the Company to perform any of its obligations herein contained; or*
- (c) *there is 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 Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company, the success of the Public Issue, or the distribution or sale of the Issue Shares; or*
- (d) *there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company; or*

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

- (e) there shall have occurred, or happened any of the following circumstances:-
- (i) 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
 - (ii) 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 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, 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 as a whole, the success of the Public Issue, or the distribution or sale of the Issue 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.

Upon any such notice(s) being given pursuant to Clause 6.01, the Underwriters shall be released and discharged from their obligations hereunder whereupon this Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of this Agreement, save and except that the Company shall remain liable for the payment of the Underwriting Commission and Management Fee and in respect of its obligations and liabilities under Clause 7.03 for the payment of costs and expenses already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies, and for any antecedent breach."

2.9 Approvals and Conditions from Authorities

The Restricted Offer for Subscription, Offer for Subscription and the Listing, being the integral parts of the Corporate and Debt Restructuring Scheme were approved by the following authorities as follows:-

Authorities	Date
SC	24 December 2002
FIC	10 October 2002
EPU	12 December 2002

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2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

The conditions imposed by the authorities and the status of compliance are set out below :-

Conditions Imposed By SC	Status of Compliance
<p>(i) the appointment by TCHB and/or AWC of an independent audit firm (who is experienced in investigative audit and is not the past or current auditor of the TCHB Group) within two (2) months from the date of the SC's approval letter to conduct an investigative audit on the Company's previous business losses. TCHB and/or AWC is also required to take the necessary/appropriate measures to recover the said losses. Based on the findings of the investigative audit, TCHB and/or AWC is/are required to make a report to the relevant authorities in the event of any breach of the laws, regulations, rules, guidelines and/or TCHB's memorandum and articles of association by any member of TCHB's Board of Directors and/or any other party that has caused the losses to TCHB. The investigative audit is to be completed within six (6) months from the date of appointment of the independent audit firm and an appropriate announcement is required to be made to the KLSE in respect of the findings of the investigative audit. Two (2) copies of the said investigative audit report must be made available to the SC after the completion of the investigative audit;</p>	<p>On 25 February 2003, TCHB had announced that AWC has on 24 February 2003 appointed Messrs Ernst & Young to carry out the investigative audit. The remaining conditions will be complied.</p>
<p>(ii) Provisions are to be made for the AWC Group's debts, whereby:</p> <ol style="list-style-type: none"> there is dispute/doubt on the said amounts; legal action has commenced/been taken; and the debts have remained outstanding for a period of more than six (6) months <p>In relation to the above, the directors of AWC are required to provide to the SC with a written confirmation that the trade debts which have exceeded the credit period are recoverable and provisions for doubtful and bad debts have been made to the financial accounts and the financial forecast/projections prior to the issuance of the circular to the shareholders of TCHB ("Circular") and the prospectus of AWC ("Prospectus");</p>	<p>SC had vide its letter dated 13 May 2003 exempted AWC Group from having to make provisions for:-</p> <ul style="list-style-type: none"> retention sum with retention period of more than six(6) months provided that the retention sum is within the retention period as stated in the contracts/agreements; and debts owed by the Government. <p>Provisions for the AWC Group's debts have been made in accordance to the SC's terms and condition.</p> <p>Complied vide the letters from the directors of AWC dated 23 April 2003 and 23 July 2003, respectively.</p>
<p>(iii) Any bad debts existing at the completion of the implementation of the Corporate and Debt Restructuring Scheme which was not appropriately provided for or not disclosed in the Circular and the Prospectus, will be required to be reimbursed by the Vendors of the Acquiree Companies being acquired by AWC;</p>	<p>Complied. Letters of undertakings to reimburse in relation to item (ii) above were issued to AWC by the Vendors of the Acquiree Companies on 23 July 2003, respectively. It should be noted that SC had also vide its letter dated 13 May 2003 allowed the vendors of GGLN to take into consideration the profit warranty granted by them to AWC when reimbursing the bad debt as announced by TCHB on 21 May 2003.</p>

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Conditions Imposed By SC	Status of Compliance
(iv) All debts between the AWC Group and its related companies which arise outside of the ordinary course of the AWC Group's business, are required to be settled before the issuance of the Circular and the Prospectus;	There are no outstanding debts between the AWC Group and its related companies, which are outside the ordinary course of the AWC Group's business, and therefore this SC's conditions has been complied.
v) Any future business transactions between the AWC Group and the companies of which the directors of AWC are related or interested in are to be conducted on arm's length basis, and not on terms which will be prejudicial to the AWC Group. In this respect, the Audit Committee of AWC is required to monitor the terms of these transactions and the Directors of AWC are required to report such transactions, if any, in the annual report of the AWC Group each year;	To be complied when applicable
(vi) To fully disclose the following matters in the Circular and the Prospectus;	
a) AWC's plan to comply with the 25% public shareholding spread requirement, and the timeframe by which the said requirement will be complied with. In this respect, AWC is required to obtain approval of KLSE on the timeframe for compliance as aforesaid;	Complied. Details are set out in Section 2.2 of this Prospectus.
b) Details on the factors which had caused TCHB's past years' losses;	Complied. Details are set out in Section 5.1 of this Prospectus.
c) Details on all existing concessions and contracts held by the AWC Group and comments on the ability of the AWC Group to secure future contracts as well as the risks associated with it and the steps which have been undertaken and/or will be undertaken by the AWC Group to mitigate these risks;	On 23 January 2003, AmMerchant Bank had on behalf of TCHB and AWC, requested for a waiver from the SC to comply with the disclosure requirements to set out the details of all existing contracts held by the enlarged AWC Group. The waiver was granted by the SC vide its letter dated 10 March 2003 to the extent of concession/contracts that are required to be classified as confidential.
d) The Risk Management Plan of AWC, following the Corporate and Debt Restructuring Scheme;	Complied. Details are set out in Section 4.3.6 of this Prospectus.
e) The involvement of the directors and/or key management personnel of the AWC Group in other companies. In relation to this, the directors of the AWC Group are required to comment on the implication of their and the key management personnel's involvement in other companies on their ability to manage the business of the AWC Group as well as the factors and/or mitigating steps which have been taken and/or will be taken to address any negative implications arising from these involvements. These directors and key management of AWC Group are also required to provide a written confirmation of the same to the SC prior to the issuance of the Circular and the Prospectus;	Complied. Details are set out in Section 3(vi) of this Prospectus. Further, the directors and key management had issued their written confirmation dated 23 July 2003 to the SC that their involvement in other companies have no material impact on the management of the business of AWC Group.

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Conditions Imposed By SC	Status of Compliance
f) A management succession plan for ensuring the continuity of the management of the AWC Group following the Corporate and Debt Restructuring Scheme;	Complied. Details are set out in Section 3(vi) of this Prospectus.
g) The AWC Group's total trade debts, ageing analysis of the said trade debts and also the outstanding debts which have exceeded the credit period as well as the comments/statements from the directors of AWC Group on the recoverability of the outstanding trade debts which have exceeded the credit period;	Complied. Details are set out in Section 4.3.7 of this Prospectus.
h) Details of situations giving rise to conflicts of interest within the AWC Group and the steps that have been taken and/or will be taken to overcome this conflicts situation; and	<p>There is no conflict of interest within the AWC Group as its Subsidiaries, namely M&C(M) and M&C(S) will be operating from different geographical, i.e M&C(M) in Malaysia and M&C(S) in Singapore and Brunei. Any future projects received other than in the respective geographical focus will be collaborated to the advantage of the AWC Group.</p> <p>There is also no conflict of interest within M&C(M) and M&C(S) and KPSB. KPSB is more focused on electrical services, fire fighting services, plumbing and sanitary services etc that are undertaken for clients on project/ contract basis, which M&C(M) and M&C(S) do not provide. KPSB, however, provides value added services which include BAS, a product which M&C(M) and M&C(S) are principally focusing in. KPSB does not hold any specific brand of BAS, which means that it would be able to obtain its supply from M&C(M) or M&C(S) unless the BAS carried by M&C(M) and M&C(S) does not meet KPSB's client specification or the pricing if which the products are to be obtained are not suitable for M&C(M) and M&C(S).</p> <p>In relation to facility management, AWSB is only undertaking integrated facility management projects from the Government whilst AWFM provides its services to the commercial sector. GGLN's business complements that of AWSB and AWFM.</p>
i) Details on the methods of valuation of the Acquiree Companies. In relation to this, TCHB and AmMerchant Bank are required to comment on the reasonableness and basis of these valuations;	On 23 January 2003, AmMerchant Bank had on behalf of TCHB and AWC, requested for a waiver from the SC for TCHB and AmMerchant Bank to comment on the reasonableness and basis of the valuation of the Acquiree Companies. The waiver was granted by the SC vide its letter dated 10 March 2003.

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

Conditions Imposed By SC	Status of Compliance
<p>(vii) a moratorium is imposed on 87,218,000 AWC Shares, representing 50% of the consideration shares to be issued to the Vendors of the Acquiree Companies pursuant to the Acquisitions in accordance to the SC's Policies and Guidelines on Issue/Offer of Securities. The Vendors of the Acquiree Companies are not allowed to sell, transfer or assign the Shares subject to the moratorium for a period of one (1) year from the Listing Date of AWC on the KLSE, and thereafter, they are only allowed to sell, transfer or assign up to a maximum of one-third (1/3) of the Shares held by them which are subject to the moratorium (on a straight line basis) in every subsequent year.</p> <p>The abovementioned moratorium condition is also imposed on the ultimate shareholders of K-Capital, AKN Capital, PJISB and Knights Technology Sdn Bhd whereby all the said ultimate shareholders are required to provide undertakings that they will not sell, transfer or assign their shareholdings in the respective companies for the duration of the abovementioned moratorium condition. However, the Vendors of the Acquiree Companies are allowed to avail themselves to the SC's new Guidelines in line with the implementation of the final phase of the disclosure-based regulation;</p>	<p>Complied. On 11 March 2003, SC announced that a moratorium for one(1) year from the date the shares are listed on KLSE will be imposed on 50% of the consideration securities to be received by the vendors of the assets to be injected with regards to acquisitions of assets resulting in reverse take-overs of listed companies. Thereafter, the shares are not subjected to any moratorium requirement. Accordingly, the time period for the moratorium condition imposed by SC mentioned as item (vii) above will be reduced from three(3) years to one(1) year. Details are set out in Section 2.10 of this Prospectus.</p> <p>Complied. Letters of undertaking from the ultimate shareholders of K-Capital, AKN Capital and Knights Technology Sdn Bhd not to sell, transfer or assign its respective shares in AWC for a period of up to one(1) year from the date of admission of to the Official List of the Second Board of the KLSE were provided on 23 July 2003.</p>
<p>(viii) Any subsequent changes to the shareholding structure of AWSB will only be allowed upon obtaining a written approval from the EPU;</p>	<p>To be complied when applicable.</p>
<p>(ix) Compliance with all the relevant requirements under the SC's Policies and Guidelines on Issue/Offer of Securities particularly those under Chapters 14, 18, 21 and 25; and</p>	<p>Complied.</p>
<p>(x) Compliance with the conditions imposed by other authorities, if any.</p>	<p>Not applicable. There are no conditions imposed by other authorities.</p>

2.10 Moratorium on Shares

The SC, in approving the Corporate and Debt Restructuring Scheme of TCHB has imposed a moratorium on the disposal of 87,218,000 AWC Shares received by certain Vendors of the Acquiree Companies.

Accordingly, certain Vendors as listed in the table below will not be allowed to sell, transfer or assign their respective portions of Shares in AWC which are under moratorium, representing approximately 50% of the 174,433,333 Shares received from their sale of the Acquiree Companies, within a year from the date of admission of the Company to the Official List of the Second Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign their respective shareholdings in the Company.

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2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

The shareholdings of certain Vendors whose Shares are subject to the moratorium as imposed by the SC are set out below:-

Name of the Vendors	Shareholdings After the Restricted Offer for Subscription and Offer for Subscription	No. of Moratorium shares	% Based on number of Shares issued in relation to the Acquisitions
K-Capital *	83,776,559	48,929,533	28.05
AKN Capital	23,457,774	13,700,467	7.85
LCB	20,461,000	9,997,451	5.73
Choo Har Thong	2,550,000	1,245,956	0.72
Tony Setiadi	4,250,000	2,076,593	1.19
PJISB	14,139,333	6,873,000	3.94
Lim Kian Seng	4,404,333	2,141,000	1.23
Knights Technology Sdn Bhd	4,636,667	2,254,000	1.29
Total		87,218,000	50.00

* K-Capital was incorporated to hold the shareholdings of Dato' Haji Mat Yasir bin Juli, Abdul Samad bin Mat Taib, Ahmad Bustamam bin Sharif, Musa bin Zainuddin, Abdul Razak bin Abdul Rahman and Ahmad Kabeer bin Mohamed Nagoor.

The abovementioned moratorium condition is also imposed on the ultimate shareholders of K-Capital, AKN Capital and Knights Technology Sdn Bhd. The ultimate shareholders of K-Capital, AKN Capital and Knights Technology Sdn Bhd had provided their respective undertakings to the SC that they will not sell, transfer or assign their shareholdings in the respective companies for the duration of the abovementioned moratorium condition.

The restriction, which is fully accepted by the aforesaid shareholders, is endorsed specifically on the share certificates representing the shareholders' respective shareholdings that are under moratorium to ensure that AWC's registrars do not register any transfer not in compliance with the restriction imposed by the SC.

The endorsement which will be affixed in the certificates of the securities under moratorium is 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"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the 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".

2.11 Profit Warranty

In connection to the Acquisition of GGLN, the Vendors of GGLN further covenant and warrant to AWC that GGLN shall have a PAT of at least RM1.5 million ("Warranted Profits") for each financial periods of 1 July 2002 to 30 June 2003 and 1 July 2003 to 30 June 2004 respectively. The other salient terms of the Profit Warranty are as follow:-

- (i) the profit warranty shall survive the completion of the sale and purchase of the entire issued and paid-up share capital of GGLN and the period beginning from 1 July 2002 until 30 June 2004 ("Profit Warranty Period");
- (ii) Within 30 days after the audited accounts of GGLN for each financial period under the profit warranty, the Vendors of GGLN shall make good any shortfall between the Warranted Profits and the actual audited PAT of GGLN for the respective financial periods;
- (iii) The profit warranty shall be secured with a placement of a portion of the AWC Shares to be received by the Vendors of GGLN pursuant to the terms of the SSA in respect of the Acquisition of GGLN with a stakeholder mutually agreed ("Stakeholder"). For the purpose hereof, the Vendors of GGLN, AWC and the Stakeholder shall execute a

2. DETAILS OF THE OFFER FOR SUBSCRIPTION (Cont'd)

stakeholder agreement at a time determined by AWC which shall be after the date the condition precedent in the SSA in respect of the Acquisition of GGLN has become unconditional. The salient points of the stakeholder arrangement are as follows:-

- Appointment of stakeholder

The Stakeholder shall have the powers and authority granted to and conferred upon it by Stakeholder Agreement and such further power and authority, acceptable to it, to act on behalf of the Vendors of GGLN and/or AWC as the Vendors of GGLN and/or AWC (as the case may be) may grant to or confer upon it.

- The Deposited Securities

The deposited securities ("Deposited Securities") shall be such number of AWC Shares and/or shares quoted on the KLSE which are required to be deposited by the Vendors of GGLN with the Stakeholder at the time upon allotment of the shares in AWC Shares pursuant to the SSA in respect of the Acquisition of GGLN, with an aggregate Market Value sufficient to maintain the Margin (as defined below) in respect of all of the Guaranteed Financial Periods (as mentioned below) and any other AWC Shares and/or shares quoted on the KLSE including any additional shares or securities, or as the case may be, cash deposits which are placed and deposited with the Stakeholder by the Vendors of GGLN from time to time but shall not include all and any securities, rights, dividends, moneys/interest and property whatsoever which may at any time after the date hereof be derived from, accrued on, paid on or be offered in respect of the Initial Deposited Securities and/or other shares or securities or cash deposit so deposited, whether by way of exchange, conversion, rights, bonus or otherwise howsoever.

- Margin

The Margin shall mean:-

- (a) in relation to the first Guaranteed Financial Period ending on 30 June 2003, the sum of Ringgit Malaysia Two Million Two Hundred and Fifty Thousand (RM2,250,000.00) only equivalent to one hundred and fifty per cent (150%) of the Warranted Profits for the first Guaranteed Financial Period; and
 - (b) in relation to the second Guaranteed Financial Period ending on 30 June 2004, the sum of Ringgit Malaysia One Million and Five Hundred Thousand (RM1,500,000.00) only equivalent to one hundred per cent (100%) of the Warranted Profits for the second Guaranteed Financial Period.
- (iv) The Vendors of GGLN shall at any time during the Profit Warranty Period have the option to substitute the whole, but not part only, of the security for the Profit Warranty pursuant to the Stakeholder Agreement with a Bank Guarantee acceptable to AWC for an amount equivalent to the value of the Margin of security to be maintained pursuant to the terms of the Stakeholder Agreement at the time of such substitution.

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3. THE RISK FACTORS

In evaluating an investment in the Restricted Subscription Shares and Subscription 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 AWC Shares

Prior to the Listing, there has been no public market for AWC Shares. There can be no assurance that an active market for AWC Shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such a market will be sustained. The issue price of RM0.60 for AWC Shares has been determined after taking into consideration a number of factors, including but not limited to, the prospects of the industry in which the AWC Group operates, the management of AWC, the market prices for shares of companies listed on the KLSE and the prevailing market conditions at the time the application for AWC listing was submitted to the SC. There can be no assurance that the issue price will correspond to the price at which AWC Shares will be traded on the Second Board of the KLSE upon or subsequent to its listing or that an active market for AWC Shares will develop and continue to develop upon or subsequent to its listing.

(ii) Business Risks

The AWC Group is subject to certain risks inherent in the facilities and building solutions industry. These include but is not limited to, labour and supply shortages, the intensity of competition, demand for its services and products, increases in the costs of energy, equipment and software, changes in general economic, business and credit conditions, fluctuations in foreign exchange rates, entry of new competitors, introduction of new technology, services and products, new legislation that may adversely affect the AWC Group's business. The AWC Group seeks to limit these risks through, inter-alia, development of new services and products, diversification of its sources of supplies and the expansion of its customer base. However, no assurance can be given that any change to these factors will not have a materially adverse effect on AWC Group's business.

(iii) Competitive Conditions

The AWC Group faces competition from both foreign and local companies who may offer similar services and products.

While the number of local competitors in the case of the facility management services is relatively small, they provide some competition which could heighten further and may pose a challenge to the AWC Group in the future. In addition, foreign competitors may in turn become more competitive in the facilities and business solutions as it is currently a relatively untapped market.

The M&E Engineering division of the AWC Group operates in a niche market, in which service provider competes, amongst others, in terms of their reputation, proven track record and the technologies used. M&C(M) and M&C(S) have been in the industry for over 20 years and 6 years, respectively whilst KPSB has been in the industry for over 6 years and these companies had managed substantial number of projects in their respective field.

Although the AWC Group will remain competitive by offering quality value-added services and products at competitive prices, no assurance is given that the AWC Group will be able to maintain its existing market share in the future.

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3. THE RISK FACTORS (Cont'd)

(iv) Reliance on the Concession

The AWC Group holds the Concession to provide comprehensive facility management services to the Government for Federal Government common-user buildings located in the Concession Zone for a period of ten(10) years from 1998 with an option to extend for another five(5) years. The loss of the Concession is likely to have a material effect on the profitability of the AWC Group. It should be noted that no guarantee or assurance can be given for the AWC Group to be able to remain as the Concession holder after the expiry of the Concession agreement. In addition, no guarantee or assurance can also be given for the AWC Group to be able to maintain the Concession for the entire period of the Concession and/or that the Concession may be terminated due to unforeseen reasons. However, so as to be not overly dependent on the Concession, the AWC Group is constantly making efforts to diversify into facilities management for the private sector and other Government buildings not within the scope of the Concession. The AWC Group's other activities also help to reduce the risk of over dependence on the Concession.

(v) Reliance on suppliers

The AWC Group relies on its overseas principals for the supply of engineering equipment. Based on the proforma consolidated profit and loss for the financial year ended 31 December 2002, approximately 15% of its purchases are derived from these suppliers. These suppliers are internationally renowned manufacturers who also provide technical support and a platform for transfer of technology in the re-manufacturing of parts and components and related engineering services. The suppliers who have been with the AWC Group for more than twenty (20) years are secured by way of distributorship agreements, which may be subject to renewal at the discretion of the suppliers. Even though the AWC Group has managed to secure distributorship rights from the suppliers and has a good and long working relationship with its suppliers, there can be no assurance that the AWC Group will be able to maintain these distribution rights. Apart from its own research and development efforts, the AWC Group is acquiring the necessary knowledge through technology transfers from these suppliers to improve its' competitiveness in the HVAC controls and BAS industry.

(vi) Dependence on Key Management

As in other businesses, the enlarged AWC Group's continued success will depend significantly on the abilities and continued efforts of its directors and senior management. The loss of any key members of the enlarged AWC Group could adversely affect the enlarged AWC Group's ability to compete. In addition, some of the directors and key management personnel of the AWC Group are also involved in other companies, details of which are set out below:-

Name	Designation held in AWC Group	Type of involvement in other companies	Name of the other companies
Krishnan Menon	Executive Director of AWC	Independent non-executive Director	SPK Sentosa Berhad
		Independent non-executive Director	Malaysia International Shipping Corporation Berhad
		Independent non-executive Director	Symphony House Berhad
		Non-executive Director	AKN Messaging Technologies Berhad
		Non-executive Director	Putrajaya Holdings Sdn Bhd
Nordin bin Abu Bakar	Executive Director of AWC	Director	Pakatan Alam Sdn Bhd

3. THE RISK FACTORS (Cont'd)

Name	Designation held in AWC Group	Type of involvement in other companies	Name of the other companies
Dato' Ir. Lee Peng Joo	Non-Independent Non-Executive Director of AWC and Director of KPSB	Group Managing Director / Chief Executive Officer and major shareholder Director Director Managing Director Director Director Director Director Director	PJI Holdings Berhad Aplink Enterprise Sdn Bhd Antap Makmur Holdings Sdn Bhd Bintulu Indah Sdn Bhd Kejuruteraan Trolka Sdn Bhd PJ Indah Sdn Bhd PJ Indah-Adco Sdn Bhd PJ Indah Properties Sdn Bhd PJI Resources Sdn Bhd (formerly known as Aset Manis Jaya Sdn Bhd) PJ International Ltd PJI Overseas Ltd (formerly known as Monolite Asia Pacific Ltd) VPIS Security Systems Sdn. Bhd.
Dato' Kalimullah bin Masheerul Hassan	Independent Non-Executive Chairman of AWC	Non-Executive Chairman Managing Director Director Director Chairman Director Director Director Director Director Director Director Chairman	MBf Capital Berhad ECM Capital Sdn Bhd Taylor's Education Bhd Abad Naluri Sdn Bhd K-Bridge Sdn Bhd TSH Ekowood Sdn Bhd Alaf Haluan Sdn Bhd K-Bridge Holdings Sdn Bhd Efficient Document Sdn Bhd Virtual Print International Sdn Bhd Markibra Consulting Sdn Bhd ECM Holdings Limited ECM Libra Partners Sdn Bhd (formerly known as Libra Partners Sdn Bhd) ECM Libra Investment Bank Limited
Datuk Nasir bin Safar	Independent Non-Executive Director of AWC	Director Director Director	Syner Property Sdn Bhd Projek Tiara Sdn Bhd Famalia Sdn Bhd Kota Lukut Sdn Bhd
Lee Peng Kuan	Alternate Director to Dato' Ir. Lee Peng Joo of AWC	Alternate Director Director Director Director	PJI Holdings Berhad Sikap Melati Sdn Bhd Antap Makmur Holdings Sdn Bhd Bintulu Indah Sdn Bhd

3. THE RISK FACTORS (Cont'd)

Name	Designation held in AWC Group	Type of involvement in other companies	Name of the other companies
Lee Kok Khee	Director of M&C(M), M&C(S), KPSB and GGLN	Independent Non-Executive Director	D'nonce Technology Berhad
		Executive Director	AKN Messaging Technologies Berhad
		Director	Tandem Consulting Sdn Bhd
		Director	Senzpak (M) Sdn Bhd AKN Messaging Technologies (S) Pte Ltd
Dato' Hj. Mat Yasir bin Juli	Director of AWF M	Director	Jaks Sdn Bhd
Hew Tze Kwon	Director of GGLN	Director Director	YZ Ventures Sdn Bhd Antap Nusantara Sdn Bhd
Chee Yoon Choon	Alternate Director to Hew Tze kwon of GGLN	Director	Taj Consulting Sdn Bhd

However, in relation thereto, the directors of the AWC Group believe that there are no adverse implication as to theirs and the key management personnel's involvement in other companies on their ability to manage the business of the AWC Group.

More than 60% of the key personnel, together with the founders of the AWC Group have been with the Subsidiaries since the commencement of the operation of the relevant subsidiaries. The continuing profitability as well as the growth in its asset base is testimony that its directors and management is industrious and committed to the AWC Group. The senior management team is supported by a team of experienced technical staff and workers.

Notwithstanding the above, the enlarged AWC Group will strive to continue attracting and retaining skilled personnel to support its business operations. In addition, the AWC Group is also making efforts to groom suitable employees to participate in the management of the enlarged AWC Group by implementing staff training and skill upgrades to improve the technical knowledge of its staff.

(vii) Exchange Rate Risk

As the AWC Group imports some of its equipment from overseas and these imports are payable in foreign currencies such as US Dollar, Swedish Kroner and Singapore Dollar, exchange rate risk affects the AWC Group. However the risk is mitigated in the medium term due to the current Ringgit being pegged against the US Dollar. However there can be no assurance that the currency controls will remain and that future foreign exchange fluctuations arising from the lifting of the currency controls or the adjustment of the Ringgit peg will not adversely impact the AWC Group. In view of this, the management of the AWC Group are constantly monitoring the AWC Group's Ringgit exposure and hedging foreign exchange risks, whenever deemed appropriate.

(viii) Environmental Concerns

Emissions and energy wastages may arise from the building facilities which the AWC Group manages and this may affect the quality and costs of the services for which the AWC Group undertakes. Various forms of environmental friendly steps have been taken into consideration during the AWC Group's provision of its services to ensure that there are minimal emissions and energy wastage. This is in line with the increasing awareness for environment conservation. AWC will continue to ensure compliance with requirements of the governmental environmental enforcement and regulatory agencies.

3. THE RISK FACTORS (Cont'd)

(ix) Political, Economic and Regulatory Considerations

Adverse developments in political, economic and regulatory conditions in Malaysia and other countries where the AWC Group may operate, source its suppliers or market its products could materially and adversely affect the financial prospects of the AWC Group. Political and economic uncertainties include (but are not limited to) risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation and currency exchange controls.

(x) Forecasts

The forecasts for the AWC Group are based on assumptions that are subject to uncertainties and contingencies. The directors of AWC have considered the reasonableness of the assumptions used in the preparation of the forecasts to be reasonable. Because of the subjective judgments and inherent uncertainties of forecasts and because events and circumstances frequently do not occur as expected, there can be no assurance that the forecasts contained herein will be realized and actual results may be materially different from those shown. Investors will be deemed to have read and understood the description of the assumptions and uncertainties underlying the forecasts that is contained herein.

(xi) Forward Looking Statements

Certain information in this Prospectus is based on the future outlook, experience and assumptions which the Directors deem to be reasonable, but nevertheless are subject to uncertainties and contingencies and may not be reflective of the future results. Whilst these information may be forward-looking, the subjective judgments and inherent uncertainties underlying these information and the fact that events and circumstances frequently do not occur as expected, there can be no assurance that the future results contained in this Prospectus will be realized.

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