

6 FINANCIAL INFORMATION

6.1 FINANCIAL HIGHLIGHTS

The following table has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the financial results of Jestell from the date of incorporation (3 September 1997) to 31 December 1998 and for the financial years ended 31 December 1999 and 2000, and Global Soft from the date of incorporation (30 November 2000) to 31 December 2001 and for the financial year ended 31 December 2002 are as follows:-

	Jestell			Global Soft Group	
	Period from 3 September 1997 to 31 December 1998	Financial year ended 31 December		Period from 30 November 2000 to 31 December 2001	Financial year ended 31 December 2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	144	1,360	1,709	2,512	3,414
EBITDA	(49)	194	506	1,194	1,628
Less:-					
Interest expense	-	-	-	(5)	(19)
Depreciation	(2)	(10)	(20)	(70)	(132)
Amortisation	-	-	(51)	(80)	(165)
Profit/(Loss) before Taxation	(51)	184	435	1,039	1,312
Less : Taxation	-	-	-	(1)	(4)
Profit / (Loss) after taxation	(51)	184	435	1,038	1,308
MI	-	-	-	1	(4)
Profit/(Loss) after taxation and MI	(51)	184	435	1,039	1,304
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	1,000	1,000	1,000	10,157	17,146
Net earnings/(loss) per share based on weighted average number of shares in issue (RM)	(0.05)	0.18	0.44	0.10	0.08
Dividend (%)	-	-	-	-	57.1

6 FINANCIAL INFORMATION (Cont'd)

Notes:-

- (i) *Two (2) of the Promoters namely Koh Kean Mum and Low Kok Thai established Jestell in 1997 which was principally involved in the software development and provision of software consultancy services. In February 2001, pursuant to the MSC Restructuring Exercise, the businesses, assets and liabilities of Jestell were transferred to Global Soft. As such, the business operations of Global Soft is a continuation to the business operations of Jestell. In this respect, in order to better reflect the historical track records of Global Soft, the historical track records of Jestell have been included in the above financial highlights.*
- (ii) *The consolidated results of the Global Soft Group have been prepared based on accounting policies consistent with those previously adopted in the preparation of the Group's audited financial statements.*
- (iii) *There were no exceptional or extraordinary items in respect of all the financial years/periods under review.*
- (iv) *The net earnings/(loss) per share for the respective financial years/periods under review have been calculated based on profit/(loss) after taxation and MI divided by the weighted average number of ordinary shares of RM0.10 each in issue for the respective financial years/periods. The par value of the ordinary shares in issue during the respective financial years of RM1.00 each have been subdivided into ordinary shares of RM0.10 each to facilitate comparison since Global Soft has on 13 September 2002 sub-divided its ordinary shares of RM1.00 each into ten (10) new ordinary shares of RM0.10 each.*
- (v) *No provision for taxation has been made in the financial year ended 31 December 1999 as income earned in basis year 1999 is exempted from tax in accordance with the provisions of the Income Tax (Amendment) Act 1999.*

No provision for taxation has been made even though Jestell generated profit before taxation of RM435,000 in the financial year ended 31 December 2000 as Jestell's double deduction tax incentive on research and development expenses were more than sufficient to offset against profit generated by Jestell.

There was no provision for taxation and deferred taxation for business profits for the financial year ended 31 December 2001 as Global Soft has been granted pioneer status under the Promotion of Investments Act, 1986, by virtue of its MSC status. The tax provision in respect of financial year ended 31 December 2001 and 31 December 2002 arose from bank interest income and dividend income received.

6.2 ANALYSIS AND COMMENTARY ON FINANCIAL INFORMATION

THE FOLLOWING DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH THE COMPANY'S FINANCIAL HIGHLIGHTS INCLUDED IN SECTION 6.1 OF THIS PROSPECTUS.

(i) Segmental Analysis of Revenue

The table below set out the segmental analysis of revenue by types of products of Jestell from the date of incorporation (3 September 1997) to 31 December 1998 and financial years ended 31 December 1999 and 2000, and Global Soft from the date of incorporation (30 November 2000) to 31 December 2001 and the financial year ended 31 December 2002 which is prepared based on the financial results as mentioned in Section 6.1 above:-

6 FINANCIAL INFORMATION (Cont'd)

Revenue by Types of Products

Types of products	←-----Jestell-----→			<----Global Soft Group---->	
	Period from 3 September 1997 to 31 December 1998	Financial year ended 31 December 1999	Financial year ended 31 December 2000	30 November 2000 to 31 December 2001	Financial year ended 31 December 2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Proprietary Software	144	703	1,147	2,137	3,163
Third parties software and hardware	-	647	557	363	186
Maintenance fees	-	10	5	12	65
Total	144	1,360	1,709	2,512	3,414

(ii) Segmental Analysis of Operating Profit

The table below set out the segmental analysis of operating profit by types of products of Jestell from the date of incorporation (3 September 1997) to 31 December 1998 and financial years ended 31 December 1999 and 2000, and Global Soft from the date of incorporation (30 November 2000) to 31 December 2001 and the financial year ended 31 December 2002 which is prepared based on the financial results as mentioned in Section 6.1 above:-

Operating Profit by Types of Products

Types of products	Period from 3 September 1997 to 31 December 1998	Financial year ended 31 December 1999	Financial year ended 31 December 2000	30 November 2000 to 31 December 2001	Financial year ended 31 December 2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Proprietary Software	(51)	338	542	1,036	1,403
Third parties software and hardware	-	(162)	(111)	(6)	(130)
Maintenance fees	-	8	4	9	39
Total	(51)	184	435	1,039	1,312

6 FINANCIAL INFORMATION (Cont'd)

(iii) Overview of Revenue and Operating Profits Growth and Factors Contributing Thereto

Period from 3 September 1997 (date of incorporation) to 31 December 1998

Jestell commenced business in October 1997 with an integrated financial accounting software comprising six (6) modules, namely General Ledger, Accounts Payable, Accounts Receivable, Inventory Control, Sales Management and Purchases Management. Jestell recorded a turnover and operating loss of RM143,980 and RM50,593 respectively for the period under review.

Financial year ended 31 December 1999

Jestell recorded a significant increase in turnover to RM1,360,321 or a 845% increase as compared to the previous financial period which was mainly due to the following:-

- (a) Enhancement and development of new modules of ERP software solutions had improved marketability and turnover substantially;
- (b) Increase in sales of third party software and hardware as part of its strategy as a total IT provider to its customers. The increase is also due to the Company's strategy to supply the third party software and hardware at a discount to attract new customers for its ERP software as the hardware and ERP software are marketed as a single package; and
- (c) Substantial increase of workforce in 1999 over the previous year has significantly enhanced the Company's ability to handle higher business volume and more complex assignments.

The improvement in the operating profit to RM184,480 as compared to the operating loss of RM50,593 in 1998 was in line with the increase in turnover for the financial year under review.

Financial year ended 31 December 2000

Jestell Group's turnover increased to RM1,708,882 in 2000 from RM1,360,321 in 1999 which was mainly due to the following :-

- (a) Further enhancement and development of new modules of ERP software solutions enabled Jestell to offer a more comprehensive software solution to diverse industries. Due to its experience in certain industries such as plastics, furniture and metal stamping and fabrication, Jestell was able to secure new customers in the similar industry and hence improved marketability and turnover substantially;
- (b) Jestell intensified its marketing efforts to establish its brandname; and
- (c) Further increase of workforce in 2000 over the previous year in which 28 staff were engaged as compared to 19 in 1999. The increase in headcount has further enhanced Jestell's ability to handle a higher business volume.

6 FINANCIAL INFORMATION (Cont'd)

The improvement in the operating profit to RM434,805 as compared to 1998 was in line with the increase in turnover for the financial year under review.

Period from 30 November 2000 (date of incorporation) to 31 December 2001

Global Soft commenced business operations in February 2001 and recorded a turnover of RM2,512,132 for the period ended 31 December 2001, mainly due to the following:-

- (i) Increased acceptance and recognition of Global Soft ERP software, which enabled the Company to secure new customers. The Company focused on industries which it had accumulated experience such as plastics, metal stamping and fabrication, furniture and automotive components, enabled it to market its ERP solution effectively. The usage of object-oriented programming technology also enabled the Company to deliver its software with a shorter implementation time, which is another key factor of securing new customers; and
- (ii) Commercialisation of its new product, namely Global Soft Prime Haulage Solution.

Global Soft recorded an operating profit of RM1,039,292 in the financial period under review.

Financial year ended 31 December 2002

The Group's turnover of RM3,414,089 for the financial year ended 31 December 2002 is 35.9% higher than the previous financial period's turnover of RM2,512,132 resulting in an increase in Group profit after taxation and MI of RM1,303,773 as against RM1,038,720 registered in the previous financial period, an increase of 25.6%. The lower proportionate increase in profit after taxation and MI against the proportionate increase in turnover for the financial year ended 31 December 2002 as compared to the previous period was mainly due to additional expenses on provision for doubtful debts of approximately RM72,000 and amortisation of trademarks of RM18,000 as well as higher depreciation cost, staff cost and amortisation of development cost.

(iv) Impact of Foreign Exchange Differences and Interest Rates

Nil.

(v) Taxation

The Company has been awarded MSC status by the Government of Malaysia. Accordingly, there is no tax charge for business income for the period under review as the Company has been granted pioneer status under the Promotion of Investments Act, 1986.

The subsidiary has tax losses amounted to approximately RM100,000 which may be carried forward to offset against future taxable income of the subsidiary company.

The above figures are subject to the approval of the Inland Revenue Board.

6 FINANCIAL INFORMATION (Cont'd)

(vi) Exceptional and Extraordinary Items or Interruptions in Business Since Its Incorporation

There are no exceptional or extraordinary items or any interruptions in business since the Company's incorporation.

(vii) Change in Accounting Policies and Practices

There has been no significant change in accounting policies and practices applied by the Group.

(viii) Directors' Declaration on Financial Performance

As at 19 February 2003, being the latest practicable date prior to the printing of this Prospectus, and save for the risk factors disclosed in section 3 of the prospectus, the financial conditions and operations of the Group are not affected by any of the following :-

- (a) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (b) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Group;
- (c) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position; and
- (d) pending and threatened litigation and arbitration proceedings having an impact on the financial position of the Group.

6.3 CAPITAL COMMITMENTS

As at 19 February 2003, being the last practicable date prior to the printing of this Prospectus, the Group has no capital commitments.

6.4 WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

The Board is of the opinion that barring unforeseen circumstances, after taking into account the cashflow forecast and the gross proceeds from the Rights Issue and the Private Placement, the Group will have adequate working capital for its foreseeable requirements.

As at 19 February 2003 (being the last practicable date prior to the printing of this Prospectus):-

- (i) Save as disclosed below, the Group has no outstanding material contingent liabilities, loan capital outstanding or created but not issued or mortgages;

6 FINANCIAL INFORMATION (Cont'd)

The Company has advances from its directors and Jestell, a company which is controlled by the directors of the Company namely Koh Kean Mum, Low Kok Thai and Liu Sai Sum, amounted to RM8,000 and RM12,201 respectively as at 31 December 2002, which are unsecured, interest-free and has no fixed terms for repayment.

- (ii) The Group is not engaged in any material litigation either as plaintiff or defendant and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially effect the position and business of the Group.

6.5 FUTURE FINANCIAL INFORMATION

Due to the uncertain nature and inherent risks in the business of the Group, no future financials are included in this Prospectus.

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7 SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN

(A) DIRECTION OF THE GROUP AND DEVELOPMENT OF NEW PRODUCTS

The Board believes that continuous R&D plans are crucial to the Group to compete effectively. Hence, the Group places great emphasis on the development of cost-competitive software solutions in response to the rapid technological changes and changing needs of customers.

The Group's product development plans is very much focused on enhancing its current solutions and developing new business solutions in the four (4) key growth sectors, i.e. the manufacturing, trading and distribution, transportation and entertainment and leisure sectors.

Amongst the business application software that the Group intends to develop over the next 5 years are web-enabled version of Global Soft ERP Solution, Human Resource Module, Fleet Tracking Solution and Customer Relationship Management Solution.

Global Soft's next milestone is to web-enable its entire ERP application. The web-enablement of the software would allow its customers to have B2B and B2C communication. With the web-enabled capabilities built into the ERP system, Global Soft would have the capability of implementing the software for sites which may geographically cover a large area or separate locations. For example, some manufacturers may have one or more manufacturing plants located at different locations but operating under the same management.

The Human Resource Module not only keeps information on individual employees of an organisation, it also includes information on attended and scheduled, training, leave entitlement and history of the employee. Maintaining a comprehensive human resource database may lead to more accurate planning for the manufacturing processes and better management of human resources.

The Fleet Tracking Solution is a software for management of delivery schedules. It is targeted at the logistics industry and for companies that manage their own fleet of delivery vehicles. It emphasises on maximising the efficiency of every delivery trip.

Customer Relationship Management is seen as the key to turnover enhancement opportunities and customer retention. Recognising this, the Group intends to develop a Customer Relationship Management solution that integrates all customer related functions to allow the user to have real-time access to all customer related information, thus facilitating the making of prompt sales decisions and offering of better customer service support.

In the long term, the Group has plans to collaborate with other software developers to develop new applications or software should such opportunity or need arise. The Group believes that such collaboration is necessary especially if the Group's products need to be customised to meet overseas market requirements.

(B) MARKETING PLANS

Over the next few years, the Group will focus on building a bigger market share for its products. The Group intends to establish a distributorship network with other IT solution companies especially for overseas markets. Target overseas markets include Thailand, the People's Republic of China, Hong Kong, Taiwan and Vietnam. The Group believes that this strategy will minimise the risks of opening new branch offices or subsidiaries which may require substantial investments and involve overseas market risks.

7 SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN (Cont'd)

Another component of its marketing strategy is to develop its Global Soft brand name. The management intends to position the Global Soft brand name to be synonymous with quality, innovativeness and cutting edge solutions that deliver a competitive edge. In order to increase market awareness, the Group intends to participate in trade exhibitions, advertise in relevant trade publications and to promote itself via publicity events such as product launchings, successful implementations and securing of major projects.

(C) STRATEGIC ALLIANCE

The Group plans to collaborate with other software developers to develop new applications or software should such opportunity or need arise. The Group believes that such collaboration may be necessary especially if the Group's products need to be customised to meet an overseas market's requirements.

(D) HUMAN RESOURCE

The Group intends to employ additional experienced staff in sales and marketing and R&D. This would enable the Group to increase its earnings base and further enhance its ability to develop products and shorten the product development cycle. Continuous staff training and development is emphasised to enable them to keep abreast with new technology. Recognising the importance of its human resource, efforts have been taken to groom younger members of the senior management team to ensure smooth transition in the management team.

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8 INFORMATION ON PROMOTERS SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL

8.1 INFORMATION ON PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The promoters and substantial shareholders of Global Soft and their shareholding in Global Soft are as follows:-

	Before Private Placement				After Private Placement			
	<--No of Global Soft Shares held -->				<--No of Global Soft Shares held -->			
	Direct	%	Indirect	%	Direct	%	Indirect	%
	'000		'000		'000		'000	
Promoters and Substantial Shareholders								
Binary	18,867	57.5	-	-	18,867	44.1	-	-
Koh Kean Mum	2,667	8.1	18,867	57.5 ^{*1}	2,667	6.2	18,867	44.1 ^{*1}
Low Kok Thai	1,592	4.9	18,867	57.5 ^{*1}	1,592	3.7	18,867	44.1 ^{*1}
Liu Sai Sum	439	1.3	-	-	439	1.0	-	-
Substantial Shareholders								
Chia Kee Siong	4,373	13.3	-	-	4,373	10.2	-	-
Low Sook Teng	-	-	21,534	65.6 ^{*2}	-	-	21,534	50.3 ^{*2}

Notes:-

^{*1} Deemed interest by virtue of his shareholdings in Binary pursuant to Section 6A of the Act.

^{*2} Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Global Soft pursuant to Section 6A of the Act.

Profile and track record of promoters and substantial shareholders

The profiles of Koh Kean Mum, Low Kok Thai, Liu Sai Sum and Low Sook Teng are outlined in Section 8.2 of this Prospectus.

Chia Kee Siong, aged 55, graduated from the University of Western Australia in 1971 and is a member of the Australia Society of Certified Public Accountants. Mr. Chia has over 24 years' of experience in the fields of accounting, stockbroking and venture capital. Mr. Chia currently invests in several public companies. Mr. Chia does not hold or held any directorships in other public companies for the past two (2) years. Save as disclosed below, Mr. Chia does not hold any substantial shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years:-

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

Name of company	Shareholdings as at 19 February 2003 (%)
UBS Corporation Berhad	5.8
PUC Founder (MSC) Berhad	12.4

The details of Binary are as follows: -

- (i) Binary was incorporated in Malaysia on 11 December 2000 under the Act as a private limited company;
- (ii) The authorised share capital of the company is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 100 ordinary shares of RM1.00 each have been issued and fully paid-up;
- (iii) Binary is an investment holding company specially incorporated to hold investments in Global Soft and has no other investments;
- (iv) The details on the directors and substantial shareholders of Binary are as follows:-

<--- No of shares of RM1.00 each held--->					
Name	Nationality	Direct	%	Indirect	%
Koh Kean Mum ^{*1}	Malaysian	54	54.0	-	-
Low Kok Thai ^{*1}	Malaysian	36	36.0	-	-
Liu Sai Sum	Malaysian	10	10.0	-	-
Low Sook Teng ^{*1}	Malaysian	-	-	54	54.0 ^{*2}
		100	100.0		

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

8.2 DIRECTORS

(i) Profile

The details of the Board are as follows: -

**Koh Kean Mum
Managing Director**

Koh Kean Mum, aged 32, is the Managing Director of the Company. Mr. Koh is one of the co-founders of the Company, growing the company from a start-up in 1997 to a reputable software development company. Mr. Koh graduated with a Diploma in Computer Science from Kolej Damansara Utama in 1993.

Mr. Koh commenced his career as Sales Executive with Scandata Systems Sdn. Bhd., a company dealing with software and hardware from 1993 to 1995. Subsequently, he joined ISC Technology Sdn. Bhd. ("ISC")(1996 to 1998), a subsidiary of Patimas Berhad which is listed on the Main Board of the KLSE, where Mr. Koh garnered extensive experience in the business of providing software solutions. He began his career at ISC as a sales executive in 1996 and progressed to the position of Business Manager, where he was responsible for the sales and marketing of business solutions of foreign software developers and managed a sales and technical support team. He has been involved in the marketing and implementation of business solutions, especially ERP software for the manufacturing sector in Malaysia over the past six (6) years. Mr. Koh is currently responsible for overseeing the sales and marketing activities, and setting of strategic plans for the Company.

**Low Kok Thai
Executive Director**

Low Kok Thai, aged 33, is the Executive Director and Head for R&D Department and is a co-founder of the Company. He graduated with a Degree in Computer Science from the Campbell University of the USA in 1993.

He began his career in Bass Consulting Sdn. Bhd., an IT consultancy company, in 1993 as an analyst programmer, where he was involved in the development of software solutions for the insurance industry. He subsequently joined Maxigrid Computer Sdn. Bhd., an IT solutions company, in 1994 as a senior analyst programmer, where he was in charge of the implementation of accounting and financial software. He progressed to ISC in 1995, a subsidiary of Patimas Berhad, as an IT consultant, where he was involved in software development and implementation. He was then transferred to GMH (MSC) Sdn. Bhd., another subsidiary of Patimas Berhad, where he was in charge of R&D for the development of business solutions in that company. He founded Jestell in 1997 together with Mr. Koh, and is now overseeing the R&D Department of Global Soft.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

Liu Sai Sum
Executive Director

Liu Sai Sum, aged 30, was appointed to the Board on 27 December 2001. He is overseeing the Company's daily operations and business development. He has over eleven (11) years' experience in project management, information systems planning, system designing, programming, marketing, user training and maintaining of network systems and database. He began his career in International Computers Limited as a systems executive in 1991, where he garnered experience in developing and implementing IT projects involving government bodies. He subsequently joined IT Partners (M) Sdn. Bhd., a IT solutions provider, in 1994 as a Systems Developer where he was responsible for the development of software, technology infrastructure setup and installation and implementation of office automation systems such as e-mail and messaging solutions. He was promoted to the position of Systems Engineer in 1995 and was involved in information technology infrastructure projects. He joined CN Eminent Systems Sdn. Bhd., a IT solutions company, in 1996 as an Account Manager where he was in charge of business development and project management of office automation solutions such as Lotus Messaging solutions and other workflow management and document management business applications. He joined Jestell in 1997 as one of the pioneer staff and was quickly recognised as a key management staff due to his vast experience. He graduated from the National Centre for Information Technology, United Kingdom with a Diploma in Computer Studies in 1991.

Low Sook Teng
Non-Executive Director

Low Sook Teng, aged 31, was appointed to the Board on 3 January 2001. She holds a Diploma in Private Secretarialship from RIMA Secretarial Finishing College which was obtained in 1993. She has vast experience in public relations for IT companies spanning from leading customer care team in sales and customer service activities to build up good rapport with customers. She joined ISC Technology Sdn. Bhd. as a Senior Account Manager (1994-1998), Fact System (M) Sdn. Bhd. as a Assistant Customer Care Manager (1998-2000) and Global Web Sdn. Bhd. as a Senior Customer Care Executive (2000-2001).

Lee Teck Meng
Independent Non-Executive Director

Lee Teck Meng, aged 35, was appointed to the Board on 19 November 2002. He holds a Masters in Business Administration from Senior International University, Canada which was obtained in 2001. He also holds an Advanced Diploma, Chartered Institute of Marketing, United Kingdom, and an Advanced Diploma of Business and Management Studies from Institute of Swansea, University of Welsh, United Kingdom which were obtained in 1991 and 1993 respectively.

Mr. Lee has over ten (10) years business experience in various sectors which include, inter-alia, printing, graphic design, packaging, colour separation, e-marketing and overseas trading.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

In 1996, he was elected as the National Secretary of SMI Association of Malaysia. In 1999, he was elected as the Vice President of SMI Association of Malaysia. He was appointed as a council committee of National SMI Consultative Center in 1999. He is currently a freelance lecturer and holds directorship in a few private limited companies.

Toh Hong Yau

Independent Non-Executive Director

Toh Hong Yau, aged 43, was appointed to the Board on 19 November 2002. He holds a Diploma in Banking from Institute of Bankers, London which was obtained in 1986. Mr. Toh has been the Executive Secretary of the Small and Medium Industries Association of Malaysia since 1998. He was attached to Standard Chartered Bank from 1981-1993 as a Bank Officer and TA Securities Bhd. from 1993 to 1998 as a Shares Remisier. Mr. Toh was appointed to the Governing Board of CI Certification Malaysia Sdn. Bhd. in 2002, a company which confers ISO status to eligible companies.

(i) Directors' Shareholdings in Global Soft

The shareholdings of the Directors in Global Soft as at 19 February 2003, before and after the Private Placement are as follows:-

	Before Private Placement				After Private Placement			
	<--No of Global Soft Shares held -->				<--No of Global Soft Shares held -->			
	Direct	%	Indirect	%	Direct	%	Indirect	%
	'000		'000		'000		'000	
Promoters and Substantial Shareholders								
Koh Kean Mum	2,667	8.1	18,867	57.5 ^{*1}	2,667	6.2	18,867	44.1 ^{*1}
Low Kok Thai	1,592	4.9	18,867	57.5 ^{*1}	1,592	3.7	18,867	44.1 ^{*1}
Liu Sai Sum	439	1.3	-	-	439	1.0	-	-
Low Sook Teng	-	-	21,534	65.6 ^{*2}	-	-	21,534	50.3 ^{*2}
Toh Hong Yau	-	-	-	-	-	-	-	-
Lee Teck Meng	-	-	-	-	-	-	-	-

Notes:-

^{*1} Deemed interest by virtue of his shareholdings in Binary pursuant to Section 6A of the Act.

^{*2} Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Global Soft pursuant to Section 6A of the Act.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

(ii) Directors' Directorships and Substantial Shareholdings in Other Public Companies for the Past Two (2) Years

None of the Directors holds or held any directorships and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years.

(iii) None of the Directors is or was involved in the following events whether in or outside Malaysia:-

- (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceedings or is a named subject of a pending criminal proceedings; and
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

(iv) None of the Directors has entered into any service agreements, which is not terminable by notice without payments or compensation other than statutory compensation, with the Company or its subsidiary.
(v) Directors' Remuneration and Benefits

The remuneration paid to the Directors of the Company for services rendered in all capacities to the Group for the financial year ended 31 December 2002 amounted to RM190,500. For the financial year ending 31 December 2003, the remuneration payable to the Directors is estimated at RM352,000.

The number of Directors of the Company in the various remuneration bands are set out below:-

	Aggregate Remuneration					
	<--Year ended 31 December 2001-->			<--Year ending 31 December 2002-->		
	Executive Director	Non-Executive Director	Total	Executive Director	Non-Executive Director	Total
Up to RM50,000	2	-	2	1	-	1
Between RM50,001 and RM150,000	1	-	1	2	-	2

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

8.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:-

Name	Designation	Directorship
Toh Hong Yau	Chairman	Independent Non-Executive Director
Lee Teck Meng	Member of the audit committee	Independent Non-Executive Director
Liu Sai Sum	Member of the audit committee	Executive Director

The Audit Committee, comprising one (1) Independent Non-Executive Director who is the Chairman, one (1) Independent Non-Executive Director and one (1) Executive Director (not being the Chief Executive Officer of Global Soft), is responsible for the recommendations to the Board regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

8.4 KEY PERSONNEL**(i) Profile**

The Board is assisted by a team of experienced management and professional personnel. The management team is headed by the Managing Director, Mr. Koh Kean Mum. Particulars of the key management personnel are as follows:-

Abdul Razak bin Bakar
Senior Consulting Manager

Abdul Razak Bakar, aged 34, graduated from the Memphis State University, USA with a Bachelor of Science in Computer Science (minoring in Mathematics) in 1991. He has over 10 years of experience in the IT service industry. He commenced his career in 1991 with Franklin Porcelain Sdn Bhd as an Analyst Programmer where he was responsible for maintaining the Material Requirement Planning application and leading a team in the Manufacturing Costing application. He then served in SME Technologies Sdn Bhd from 1993 to 1995 as an EDP Officer where he was involved in the planning, implementation and maintenance of the ERP package, CAD/CAM system for the Aerospace division, CMM machines and the Shooting Range systems. He joined IT Partners Sdn Bhd in 1995 as a Consultant for ERP package where he was involved in the implementation of the full manufacturing system. In 1997, he left to join Syspro Malaysia where he started as an Application Consultant before he was promoted to Software Support Manager in 1999.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

His responsibilities include managing, training and supervising consultants in project management and Business mapping in relation to implementation of ERP system to its customers. He joined Global Soft in 2002 as a Senior Consulting Manager where he is in charge of system support, business consultancy, user training, project management and implementation on the Global Soft ERP solutions. He is also instrumental in supporting the R&D staff in the development of new ERP modules. His responsibilities also includes liaising with Government bodies which are related to the business.

Lee See Bee
Finance Manager

Lee See Bee, aged 32, is the Finance Manager of the Company. She graduated with a Bachelors Degree in Commerce from the University of Western Australia, Perth in 1993. She commenced her career in 1994 in Deloitte Touche Tohmatsu International ("Deloitte") where she left as an Audit Senior in 1997. Whilst serving in Deloitte, she obtained vast experience in accounting, auditing, taxation and corporate assignments. She then served in Charterfield Corporation Sdn Bhd, a company which set-up and manages a township as an Accountant from 1997 to 1999. She joined Nuyu (Malaysia) Sdn Bhd, a direct selling company as an Accountant from 1999 to 2000. Prior to joining Global Soft in 2002, she was the finance manager of Leisure Entertainment Concepts Sdn Bhd, part of the Leisure Holidays Group, which has operations in the leisure and entertainment industry. She is currently overseeing the financial, administration and corporate affairs of the Company.

Tan Tow Boon
Branch Manager

Tan Tow Boon, aged 36, graduated from Goon Institute with a Diploma in Accounting from the London Chamber of Commerce and Industry UK in 1988. He commenced his career in Cayman Commodities (M) Sdn Bhd in 1985 as an Assistant Dealer's Representative where he was involved in the trading of local and overseas commodities and also assisted the accounts department in updating the account status of its client. He then joined Low Beng Kooi & Co, an Auditing, Secretarial & Tax Consultancy as an Audit Junior in 1989 and was promoted to Audit Semi-Senior in 1990 where he was involved in all aspects of audit, tax and secretarial matters. In 1992, he joined Gergaji Management Sdn Bhd a Plantation Management Firm as an Accounts Senior where he was assigned the responsibility of handing full set of accounts for a group of nine companies. Prior to joining Jestell, he was with Penas Management Sdn Bhd, a main contractor in Property Development as an Accounts Executive. His responsibilities include managing the entire accounts department and implementation of computerization projects. He joined Jestell in 2000 as an Consultant where he is in charge of system support, business consultancy, user training, project management and implementation on the Global Soft ERP solutions. He was then transferred to Global Soft in February 2001 pursuant to the MSC Restructuring Exercise. He was promoted to his current position in 2002 and is currently responsible for the branch in Penang. Due to his finance and accounting background, he is also instrumental in supporting the R&D staff in the development of new ERP modules.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

Choo Khan Mein
Business Development Manager

Choo Khan Mein, aged 24, is the Business Development Manager of the Company. He joined Jestell in 1999 as a Sales Executive. He was then transferred to Global Soft in February 2001 pursuant to the MSC Restructuring Exercise. Over the past few years in Jestell and Global Soft, he garnered wide experience in the software solutions business. He was promoted to the position of Business Development Manager in 2001, where he was responsible for the sales and marketing activities and setting marketing approach for the Company.

Tan Yu Lian
Assistant R&D Manager

Tan Yu Lian, aged 27, graduated from the Campbell University, USA with a Bachelors Degree in Information System with Engineering in 1999. He commenced his career in RPT CD Production Company Sdn. Bhd. in 1999, a company involved in the manufacture of compact discs, as an Analyst Programmer where he was in charge of the management information system functions of the company. He joined Jestell in 2000 as an R&D Developer where he is involved in software design and development. He was then transferred to Global Soft in February 2001 pursuant to the MSC Restructuring Exercise. Under the guidance of the R&D Director, he has gained valuable experience and exposure in the software design and development.

Chen Sing Chuan
R&D Developer

Chen Sing Chuan, aged 29, graduated from the National Computing Centre, United Kingdom with a Higher Diploma in Computer Studies in 1998. He joined Jurutera Perunding Bersama Sdn. Bhd., an architectural firm, in 1996 where he was in charge of the company's IT systems. He joined Jestell in 2001 where he served as an analyst programmer where he was trained and exposed to various software development functions of Jestell. He was then transferred to Global Soft in February 2001 pursuant to the MSC Restructuring Exercise. He is currently a R&D Developer and is involved in software design and development.

Tam Mooi Aie
R&D Developer

Tam Mooi Aie, aged 24, graduated from the Campbell University, USA with a Bachelors Degree in Science (majoring in Computer Science) and from the Tunku Abdul Rahman College with an Advanced Diploma in Science (majoring in Computer Science) in 2001. She joined the Company in 2001 as an R&D Developer and specialises in developing ERP software. During her course of employment, she received training and exposure in software design and development. She is well versed in various development software such as Microsoft SQL Server, Microsoft Visual Basic, Microsoft Access, Java, C, C++ etc. She currently specialises in the development of finance and distribution modules.

**8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS,
DIRECTORS AND KEY PERSONNEL (Cont'd)**

**Foong Chee Kin
R&D Developer**

Foong Chee Kin, aged 26, graduated from the Campbell University, USA with a Bachelors degree in Science (majoring in Business Information System) and from the Tunku Abdul Rahman College with an Advanced Diploma in Science (majoring in Business Information System) in 2000. In 1999, he commenced his career in Maxigrid Computer Systems & Services Sdn Bhd as an Analyst Programmer cum System Administrator where he was involved in hardware and software integration and installation, research and development and development of finance, distribution and manufacturing system using Microsoft Visual Basic, Microsoft SQL Server and Informix (Unix and NT). He then joined CS Multimedia Sdn Bhd in 2001 as an Analyst Programmer cum ERP Project Manager where he was responsible for ERP project planning, implementation, evaluation and simulation. He then joined the Company in 2002 as an R&D Developer. He is currently involved in software design and development.

**Lee Kam Teen
Application Developer**

Lee Kam Teen, aged 26, graduated from the Campbell University, USA with a Bachelors degree in Science (majoring in Computer Science) and from the Tunku Abdul Rahman College with an Advanced Diploma in Science (majoring in Computer Science) in 2000. He commenced his career in Hyper Innovative Technology Sdn Bhd, in 2000 as a System Executive. In his course of work, he gained experience in various development software such as Microsoft SQL Server, Microsoft Visual Basic, Microsoft Access, C, C++ etc. He also gained skills on problem troubleshooting and problem solving for LAN network including cabling, hardware and software. He joined the Company in 2002 as an R&D Developer. His responsibilities include providing technical support to customers, solving errors, preparing customisation report as well as installing software and hardware.

**Teh Chee Siong
Consultant**

Teh Chee Siong, aged 29, is a Consultant. He is responsible for conducting users' requirement studies, conducting on-site installation, end-user training, project implementation and staff training on the Company's software. He holds a Bachelor of Art (Hons) Degree in International Business Administration from the University of Northumbria, Newcastle, United Kingdom. He joined the Company in 2002. Prior to joining the Company, he started his own business in the manufacturing of [car brake shoe] in 1994. In 1999, he ceased his business and joined Lek Consolidated Berhad, a company that manufactures car Disc Brake Pad, Brake Shoe and Truck Lining.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

Lim Ai Shiang
Senior Consultant

Lim Ai Shiang, aged 26, is a Consultant. She is responsible for conducting users' requirement studies, end-user training, project implementation and training customers on the Company's software. She is well versed in implementing financial accounting software, project administration, software training and software support. She graduated from the Tunku Abdul Rahman College with a Diploma in Commerce (Business Management) in 1998 and is currently pursuing her final year for the professional chartered secretarial certification from the Institute of Chartered Secretaries and Administrators, United Kingdom. Ms. Lim commenced working in Fleet Superior Sdn Bhd, a property development company, in 1999 as a finance and administration executive where she was responsible for the company's finance, administration, secretarial and information systems requirements. She joined Jestell in 2000 where she received training on the Company's software. She was then transferred to Global Soft in February 2001 pursuant to the MSC Restructuring Exercise.

Justine Hoo Hui Yuan
Consultant

Justine Hoo Hui Yuan, aged 26, is a Consultant. She is responsible for conducting users' requirement studies, end-user training, project implementation and training customers on the Company's software. Ms Hoo graduated from the National Computing Centre, United Kingdom with an International Diploma in Computer Studies in 1997. She is well versed in various software development tools such as Microsoft Visual Basic and COBOL Programming. She joined iSoS Software (M) Sdn Bhd, an IT company in 1997 where she later became its Senior Software Support Executive. She was responsible for conducting on-site installations, systems implementation and training of customers on financial accounting software. She was also involved in QC quality control and defective feedback for its full range of supported Software. In 2001, she was transferred to its sales department as its Customer Service Sales Executive. Her responsibilities include ensuring customers' satisfaction, creating awareness on Software Service protection plan, identifying opportunities in relation to new software functions through upgrade plan, new customisation options and new deployment of IT related products and co-ordinating, and training of its support staff. She then left and joined the Company in 2002 and is now responsible for leading software implementation projects.

Save for Low Sook Teng who is the wife of Koh Kean Mum, no Director or senior management staff is related to one another.

As at 19 February 2003, the key management and technical personnel of the Company does not hold any shareholdings in the Company.

The number of top and middle management posts will be increased following the listing on the MESDAQ Market to further strengthen the Group's management expertise.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

(ii) Key management and technical personnel's directorships and substantial shareholdings in all other public companies for the past two (2) years

None of the key management and technical personnel holds or has held any directorships and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in any other public companies during the past two (2) years.

(iii) None of the key management or technical personnel is or was involved in the following events:-

- (a) A petition under any bankruptcy laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation in which he was a director or key personnel;
- (b) Conviction in a criminal proceedings or is a named subject of a pending criminal proceedings; and
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

(iv) None of the key management or technical personnel has entered into any service agreements, which is not terminable by notice without payments or compensation other than statutory compensation, with the Company or its subsidiary.

8.5 CHANGES IN SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS IN GLOBAL SOFT

The changes in the shareholdings of the substantial shareholders since the date of incorporation are as follows:-

	As at date of incorporation (30 November 2000)				As at 3 January 2001				As at 16 April 2001			
	No. of shares of RM1.00 each				No. of shares of RM1.00 each				No. of shares of RM1.00 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
									'000		'000	
Tan Yan Ping	1	50.0	-	-	-	-	-	-	-	-	-	-
Tua Yan Khim	1	50.0	-	-	-	-	-	-	-	-	-	-
Jestell	-	-	-	-	2	100.0	-	-	100	100.0	-	-
Koh Kean Mun	-	-	-	-	-	-	2	100.0 ¹	-	-	100	100.0 ¹
Low Kok Thai	-	-	-	-	-	-	2	100.0 ¹	-	-	100	100.0 ¹
Binary	-	-	-	-	-	-	-	-	-	-	-	-
Liu Sai Sum	-	-	-	-	-	-	-	-	-	-	-	-

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

	As at date of incorporation (30 November 2000)				As at 3 January 2001				As at 16 April 2001			
	No. of shares of RM1.00 each				No. of shares of RM1.00 each				No. of shares of RM1.00 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
									'000		'000	
Chia Kee Siong	-	-	-	-	-	-	-	-	-	-	-	-
Low Sook Teng	-	-	-	-	-	-	2	100.0 ^{*2}	-	-	100	100.0 ^{*2}

	As at 31 July 2001				As at 12 August 2001				As at 17 August 2001			
	No. of shares of RM1.00 each				No. of shares of RM1.00 each				No. of shares of RM1.00 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
	'000		'000		'000		'000		'000		'000	
Tan Yan Ping	-	-	-	-	-	-	-	-	-	-	-	-
Tua Yan Khim	-	-	-	-	-	-	-	-	-	-	-	-
Jestell	-#	-	-	-	-	-	-	-	-	-	-	-
Koh Kean Mum	86	15.1	409	72.0 ^{*3}	189	15.1	900	72.0 ^{*3}	189	12.6	900	60.0 ^{*3}
Low Kok Thai	57	10.1	409	72.0 ^{*3}	126	10.1	900	72.0 ^{*3}	126	8.4	900	60.0 ^{*3}
Binary	409	72.0	-	-	900	72.0	-	-	900	60.0	-	-
Liu Sai Sum	16	2.8	-	-	35	2.8	-	-	35	2.3	-	-
Chia Kee Siong	-	-	-	-	-	-	-	-	200	13.3	-	-
Low Sook Teng	-	-	495	87.1 ^{*4}	-	-	1,089	87.1 ^{*4}	-	-	1,089	72.6 ^{*4}

	As at 7 February 2002				As at 13 September 2002##				As at 19 February 2003 ### (last practicable date prior to the issuance of prospectus)			
	No. of shares of RM1.00 each				No. of shares of RM0.10 each				No. of shares of RM0.10 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
	'000		'000		'000		'000		'000		'000	
Tan Yan Ping	-	-	-	-	-	-	-	-	-	-	-	-
Tua Yan Khim	-	-	-	-	-	-	-	-	-	-	-	-
Jestell	-	-	-	-	-	-	-	-	-	-	-	-
Koh Kean Mum	122	8.1	863	57.5 ^{*3}	1,220	8.1	8,628	57.5 ^{*3}	2,667	8.1	18,867	57.5 ^{*3}
Low Kok Thai	73	4.9	863	57.5 ^{*3}	728	4.9	8,628	57.5 ^{*3}	1,592	4.9	18,867	57.5 ^{*3}
Binary	863	57.5	-	-	8,628	57.5	-	-	18,867	57.5	-	-
Liu Sai Sum	20	1.3	-	-	201	1.3	-	-	439	1.3	-	-
Chia Kee Siong	200	13.3	-	-	2,000	13.3	-	-	4,373	13.3	-	-
Low Sook Teng	-	-	985	65.6 ^{*4}	-	-	9,848	65.6 ^{*4}	-	-	21,534	65.6 ^{*4}

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

	After Private Placement			
	No. of shares			
	<----- of RM0.10 each ----->			
	Direct	%	Indirect	%
	'000		'000	
Tan Yan Ping	-	-	-	-
Tua Yan Khim	-	-	-	-
Jestell	-	-	-	-
Koh Kean Mum	2,667	6.2	18,867	44.1 ^{*1}
Low Kok Thai	1,592	3.7	18,867	44.1 ^{*1}
Binary	18,867	44.1	-	-
Liu Sai Sum	439	1.0	-	-
Chia Kee Siong	4,373	10.2	-	-
Low Sook Teng	-	-	21,534	50.3 ^{*2}

Notes:-

^{*1} Deemed interest by virtue of his shareholding in Jestell pursuant to Section 6A of the Act.

^{*2} Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Jestell pursuant to Section 6A of the Act.

^{*3} Deemed interest by virtue of his shareholding in Binary pursuant to Section 6A of the Act.

^{*4} Deemed interest by virtue of the shareholding of her husband, Koh Kean Mum, in Binary and Global Soft pursuant to Section 6A of the Act.

On 31 July 2001, Jestell was allotted 308,529 shares, increasing its total number of shares held in Global Soft to 408,529 shares. On the same date, Jestell transferred the entire 408,529 shares to Binary.

Pursuant to Share Sub-Division.

The increase in no. of shares was due to Rights Issue.

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9 APPROVALS AND CONDITIONS

9.1 CONDITIONS TO THE APPROVALS AND COMPLIANCE THEREOF

The KLSE and SC approved the Private Placement on 21 August 2002 and 19 August 2002 respectively. The conditions imposed by all the authorities and the status of compliance are set out as follows:-

Conditions imposed by KLSE	Status of compliance
(i) Global Soft to disclose in its Prospectus the rationale for the transfer of assets and liabilities from Jestell to Global Soft including the valuation and separate consideration for the trademarks of RM400,000;	Complied. The said information was disclosed in Sections 4.1.1 and 4.3.3 of this Prospectus respectively.
(ii) Global Soft to either collect in full or provide for bad debts on the trade debts balances which have exceeded the credit period prior to issuance of Prospectus;	Complied. The Company has provided for bad debts on the trade debts balances which have exceeded the credit period and have not been collected by the Company in the audited consolidated financial statements of the Company for the year ended 31 December 2002.
(iii) Global Soft to notify the KLSE on the exact amount to be declared as dividend supported by the Reporting Accountant's confirmation on the adequacy of retained earnings and the effect of the dividend payment should be reflected in the accounts which is to be disclosed in the Prospectus;	Global Soft has on 26 November 2002 notified the KLSE of the Dividend Declaration which amounted to RM856,000 as reflected in the Section 14 of this Prospectus-Proforma Consolidated Balance Sheets and Reporting Accountants' Letter thereof. In addition, the Reporting Accountants has confirmed that the Company has sufficient retained earnings for the purpose of the Dividend Declaration.
(iv) Global Soft to notify the KLSE on the appointment of independent directors and provide the necessary confirmations that they qualify as independent directors pursuant to the Listing Requirements; and	Global Soft has on 27 December 2002 notified the KLSE of the appointment of Toh Hong Yau and Lee Teck Meng as independent non-executive directors of the Company and has provided the KLSE the necessary confirmations that they qualify as independent directors pursuant to the Listing Requirements.
(v) Global Soft to include a negative statement in its Prospectus on the exclusion of profit forecast and projections from the Prospectus and the reasons thereof.	Complied. The said statement was disclosed in Section 6.5 of this Prospectus.

9 APPROVALS AND CONDITIONS (Cont'd)

Conditions imposed by SC

Global Soft is required to disclose the status of the utilisation of proceeds from the Private Placement in the Company's quarter and annual report until the proceeds are fully utilised.

Status of compliance

The Board has undertaken to comply with this condition.

9.2 MORATORIUM ON PROMOTERS' SHARES

Based on the Listing Requirements, the Promoters of Global Soft will not be allowed to sell, transfer or assign 45% of their respective shareholdings in Global Soft, as tabulated below, within one (1) year from the date of admission of Global Soft to the official list of the MESDAQ Market. Thereafter, they are permitted to sell, transfer or assign their shares in Global Soft subject to a maximum of one third per annum on a straight line basis of their respective shareholdings in the Company which is under moratorium.

This restriction is fully accepted by the following Promoters whose shareholding after the Private Placement would be 23,565,000 Global Soft Shares, representing 55% of the issued and paid-up share capital of the Company.

Moratorium on Promoters

The Global Soft Shares under moratorium are as follows:-

Promoters	No of Global Soft Shares held after Private Placement				No of Global Soft Shares under moratorium	
	Direct		Indirect		Direct	
	'000	%	'000	%	'000	%
Binary	18,867	44.1	-	-	18,702	43.7
Koh Kean Mum	2,667	6.2	18,867	44.1 ^{*1}	316	0.7
Low Kok Thai	1,592	3.7	18,867	44.1 ^{*1}	190	0.5
Liu Sai Sum	439	1.0	-	-	52	0.1
	<u>23,565</u>	<u>55.0</u>			<u>19,260</u>	<u>45.0</u>

Note:-

^{*1} Deemed interest by virtue of his shareholding in Binary pursuant to Section 6A of the Act.

The restriction is specifically endorsed on the share certificates of Global Soft representing the shareholding of the aforesaid shareholders, which are under moratorium to ensure that the Company's Registrars will not register any transfer not in compliance with the aforesaid restriction.

10 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

- 10.1 Save as disclosed below, none of the Directors and/or substantial shareholders of the Company and/or person(s) connected with them has any interest, direct or indirect, in the promotion of or in any material assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or disposed of by or leased to the Group, or are proposed to be acquired, disposed of by or leased to the Group:-

- (i) Deed of Assignment dated 6 February 2002 entered into between Global Soft and Jestell which assigned the copyright of the business software solutions developed by Jestell to the Company in conjunction with the MSC Restructuring Exercise. No consideration was payable as the assignment formed part of the MSC Restructuring Exercise. The following Directors and substantial shareholders of the Company are deemed to have interest in the Deed of Assignment as follows:-

Name	Nature of interest
Koh Kean Mum	Director and substantial shareholder of Jestell
Low Kok Thai	Director and substantial shareholder of Jestell
Liu Sai Sum	Substantial shareholder of Jestell

The shareholders of Global Soft which are not deemed to have interest in the abovementioned transaction have approved the said transaction.

- (ii) Deed of Assignment dated 6 February 2002 entered into between Global Soft and Jestell which assigned all rights to the Company relating to the "GLOBAL & Device" and "Global Soft" trademarks including unlimited global rights to use and apply for registrations of the said marks in relation to all classes of goods and services for a cash consideration of RM400,000. The following Directors and substantial shareholders of the Company are deemed to have interest in the Deed of Assignment as follows:-

Name	Nature of interest
Koh Kean Mum	Director and substantial shareholder of Jestell
Low Kok Thai	Director and substantial shareholder of Jestell
Liu Sai Sum	Substantial shareholder of Jestell

The shareholders of Global Soft which are not deemed to have interest in the abovementioned transaction has approved the said transaction.

- 10.2 Save for Chia Kee Siong, none of the Directors or substantial shareholders of Global Soft has any interest, direct or indirect, in any business carrying on similar trade as the Group:-

Name of company	Country of incorporation	Principal Activity	Shareholdings as at 19 February 2003 (%)
UBS Corporation Berhad	Malaysia	Developing and marketing off-the-shelf business application software	5.8

10 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Notwithstanding the above, Mr Chia is neither a director nor an employee of both UBS Corporation Berhad and Global Soft. He also has no management role in UBS Corporation Berhad or Global Soft. In addition, UBS Corporation Berhad and Global Soft serves 2 distinct markets as UBS Corporation Berhad develops and markets off-the-shelf software whereas Global Soft develops and markets customised ERP software. Hence, both companies are presently not in direct competition with each other.

10.3 There is no existing or potential related party transactions (otherwise than transactions with/between wholly owned subsidiary) entered into or to be entered by any of the Group with the Directors and/or substantial shareholders of Global Soft and/or key management of the Group and/or person(s) connected with any of them.

10.4 Declaration of Advisors

- (i) Kenanga hereby confirm that there are no existing or potential conflicts of interest in its capacity as the Adviser for the Private Placement.
- (ii) Messrs. Zaid Ibrahim & Co. has given their confirmation that there are no existing or potential conflicts of interest in its capacity as the Corporate and Due Diligence Solicitors for the Private Placement.
- (iii) Messrs. Tan Tin & Co has given their confirmation that there are no existing or potential conflicts of interest in its capacity as Reporting Accountants for the Private Placement.

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11 OTHER INFORMATION CONCERNING THE GROUP

11.1 LANDED PROPERTIES

The Group does not own any landed property.

11.2 MSC-STATUS

The Company obtained its MSC status on 20 February 2001. Some of the salient terms and conditions of the MSC status are as follows:-

The Company has agreed to:-

- (a) commence operations of and undertake the MSC-Qualifying Activities as proposed to and accepted by MDC. Any changes proposed to the qualifying activities must receive the consent of MDC;
- (b) locate the Company's headquarters and principal place of business and/or the operation of the MSC-Qualifying Activities within MSC-designated cybercities;
- (c) ensure that at all times at least 15% of the total number of employees (excluding support staff) of the Company shall be "knowledge workers" (as defined by MDC); and
- (d) continuously comply with the MSC's environmental guidelines as determined by MDC from time to time.

The MSC status granted to the Company shall not be transferable or assignable in any way whatsoever without the written consent of MDC.

MSC status entitles the Company to the incentives, rights and privileges provided for under the Bill of Guarantees subject to the Company continued adherence to the necessary set of criteria. The clauses of the Bill of Guarantees, inter alia, are as follows:-

- (i) To provide a world-class physical and information infrastructure;
- (ii) To allow unrestricted employment of local and foreign knowledge workers;
- (iii) To ensure freedom of ownership by exempting companies with MSC Status from local ownership requirements;
- (iv) To give the freedom to source capital globally for MSC infrastructure, and the right to borrow funds globally; and
- (v) To provide competitive financial incentives, including Pioneer status (100 percent tax exemption) for up to ten (10) years or an investment tax allowance for up to five (5) years and no duties on the importation of multimedia equipment.

The Company intends to capitalise on this prestigious credential not only as a marketing tool but also to benefit from the various incentives provided as set out in the Bill of Guarantees above.

11 OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

11.3 LICENSES AND PERMITS

The Group does not hold any regulatory licenses or permits.

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