

PROSPECTUS

LISTING SOUGHT:-
KUALA LUMPUR STOCK EXCHANGE MESDAQ MARKET

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED
BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 22 HEREOF



IRIS

IRIS Corporation Bhd (302232-X)

(Incorporated in Malaysia under the Companies Act, 1965)



PUBLIC ISSUE

OF 211,333,333 NEW ORDINARY SHARES OF RM0.15 EACH AT AN ISSUE PRICE
OF RM0.30 PER ORDINARY SHARE BY WAY OF PRIVATE PLACEMENT AND
PUBLIC OFFER PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH ITS
LISTING ON THE MESDAQ MARKET OF THE KUALA LUMPUR STOCK EXCHANGE

Adviser, Sponsor, Managing Underwriter, Underwriter and Lead Placement Agent



AmMerchant Bank Berhad

(Formerly known as Arab-Malaysian Merchant Bank Berhad) (23742-V)
A member of the AmBank Group

Joint Placement Agents

AmMerchant Bank Berhad (23742-V)
AmSecurities Sdn Bhd (92977-U)

IRIS Corporation Bhd (302232-X)

IRIS Smart Complex, Technology Park Malaysia,
Bukit Jalil, 57000 Kuala Lumpur, Malaysia

Tel: 603-8996 0788 Fax: 603-8996 0449 E-mail: iris@iris-card.com.my Website: www.iris-card.com.my

THIS PROSPECTUS IS DATED 18 JUNE 2002

This Prospectus has been seen and approved by the directors and promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

The Adviser acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Issue.

Approval has been obtained from the Kuala Lumpur Stock Exchange ("KLSE") and the Securities Commission ("SC") for admission to the Official List of the MESDAQ Market and for permission to deal in and quotation for the entire issued and paid-up share capital of the Company including the Issue Shares which are the subject of this Prospectus. Nevertheless, the approval of the KLSE and the SC shall not be taken to indicate that the KLSE or the SC recommends the Issue which is the subject of this Prospectus and neither shall admission to the Official List of the MESDAQ Market be taken as an indication of the merits of the Company or the Group or the Issue Shares. The KLSE and the SC shall not be liable for any non-disclosure on the part of the Company and assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD THEREFORE RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

The Issue Price was entirely determined and agreed upon by the Company, the Adviser and the Managing Underwriter based on various relevant factors. Investors should form their own views on the valuation of the Issue Shares and the reasonableness of the bases used.

A copy of this Prospectus has been registered by the SC and lodged with the Companies Commission of Malaysia (formerly known as Registrar of Companies, Malaysia) who take no responsibility for its contents.

This Prospectus can also be viewed or downloaded from the KLSE's website at www.klse.com.my.

Indicative Timetable

Date of Prospectus	18 June 2002
Opening and closing of Application List for the Issue Shares	2 July 2002
Despatch of Notices of Allotment to successful applicants	19 July 2002
Tentative listing date.....	25 July 2002

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE ISSUE WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS AND/OR PROMOTERS OF ICB TOGETHER WITH THE UNDERWRITER MAY DECIDE.

DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

Acquisition	:	Acquisition of TSR's 30% equity interest in IRISTech by ICB which was completed on 31 December 2001
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Arab-Malaysian	:	AmMerchant Bank Berhad (23742-V)
Asiatronics	:	Asiatronics Sdn Bhd (380605-H)
AUD	:	Australian Dollar
BBSB	:	Bizurai Bijak (M) Sdn Bhd (21243-W)
BGB	:	Berjaya Group Berhad (7308-X)
Board	:	Board of Directors
CDS	:	Central Depository System
Consortium	:	A consortium comprising five (5) companies with equal equity participation in GCSB; namely IRISTech, Dibena Enterprise Sdn Bhd ("Dibena"), EPNCR Sdn Bhd, CSAMSC Sdn Bhd and Unisys (M) Sdn Bhd. GCSB was awarded the GMPC contract by the Malaysian Home Ministry on 3 May 1999
CML	:	Confidential Matter Limited (454956)
DCS	:	Digital Conferencing System
Dermalog	:	Dermalog Afis Asia Sdn Bhd (260483-X)
EPIC	:	Efficient Pyramid Image Coder
EEPROM	:	Electrical Erasable Programmable Read-Only Memory
EPS	:	Earnings per Share
EU	:	European Union
FRAM	:	Ferroelectric Random Access Memory
GPMC	:	Government Multi-Purpose Smart Card
GCSB	:	GMPC Corporation Sdn Bhd (334028-H)
GSM	:	Global System For Mobile Communication
ICB or Company	:	IRIS Corporation Berhad (302232-X)
ICB Group or Group	:	ICB together with its subsidiary companies and its 49.5% associate IRISTech
ICOS	:	IRIS Chip Operating System

DEFINITIONS

IATA	:	International Air Transport Association
IIPBSS	:	I.R.I.S. Integrated Passenger & Baggage Security System
IITS	:	IRIS Information Technology Systems Sdn Bhd (222819-K)
InterCard	:	InterCard Wireless Limited (A.C.N 009270188)
Intellectual Property	:	The legal rights result from creations of the mind. This can include inventions, literary and artistic works, designs, symbols, devices and names used in commerce
ISD	:	Integrated Silicon Design Pty Limited
I.R.I.S	:	Image Retrieval Identification System
IRISTech	:	IRIS Technologies (M) Sdn Bhd (302552-H)
Issue or Public Issue	:	The issue of 211,333,333 Shares by the Company at the Issue Price subject to the terms and conditions of this Prospectus
Issue Price	:	RM0.30 for each Issue Share
Issue Shares	:	The 211,333,333 Shares in the capital of the Company to be issued pursuant to the Issue and subject to the terms and conditions of this Prospectus
JIM	:	Jabatan Immigresen Malaysia
JPEG	:	Joint Photographic Experts Group
KLSE or Exchange	:	Kuala Lumpur Stock Exchange (30632-P)
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up share capital of ICB comprising 833,333,333 Shares on the MESDAQ Market
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)
MEP	:	Malaysian Electronic Passport
MCS	:	MCS Microsystems UK Ltd
MCSM	:	MCS Microsystems Sdn Bhd (469491-P)
MCOS	:	Multi-Application Chip Operating System
MDC	:	Multimedia Development Corporation Sdn Bhd (359346-D)
MESDAQ Market	:	The MESDAQ Market of the KLSE
MI	:	Minority Interest
MOU	:	Memorandum of Understanding
MSC	:	Multimedia Super Corridor

DEFINITIONS

MyKad	:	The GPMC card, incorporating the national identity card, drivers' licence, health card and restricted passport
NDP	:	National Development Policy
NJI	:	Nomura Jafco Investments (Asia) Limited's funds NJI No.2 Investment Fund and NJI No.3 Investment Fund
NTA	:	Net tangible assets
PE Multiple	:	Price earnings multiple
PKN	:	Percetakan Keselamatan Nasional Sdn Bhd
PNS	:	Perbadanan Nasional Berhad (9157-K)
Promoters	:	Lee Kwee Hiang, Yap Hock Eng, Tan Say Jim, VPB, TSR, MCSM and TLTR (HK)
RCPS	:	18 million redeemable convertible preference shares of RM0.01 each issued by IRISTech
RFID	:	Radio Frequency Identification
ROM	:	Read Only Memory
R & D	:	Research and Development
RM and Sen	:	Ringgit Malaysia and Sen respectively
SC	:	Securities Commission
Shares	:	Ordinary shares of RM0.15 each
TLAE	:	TL Automation Electronics (M) Sdn Bhd (318967-U)
TLTR Development	:	TLTR Development (M) Sdn Bhd (394839-P)
TLTR (Aust)	:	TL Technology Research (Aust) Pty Limited (075 913 478)
TLTR (HK)	:	TL Technology Research (HK) Ltd
TLTR (N.A)	:	TL Technology Research North America. Inc.
TSR	:	Tan Sri Razali Bin Ismail
USA	:	United States of America
USD	:	United States Dollar
UK	:	United Kingdom
VFD	:	Vacuum Florescent Display
VPB	:	Versatile Paper Boxes Sdn Bhd (93498-D)
VCL	:	Versatile Credit & Leasing Sdn Bhd (38316-X)

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	PROSPECTUS SUMMARY	4
2.1	<i>History, Principal Activities and Group Structure.....</i>	<i>4</i>
2.2	<i>Ownership and Management.....</i>	<i>6</i>
2.3	<i>Technology, Intellectual Property and Licences.....</i>	<i>7</i>
2.4	<i>Research and Development Capabilities.....</i>	<i>9</i>
2.5	<i>Historical Financial Record.....</i>	<i>10</i>
2.6	<i>Proforma Balance Sheet.....</i>	<i>11</i>
2.7	<i>Risk Factors.....</i>	<i>12</i>
2.8	<i>Prospects and Outlook.....</i>	<i>12</i>
2.9	<i>Principal Statistics Relating to the Public Issue.....</i>	<i>13</i>
2.10	<i>Proceeds of Issue and Proposed Utilisation.....</i>	<i>14</i>
2.11	<i>Material Litigations, Commitments and Contingent Liabilities.....</i>	<i>14</i>
3.	INTRODUCTION & DETAILS OF THE PUBLIC ISSUE.....	15
3.1	<i>Introduction.....</i>	<i>15</i>
3.2	<i>Purpose of the Public Issue.....</i>	<i>17</i>
3.3	<i>Particulars of the Issue.....</i>	<i>17</i>
3.4	<i>Pricing of the Issue.....</i>	<i>19</i>
3.5	<i>Utilisation of Proceeds.....</i>	<i>19</i>
3.6	<i>Brokerage, Underwriting and Listing Expenses.....</i>	<i>20</i>
3.7	<i>Future Financials.....</i>	<i>21</i>
4.	RISK FACTORS	22
4.1	<i>Significant and Continuing Losses; Accumulated Deficit.....</i>	<i>22</i>
4.2	<i>Changes in Technology.....</i>	<i>23</i>
4.3	<i>Limited Sources of Supply.....</i>	<i>23</i>
4.4	<i>Need for Additional Funds.....</i>	<i>23</i>
4.5	<i>Competition.....</i>	<i>23</i>
4.6	<i>Dependence on Key Personnel.....</i>	<i>24</i>
4.7	<i>Management of Growth.....</i>	<i>24</i>
4.8	<i>Arbitrary Offering Price; No Prior Public Market for Shares; Possible Volatility of Share Price..</i>	<i>24</i>
4.9	<i>Risk Associated with the Nature of Contract.....</i>	<i>25</i>
4.10	<i>Dependence on Government Contracts.....</i>	<i>25</i>
4.11	<i>Technology.....</i>	<i>25</i>
4.12	<i>Intellectual Property Rights.....</i>	<i>26</i>
4.13	<i>No protective Laws.....</i>	<i>26</i>
4.14	<i>Product Performance.....</i>	<i>26</i>
4.15	<i>Dependence on Third Party Marketing Arrangements.....</i>	<i>27</i>
4.16	<i>Uncertainty of Proposed 5-Year Business Development Plan.....</i>	<i>27</i>
4.17	<i>Need for Continued Support from Existing Financiers.....</i>	<i>27</i>
4.18	<i>Long Product Development Cycle.....</i>	<i>28</i>
4.19	<i>Product Liability.....</i>	<i>28</i>
4.20	<i>Ownership and Control of the Company.....</i>	<i>28</i>
4.21	<i>Potential Acquisitions and Joint Ventures.....</i>	<i>28</i>
4.22	<i>MSC Status.....</i>	<i>29</i>
4.23	<i>Foreign Exchange Risks.....</i>	<i>29</i>
4.24	<i>Dependence on IRISTech.....</i>	<i>29</i>
5.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	31

TABLE OF CONTENTS (CONT'D)

6.	INFORMATION ON ICB GROUP	33
6.1	<i>Incorporation</i>	33
6.2	<i>Share Capital</i>	33
6.3	<i>Restructuring and Listing Scheme</i>	34
6.4	<i>Public Issue</i>	34
6.5	<i>Historical Information on the ICB Group</i>	35
6.6	<i>Information on Subsidiary and Associated Companies</i>	36
6.6.1	<i>Information on IRISTech</i>	36
6.6.2	<i>Information on TLAE</i>	39
6.6.3	<i>Information on Asiatronics</i>	39
6.6.4	<i>Information on TLTR (Aust)</i>	40
6.6.5	<i>Information on IITS</i>	41
6.6.6	<i>Information on CML</i>	42
6.6.7	<i>Information on GCSB</i>	43
7.	BUSINESS OVERVIEW	44
7.1	<i>Group Structure</i>	44
7.2	<i>Principal Activities</i>	44
7.3	<i>Products</i>	45
7.3.1	<i>Electronic Passport</i>	46
7.3.2	<i>MyKad</i>	46
7.3.3	<i>I.R.I.S. Integrated Passenger and Baggage Security System ("IPBSS")</i>	47
7.3.4	<i>Digital Conferencing System ("DCS")</i>	47
7.3.5	<i>Smart Lock</i>	48
7.3.6	<i>Smart Sentry</i>	48
7.3.7	<i>Contactless Cards and Electronic Tags</i>	48
7.3.8	<i>Contact Cards</i>	49
7.3.9	<i>Smart Card Readers</i>	49
7.3.10	<i>Immigration Autogate System ("IA System")</i>	50
7.4	<i>Core Technology - Image Retrieval Identification System</i>	50
7.5	<i>Intellectual Properties</i>	52
7.5.1	<i>Patents and Copyrights</i>	52
7.5.2	<i>Licensing Agreements and MOUs</i>	53
7.5.3	<i>Strategic Alliances</i>	56
7.6	<i>Market Coverage/Segment/Target</i>	56
7.7	<i>Types, Sources and Availability of Raw Materials/Input</i>	57
7.8	<i>Production/Operating Capacities and Output</i>	57
7.9	<i>Quality Control Procedures</i>	58
7.9.1	<i>Receiving Inspection</i>	58
7.9.2	<i>In-Process Inspection and Testing</i>	58
7.9.3	<i>Final Outgoing Inspection and Test</i>	58
7.9.4	<i>Customer Complaints</i>	59
7.10	<i>Location of Operations</i>	59
7.11	<i>Research and Development</i>	59
7.11.1	<i>Smart Card Technology-Image Retrieval Identification System</i>	59
7.11.2	<i>Smart Card Product Designs</i>	60
7.12	<i>Employees</i>	61
7.13	<i>Customers</i>	61
7.14	<i>Modes of Marketing/Sales/Distribution</i>	62
7.15	<i>Smart Card Industry-Future Prospects</i>	62
7.15.1	<i>Brief Introduction on Smart Cards</i>	62
7.15.2	<i>Industry Overview</i>	63
7.15.3	<i>Prospects</i>	65
7.15.4	<i>Incentives for The Smart Card Industry In Malaysia</i>	65

TABLE OF CONTENTS (CONT'D)

8.	FINANCIAL INFORMATION	68
8.1	<i>Proforma Consolidation Profit and Loss Statement.....</i>	<i>68</i>
8.2	<i>Financial Analysis.....</i>	<i>68</i>
8.3	<i>Working Capital, Borrowings and Contingent Liability.....</i>	<i>69</i>
9.	SUMMARY OF BUSINESS DEVELOPMENT PLAN	70
10.	SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT	71
10.1	<i>Substantial Shareholders and Promoters.....</i>	<i>71</i>
10.1.1	<i>Shareholdings in ICB.....</i>	<i>71</i>
10.1.2	<i>Directorships in Other Public Companies</i>	<i>72</i>
10.1.3	<i>Substantial Shareholdings in Other Public Companies</i>	<i>72</i>
10.1.4	<i>Background on Substantial Shareholders and Promoters</i>	<i>72</i>
10.2	<i>Changes in Substantial Shareholders.....</i>	<i>74</i>
10.3	<i>Moratorium on Promoters' Shares.....</i>	<i>74</i>
10.4	<i>Board of Directors.....</i>	<i>75</i>
10.5	<i>Audit Committee.....</i>	<i>78</i>
10.6	<i>Key Management.....</i>	<i>79</i>
10.7	<i>Family Relationships</i>	<i>79</i>
10.8	<i>Service Agreements</i>	<i>80</i>
11.	OTHER COMPANY/GROUP MATTERS.....	81
11.1	<i>Approvals, Licenses and Permits Obtained.....</i>	<i>81</i>
11.2	<i>Landed Property.....</i>	<i>81</i>
11.3	<i>Related Party Transactions.....</i>	<i>82</i>
12.	ADVISERS' DECLARATION OF INTEREST.....	83
13.	DIRECTORS' REPORT	84
14.	ACCOUNTANTS' REPORT	85
15.	PROFORMA CONSOLIDATED BALANCE SHEET OF ICB AS AT 31 DECEMBER 2001, TOGETHER WITH THE BASES AND ASSUMPTIONS, AND AUDITORS' LETTER THERON ..	123
16.	FURTHER STATUTORY AND OTHER GENERAL INFORMATION.....	127
16.1	<i>Share Capital</i>	<i>127</i>
16.2	<i>Articles of Association.....</i>	<i>127</i>
16.3	<i>Directors and Substantial Shareholders.....</i>	<i>136</i>
16.4	<i>General.....</i>	<i>138</i>
16.5	<i>Expenses and Commission</i>	<i>141</i>
16.6	<i>Material Contracts, Litigation and Contingent Liabilities</i>	<i>141</i>
16.7	<i>Salient Terms of Agreements.....</i>	<i>143</i>
16.8	<i>Public Take-Overs.....</i>	<i>146</i>
16.9	<i>Consents.....</i>	<i>146</i>
16.10	<i>Insurance Policies.....</i>	<i>146</i>
16.11	<i>Document for Inspection</i>	<i>147</i>
17.	PROCEDURE FOR APPLICATION AND ACCEPTANCE	148
17.1	<i>Opening and Closing of Application Lists.....</i>	<i>148</i>
17.2	<i>Trading of Shares Listed on the MESDAQ Market.....</i>	<i>148</i>
17.3	<i>Private Placement and Public Offer Procedures</i>	<i>148</i>
17.4	<i>Procedure Application and Acceptance.....</i>	<i>149</i>

TABLE OF CONTENTS (CONT'D)

<i>17.5</i>	<i>CDS Accounts.....</i>	<i>151</i>
<i>17.6</i>	<i>Notice of Allotment.....</i>	<i>152</i>
<i>17.7</i>	<i>Formalising of CDS Accounts</i>	<i>152</i>
<i>17.8</i>	<i>List of Authorised Depository Agents</i>	<i>152</i>

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Tan Sri Razali Bin Ismail <i>(Chairman)</i>	Desa Kudalari 1802 No 3 Lorong Kuda 50450 Kuala Lumpur	Company Director	Malaysian
YAM Tunku Shahabuddin Bin Tunku Besar Burhanuddin <i>(Vice Chairman)</i>	20.04, Tara Apartment 33, Jalan Ampang Hilir 55000 Kuala Lumpur	Company Director	Malaysian
Tan Say Jim <i>(Managing Director)</i>	8, Jalan SS2/38 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lee Kwee Hiang <i>(Executive Director)</i>	48 Lorong Serai Wangi 3 Taman Cheras 56100 Kuala Lumpur	Company Director	Malaysian
Syed Abdullah Bin Syed Abd Kadir	59, Lakeview Bungalows, Saujana Resort, Section U2 40150 Shah Alam	Company Director	Malaysian
Yap Hock Eng <i>(Executive Director)</i>	No. 10, Jalan SS20/7 Damansara Utama 47400 Petaling Jaya	Company Director	Malaysian
Eow Kwan Hoong <i>(Executive Director)</i>	72 Lorong Tamarind Southern Park 41200 Klang Selangor Darul Ehsan	Company Director	Malaysian
Daud bin Ahmad	15 Jalan 77/26 Taman Sri Rampai 53300 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
YAM Tunku Shahabuddin Bin Tunku Besar Burhanuddin <i>(Chairman)</i>	Chairman	Independent Non-Executive Director
Syed Abdullah Bin Syed Abd Kadir	Member	Independent Non-Executive Director
Eow Kwan Hoong	Member	Executive Director

1. CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Chew Weng Kit (MIA 6048)
174-3-9 Pangsapuri Kiara Park
Jalan Burhanuddin Helmi
Taman Tun Dr. Ismail
60000 Kuala Lumpur
- Eow Kwan Hoong (MIA 3184)
72, Lorong Tamarind
Southern Park
41200 Klang
- Siew Yuit Mee (MIA 13045)
10-22B, Menara Megah
Jalan Kolam Air,
Off Jalan Ipoh
51200 Kuala Lumpur
- REGISTERED OFFICE** : Suite 1603
16th Floor
Wisma Lim Foo Yong
86 Jalan Raja Chulan
50200 Kuala Lumpur
- Tel : 6 03-27321377
- HEAD/MANAGEMENT OFFICE** : IRIS Smart Technology Complex
Technology Park Malaysia
Bukit Jalil
57000 Kuala Lumpur
- Tel : 6 03-8996 0788
- Website: www.iris-card.com.my
- REGISTRARS AND TRANSFER OFFICE** : PFA Registration Services Sdn Bhd
Level 13 Uptown 1
No 1 Jalan SS21/58, Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
- Tel : 6 03-7725 4888
- PRINCIPAL BANKERS** : FOM Bank Berhad
Klang Branch
No 14 & 16 Jalan Kapar
41400 Klang
Selangor Darul Ehsan
- AUDITORS** : Hais & Associates
Suite 1602
16th Floor
Wisma Lim Foo Yong
86 Jalan Raja Chulan
50200 Kuala Lumpur
- REPORTING ACCOUNTANTS** : KPMG
3rd Floor, 64-66 Jalan Yang Kalsom
30250 Ipoh
Perak Darul Ridzuan

1. CORPORATE DIRECTORY (CONT'D)

- SOLICITORS FOR THE LISTING** : Jeff Leong, Poon & Wong
Advocate & Solicitors
A-11-3A, Level 11
Megan Phileo Avenue
Jalan Yap Kwan Seng
50450 Kuala Lumpur
- ADVISER, SPONSOR, MANAGING UNDERWRITER, UNDERWRITER AND LEAD PLACEMENT AGENT** : AmMerchant Bank Berhad (formerly known as Arab-Malaysian Merchant Bank Berhad)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur
- JOINT PLACEMENT AGENTS** : AmMerchant Bank Berhad (23742-V)

AmSecurities Sdn Bhd (23742-V) (formerly known as Arab-Malaysian Securities Sdn Bhd)
15th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
27th Floor Menara Multi-Purpose
Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
- LISTING SOUGHT** : KLSE MESDAQ Market

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2 PROSPECTUS SUMMARY

The following section is only a summary of salient information and is qualified in its entirety by the more detailed information, including the Accountants' Report and Notes thereto, included elsewhere in this Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in the Company. This Prospectus contains certain statements of a forward looking nature relating to future events or the future financial performance of the Company and its subsidiary and associated companies. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus. Therefore in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth in Section 4 under the heading "Risk Factors".

2.1 History, Principal Activities and Group Structure

ICB was incorporated in Malaysia on 31 May 1994 under the Companies Act 1965 as a private limited company with the name TL Technology Research (M) Sdn Bhd. The company became a public company and assumed its present name on 18 and 20 August 1999, respectively. ICB was awarded MSC status by the Multimedia Development Corporation for information technology consultancy, implementations, research and development on 25 July 1997. Amongst the key MSC benefits are a 5 year tax holiday, renewable for another 5 years and exclusion from the National Development Policy requirements.

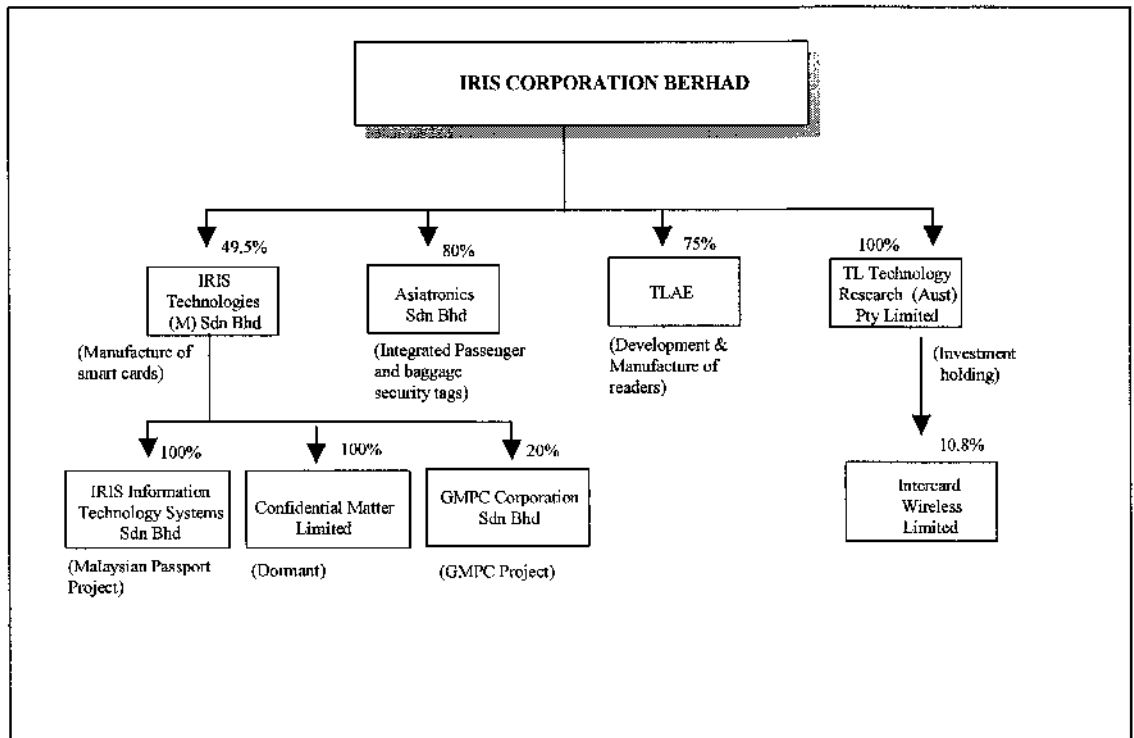
ICB, together with its subsidiary and associated companies provide smart card based security solutions targeted at global security markets. The Group's solutions are based on a unique identification technology which it believes is able to minimise forged identities prevalent in most card and document based crimes. The technology, named the Image Retrieval Identification System ("I.R.I.S.") is copyrighted with the Patent and Copyright Office in Washington, USA. The I.R.I.S. technology was initially developed in the United Kingdom by Yap Hock Eng, one of the ICB's directors, and was transferred to Malaysia via a Technology Transfer Agreement entered into by ICB and MCS on 13 January 1995 to acquire the I.R.I.S. technology and the related substrate for a consideration of RM4,200,000. ICB later onward transferred the acquired rights to I.R.I.S. technology to its associated company IRISTech on 13 January 1995 for a purchase consideration of RM4,500,000.

The Group's key achievements have been the MEP project, being what the Directors believe to be the first in the world, launched by JIM on 23 March 1998 and the award of the GMPC project to GCSB on 3 May 1999, which is owned equally by the five members of a Consortium, namely IRISTech, DIBena Enterprise Sdn Bhd, EPNCR Sdn Bhd, CSA MSC Sdn Bhd and Unisys (M) Sdn Bhd. GCSB is responsible for the research and development and production of the MyKad. The contract for the GMPC was signed on 1 June 1999. The MEP is believed to be the next generation in security documents which incorporates smart cards into traditional travel documents. The MyKad, on the other hand, is an integrated smart card incorporating the national identification card, national driving license, immigration document, and medical records. The Group has set up a fully integrated manufacturing facility, which is located at the Technology Park Malaysia, Bukit Jalil, Kuala Lumpur. The GMPC was awarded the World Quality Commitment International Star Award (Gold Category) by the Business Initiative Directions Committee based in Spain in May 2001. The award recognizes unique projects around the world showing outstanding commitment to quality and excellence. The MEP was on 21 March 2001 awarded the Best of Electronic Government Applications under the Asia Pacific Multimedia Super Corridor Information Technology and Telecommunication Awards. In 2001, the MEP has also emerged as the winner for the Information and Communications Technology ("ICT") Product of the Year 2001 awarded by the Association of the Computer and Multimedia Industry of Malaysia ("PIKOM").

The Group's other products have also received market acceptance. For example its Digital Conference System ("DCS") was used at the Group of 15 Summit and Association of South East Asian Nations informal summit hosted in Malaysia in October and November 1997, respectively. The DCS was also used at the Asia Pacific Economic Conference meetings held in Malaysia in November 1998. Another product of the Group, the IIPBSS was featured in the British Broadcasting Corporation ("BBC")'s documentary "Tomorrow's World" in December 1997.

2 PROSPECTUS SUMMARY (CONT'D)

ICB has three (3) subsidiary companies, namely, Asiatronics, TLAE and TLTR (Aust) and four (4) associated companies, namely IRISTech and IRISTech's subsidiaries IITS, CML and its associate company, namely GCSB. The Group's interest in Intercard represent an investment. Below is a graphical presentation of the ICB Group structure, taking into account all subsidiary and associated companies.



Notes:-

- 20% of Asiatronics is held by Tirai Ombak Sdn Bhd, which is owned by the estate of the late Dato' Dr Wan Adli bin Wan Ibrahim and Wan Hamdy bin Dato' Wan Ibrahim.
- 25% of TLAE is held by an individual, namely Sin Hock Kean.

The ICB Group comprises the following:-

Name	Date/Place of Incorporation	Principal Business	Issued Share Capital	Equity %
IRIS Technologies (M) Sdn Bhd (302552-H) ("IRISTech")	02.06.1994 Malaysia	Smart card design and manufacturing	RM67,000,000 (Ordinary Shares) RM180,000 (RCPS)	49.5 -
Asiatronics Sdn Bhd (380605-H) ("Asiatronics")	21.03.1996 Malaysia	Distributor of electronic boarding pass and baggage tags	RM500,000 (Ordinary Shares)	80
TL Automation Electronics (M) Sdn Bhd (318967-U) ("TLAE")	06.10.1994 Malaysia	Distributor of smart card readers	RM1,000,000 (Ordinary Shares)	75
TL Technology Research (Aust) Pty Limited (ACN075913478) ("TLTR (Aust)")	09.10.1996 Australia	Investment Holding	AUD3,500,000 (Ordinary Shares)	100

2 PROSPECTUS SUMMARY (CONT'D)

Name	Date/Place of Incorporation	Principal Business	Issued Share Capital	Equity %
<i>Held through IRISTech</i>				
IRIS Information Technology Systems Sdn Bhd (222819-K) ("IITS")	13.08.1991 Malaysia	Marketing contact and contactless smart technology based products	RM2,000,000 (<i>Ordinary Shares</i>)	100
Confidential Matter Limited (454956) ("CML")	23.11.1993 Hong Kong	Dormant	HK\$20 (<i>Ordinary Shares</i>)	100
GMPC Corporation Sdn Bhd (334028-H) ("GCSB")	18.02.1995 Malaysia	Supply of GMPC solution to the Malaysian Government	RM5,000,000 (<i>Ordinary Shares</i>)	20

Further information on the subsidiary and associated companies of ICB are disclosed in Section 6 "Information on ICB Group" and Section 7 "Business Overview" of this Prospectus.

2.2 Ownership and Management

Based on the Register of Shareholders of ICB as at the date of this Prospectus, the direct and indirect interest of the substantial shareholders and promoters in the issued share capital of the Company before and after the Public Issue are as follows:-

Shareholders	Nationality / Country of Incorporation	Before the Public Issue				After the Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%
TSR	Malaysian	166,667 ¹	26.80	-	-	166,667 ¹	20.00	-	-
Tan Say Jim	Malaysian	66,667 ²	10.72	106,667 ³	17.15	66,667 ²	8.00	106,667 ³	12.80
Lee Kwee Hiang	Malaysian	20,000	3.22	-	-	20,000	2.40	-	-
Yap Hock Eng	Malaysian	20,000	3.22	86,667 ⁴	13.93	20,000	2.40	86,667 ⁴	10.40
VPB	Malaysia	106,667	17.15	-	-	106,667	12.80	-	-
MCSM	Malaysia	46,667	7.50	40,000 ⁵	6.43	46,667	5.60	40,000 ⁵	4.80
PNS	Malaysia	63,333	10.18	-	-	63,333	7.60	-	-
Lim Choon Tong	Malaysian	31,667	5.09	-	-	31,667	3.80	-	-
TLTR (HK)	Hong Kong	40,000	6.43	-	-	40,000	4.80	-	-
VCL	Malaysia	-	-	106,667 ⁶	17.15	-	-	106,667 ⁶	12.80
Wan Tak Chuen	Hong Kong	-	-	40,000 ⁵	6.43	-	-	40,000 ⁵	4.80

2 PROSPECTUS SUMMARY (CONT'D)*Notes:-*

1. These shares are registered under the name of EB Nominees Sdn Bhd but are beneficially owned by TSR.
2. Part of these shares are registered in the name of Arab-Malaysian Nominees (Tempatan) Sdn Bhd but are beneficially owned by Tan Say Jim.
3. By virtue of his substantial shareholding in Wisefield Resources Sdn Bhd which in turn wholly owns VCL. VCL is the beneficial owner of 68.29% of VPB.
4. Deemed interested by virtue of his beneficial ownership of MCSM and in turn MCSM's substantial shareholding in TLTR (IHK).
5. Deemed interested by virtue of substantial shareholding in TLTR (IHK).
6. Deemed interested by virtue of its substantial shareholding in VPB.

Based on the Register of Directors' Shareholdings of ICB as at the date of this Prospectus, the direct and indirect interest of the Directors in the issued share capital of the Company before and after the Public Issue are as follows:-

Shareholders	Nationality / Country of Incorporation	Before the Public Issue				After the Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%
TSR	Malaysian	166,667 ¹	26.80	-	-	166,667 ¹	20.00	-	-
Tunku Shahabuddin Bin Tunku Besar Burhanuddin	Malaysian	6,667	1.07	-	-	6,667	0.80	-	-
Tan Say Jim	Malaysian	66,667 ²	10.72	106,667 ³	17.15	66,667 ²	8.00	106,667 ³	12.80
Lee Kwee Hiang	Malaysian	20,000	3.22	-	-	20,000	2.40	-	-
Yap Hock Eng	Malaysian	20,000	3.22	86,667 ⁴	13.93	20,000	2.40	86,667 ⁴	10.40
Syed Abdullah Bin Syed Abd Kadir	Malaysian	5,333	0.86	-	-	5,333	0.64	-	-
Daud Bin Ahmad	Malaysian	-	-	-	-	-	-	-	-
Eow Kwan Hoong	Malaysian	3,333	0.54	-	-	3,333	0.40	-	-

Notes:-

1. These shares are registered under the name of EB Nominees Sdn Bhd but are beneficially owned by TSR.
2. Part of these shares are registered in the name of Arab-Malaysian Nominees (Tempatan) Sdn Bhd but are beneficially owned by Tan Say Jim.
3. By virtue of his substantial shareholding in Wisefield Resources Sdn Bhd which in turn wholly owns VCL. VCL is the beneficial owner of 68.29% of VPB.
4. Deemed interested by virtue of his beneficial ownership of MCSM and in turn MCSM's substantial shareholding in TLTR (HK).

Description of Promoters, substantial shareholders, directors and key management and the direct and indirect shareholdings of the foregoing persons in the Company are disclosed in Section 10 "Shareholders, Directors and Key Management" of this Prospectus.

2.3 Technology, Intellectual Property and Licenses

The Group's core proprietary technology is the Image Retrieval Identification System ("I.R.I.S."). The I.R.I.S is an electronic identification system and is a result of a complex and unique integration process comprising several proprietary and generic technologies to produce a fully operational computing solution for high security applications. The technology is well suited for access control applications

2 PROSPECTUS SUMMARY (CONT'D)

such as airport security, international border control, financial transactions and network access where personal identity is the basis of security. The I.R.I.S technology was purchased pursuant to an agreement dated 13 January 1995 by the ICB Group vide a technology transfer agreement for RM4.2 million from MCS. Under the said agreement ICB acquired the I.R.I.S. technology and the substrate, including all intellectual property rights to enable ICB to design, manufacture on a commercial basis, prepare derivative works of, distribute and sell such technology exclusively around the world except in Egypt, United Arab Emirates, Turkey and the United Kingdom. Under the agreement, ICB is required to pay to MCS a royalty of 2% of the net sales value of all substrates sold for a period of 5 years commencing from the date when such sales is effected by ICB, i.e. 4 August 1997.

The I.R.I.S. Copyright was filed by MCS on 3 October 1994 and was subsequently transferred to IRISTech, an associated company of ICB and has been approved by the United States Department of Commerce, Patent and Trademark Office in Washington D.C. on 4 February 1995. The Copyright effectively gives the company exclusive rights to manufacture and market products using the I.R.I.S technology. This technology manifests in the MEP and IRISTech was awarded the Asian Technology Awards Bronze Medal by the Far Eastern Economic Review in its 22 October 1998 issue for its MEP where it declared that "Iris' new passport marks a giant technological leap from the current electronic passport.....".

ICB has been awarded three (3) patents and is currently awaiting the approval of four (4) patent applications filed with the United States Department of Commerce, Patent and Trademark Office, Washington D.C. on 14 October and 14 November 1997. ICB also has one (1) patent approved by the South Africa Patent Office on 31 January 2001 and a patent application has been filed with the EU Patent Office, which is still awaiting approval to-date. ICB has not filed any patent application in Malaysia or any other countries other than the United States of America, South Africa and EU. The patents cover the I.R.I.S. technology, proprietary techniques and applications commercialised by the Group and are as summarized below:-

Registration No./ Serial No.	Description of Patents/Copyright	Status
<u>Copyright held by IRISTech</u>		
Txu 653-151	I.R.I.S. (Image Retrieval Identification System)	Approved (4 February 1995)
<u>Patents owned/applied by ICB in the USA</u>		
08/970,689	Apparatus and method for providing access to secured data or area	Approved (21 March 2000)
08/950,013	Improved luggage handling and reconciliation including security identification	Approved (22 August 2000)
08/950,057	A method of making an improved security identification document including contactless communication insert unit	Approved (29 August 2000)
08/950,0059	Improved security identification document including contactless communication insert unit	Pending
08/950,0058	A security system using an improved security identification document including contactless communication insert unit	Pending
08/950,398	Airport security system using an improved security identification document including contactless communication insert unit	Pending
08/950,399	Method for controlling access to a secure area using an improved security identification document including contactless communication insert unit	Pending

2 PROSPECTUS SUMMARY (CONT'D)

Registration No./ Serial No.	Description of Patents/Copyright	Status
<u>Patents owned ICB in South Africa</u>		
2000/1386	Apparatus and method for providing access to secured data or area	Approved (31 January 2001)
<u>Patents applied by ICB in EU</u>		
2001/35	Apparatus and method for providing access to secured data or area	Pending

The Group has licensed several generic technologies from unrelated third parties to be integrated with the I.R.I.S technology in its effort to create unique security solutions. Below is a brief description of the licensing agreements. Further details are set out in Section 7.5.2, "Licensing Agreements and MOUs" of this Prospectus.

<u>Licensor</u>	<u>Date of Agreement</u>	<u>Term (years)</u>	<u>Technology licensed</u>
Dermo Trade Co, Ltd	30.06.97	n/a ²	Fingerprint verification software
Dermalog Afis Asia Sdn Bhd	30.06.00	5	Fingerprint identification system
Sun Microsystems Inc	24.09.97	5	Java Card™ technology
Visionics Corporation ¹	16.06.97	n/a ²	FaceIt® (facial recognition software)
Bull CP8	24.11.99	n/a ²	Bull CP8 Proton CC for the MyKad solution

1. The Visionics license is granted to TLTR (N.A.) a company in which Yap Hock Eng is a director and substantial shareholder, which in turn has sub-licensed to ICB the rights under the above mentioned licensing agreements.
2. Open ended contracts.

2.4 Research and Development Capabilities

The Group conducts in-house research and development to ensure continuous product development. The Group presently employs more than forty five (45) professionals who are involved in R & D in Malaysia. R & D activities are focused on technology integration to develop unique smart card solutions for the ever changing demands for sophisticated security applications. The Group conducts extensive research on a myriad of emerging technologies including Radio Frequency Identification, Silicon Polymerisation and Ferro-electric Random Access Memory. Access to patented technology is done through technology transfer, acquisition, licensing agreements and global technology partnerships. Please see Sections 7.5.2 and 7.5.3 "Licensing Agreements and MOUs" and "Strategic Alliances" respectively for further information.

2 PROSPECTUS SUMMARY (CONT'D)**2.5 Proforma Historical Financial Record**

The financial highlights of the ICB Group pertaining to the past five (5) financial years ended 31 December 2001, reproduced from the Accountants' Report which was extracted from the audited accounts and based on the assumption that the current structure of the Group had been in existence throughout the period under review are as follows:-

Year Ended 31 December	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Turnover	2,333	10,646	4,296	16,011	18,857
(Loss)/ Profit before charging depreciation and interest expense	(1,065)	3,046	(6,264)	2,521	4,914
Depreciation	(225)	(263)	(216)	(198)	(217)
Interest expense	(3,788)	(6,053)	(4,231)	(2,337)	(2,422)
(Loss)/ Profit before share of results of associated company and taxation	(5,078)	(3,270)	(10,711)	(14)	2,275
Goodwill	-	-	(8)	(8)	(8)
Exceptional item	-	-	5,710	-	-
Share of results in associated company	(34)	(17,768)	(19,822)	(4,194)	(2,998)
Loss before taxation and minority interest	(5,112)	(21,038)	(24,831)	(4,216)	(731)
Taxation	-	-	-	-	(5)
Minority interest	106	54	46	2	(1)
Loss after taxation and minority interest	(5,006)	(20,984)	(24,785)	(4,214)	(737)
Number of ordinary shares in issue as at 31 December 2001 ¹	93,300	93,300	93,300	93,300	93,300
Net loss per share (RM) based on the number of ordinary shares as at 31 December 2001 ¹	(0.05)	(0.22)	(0.27)	(0.05)	(0.01)

Notes:-

- 1 Based on 93.3 million ordinary shares of RM1.00 each on the assumption that IRISTech has been the associated company of ICB throughout the periods under review.
- 2 There were no extraordinary items during the period of review.

None of the accounts of ICB under review have been qualified.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2 PROSPECTUS SUMMARY (CONT'D)

2.6 Proforma Consolidated Balance Sheet

An extract of the Proforma Consolidated Balance Sheet of the ICB Group from the Accountants' Report is shown below. Details concerning the Proforma Consolidated Balance Sheet are shown in Section 15 of this Prospectus.

	Audited as at 31.12.01	After Public Issue
	RM'000	RM'000
EQUIPMENT	957	957
RESEARCH & DEVELOPMENT EXPENDITURE	7,506	7,506
PATENTS AND LICENCES	11,544	11,544
GOODWILL ON CONSOLIDATION	176	176
QUOTED INVESTMENTS	13,966	13,966
OTHER INVESTMENTS	20,013	1,047
INVESTMENT IN AN ASSOCIATED COMPANY	42,329	61,295
CURRENT ASSETS		
Amount due from an associated company	9,367	9,367
Inventories	4,800	4,800
Trade debtors	622	622
Other debtors, deposits and prepayments	1,789	1,789
Fixed deposits with licensed banks	200	200
Cash and bank balances	391	35,791
	17,169	52,569
Less:		
CURRENT LIABILITIES		
Trade creditors	6,430	6,430
Other creditors and accruals	6,518	6,518
Amount due to Directors	378	378
Hire purchase creditors	67	67
Bank Borrowings (secured)	4,774	4,596
Term loan (secured)	22,822	-
	40,989	17,989
(Net Current Liabilities)/ Net Current Assets	(23,820)	34,580
HIRE PURCHASE CREDITORS	(213)	(213)
	72,458	130,858
Financed by:-		
SHARE CAPITAL	93,300	125,000
SHARE PREMIUM	-	26,700
RESERVES	(20,905)	(20,905)
SHAREHOLDERS' FUND	72,395	130,795
MINORITY INTEREST	63	63
	72,458	130,858
NTA per ordinary share		
- Based on ordinary shares of RM1.00 each	0.23	0.64*
- Based on ordinary shares of RM0.15 each	0.03*	0.10

*For comparison purposes only.

As at 31 December 2001, the ICB and IRISTech had invested approximately RM25.2 million and RM9.9 million respectively to acquire various technologies, licenses and investment in research and development.

2 PROSPECTUS SUMMARY (CONT'D)

2.7 Risk Factors

The securities being offered hereby may involve a high degree of risk, including, but not limited to, those risk factors set forth below, and should not be purchased by anyone who cannot afford a possible diminution in the value of his investment. Prospective investors, prior to making an investment in the Company, should carefully consider the following risk factors inherent in and affecting the business of the Company, its subsidiary and associated companies and this offering. The discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Section 4, "Risk Factors" but include those discussed throughout this Prospectus.

The key risk factors that may effect the Group's future profitability are not limited to financial risks, market risks and industry risks. A major financial risk for the Group among others is **Significant and Continuing Losses; Accumulated Deficit** - since its inception in May 1994 through to 31 December 2001, the Group has accumulated losses of RM20.91 million (including an exchange loss of RM1.61 million). The continuing support of financial institutions which have extended the Group's credit facilities are also important for the Group's continuing operations - See **Need for continued support of existing financiers**. The business of the Group which is currently focused on its two main contracts namely the MEP and the GMPC project and the associated risks are highlighted in **Risks Associated with the Nature of Contract, and Dependence on Government Contracts**.

Risk that are inherent in the IT industry includes **Competition** - the Group will be competing with well established players for global market share. **Changes in Technology** - the increasing pace of technological development may cause the Group's products to become obsolete and non-competitive in the market. **Dependence on Key Personnel** - the Group's future is dependent on its three (3) founders, none of whom has key-man insurance nor service contracts. **Intellectual Property Rights** - some of the Group's patent applications have yet to be approved by the US Copyright and Patent Office.

The success of ICB could be seen dependent on IRISTech, a company in which ICB has only 49.5% associate interest in. Risk associated with the above is highlighted in **Dependence on IRISTech**, in Section 4 of this Prospectus on Risk Factors.

A summary of the Group's business development plan is included in Section 9 of this Prospectus.

2.8 Prospects and Outlook

Despite the risks associated with the Group as summarised above, the ICB Group believes it has in place mechanisms to mitigate most of the risks as detailed in summary in Section 2.7 and in full in Section 4. The prospects of the Company and business are encouraging in view of various factors.

The main intellectual property of the company is the I.R.I.S. technology. ICB has to date made seven (7) patents applications to the United States Department of Commerce, Patent and Trademark Office, Washington D.C., USA in relation to the I.R.I.S technology, three (3) of which have been approved. ICB also has one (1) patent for the I.R.I.S technology approved by the South Africa Patent Office and a patent application has also been filed with the EU Patent Office, the approval of which is still pending to-date. This I.R.I.S. technology allows for the storage of vast amounts of data on a micro processor chip in encrypted form to enhance security. There exist numerous possibilities for the application of this I.R.I.S technology, especially so with the increased application of smart cards, including its use as multi-functional cards and in transport and retail applications. Further to the above, the Group, through its strategic alliances and licensing agreements, has the ability to bring together various technologies to offer solutions to meet principally security needs.

In the smart card industry, it is anticipated that the growth of microprocessor cards will exceed that of memory cards. As the use of memory cards are currently pervasive, it is anticipated that demand for microprocessor cards, with the abovementioned substitution, will escalate. This is more so with the additional functionality and security offered by microprocessor cards. The Group, by virtue of its technology, research and development ability, is positively placed to take advantage of this demand. Further to the above, the Group, operating out of Malaysia, is located in the Asia-Pacific region which

2 PROSPECTUS SUMMARY (CONT'D)

is expected to be a region of growth for smart card demand and related security solutions as their applications proliferate and become more widely accepted.

Equipped with the know-how and personnel, the Group believes that it is in a good position to take advantage of the anticipated demand for smart cards based security solutions. The multi purpose card is one of the flagship applications of the MSC, the information technology initiative launched by the Malaysian Government. With such endorsement, the prospects of the Group, coupled with opportunities available in other nations in the region, looks promising.

2.9 Principal Statistics Relating to the Public Issue

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

Share Capital

	RM
Authorised share capital: 2,000,000,000 ordinary shares of RM0.15 each	300,000,000
Issued and fully paid-up share capital: 622,000,000 ordinary shares of RM0.15 each	93,300,000
To be offered pursuant to the Public Issue: 211,333,333 ordinary shares of RM0.15 each	31,700,000
Enlarged capital	<u>125,000,000</u>
Issue Price Per Ordinary Share Of RM0.15 each	RM0.30
Market capitalisation based on issue price of RM0.30 per ordinary share of RM0.15 each	RM250 million

The Public Issue shall be by way of private placement for institutional and individual investors, both domestic and foreign, and public offering for members of the Malaysian public and employees of the Group, details of which are disclosed in Section 3.3 below.

There is only one class of shares in the Company, namely ordinary shares of RM0.15 each. The Public Issue Shares rank pari passu in all respects with the existing issued ordinary shares of the Company, including voting rights and rights to all dividends, distributions that may be declared subsequent to the date of this Prospectus.

Proforma Net Assets Value ("NAV") based on the proforma consolidated balance sheet as at 31 December 2001:

Proforma NAV upon listing (RM'000)	130,795
Proforma NAV per Share upon listing (RM)	0.16

Proforma NTA based on the proforma consolidated balance sheet as at 31 December 2001:

Proforma NTA upon listing (RM'000)	79,853
Proforma NTA per Share upon listing (RM)	0.10

KLSE has vide its approval letter date 21 June 2001 granted the waiver from MESDAQ Market Listing Rule 2.6.1 to allow NTA of ICB to be less than the par value of its shares.

2.10 Proceeds of Issue and Proposed Utilisation

Based on a Issue Price of RM0.30, the Company expects the gross proceeds of the Public Issue to be RM63.4 million which shall accrue to the Company. This amount shall be utilised in the manner specified under Section 3.5 on "Utilisation of Proceeds".

2.11 Material Litigations, Commitments and Contingent Liabilities

1. The Company and its subsidiaries are not engaged in any litigation or arbitration, including those pending and threatened and those settled, concluded or avenue exhausted in the two (2) years preceding the date of this Prospectus, either as plaintiff or defendant, which has material effect on the financial position of the Company and the Directors do not know of any proceedings which might materially and adversely affect the position or business of the Company, save as disclosed below:-

Claim against IRISTech by LPS Binamaju Sdn Bhd ("LPS") for RM2,982,249.43 for work done pursuant to the proposed 4 ½ storey "IRIS Smart Complex" on Lot 8 and 9 Jalan D, Bukit Jalil, Technology Park Malaysia, Kuala Lumpur. LPS had on 1 March 1999 issued a notice threatening to take action under Section 218 of the Companies Act, 1965 stating that if IRISTech did not pay the claim amount, that IRISTech would be deemed unable to pay the debt and appropriate action would be taken for the winding-up of IRISTech. Messrs Azman-Malik & Soh has been appointed by IRISTech to act on their behalf. Subsequent to the above, on 20 November 2001, Messrs Amir, Azli & Halim, on behalf of LPS, served a notice of demand on IRISTech requiring IRISTech to pay a sum alleged to be owed to LPS by IRISTech amounting to RM3,847,959.04. The Company is disputing the aforesaid amount and acknowledges that only RM3,266,516.52 is outstanding.

2. As at 6 June 2002 being the latest practicable date prior to the printing of this Prospectus:-
 - a) The Group does not have any contingent liabilities save as disclosed in Note 11.18 of the Accountants' Report; and
 - b) ICB and its subsidiaries have a total capital commitment of approximately RM3.18 million for outstanding balance for the purchase of a piece of land located at Lot 10, Phase 1, Technology Park Malaysia with land area of 101,059 sq. feet.

IRISTech as at 31 December 2001, has a capital commitment of approximately RM20.96 million comprising RM18.6 million in respect of premium on redemption of RCPS and RM2.0 million for one unit of production machinery. However, as at to-date no notice of redemption has been received from the RCPS holders. Refer to Section 16.4 (5b).

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK