

PROSPECTUS



CYBERTOWERS BERHAD

(Company Number : 385635-V)

(Incorporated in Malaysia under the Companies Act, 1965)

**PUBLIC ISSUE OF 40,181,250
NEW ORDINARY SHARES OF RM0.10 EACH
AT AN ISSUE PRICE OF
RM0.16 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**

**FOR INFORMATION CONCERNING CERTAIN RISK
FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS,
SEE "RISK FACTORS" COMMENCING ON PAGE 18 HEREOF.**

Adviser, Managing Underwriter, Underwriter, Placement Agent & Sponsor



K & N KENANGA BHD

(Company Number : 15678-H)

Underwriter & Placement Agent



AFFIN MERCHANT BANK BERHAD (9999-V)

THIS PROSPECTUS IS DATED 11 JUNE 2003

This Prospectus has been seen and approved by the Directors and Promoters (as defined in this Prospectus) of Cybertowers Berhad (“Cybertowers” or “the Company”) and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus 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 and Managing Underwriter 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 Public Issue (as defined in this Prospectus).

Approval has been obtained from the Securities Commission (“SC”) and the Kuala Lumpur Stock Exchange (“KLSE”) for admission to the Official List of the MESDAQ Market of the KLSE (“MESDAQ Market”) and for permission to deal in and for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company including the Issue Shares (as defined in this Prospectus) which are the subject of this Prospectus. Nevertheless, the approval of the SC and the KLSE shall not be taken to indicate that the SC or the KLSE recommends the Public 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 Issue Shares. The SC and the KLSE 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 (as defined in this Prospectus) was entirely determined and agreed upon by the Company and the Adviser and Underwriters 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 who takes no responsibility for its contents.

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

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IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on MESDAQ Market is set out below: -

Event	Tentative Date
Opening and Closing of Application List for the Public Issue	23 June 2003
Balotting Date	25 June 2003
Despatch of Notices of Allotment of the Issue Shares to successful applicants	4 July 2003
Listing of the Company's entire enlarged issued and paid-up share capital on MESDAQ Market	10 July 2003

THESE DATES ARE TENTATIVE AND SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION LIST WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS OF CYBERTOWERS BERHAD AND K&N KENANGA BHD AT THEIR ABSOLUTE DISCRETION MAY JOINTLY DECIDE.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:-

ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
ATM	: Automated teller machine
Affin Merchant	: Affin Merchant Bank Berhad
Board	: Board of Directors of Cybertowers
CCM	: Companies Commission of Malaysia
CDS	: Central Depository System
Cybertowers or the Company	: Cybertowers Berhad
Cybertowers Shares	: Ordinary shares of RM0.10 each in Cybertowers
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
EPS	: Earnings per share
Frost & Sullivan	: Frost and Sullivan, an international market research and consultancy firm (www.frost.com)
Electronic Share Application	: Application of the Issue Shares through a Participating Financial Institution's ATMs
GDP	: Gross Domestic Product
ICT	: Information and Communications Technology
Ikhtiar Syahdu	: Ikhtiar Syahdu Sdn. Bhd.
Issue Price	: RM0.16 per Issue Share
Issue Shares	: 40,181,250 new Cybertowers Shares to be issued and credited as fully paid-up pursuant to the Public Issue
IT	: Information Technology
Kenanga	: K & N Kenanga Bhd
KLSE	: Kuala Lumpur Stock Exchange
KLSE Member	: Registered KLSE member being also an ADA
Listing Requirements	: The Listing Requirements of the KLSE for the MESDAQ Market
MASB	: Malaysian Accounting Standards Board
MCD	: Malaysian Central Depository Sdn. Bhd.

DEFINITIONS (Cont'd)

MDC	: Multimedia Development Corporation Sdn. Bhd.
MNCs	: Multinational Corporations
MSC	: Multimedia Super Corridor
MESDAQ Market	: MESDAQ Market of the KLSE
MIH	: Malaysian Issuing House Sdn. Bhd.
NAV	: Net assets value
NTA	: Net tangible assets
PAT	: Profit after taxation
Participating Financial Institution(s)	: Participating Financial Institutions for Electronic Share Application as listed in Section 16 of this Prospectus
PBT	: Profit before taxation
PRC	: The People's Republic of China
PIKOM	: Association of the Computer and Multimedia Industry Malaysia
Promoter(s)	: Wong Kek Wei, Wong Chook Ping and Ikhtiar Syahdu collectively
Public Issue	: Issue of 40,181,250 new Cybertowers Shares to be credited as fully paid-up at an issue price of RM0.16 per share, payable in full on application and subject to the terms and conditions of this Prospectus
R&D	: Research and Development
RM and sen	: Ringgit Malaysia and sen respectively
SC	: Securities Commission
SME	: Small and Medium-sized Enterprises
US	: United States of America
USD or US\$: US Dollar
Underwriting Agreement	: Agreement dated 6 June 2003 entered into between Cybertowers of the one part and Kenanga and Affin Merchant of the other part, for the underwriting of the 10,981,250 Issue Shares made available for subscription by the public

DEFINITIONS (Cont'd)

Technical Definitions

2G+	: Evolved Second Generation digital mobile phone systems. The latest digital standards that offer advanced services using relatively high bit-rates for data transfer
3G	: Third Generation Mobile Telecommunications. A general term for the next generation of wireless technology beyond personal communications services
AVL	: Automatic Vehicle Locating System. It is used for tracking vehicle, monitor the entire fleet and manage the mobile workforce
CDMA	: Code-division multiple access. It is a multiple-access technique employed by cellular operators
Celcom	: Celcom (Malaysia) Berhad
CyberTrack or the System	: An Internet-based AVL
GIS	: Geographic Information System. A system for capturing, storing, checking, integrating, manipulating, analysing and displaying data which are spatially referenced to the Earth
GPRS	: General Packet Radio Services. It is a new nonvoice value added service that allows information to be sent and received across a mobile telephone network. It supplements Circuit-Switched Data (circuit-switched wireless data transmission for mobile users) and SMS
GPS	: Global Positioning System. A satellite-based triangulation system developed and operated by the US Department of Defence
GSM	: Global System for Mobile Communications. One of the leading digital cellular systems, GSM provides amongst others, integrated voicemail, high-speed data, fax, paging and SMS capabilities
IP	: Intellectual Property. Ownership of ideas and control over the tangible or virtual representation of those ideas
Internet	: A global mesh of computer networks sharing a common software standard called TCP/Internet Protocol. Its backbones are high-speed fibre trunk lines
License Rights	: The non-exclusive license rights owned by Cybertowers to resell ORBCOMM products and services, either directly or through agents, or sub-agents, in Malaysia, Singapore and Brunei Darussalam
Modems	: Device that allows users to access the Internet by connecting their PCs to a network
ORBCOMM Satellite	: A global Low-Earth Orbit (LEO) satellite two-way data communication service provided by ORBCOMM Global, Limited Partnership
ORBCOMM System	: The Low-Earth Orbit two-way message and data communications and position determination system
PC	: Personal Computer

DEFINITIONS (Cont'd)

SMS	:	Short Message Service
Server	:	A high-powered computer that performs specific tasks. A file server, for example, makes available files
TCP	:	Transmission Control Protocol

In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to a time of a day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

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CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Wong Kek Wei (<i>Managing Director</i>)	336, Kampung Baru Rasah 70300 Seremban Negeri Sembilan Darul Khusus	Company Director	Malaysian
Wong Chook Ping (<i>Executive Director</i>)	71-A, Kampung Baru Rasah 70300 Seremban Negeri Sembilan Darul Khusus	Company Director	Malaysian
Lai Kiau Moi @ Chai Chin Thai (<i>Independent Non-Executive Director</i>)	No. 5, Jalan SG6/14 Taman Seri Gombak 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian
Chai Yoon Heng (<i>Independent Non-Executive Director</i>)	7, Jalan Anggerik Oncidium 31/69, Kota Kemuning 40460 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Chai Yoon Heng	Chairman of the Committee	Independent Non-Executive Director
Lai Kiau Moi @ Chai Chin Thai	Member of the Committee	Independent Non-Executive Director
Wong Kek Wei	Member of the Committee	Managing Director

COMPANY SECRETARIES : Lau Swee Chin (MAICSA : 0812887)
27, Jalan SS 22/22
47400 Petaling Jaya
Selangor Darul Ehsan

: Yong Poh Chye (LS 08389)
27, Jalan SS 22/22
47400 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE : 30B&C, Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7727 0099

MANAGEMENT OFFICE : Lot 1-3B, Incubator 3
Technology Park Malaysia
Bukit Jalil
57000 Kuala Lumpur
Tel: 03-8992 1176 / 03-8996 2996
E-mail: cybtower@tm.net.my

CORPORATE DIRECTORY (Cont'd)

<i>AUDITORS AND REPORTING ACCOUNTANTS</i>	: Yeap Cheng Chuan & Co. Suite 609, Block C, Phileo Damansara 1 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan
<i>CORPORATE AND DUE DILIGENCE SOLICITORS</i>	: Lee, Perara & Tan No. 55, Jalan Thambapillai Off Jalan Tun Sambathan Brickfields 50470 Kuala Lumpur
<i>PRINCIPAL BANKER</i>	: Affin Bank Berhad No. 20-22, Jalan 21/12 Sea Park 46300 Petaling Jaya Selangor Darul Ehsan
<i>REGISTRAR</i>	: Signet Share Registration Services Sdn. Bhd. 11 th Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur
<i>ADVISER, MANAGING UNDERWRITER AND SPONSOR</i>	: K&N Kenanga Bhd 13th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur
<i>UNDERWRITERS & PLACEMENT AGENTS</i>	: K&N Kenanga Bhd 13th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur
	: Affin Merchant Bank Berhad 27 th Floor, Menara Boustead 69, Jalan Raja Chulan 50200 Kuala Lumpur
<i>ISSUING HOUSE</i>	: Malaysian Issuing House Sdn Bhd 27 th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
<i>LISTING SOUGHT</i>	: MESDAQ Market
<i>WEB SITE</i>	: www.cybertowers.net

INTRODUCTION

This Prospectus is dated 11 June 2003.

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

The approvals from the SC and KLSE have been obtained on 10 July 2002 and 12 July 2002 respectively for admission to the Official List of the MESDAQ Market and for permission to deal in and quotation for the entire enlarged issued and paid-up ordinary shares of Cybertowers including the Issue Shares which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Under the KLSE's trading rules, effective from the date of listing, trading in all the KLSE listed securities can only be executed through an ADA who is also a KLSE member.

An applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account registered in his own name. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. Where an applicant already has a CDS Account, the applicant should not complete the preferred ADA Code. In the case of Electronic Share Application, only an applicant who is an individual and who is a Malaysian citizen residing in Malaysia and has a CDS account can make an Electronic Share Application.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed Cybertowers Shares as prescribed securities. In consequence thereof, all the Cybertowers Shares including the Issue Shares offered through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD. No share certificates will be issued to successful applicants.

Pursuant to the Listing Requirements, the Company needs to have at least 25% but not more than 49% of the issued and paid-up share capital in the hands of public shareholders and a minimum number of 200 shareholders. The Company is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing plan. In the event thereof, monies paid in respect of all applications will be refunded without interest.

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

The distribution of this Prospectus and the issuance of the Issue Shares will not be registered under any possible securities legislation of any jurisdiction except Malaysia and the Issue Shares will not be placed out in any country other than Malaysia. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for purpose of an offer to sell or an invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

The written consents of the Corporate and Due Diligence Solicitors, Registrar, Adviser and Managing Underwriter, Underwriters, Sponsor and Placement Agents, Principal Banker, Issuing House, Company Secretaries, PIKOM and Frost & Sullivan to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

INTRODUCTION (Cont'd)

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and their letter relating to the Proforma Balance Sheets as at 31 December 2002 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

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

If you are in doubt about this Prospectus, you should consult Kenanga, your stockbroker, bank manager, solicitor, accountant or other professional advisers.

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TABLE OF CONTENTS

	PAGE
1. SUMMARY INFORMATION	
1.1 History and Nature of Business	1
1.2 Technology, IP & Licence Rights	2
1.3 Risk Factors	3
1.4 Financial Highlights	4
1.5 Proforma Balance Sheets as at 31 December 2002	5
1.6 Principal Statistics relating to the Public Issue	6
1.7 Prospects and Outlook	7
1.8 Proceeds from the Public Issue and Proposed Utilisation	7
1.9 Direct and Indirect Shareholdings of Promoter, Substantial Shareholders, Directors and Key Personnel	8
1.10 Material Litigation, Commitments and Contingent Liabilities	9
1.11 Future Financial Information	9
2. PARTICULARS OF THE PUBLIC ISSUE	
2.1 Opening and Closing of the Application List	10
2.2 Important Dates	10
2.3 Share Capital	10
2.4 Particulars of the Public Issue	11
2.5 Purposes of the Public Issue	12
2.6 Pricing of the Public Issue	12
2.7 Proceeds of the Public Issue and Proposed Utilisation	13
2.8 Brokerage, Underwriting, Placement and Listing Expenses	14
3. RISK FACTORS	18
4. INFORMATION ON THE COMPANY	
4.1 History and Nature of Business	26
4.2 Share Capital	27
4.3 Business Overview	28
4.4 Subsidiary and Associated Companies	46
4.5 Future Plans, Strategies and Prospects	46
5. INDUSTRY OVERVIEW	
5.1 Overview of the Malaysian Economy	48
5.2 Description of the Industry	48
5.3 Industry Growth and Prospects	51
5.4 Industry Players and Competition	53
5.5 Relevant Laws and Regulation Governing the Industry and Peculiarities of the Industry	55
5.6 Demand and Supply Conditions	55
5.7 Substitute Products and Services	55
5.8 Dependence on Other Industries	56

TABLE OF CONTENTS (Cont'd)

	PAGE
6. FINANCIAL INFORMATION	
6.1 Profit and Loss Accounts	57
6.2 Analysis and Commentary on Financial Information	58
6.3 Amortisation Policy	60
6.4 Capital Commitment	60
6.5 Working Capital, Borrowing and Contingent Liabilities	60
6.6 Future Financial Information	61
7. SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN	62
8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL	
8.1 Information on Promoters/Substantial Shareholders	63
8.2 Directors	64
8.3 Audit Committee	66
8.4 Key Personnel	67
8.5 Changes in Substantial Shareholders and their shareholdings in Cybertowers for the past three (3) Years	73
9. APPROVALS AND CONDITIONS	
9.1 Conditions to the approvals and compliance thereof	74
9.2 Moratorium on Promoters' shares	75
10. RELATED PARTY TRANSACTION/ CONFLICTS OF INTERESTS	76
11. OTHER INFORMATION CONCERNING THE COMPANY	
11.1 Landed Properties	77
11.2 Approvals, Major Licenses and Permit Obtained	77
12. DIRECTORS' REPORT	79
13. ACCOUNTANTS' REPORT	80
14. PROFORMA BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER THEREON	93

TABLE OF CONTENTS (Cont'd)

	PAGE
15. STATUTORY AND OTHER GENERAL INFORMATION	
15.1 Share Capital	96
15.2 Articles of Association	96
15.3 Directors and Substantial Shareholders	102
15.4 General	104
15.5 Expenses and Commissions	105
15.6 Public Take-Overs	106
15.7 Material Litigation	106
15.8 Material Agreements	106
15.9 Material Contracts	107
15.10 Letters of Consent	108
15.11 Documents available for Inspection	108
15.12 Responsibility Statements	108
16. PROCEDURE FOR APPLICATION AND ACCEPTANCE	
16.1 Opening and Closing of Application List	109
16.2 Trading of shares listed on MESDAQ Market	109
16.3 Private Placement and Public Offer Procedures	109
16.4 Procedure for Application and Acceptance (using Application Forms)	111
16.5 Procedures for Application and Acceptance (using Electronic Share Applications)	115
16.6 CDS Accounts	120
16.7 Notice of Allotment	121
16.8 Formalising CDS Accounts	122
16.9 List of ADAs	122

1 SUMMARY INFORMATION

THE FOLLOWING IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE COMPANY. INVESTORS SHALL READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE ISSUE SHARES.

1.1 HISTORY AND NATURE OF BUSINESS

Cybertowers was incorporated in Malaysia as Cybertowers Sdn. Bhd., a private company limited by shares on 2 May 1996 under the Companies Act, 1965. It was subsequently converted into a public limited company on 21 November 2001 under its present name. Presently, it has an authorised share capital of RM10,000,000 comprising 100,000,000 Cybertowers Shares. Its existing issued and paid-up share capital is RM5,981,875 comprising 59,818,750 Cybertowers Shares credited as fully paid-up.

The substantial shareholders of the Company are Ikhtiar Syahdu and Wong Kek Wei, which will hold approximately 49.3% and 6.0% respectively of the Company's issued and paid-up share capital after the Public Issue. The Company commenced its business activities on 5 January 2001. Wong Kek Wei and Ong How Beng, both Malaysians, with a collective experience of approximately fifteen (15) years in the IT industry, oversee the R&D department and operations of the Company.

Cybertowers was awarded its MSC status and pioneer status on 31 October 1997 and 5 January 2001 respectively. In conjunction with its MSC status, Cybertowers moved its operations to Technology Park Malaysia in February 2000.

Cybertowers is principally involved in the provision of vehicle tracking services and development of an Internet-based AVL System called "CyberTrack". The System integrates a wide spectrum of technologies like GPS satellite, ORBCOMM satellite, GSM, Internet digital mapping, GIS and remote tracking device. The Company's existing products include CyberTrack AVL (Satellite) Tracking Solution and CyberTrack AVL (GSM) Tracking Solution. A feature of CyberTrack AVL (GSM) Tracking Solution called EasyTrack was introduced in March 2001. Further details on CyberTrack and the Company's products are described in Sections 4.3.2 and 4.3.3 of this Prospectus.

Cybertowers aims to expand its business to the whole of Asia. Currently, it is concentrating on business opportunities in Malaysia and the Company is targeting Singapore, Thailand and the PRC as its future intended markets. In order to achieve its objective, the Company has been continuously enhancing the features of CyberTrack. In addition, the Company intends to invest in foreign markets through joint ventures.

Cybertowers does not have any subsidiary or associated companies.

1 SUMMARY INFORMATION (Cont'd)

1.2 TECHNOLOGY, IP & LICENCE RIGHTS
Technology

AVL is a computer-based vehicle tracking system used for tracking vehicles or mobile units such as trailers and containers. Each mobile unit has a GPS receiver that reports its position to the base station via a communication network such as GSM. AVL allows the user to monitor the entire fleet and manage the mobile workforce.

CyberTrack is an Internet based AVL that allows movable assets to be tracked on a real time basis. The System integrates a wide spectrum of technologies as follows: -

Technology	Description
GPS	Global Positioning System. A satellite-based triangulation system developed and operated by the US Department of Defence to give signal by latitude and longitude
ORBCOMM satellite	A global Low-Earth Orbit (LEO) satellite two-way data communication service
GSM	A digital cellular system. GSM provides, amongst others, integrated voicemail, high-speed data, fax, paging and SMS capabilities
Internet digital mapping	A technology used to provide the particular position of a tracked asset by way of a flashing dot on an onscreen map
GIS	A system for capturing, storing, checking, integrating, manipulating, analysing and displaying data which are spatially referenced to the Earth
Remote tracking device	A wireless remote tracking device

CyberTrack locates, transmits and relays crucial fleet information to users. Users can easily track and monitor their vehicles and movable assets on digital maps by simply connecting to the Internet. Designed as an intelligent system, CyberTrack also provides users with low cost tracking services via mobile phone through SMS. This means that users can track their movable assets at any time without access to Internet as well.

The System provides the date, time, location, speed, distance travelled, stoppage time and event status of each movable asset, which is installed with a CyberTrack remote tracking device. The remote tracking device can be programmed to detect and report various events such as emergency, speed violations, door trigger, engine stoppage, whether a vehicle deviates from a designated route or leaves a location without authorisation. With these valuable information, users will be able to take fast and corrective action around various scenarios to facilitate maximum productivity, security and safety.

CyberTrack is integrated with a digital map and displays the movable asset position on the map. With a digitised map of any country or even the world, CyberTrack can be used to track any movable asset around the world, provided that the necessary infrastructure is properly in place. CyberTrack can also be customised for independent operation for security reasons at minimum cost. In addition, CyberTrack delivers fleet information in digital format report, e-mail, fax and other formats directly to users.

For more details on the technology, please refer to Section 4.3.4 of this Prospectus.

1 SUMMARY INFORMATION (Cont'd)

IP and Licence Rights

Cybertrack was originally developed by James Kok and subsequently acquired by Cybertowers on 6 December 2000. The acquisition included all the technology, technical knowhow, IP rights and software and was satisfied by a total cash consideration of RM4.0 million. From thereon, the Company's Managing Director, Wong Kek Wei, has been responsible for the re-engineering and upgrading of Cybertrack.

Prior to 1 September 2001, the accounting policy on plant and equipment was to include CyberTrack and depreciate it at 12% per annum on a straight line basis. During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 15 "Property, Plant and Equipment", the Company has changed its policy by reclassifying CyberTrack to R&D expenditure and amortising the expenditure over a period of ten (10) years.

On 15 March 2000, Cybertowers entered into an ORBCOMM Reseller agreement with the licensor of the ORBCOMM Satellite Communication System; Celcom, which granted Cybertowers a non-exclusive licence to resell ORBCOMM products and services, either directly or through agents, or subagents, in Malaysia, Singapore and Brunei Darussalam. Celcom was the first client of Cybertowers.

On 6 November 2000, Cybertowers submitted an application to the Ministry of Domestic Trade and Consumer Affairs for the registration of the CyberTrack trademark. The registration is still being processed by the Ministry of Domestic Trade and Consumer Affairs.

For more details on the IP and Licence Rights, please refer to Section 4.3.5 of this Prospectus.

1.3 RISK FACTORS

Applicants for the Issue Shares should carefully consider the following risk factors (which may not be exhaustive) in addition to the other information contained in this Prospectus before applying for the Issue Shares. For more details, please refer to Section 3 of this Prospectus: -

- (i) Limited Track Record;
- (ii) Dependence on key personnel;
- (iii) Limited operating history;
- (iv) Dependence on third party technologies;
- (v) Risks relating to wireless communications links;
- (vi) Risks relating to Internet related services;
- (vii) Risk relating to technology;
- (viii) Uncertainty relating to the intended markets in the PRC ;
- (ix) Barriers to entry and competition;
- (x) Brand name;
- (xi) Political, economic and legislative considerations;
- (xii) Market uncertainties;
- (xiii) No prior market for the Cybertowers Shares;
- (xiv) Delay in or abortion of the Public Issue;
- (xv) Termination of Underwriting Agreement;
- (xvi) Subscription of shares reserved for eligible employees and business associates of Cybertowers;
- (xvii) Forward-looking statements;
- (xviii) Control by substantial shareholders;
- (xix) MSC status; and
- (xx) Foreign exchange risk.

1 SUMMARY INFORMATION (Cont'd)**1.4 FINANCIAL HIGHLIGHTS**

The following, as extracted from the Accountants' Report set out in Section 13 of this Prospectus, is a summary of the financial results of Cybertowers for the five (5) financial years ended 31 August 1998, 1999, 2000, 2001 and 2002, and for the four (4) month period ended 31 December 2002:-

	← Financial Year Ended 31 August →					4 month period ended 31 December
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	965	4,111	1,711
EBITDA	(29)	(188)	(497)	(116)	1,492	718
Depreciation	-	-	-	-	(70)	(59)
Interest	-	-	-	-	-	-
Amortisation of R&D expenditure	-	-	-	-	(400)	(133)
Profit/(Loss) before Taxation	(29)	(188)	(497)	(116)	1,022	526
Taxation	-	-	-	-	-	-
Profit/(Loss) after Taxation	(29)	(188)	(497)	(116)	1,022	526
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	3,126 ^{*1}	10,000 ^{*1}	10,000 ^{*1}	24,493 ^{*1}	56,209	59,819
Net earnings/(loss) per share based on weighted average number of shares in issue (sen) ^{*2}	(0.93)	(1.88)	(4.97)	(0.47)	1.82	2.64*

* Annualised

Notes:-

^{*1} The par value of the ordinary shares in issue during the respective financial years of RM1.00 each is deemed to have been sub-divided into ordinary shares of RM0.10 value each to facilitate comparison since Cybertowers has on 26 November 2001 sub-divided every one (1) of its ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each.

^{*2} The net earnings/(loss) per share for the respective financial years/period under review have been calculated based on profit/(loss) after taxation divided by the weighted average number of ordinary shares (at par value of RM0.10 each) in issue during the respective financial years/period.

(i) The Company commenced business operations on 5 January 2001.

1 SUMMARY INFORMATION (Cont'd)

- (ii) *The financial results of the Company have been prepared based on accounting policies consistent with those normally adopted in the preparation of the Company's audited financial statements save for the changes in the accounting policies mentioned in Section 4 of the Accountants' Report under Section 13 of this Prospectus.*
- (iii) *There were no extraordinary or exceptional items in respect of all the financial years/period under review.*
- (iv) *The Company has not declared any dividend in the past.*
- (v) *The financial statements of the Company for the past five (5) financial years ended 31 August 2002 and four (4) month period ended 31 December 2002 were not subject to any auditors' qualification.*

For more details on the financial information, please refer to Sections 6 and 13 of this Prospectus.

1.5 PROFORMA BALANCE SHEETS AS AT 31 DECEMBER 2002

The Proforma Balance Sheets of Cybertowers as set out below are provided for illustrative purposes only to show the effects of the Public Issue and utilisation of proceeds on the assumption that these transactions were completed on 31 December 2002.

	(i) Audited as at 31 December 2002 RM'000	(ii) After (i) and Public Issue RM'000	After (ii) and utilisation of proceeds RM'000
FIXED ASSETS	1,392	1,392	1,392
R&D EXPENDITURE	3,467	3,467	7,217
CURRENT ASSETS	2,261	8,690	3,440
CURRENT LIABILITIES	(430)	(430)	(430)
	6,690	13,119	11,619
Financed by: -			
SHARE CAPITAL	5,982	10,000	10,000
SHARE PREMIUM	-	2,411	911
RETAINED PROFIT	708	708	708
SHAREHOLDER FUNDS	6,690	13,119	11,619
Number of ordinary shares of RM0.10 each in issue ('000)	59,819	100,000	100,000
NTA (RM'000)	3,223	9,652	4,402
NAV (RM'000)	6,690	13,119	11,619
NTA per share (Sen)	5.39	9.65	4.40
NAV per share (Sen)	11.18	13.12	11.62

Notes to the Proforma Balance Sheets of Cybertowers, please refer to Section 14 of this Prospectus.

1 SUMMARY INFORMATION (Cont'd)

1.6 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE**(i) Share capital**

<i>Authorised: -</i>	
- 100,000,000 Cybertowers Shares	<u>RM10,000,000</u>
<i>Issued and paid-up: -</i>	
- 59,818,750 Cybertowers Shares credited as fully paid-up	RM5,981,875
<i>To be issued pursuant to the Public Issue :-</i>	
- 40,181,250 Cybertowers Shares credited as fully paid-up	RM 4,018,125
<i>Enlarged issued and paid-up share capital</i>	<u>RM10,000,000</u>

(ii) Issue Price per share RM0.16

(iii) Market capitalisation of Cybertowers based on the Issue Price RM16.0 million

(iv) NTA

Proforma NTA as at 31 December 2002 after the Public Issue and utilisation of proceeds thereof (RM'000) 4,402

Proforma NAV as at 31 December 2002 after the Public Issue and utilisation of proceeds thereof (RM'000) 11,619

Proforma NTA per Cybertowers Share (based on the enlarged issued and paid-up share capital after the Public Issue) 4.40 sen

Proforma NAV per Cybertowers Share (based on the enlarged issued and paid-up share capital after the Public Issue) 11.62 sen

(v) Classes of shares, ranking and rights

There is only one class of shares in Cybertowers, namely Cybertowers Shares. The Issue Shares will rank pari passu in all respects with the other existing issued and paid-up Cybertowers Shares including voting rights and all dividends that may be declared subsequent to the date of allotment of the Issue Shares.

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

1 SUMMARY INFORMATION (Cont'd)

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or authorised representative or proxy or attorney of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Cybertowers Share held. A proxy may but need not be a member of the Company.

1.7 PROSPECTS AND OUTLOOK

The outlook for the industry is expected to be favourable. The strong performance of mobile phones and internet services of the telecommunications industry and the rise in local port transshipment activities has continued to contribute to the expansion in the transportation, storage and communications sub-sector. Export performance has generally picked up in 2002 after experiencing negative growth over the previous twelve months on the back of an improving world economic and trade environment. Port development continued to focus on expanding capacity, upgrading and increasing equipment and facilities as well as enhancing the efficiency of ports and port-related activities. With the relocation of the operations of Maersk Sealand and Evergreen, two of the world's largest shipping companies, from a neighbouring country to Malaysia, this has resulted in a strong performance of container throughput.

(Source: Economic Report 2002/2003)

As a majority of the Company's clients are industry players in the logistics industry, the prospects of the Company are dependent on the growth of the logistics industry, especially in the area of e-commerce. With technological advancements in the logistics industry, the Company anticipates that there will be a strong market potential for its product and services.

For more details on the prospects and outlook of the industry, please refer to Section 5 of this Prospectus.

1.8 PROCEEDS FROM THE PUBLIC ISSUE AND PROPOSED UTILISATION

The gross proceeds from the Public Issue amounting to RM6,429,000 will accrue entirely to the Company and will be utilised as follows: -

	RM'000
R&D expenses	3,750
Working capital	1,179
Estimated listing expenses	1,500
	<u>6,429</u>

For more details on the proceeds from the Public Issue and proposed utilisation, please refer to Section 2.7 of this Prospectus.

1 SUMMARY INFORMATION (Cont'd)**1.9 DIRECT AND INDIRECT SHAREHOLDINGS OF PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL**

The shareholdings of the Promoters, substantial shareholders, directors and key personnel of the Company are as follows: -

1.9.1 PROMOTERS/SUBSTANTIAL SHAREHOLDERS

Name	Nationality/ Place of Incorporation	Principal activity/ Designation	No. of Cybertowers Shares held after Public Issue			
			Direct	%	Indirect	%
Ikhtiar Syahdu *	Malaysia	Investment Holding	49,328,750	49.33	-	-
Wong Kek Wei *	Malaysian	Managing Director	6,000,000	6.00	-	-
Wong Chook Ping *	Malaysian	Executive Director	-	-	49,328,750	49.33**
Tan Soon Sam @ Tang Suon Sam	Malaysian	-	-	-	49,328,750	49.33**

Notes: -

* Promoters of Cybertowers.

** Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

1.9.2 DIRECTORS

Name	Nationality	Designation	No. of Cybertowers Shares held after Public Issue			
			Direct	%	Indirect	%
Wong Kek Wei	Malaysian	Managing Director	6,000,000	6.00	-	-
Wong Chook Ping	Malaysian	Executive Director	-	-	49,328,750	49.33*
Lai Kiau Moi @ Chai Chin Thai	Malaysian	Independent Non-Executive Director	4,000,000	4.00**	-	-
Chai Yoon Heng	Malaysian	Independent Non-Executive Director	4,000,000	4.00**	-	-

Notes:-

* Deemed interest by virtue of his substantial shareholding in Ikhtiar Syahdu., pursuant to Section 6A of the Companies Act, 1965.

** Based on the assumption that he/she would subscribe for their respective Issue Shares allocated to them under the private placement tranche of Issue Shares.

1 SUMMARY INFORMATION (Cont'd)**1.9.3 KEY PERSONNEL**

Name	Nationality	Designation	No. of Cybertowers Shares held after Public Issue			
			Direct	%	Indirect	%
Wong Kek Wei	Malaysian	Software Manager	6,000,000	6.00	-	-
Ong How Beng	Malaysian	Product Development Manager	100,000*	0.10	-	-
Hai Dai Yuan	Chinese	Map Manager	100,000*	0.10	-	-
Ding Ming Tiong	Malaysian	Business Development Manager	100,000*	0.10	-	-
Ng Yen Soon	Malaysian	Finance Manager	100,000*	0.10	-	-

Note:-

* Based on the assumption that he/she would subscribe for their respective Issue Shares allocated to them pursuant to the allocation of Issue Shares to eligible employees of Cybertowers.

For more details on the Promoters, substantial shareholders, directors and key personnel of the Company, please refer to Section 8 of this Prospectus.

1.10 MATERIAL LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES

As at 4 June 2003, being the latest practicable date prior to the printing of the Prospectus, the Company:-

- (i) has no outstanding material contingent liabilities;
- (ii) has no contracted capital commitments not provided for in the accounts in respect of the purchase of land, building, plant and machinery and construction of factory buildings; and
- (iii) is not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant and the Board has no knowledge of any proceedings pending or threatened against the Company or any facts likely to give rise to any proceedings which might materially affect the position and business of the Company.

1.11 FUTURE FINANCIAL INFORMATION

Due to the uncertain nature and inherent risks of the business of Cybertowers, no future financials are included in this Prospectus. For more details on the risk factors, please refer to Section 3 of this Prospectus.

2 PARTICULARS OF THE PUBLIC ISSUE

2.1 OPENING AND CLOSING OF THE APPLICATION LIST

The application list for the Public Issue will open at 10.00 a.m. on 23 June 2003 and will remain open until 8.00 p.m. on the same day or for such period or periods as the Board and Kenanga at their absolute discretion may jointly decide. Late applications will not be accepted.

2.2 IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market is set out below:-

Event	Tentative Date
Opening and Closing of Application List for the Public Issue	23 June 2003
Ballotting Date	25 June 2003
Despatch of Notices of Allotment of the Issue Shares to successful applicants	4 July 2003
Listing of the Company's entire enlarged issued and paid-up share capital on MESDAQ Market	10 July 2003

These dates are tentative and subject to changes which may be necessary to facilitate implementation procedures. The application list will close at the date stated above or such later date as the Board and Kenanga at their absolute discretion may jointly decide.

2.3 SHARE CAPITAL*Authorised:-*

- 100,000,000 Cybertowers Shares	<u>RM10,000,000</u>
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Issued and paid-up:-

- 59,818,750 Cybertowers Shares credited as fully paid-up	RM5,981,875
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To be issued pursuant to the Public Issue:-

- 40,181,250 Cybertowers Shares credited as fully paid-up	RM4,018,125
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<i>Enlarged issued and paid-up share capital</i>	<u>RM10,000,000</u>
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Issue Price per Issue Share	RM0.16
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There is only one class of shares in Cybertowers namely Cybertowers Shares. The Issue Shares will rank pari passu in all respects with the other existing issued and paid-up Cybertowers Shares including voting rights and all dividends that may be declared subsequent to the date of allotment of the Issue Shares.

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

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or authorised representative or proxy or attorney of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Cybertowers Share held. A proxy may but need not be a member of the Company.

2.4 PARTICULARS OF THE PUBLIC ISSUE

The Public Issue is an invitation by Cybertowers to the public to subscribe for the Issue Shares at an issue price of RM0.16 per share subject to the terms and conditions in this Prospectus.

The Issue Shares are made available for subscription by individuals, companies, societies, co-operatives and institutions by way of private placement and public offer as follows:-

Investor	No. of Issue Shares to be allocated
(i) Eligible employees and business associates of the Company	2,200,000
(ii) General public	
- by way of public offer	10,981,250
- by way of private placement	27,000,000
Total	40,181,250

2.4.1 ELIGIBLE EMPLOYEES AND BUSINESS ASSOCIATES OF THE COMPANY

2,200,000 of the Issue Shares have been reserved for eligible employees and business associates of the Company.

The abovementioned Issue Shares were allocated to the eligible employees and business associates of Cybertowers based on the following criteria:-

(a) Eligible employees

1,200,000 of the Issue Shares have been reserved for the eligible employees of Cybertowers. All employees must be at least 18 years of age and must be confirmed in service, with a serving period of at least three (3) months on the date of allocation. Based on this criteria, there are 12 employees who are eligible to subscribe for the reserved shares.

(b) Business associates

1,000,000 of the Issue Shares have been reserved for business associates of Cybertowers. Business associates are customers and suppliers who have business dealings with Cybertowers for a minimum period of three (3) months. Cybertowers has a total of 10 business associates who are eligible to subscribe for the reserved shares.

There is no allocation of the reserved shares to the Board.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.4.2 PUBLIC

10,981,250 of the Issue Shares will be made available for application to individuals, companies, societies, co-operatives and institutions.

2.4.3 PRIVATE PLACEMENT

27,000,000 of the Issue Shares have been reserved for private placement to identified investors.

In the event that any of the Issue Shares under Section 2.4.1 above is not subscribed for by the eligible employees and business associates of Cybertowers, such Issue Shares will be made available for subscription by Ding Ming Tiong, who has given an irrevocable undertaking to subscribe for any Issue Shares not subscribed for by the eligible employees and business associates of Cybertowers. As such, the 2,200,000 of the Issue Shares under Section 2.4.1 above will not be underwritten.

The Issue Shares made available to the public as stipulated in Section 2.4.2 above have been fully underwritten by the Underwriters. The 27,000,000 of the Issue Shares under Section 2.4.3 above will not be underwritten as irrevocable undertakings have been obtained for the subscription of the said Issue Shares from identified investors.

In the event of undersubscription of shares made available to the public as stipulated under Section 2.4.2 above, the shares may be transferred from the public offer tranche and allocated by way of private placement. Nevertheless, the Placement Agents will inform KLSE of the reason for the transfer and demonstrate that there is a demand for shares under the private placement tranche.

The minimum number of Cybertowers Shares to be subscribed for pursuant to the Public Issue is 40,181,250 Cybertowers Shares being 100% of the Cybertower Shares available under the Public Issue.

2.5 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows: -

- (i) To obtain a listing of and quotation for the entire enlarged issued and paid-up share capital of Cybertowers on the MESDAQ Market;
- (ii) To provide Cybertowers with access to the capital market to raise funds for future expansion and growth of the Company;
- (iii) To provide an opportunity for eligible employees and business associates of Cybertowers and the public to participate in the continuing growth of the Company;
and
- (iv) To enhance the stature of the Company in marketing its products and to maintain its existing and attract new skilled labour.

2.6 PRICING OF THE PUBLIC ISSUE

The Issue Price of RM0.16 per Issue Share was determined and agreed upon by the Company and Kenanga as Adviser and Underwriter, after taking into account, inter-alia, the following factors:-

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (i) The Company's financial and operating history and conditions as described in Sections 4 and 6 of this Prospectus;
- (ii) The industry overview, future plans and strategies and outlook of the Company as described in Sections 1.7, 5 and 7 of this Prospectus; and
- (iii) The Company's proforma audited NTA and NAV per Cybertowers Share as at 31 December 2002 (after adjustment for the Public Issue and utilisation of proceeds thereof) of RM0.044 and RM0.116 respectively.

Investors should form their own views on the valuation of the Issue Shares before deciding to invest in the Issue Shares.

2.7 PROCEEDS OF THE PUBLIC ISSUE AND PROPOSED UTILISATION

The gross proceeds from the Public Issue amounting to RM6,429,000 will accrue entirely to the Company and the Company shall bear all expenses relating to the listing of and quotation for the entire enlarged issued and paid-up share capital on the MESDAQ Market. The proceeds are proposed to be utilised as follows: -

	Note	RM'000
R&D expenses	(i)	3,750
Working capital	(ii)	1,179
Estimated listing expenses	(iii)	1,500
		<u>6,429</u>

- (i) As R&D has been of paramount importance to Cybertowers' competitiveness and business viability, an allocation of RM3.75 million has been set aside to enhance its R&D capabilities. The proceeds for R&D are expected to be utilised over the 16-month period from the date of listing. A breakdown of R&D expenditure is as follows: -

Items	RM'000
Digital Map Development	2,500
Hardware Products	559
Software Products	271
Training	420
Total	<u>3,750</u>

The R&D expenses associated with the development of products are as follows: -

- (a) Digital Map Development:-
- Purchase and upgrade digital maps in Malaysia;
 - Develop and upgrade intended foreign markets' digital maps in Singapore, Thailand and the PRC through collaboration with the Company's intended joint ventures partners who will also supply the digital maps of their respective countries;
 - Compress digital maps for navigator device use; and
 - Digital map controller software.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (b) Hardware products:-
 - Computer servers;
 - Computer workstation;
 - Network equipment;
 - Uninterrupted Power Supply for server and workstation; and
 - Other accessories such as printer, tracking device and testing equipment.
- (c) Software products:-
 - Application and server software; and
 - Development software.
- (ii) The working capital will be mainly utilised for the expansion of business activities and market share. Part of the working capital will be used for hiring of qualified staff in order to achieve the purpose of expansion of market share.
- (iii) Please refer to Section 2.8.5 of this Prospectus for the estimated listing expenses.

2.7.1 FINANCIAL IMPACT FROM THE UTILISATION OF PROCEEDS

The financial impact and benefits from the utilization of proceeds include, inter-alia, the following:-

- (a) Development of more products and services; and
- (b) Accelerate the development of the navigation system.

Items (a) and (b) above are expected to enhance the earnings of the Company in the future. In addition, the Public Issue is expected to raise approximately RM1.18 million for working capital which is expected to improve the liquidity and cashflow position of the Company.

2.8 BROKERAGE, UNDERWRITING, PLACEMENT AND LISTING EXPENSES

2.8.1 BROKERAGE FEE

Brokerage fee relating to the Issue Shares will be paid by the Company at the rate of 1% of the Issue Price of RM0.16 per Issue Share in respect of successful applications which bear the stamps of Kenanga, a member company of the KLSE or the Issuing House.

2.8.2 UNDERWRITING COMMISSION

The Underwriters have agreed to underwrite 10,981,250 of the Issue Shares to be made available for subscription by individuals, companies, societies, co-operatives and institutions pursuant to the Public Issue. Underwriting commission is payable by the Company at the rate of 2.5% of the Issue Price of RM0.16 per Issue Share.

2.8.3 PLACEMENT COMMISSION

Kenanga and Affin Merchant will arrange for the placement of up to 5,000,000 and 22,000,000 Issue Shares respectively at a rate of 2% of the Issue Price of RM0.16 per Issue Share.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.8.4 SALIENT PROVISIONS OF THE UNDERWRITING AGREEMENT

An extract of the salient provisions of the Underwriting Agreement are as follows:-

- (i) Each of the Underwriters, acting through the Managing Underwriter, may at any time be entitled to terminate their respective obligations under the Underwriting Agreement by delivering a notice in writing to the Company on the occurrence of all or any of the matters stated below on or before the Closing Date if the success of the Public Issue is, in the reasonable opinion of the Underwriters, seriously jeopardised by:-
 - (a) any Government requisition or other occurrence of any nature whatsoever which in the reasonable opinion of the Underwriters affects or will affect the business and/or financial position of the Company; or
 - (b) any change or any development involving a prospective change in national or international monetary, financial, (including stockmarket conditions and interest rates) political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriters prejudice the success of the Public Issue and their distribution or sale (whether in the primary or in respect of dealings on the secondary market); or
 - (c) any material breach of the warranties and undertakings referred to in the Underwriting Agreement or withholding of information of a material nature from the Underwriters the occurrence or effect of which would in the reasonable opinion of the Underwriters prejudice the success of the Public Issue and their distribution or sale (whether in the primary or in respect of dealing on the secondary market); or
 - (d) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, which in the reasonable opinion of the Underwriters has or is likely to have an adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Company; or
 - (e) any acts of Government, acts of war, or acts of God which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance with its terms or which prevents the processing of application, crediting of accounts and/or payments pursuant to the Public Issue or pursuant to the underwriting; or
 - (f) the imposition of any moratorium, suspension or material restriction on trading in securities generally in the MESDAQ Market due to exceptional financial circumstances or otherwise; or

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (g) the Company has withheld any information from the Underwriters, or any statement given or representation made to the Underwriters are inaccurate or untrue which would have or can reasonably be expected to have, a material and adverse effect on the business, operations or prospect of the Company or the success of the offering of the 10,981,250 Cybertowers Shares pursuant to the Public Issue.

On delivery of such a notice by the Managing Underwriter to the Company and confirmation of such a notice by facsimile or by hand, the Underwriting Agreement shall be terminated and the obligations of the Underwriters under the Underwriting Agreement shall be released and discharged from their respective obligations under the Underwriting Agreement.

If any of the obligations of the Underwriters under the Underwriting Agreement shall cease under (i) above, no party shall have any claim against any other party thereto for compensation, costs, damages, or otherwise, save that the Company shall pay to the Underwriters, the costs and expenses referred to in the Underwriting Agreement which have been incurred prior to or in connection with such rescission.

- (ii) The obligations of the Underwriters shall further be conditional upon:-
- (a) KLSE having agreed in principle on or prior to the Closing Date to the listing of and quotation for all the issued and paid-up share capital of the Company and the Underwriters being reasonably satisfied that such listing and quotation will be granted three (3) market days (or such other days as KLSE may permit) after KLSE has received all the necessary supporting documents and the receipt of confirmation from MCD that all securities accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants;
 - (b) the registration of the Prospectus with the SC in accordance with the requirements of the Securities Commission Act 1993 (as amended), together with all documents required by the aforesaid Act and the issue by the SC of the relevant certificate of registration of the Prospectus or any like document;
 - (c) the lodgement with the CCM of the Prospectus in accordance with the requirements of the Securities Commission Act 1993 (as amended) and the Companies Act, 1965 together with copies of all documents required by the Companies Act, 1965 and the issue by the CCM of the relevant certificate of lodgement of the Prospectus or any like document, if any;
 - (d) the issuance of the Prospectus within three (3) months from the date of the Underwriting Agreement or such extended period as the parties may mutually agree in writing;
 - (e) in the reasonable opinion of the Underwriters, there not having been on or prior to the Closing Date any adverse and material change or development reasonably likely to involve a prospective adverse and material change in the financial or business condition of the Company from that set out in the Prospectus which is material in the context of the Public Issue or offering of the Issue Shares thereunder or any occurrence of any event rendering untrue or incorrect or

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

misleading or not complied with to an extent which is material, any of the warranties and representations as though given or made on such date;

- (f) all the necessary approvals and consents required in relation to the Public Issue including but not limited to the approvals of the SC, the KLSE, the shareholders of the Company and any other relevant authorities having been obtained and are in full force and effect and not having been revoked or suspended; and
- (g) the issue, offering and subscription of the Issue Shares not being prohibited by any statute, rule, regulation, order, directive or guideline (whether or not having the force of law) promulgated or issued by any relevant authorities.

The Underwriters shall have the right to terminate the Underwriting Agreement by notice in writing on or before the Closing Date, in the event that any of the conditions stated therein is not satisfied on or before the Closing Date or the approval in principle of the KLSE for the listing of and quotation for all the issued and paid-up share capital on the MESDAQ Market is withdrawn or not procured; and upon such termination, the liabilities of the Company and the Underwriters concerned shall become null and void and none of the parties shall have any claim against each other for compensation, costs, expenses or otherwise save that each party shall return any moneys paid in advance to the other under the Underwriting Agreement within seventy-two (72) hours of the receipt of such notice, provided that the Company shall remain liable for the payment of the cost and expenses referred to in the Underwriting Agreement.

- (iii) The Closing Date means the date on which the application list for the subscription of the Issue Shares will be closed.

2.8.5 Estimated Listing Expenses

	RM
Professional fees	600,000
Advertising & promotional costs	200,000
Printing of Prospectus	150,000
Underwriting, placement and brokerage	200,000
KLSE's perusal fee	30,000
Miscellaneous & Contingencies	320,000
Total	<u>1,500,000</u>

3 RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE COMPANY AS OUTLINED IN THIS PROSPECTUS, APPLICANTS FOR THE ISSUE SHARES SHOULD CAREFULLY CONSIDER THE FOLLOWING FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE COMPANY IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE APPLYING FOR THE ISSUE SHARES.

(i) Limited track record

The present controlling shareholder of Cybertowers, Ikhtiar Syahdu acquired its investment in Cybertowers on 21 November 2000 from Demi Maju Sdn Bhd. The entry of Ikhtiar Syahdu also saw a change in the management team which is now led by Wong Kek Wei.

As the present management team has a limited track record, no assurance can be given that they will be able to achieve the Company's objectives of being a leading and profitable AVL service provider.

Nonetheless, the audited financial track record of Cybertowers for the financial year ended 31 August 2002 and the four (4) month period ended 31 December 2002 with PAT of approximately RM1.0 million and RM0.53 million respectively is a positive reflection of the present management team's capabilities. Please refer to Section 1.4 of this Prospectus for details on the financial highlights of Cybertowers.

(ii) Dependence on key personnel

The Company's continued success will depend substantially upon the abilities and continued efforts of Wong Kek Wei, its Managing Director and the senior management team. Cybertowers relies heavily on Wong Kek Wei as he brings along his extensive knowledge and experience in IT. CyberTrack was re-engineered and upgraded by him after the acquisition of the System from James Kok. The loss of the Managing Director or senior management staff may adversely affect the Company's performance.

The Company's future success will also depend upon its ability to attract and retain a sufficient number of highly skilled employees. The Company mitigates this by continuing to hire personnel as and when necessary to accommodate any increase in the size of Cybertowers' operations. The Board believes that by offering a competitive salary package, training and conducive working environment should mitigate this risk further. 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.

(iii) Limited operating history

Although Cybertowers was incorporated on 2 May 1996, it only began its commercial business operations in January 2001. For the first 3 years since its incorporation, the Company was heavily involved in R&D. As the Company has a limited operating history, its prospects must be assessed in the light of the risk and difficulties normally encountered by any new company with a limited operating history. Notwithstanding its short operating history, the Company has been managed by an experienced senior management team. Their experiences will be critical to ensure the success of the Company. The historical financial records are included under Section 6 of this Prospectus.

3 RISK FACTORS (Cont'd)

(iv) Dependence on third party technologies

CyberTrack combines GPS as its positioning system as well as ORBCOMM satellite or GSM as its communication system. The Company is dependent upon the abilities and continued availability of these technologies to serve its clients. The Company does not have control over the quality and availability of these technologies, which are provided by third parties, as follows: -

Technologies	Service Providers
GPS	The US Department of Defence
ORBCOMM satellite	ORBCOMM Global
GSM	Malaysia : Maxis (012), TMTouch (013), Digi (016), TimeCel (017) and Celcom (019)

The network systems for the above service providers may be subject to disruption from fire, power loss, network software flaws, transmission failures and other events beyond the Company's control. However, the effect of the disruptions on the users is minimal as the data can be stored in the tracking device and downloaded anytime. As such, users are able to retrieve information when the systems are restored.

With regards to the GSM communication system, there is no fee payable to the GSM providers for use of their gateways by the Company. However, individual subscribers are required to pay the GSM provider access fee and license.

(v) Risks relating to wireless communications links

Generally, wireless communications links such as GSM have the following limitations: -

(a) Delayed transmission

The communications links may be delayed due to unstable or busy communications server. Such interruptions may limit the data transmission service offered by the Company.

(b) Limited network coverage

CyberTrack uses GSM or ORBCOMM satellite as its communication system. Satellite services may be blocked by structures in some places while GSM services work only in urbanised areas where communication infrastructure has been installed. If the tracked vehicles operate outside the range of the GSM networks, users may not be able to track their fleet information. However, CyberTrack's tracking device can store data for later transmission by GSM networks, when the vehicle is back in range of the GSM network coverage. In the event that a tracked vehicle is stolen, the last exit position from the GSM network is recorded. This will help to isolate the area of the stolen vehicle. However, should the stolen vehicle continue to move around, the GPS position would be automatically transmitted to the service centre once it enters into the GSM range. Unless the stolen vehicle is kept totally outside the GSM network range or CyberTrack removed after it has been stolen, locating the stolen vehicle should not be difficult.

3 RISK FACTORS (Cont'd)

(c) Tampering or removal of CyberTrack

CyberTrack can be tampered with and removed. To reduce the risk, the tracking device is installed in one of several hidden areas that is difficult to reach inside the vehicle, for example, inside or under the seat. Steps are currently being taken to immobilize the vehicle and set off the alarm should CyberTrack be tampered with or removed.

(vi) Risks relating to Internet related services

As the Company provides an Internet-based vehicle tracking service, there are several issues concerning the commercial use of the Internet, including the following:-

(a) Security of information transferred via the Internet

Users may have privacy concerns relating to the data that is available on the Internet. Inappropriate use of the on-line tracking services could jeopardize the security of confidential information of users stored in CyberTrack. Inappropriate use of the Internet includes attempting to gain unauthorised access to information or systems, commonly known as "hacking". Alleviating problems caused by hackers or security breaches may cause interruptions, delays or cessation in the services offered by the Company.

(b) Accessibility to Internet and quality of the services provided via the Internet

Internet infrastructure failures or disruptions caused by technical difficulties, among other factors, may impede CyberTrack's ability to transmit data to users. Any system failure or inadequacy that causes interruptions in the availability of the Company's services, or increases the response time of the Company's services, as a result of increased traffic or otherwise, could reduce user satisfaction with the Internet as a tracking medium. However, customers who opt for the CyberTrack AVL (GSM) can access the location of the vehicle by using the SMS. In other words, every customer irrespective of whether they opt for the CyberTrack AVL (Satellite) or CyberTrack AVL (GSM) can access the location of the vehicle using the Internet. But if Internet infrastructure failures or disruptions occur, only customers who opt for the CyberTrack AVL (GSM) can access the location of the vehicle using the SMS. Since the tracking device will still be transmitting data to the control centre, the data can be retrieved when the Internet infrastructure is up and running again. The Company's R&D department is continuously looking into ways to alleviate this obstacle.

The current system is not exposed to risks of potential claims by customers with respect to Internet infrastructure failures or disruptions since the agreements are entered between customers and Internet Service Providers (ISPs).

(c) Government regulation relating to the Internet

Existing laws and regulations, and any new laws or regulations, could expose the Company to substantial liability, including significant expenses necessary to comply with such laws and regulations, and could dampen the growth of the Internet.

Due to the global nature of the Internet, it is possible that the governments of other countries might attempt to regulate the Company's services. The Company might unintentionally violate such laws and such laws that may be modified, or new laws enacted, in the future. Any such development could have a material adverse effect on the Company's business.

3 RISK FACTORS (Cont'd)

(vii) Risks relating to technology

The AVL market is characterised by rapid changes in technology and frequent introduction of new and more advanced AVL products and services, changes in client demands and evolving industry standards. Hence, the Company would need to keep abreast with the latest technologies in order to compete successfully with its competitors. The Company will be subject to the risks, uncertainties and problems frequently encountered by companies in the AVL market which include, amongst others, the following: -

- Failure to keep abreast with changing technological standards and requirements;
- Failure to anticipate and adapt to developing market trends and requirements;
- Inability to develop and update digital maps in response to the addition of new highways and townships; and
- Inability to maintain, upgrade and develop its systems and infrastructure to cater to rapidly expanding operations.

Recognising this, the Company's R&D team constantly keeps abreast with new technologies and market trends wherein the marketing team works closely with the R&D team to provide feedback on market trends and client requirements. The Company also focuses on its human resource development by investing in external and in-house training sessions to update and educate its employees.

(viii) Uncertainty relating to the intended markets in the PRC

The Company foresees that there will be a huge demand in the PRC for AVL due to the large population and the liberalisation of the PRC market with its entry into the World Trade Organisation (WTO). However, the Company has not formed any formal agreements to obtain the right to enter into the PRC market from the Government and has not secured any clients in the PRC. Successful entry into the PRC market would depend on, amongst others, the ability to: -

- Obtain the rights to use the digital map in the PRC from the Government of the PRC;
- Compete in the industry in the PRC in terms of pricing, quality and taxation;
- Build its the brand name;
- Customise its existing system and products for the new market; and
- Meet the need of the clients in the PRC.

If the Company fails to implement the business plan in the PRC and the growth strategy in respect of any of these aspects, it would have a material adverse effect on the business and operations of the Company.

To minimise its risk, the Company intends to forge strategic alliances or joint ventures with relevant parties in PRC to obtain access to specific market segments and to reduce political as well as financial risks.

3 RISK FACTORS (Cont'd)

(ix) **Barriers to entry and competition**

The AVL market in Malaysia is highly competitive, subject to rapid technological change and affected by new product innovations. It is generally characterised by high barriers of entry, as it requires high level of capital expenditure in developing and upgrading digital maps, Cybertowers expects to utilise RM2.5 million from the proceeds of the Public Issue to develop digital maps for foreign and domestic markets.

In addition, local companies would find it difficult to venture into the AVL industry as it requires a high level of expertise in debugging and customising software for different users. Nonetheless, the industry is an open one and the Company would continue to face competition that may affect the future revenue and growth prospects of the Company.

The Company has sought to insulate itself against the threat of increased competition through:-

Focusing on R&D activities to develop new and innovative products and services to stay ahead of its competitors;

- Establishing a strong business relationship with its existing clients;
- Appointing distribution agents locally and internationally to expand market coverage;
- Forging strategic alliances or joint ventures with other industry players overseas to obtain access to specific markets; and
- Obtaining a copyright for the Company's technology when the complete integrated solution has been developed.

Presently, the Company's innovations and IP contained in the software are guarded through a series of security measures embedded within the entire software. These security measures include:-

- Firewall at the control centre – this is used to prevent unauthorized entries into CyberTrack by hackers; and
- Password by client – where the account for a client will be disabled after three unsuccessful attempts to login. The client is required to call Cybertowers to reset his/her password.

Despite the abovementioned strategies, there can be no assurance that the Company will be able to compete successfully against its existing and future competitors. There can also be no assurance that its abovementioned strategies will continue to be successful, or its existing and new competitors will not adopt similar if not more effective strategies in penetrating the Company's market.

(x) **Brand name**

An important element of the Company's business strategy is to develop and maintain recognition of the "CyberTrack" brand name. As the Company is a new player in the AVL market, it would require extensive marketing and promotion efforts to penetrate a target market and to create market acceptance.

3 RISK FACTORS (Cont'd)

The Company believes that it would be able to develop the brand name “*CyberTrack*” effectively with sufficient financial resources and stringent product quality and services. The Company intends to develop its brand name mainly through building up client referrals, making direct marketing calls and organising road shows. However, there can be no assurance that the abovementioned business strategies will materialise which in turn may adversely affect the business of Cybertowers.

On 6 November 2000, Cybertowers submitted an application to the Ministry of Domestic Trade and Consumer Affairs for the registration of the *CyberTrack* trademark. The registration is still being processed by the Ministry of Domestic Trade and Consumer Affairs.

(xi) Political, economic and legislative considerations

Development in political, economic and legislative conditions in Malaysia and other countries where the Company may undertake projects or market its products in the future could materially affect the financial prospects of the Company. Political, economic and legislative uncertainties include, but are not limited to, the risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts, fluctuations in foreign exchange rates, inflation, changes in interest rates and methods of taxation.

(xii) Market uncertainties

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

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

(xiii) No prior market for the Cybertowers Shares

Prior to the Public Issue, there has been no public market for the Cybertowers Shares. There can be no assurance that an active market for the Cybertowers Shares will develop upon its listing on MESDAQ Market or, if developed that such market will be sustained. The Issue Price of RM0.16 per share for the Issue Shares has been determined after taking into consideration a number of factors, including but not limited to, the Company’s financial and operating history and conditions, its prospects and the prospects of the industries in which the Company operates, the management of the Company and prevailing market conditions. There can be no assurance that the Issue Price will correspond to the price at which the Cybertowers Shares will trade on MESDAQ Market upon or subsequent to its listing.

(xiv) Delay in or abortion of the Public Issue

The occurrence of any one (1) or more of the following events may cause a delay in or abortion of the Public Issue:-

- (a) the identified investors fail to subscribe for the portion of Issue Shares to be placed to them;
- (b) the Underwriters exercise its rights pursuant to the Underwriting Agreement and discharge themselves from their obligations thereunder; or
- (c) the Company is unable to meet the public spread requirements, that is, at least 25% but not more than 49% of the issued and paid-up share capital of the Company be held by a minimum number of 200 public shareholders (including employees).

3 RISK FACTORS (Cont'd)

Although the Board will endeavour to ensure compliance by Cybertowers of the various Listing Requirements, including, inter-alia, the public spread requirement imposed by the KLSE for the successful Public Issue, no assurance can be given that the abovementioned events will not occur and cause a delay in or abortion of the Public Issue.

(xv) Termination of Underwriting Agreement

The Underwriting Agreement is terminable by the Underwriters if the Underwriters are of the reasonable opinion that the success of the Public Issue is seriously jeopardised by certain events, details of which are set out in Section 2.8.4(i) of this Prospectus.

No assurance can be given that the Underwriters will not terminate the Underwriting Agreement if it is of the reasonable opinion that the events detailed in Section 2.8.4(i) have occurred. In the event the Public Issue could not be completed, all monies paid in respect of all applications will be returned without any interest.

(xvi) Subscription of shares reserved for eligible employees and business associates of Cybertowers

The Issue Shares reserved for eligible employees and business associates of Cybertowers are not underwritten. In the event that any of the Issue Shares reserved for eligible employees and business associates of Cybertowers are not subscribed for by the eligible employees and business associates of Cybertowers, such Issue Shares will be made available for subscription by Ding Ming Tiong who has given an irrevocable undertaking to subscribe for any Issue Shares not subscribed for by the eligible employees and business associates of Cybertowers. Since the minimum subscription for the Public Issue is 100%, if the said reserved shares are not fully subscribed for, either by way of subscription by the eligible employees and business associates of Cybertowers or Ding Ming Tiong, the Public Issue may not be completed and the listing of Cybertowers may not proceed.

(xvii) Forward-looking statements

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts based on assumptions that are subject to uncertainties and contingencies. The word "anticipates", "believes", "intends", "plans", "expects", "forecast", "predicts" and similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company believes that, barring any unforeseen circumstances the expectations reflected in such forward-looking statements are reasonable at this point of time. There can be no assurance that such expectations will prove to have been correct. Any deviation from the expectations may have an adverse effect on the Company's financial and business performance.

(xviii) Control by substantial shareholders

The Company will be controlled by two main shareholders, namely Ikhtiar Syahdu and Wong Kek Wei. They will collectively control approximately 55% of the Company's issued and paid-up share capital after the Public Issue. Ikhtiar Syahdu is an investment holding company which is controlled by Wong Chook Ping and Tan Soon Sam @ Tang Suon Sam. As a result, these shareholders will be able to effectively influence the outcome of certain matters requiring the vote of the Company's shareholders.

They would be required to abstain from voting if there is any related-party transaction, which may pose as a conflict to the interest of the Company. In addition, Cybertowers has appointed two (2) independent directors as a step towards good corporate governance and protecting the interests of minority shareholders.

3 RISK FACTORS (Cont'd)

(xix) MSC status

Cybertowers was granted MSC status on 31 October 1997 by MCD which carries financial and non-financial incentives. Amongst the incentives that the Company enjoys is pioneer status which entitles it to a five (5) year exemption from Malaysian income tax (only on income derived from MSC related activities) commencing from 5 January 2001. The pioneer status is renewable for a further period of five (5) years upon expiry.

There can be no assurance that the Company will continue to retain its MSC status, renew its pioneer status, or that the Company will be continue to enjoy or not experience delays in enjoying the MSC incentives as stated above and in Section 11.2 of this Prospectus, all of which could materially and adversely affect the Company's business, operating results and financial condition. There can also be no assurance that the MSC incentives will not be changed or modified in any way in the future.

(xx) Foreign exchange risk

The Company outsources the manufacturing of its tracking product and some hardware to overseas suppliers (Singapore and the US) allowing it to concentrate on research, design and development of CyberTrack and digital maps. This exposes Cybertowers to foreign exchange risk as the purchases are conducted in the local currencies of the respective suppliers, namely USD and Singapore Dollars, whilst the Company's revenues are presently generated entirely from the domestic market and in RM. Currently, the Company does not engage in any hedging mechanisms to mitigate its foreign exchange risk. However, there can be no assurance that any future significant fluctuations in foreign exchange rates will not have an impact on the earnings and financial performance of the Company.

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4 INFORMATION ON THE COMPANY

4.1 HISTORY

4.1.1 BACKGROUND

Cybertowers was incorporated in Malaysia as Cybertowers Sdn. Bhd., a private company limited by shares on 2 May 1996 under the Companies Act, 1965. It was subsequently converted into a public limited company on 21 November 2001 under its present name. Presently, it has an authorised share capital of RM10,000,000 comprising 100,000,000 Cybertowers Shares. Its existing issued and paid-up share capital is RM5,981,875 comprising 59,818,750 Cybertowers Shares credited as fully paid-up.

The substantial shareholders of the Company are Ikhtiar Syahdu and Wong Kek Wei, which will hold approximately 49.3% and 6.0% respectively of the Company's issued and paid-up share capital after the Public Issue. The Company commenced its business activities on 5 January 2001. Wong Kek Wei and Ong How Beng, both Malaysians, with a collective experience of fifteen (15) years in the IT industry, oversee the R&D department and operations of the Company.

Cybertowers was awarded its MSC status and pioneer status on 31 October 1997 and 5 January 2001 respectively. In conjunction with its MSC status, Cybertowers moved its operations to Technology Park Malaysia in February 2000.

Cybertowers is principally involved in the provision of vehicle tracking services and development of an Internet-based AVL System called "CyberTrack". The System integrates a wide spectrum of technologies like GPS satellite, ORBCOMM satellite, GSM, Internet digital mapping, GIS and remote tracking device. The Company's existing products include CyberTrack AVL (Satellite) Tracking Solution and CyberTrack AVL (GSM) Tracking Solution. A feature of CyberTrack AVL (GSM) Tracking Solution called EasyTrack was introduced in March 2001. Further details on CyberTrack and the Company's products are described in Sections 4.3.2 and 4.3.3 of this Prospectus.

Cybertowers aims to expand its business to the whole of Asia. Currently, it is concentrating on business opportunities in Malaysia and the Company is targeting Singapore, Thailand and the PRC as its future intended markets. In order to achieve its objective, the Company has been continuously enhancing the features of CyberTrack. In addition, the Company intends to invest in foreign markets through joint ventures.

Cybertowers does not have any subsidiary or associated companies.

4.1.2 RESTRUCTURING EXERCISE

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the MESDAQ Market, the Company undertook a restructuring exercise which was approved by the SC and the KLSE on 10 July 2002 and 12 July 2002 respectively. The restructuring exercise involved the following steps:-

(i) Capitalisation of advance

Capitalisation of an amount owing by Cybertowers to the holding company, Ikhtiar Syahdu, of approximately RM611,000 with the issuance of 3,818,750 Cybertowers Shares at approximately RM0.16 per share.

The capitalisation of advance was completed on 12 August 2002.

4 INFORMATION ON THE COMPANY (Cont'd)

(ii) Public Issue

Cybertowers will issue 40,181,250 new Cybertowers Shares at an issue price of RM0.16 per Issue Share to individuals, companies, societies, co-operatives and institutions by way of private placement and public offer, subject to the terms and conditions of this Prospectus.

Upon completion of the Public Issue, the issued and paid-up share capital of Cybertowers will increase from RM5,981,875 comprising 59,818,750 Cybertowers Shares to RM10,000,000 comprising 100,000,000 Cybertowers Shares credited as fully paid-up.

(iii) Listing and quotation on MESDAQ Market

Upon completion of the Public Issue, the entire issued and paid-up share capital of Cybertowers of RM10,000,000 comprising 100,000,000 Cybertowers Shares will be listed on the MESDAQ Market.

The KLSE has granted a waiver to Rule 2.6.1 of the Listing Requirements to allow Cybertowers' NTA per share to be less than par value upon listing.

4.2 SHARE CAPITAL

The authorised share capital of Cybertowers is RM10,000,000 comprising 100,000,000 Cybertowers Shares. As at the date of this Prospectus, the issued and paid-up share capital of Cybertowers is RM5,981,875 comprising 59,818,750 Cybertowers Shares credited as fully paid-up. Upon completion of the Public Issue, the issued and paid-up share capital of Cybertowers will increase to RM10,000,000 comprising 100,000,000 Cybertowers Shares credited as fully paid-up.

Details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows: -

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Resultant issued and paid-up share capital (cumulative) RM	Resultant issued and paid-up share capital (cumulative)
02.05.1996	2	1.00	Subscribers' shares	2	2
24.07.1997	8	1.00	Cash	10	10
19.11.1997	99,990	1.00	Cash	100,000	100,000
29.05.1998	900,000	1.00	Cash	1,000,000	1,000,000
08.05.2001	4,600,000	1.00	Cash	5,600,000	5,600,000
26.11.2001	-	0.10	Subdivision of RM1.00 par value shares to RM0.10 par value shares	5,600,000	56,000,000
12.08.2002	3,818,750	0.10	Capitalisation of shareholder's advances	5,981,875	59,818,750

As at 4 June 2003, there are no options or convertible securities outstanding.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3 BUSINESS OVERVIEW

4.3.1 PRINCIPAL ACTIVITIES

Cybertowers is principally involved in the provision of vehicle tracking services and development of an Internet-based AVL called "CyberTrack". The System integrates a wide spectrum of technologies like GPS satellite, ORBCOMM satellite, GSM, Internet digital mapping, GIS and remote tracking device. The Company's existing products include CyberTrack AVL (Satellite) Tracking Solution and CyberTrack AVL (GSM) Tracking Solution. A feature of CyberTrack AVL (GSM) Tracking Solution called EasyTrack was introduced in March 2001. With CyberTrack, the Company intends to develop more applications and to deliver innovative multimedia products and services for the Malaysian and Asian markets.

4.3.2 TRACKING SYSTEM

CyberTrack is an Internet based AVL that allows movable assets to be tracked on a real time basis. The System integrates a wide spectrum of technologies like GPS satellite, ORBCOMM satellite, GSM, Internet digital mapping, GIS and remote tracking device.

CyberTrack is an IP of Cybertowers. The Company acquired the System from James Kok, the developer of the System, for a purchase consideration of RM4 million on 6 December 2000. James Kok transferred absolutely the technology, technical know-how and all IP rights together with all relevant software to the Company. Wong Kek Wei is responsible for re-engineering and upgrading the System to its present operational form.

CyberTrack locates, transmits and relays crucial fleet information to users. Users can easily track and monitor their vehicles and movable assets on digital maps by simply connecting to the Internet. Designed as an intelligent system, CyberTrack also provides users with low cost tracking services via mobile phone through SMS. This means that users can track their movable assets at any time without access to Internet as well.

The System provides the date, time, location, speed, distance travelled, stoppage time and event status of each movable asset, which is installed with a CyberTrack remote tracking device. The remote tracking device can be programmed to detect and report various events such as emergency, speed violations, door trigger, engine stoppage, whether a vehicle deviates from a designated route or leaves a location without authorisation. With these valuable information, users will be able to take fast, corrective action around various scenarios to facilitate maximum productivity, security and safety.

CyberTrack is integrated with a digital map and displays the movable asset position on the map. With a digitised map of any country or even the world, CyberTrack can be used to track any movable asset around the world provided that the necessary infrastructure is properly in place. CyberTrack can also be customised for independent operation for security reasons at minimum cost. In addition, CyberTrack delivers fleet information in digital format report, e-mail, fax and other formats directly to users.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.3 PRODUCTS AND SERVICES**Standard Product and Services**

CyberTrack provides users with a unique customisable low cost product solution via “ORBCOMM satellite” or “GSM” to transmit GPS positioning and relevant information to its control centre. The two products offered by Cybertowers are as follows:-

a) CyberTrack AVL (Satellite) Tracking Solution

This product was officially launched in July 2000. It employs ORBCOMM satellite as its communication media for data transmission and reception. CyberTrack can provide field performance analysis at intervals with real time tracking. By logging on to the Internet and paying a low cost satellite data communication charge, users will be able to monitor and locate their vehicle and/or movable asset instantly anytime worldwide, with no limit to coverage. This product offers the following services: -

Services	Features
Basic Services:-	
Polling Position service	To capture position data from GPS satellite and transmit the position report to CyberTrack control centre.
Web Page service	Through the Internet, detailed reports on the entire fleet, a segment of the fleet or a single vehicle can be downloaded in Microsoft Excel format manually. Reports show the date, time, location name, state, speed, distance and status of the vehicle.
Value Added services:-	
Zone Area Control service	To monitor and alert users of out-of-area vehicle movement.
Paging service	To provide position report and alert message to user.
Emergency Alert Message service	An alert message will be broadcasted to a user’s mobile phone or pager if a driver of a tracked vehicle presses an emergency button during emergency.
Customised Smart Report	Different type of reports can be customised specifically for each client depending on needs.

4 INFORMATION ON THE COMPANY (Cont'd)

b) CyberTrack AVL (GSM) Tracking Solution

This enhanced product was launched in January 2001. It employs GSM as a data transmission media. Besides the services already provided via CyberTrack AVL (Satellite) Tracking Solution, this product also offers additional services as follows:-

Services	Features
Basic services:-	
Logging Position service	To capture position data from GPS Satellite and log data into device memory. The memory storage capacity is approximately 7,200 reports. This can save the airtime in transmitting data, which in turn reduces transmission charges.
Value Added services:-	
Over Speeding Monitoring service	An alert message will be broadcasted to a user's mobile phone or pager if a tracked vehicle has exceeded a pre-set driving speed limit.
Voice/Mobile Data Communication service	Two (2) way voice / text communication.
Handphone Tracking service (EasyTrack)	To track movable asset at any time via mobile phone, without access to the Internet. By sending a SMS request to CyberTrack control centre, CyberTrack automatically retrieves a position from the remote tracking device and sends back a SMS to the users' mobile phone. The message includes date, time, location, and event status of the tracked asset. Users can choose the GSM service provider from Maxis (012), TMTouch (013), Digi (016), TimeCel (017) or Celcom (019).
Alarm Alert Message service	An alert message will be broadcasted to a user's mobile phone or pager when the car alarm of the user has been activated.
Engine on or off service	To provide engine on or off data such as date, time and location of tracked vehicle.
Immobilise Function	An anti-theft function which allows a vehicle to be remotely immobilised.
Tow-away Notification	User will be notified in the event that the vehicle is moved or towed-away.

4 INFORMATION ON THE COMPANY (Cont'd)

Professional customisation

The Company value adds to the products and services by developing and customising additional features and modifications to standard features of its products and services. Further modification or customisation could be provided depending on the business transactions and needs of the clients on a project basis. The Company will provide the consultation, customised vehicle tracking software as well as the remote tracking device for the AVL solution. In some cases, the Company may be required to provide digital maps.

The whole system is controlled using Vehicle Tracking Application Software. It is designed for use by dispatchers and managers to control the Fleet Management functions and display vehicle location and status information on single or multiple display terminals. The software can also support links to other applications that are currently operating at the client's offices. The control centre installation will be established at the client's designated place. This will include a PC complete with modem, large screen monitor, software and maps. The client's personnel will be trained on the installation, operation and configuration of the System. The concept is that the System operators will be able to re-configure any of the vehicles from the desktop with total confidentiality and security.

4.3.4 TECHNOLOGY UTILISED

AVL is a computer-based vehicle tracking system used for tracking vehicle or mobile workforce such as trailers and containers. Each mobile unit has a GPS receiver that reports its position to the base station via a communications network such as GSM. AVL allows users to monitor the fleets and manage mobile workforces.

CyberTrack is an Internet based AVL system that allows movable assets to be tracked on a real time basis. CyberTrack integrates a wide spectrum of technologies as follows: -

a) GPS Satellite

GPS is a satellite-based system made up of a network of 24 satellites placed into orbit by the US Department of Defence. GPS works in any weather conditions, anywhere in the world, 24 hours a day.

For AVL applications in which accuracy is critical, where tall buildings restrict the GPS coverage, in-vehicle GPS may be adopted by a technology known as Differential GPS (DGPS), which corrects GPS signals to within an average of three to five meters.

(Source: Garmin International's website at www.garmin.com/aboutGPS)

The combination of free access to GPS coupled with the backing of the US Department of Defence indicates that GPS will remain as the premier position referencing method for the foreseeable future.

(Source: The Executive Directors of Cybertowers)

4 INFORMATION ON THE COMPANY (Cont'd)

b) Communications Network

CyberTrack utilises a wireless communication network to transmit GPS positioning and relevant information to its control centre. The two types of communications network currently employed by Cybertowers, are as follows:-

ORBCOMM Satellite

ORBCOMM Global, Limited Partnership is the first commercial provider of global Low Earth Orbit (LEO) satellite two-way data communication services. ORBCOMM applications include tracking of mobile assets, monitoring of fixed assets and messaging services for consumers, commercial and government.

(Source: ORBCOMM's website at www.orbcomm.com/press.htm and Satellites Constellation's web site at <http://mcoweb.mcseurope.com/PU3a1co.htm>)

The three main components of the ORBCOMM system are (i) the space segment - the constellation of satellites; (ii) the ground segment - gateways which include the Gateway Control Centres (GCCs) and Gateway Earth Stations (GESs) and the Network Control Centre (NCC) located over five (5) continents; and (iii) subscriber communicators (SCs) - hand-held devices for personal messaging, as well as fixed and mobile units for remote monitoring and tracking applications.

GSM

For AVL applications where coverage is restricted by tall buildings, basement or other structures (referred to as the "urban canyon" problem), GSM is the only system which has achieved a high level of transmission and compatibility.

GSM is available in more than 193 countries around the world and has more than 825 million subscribers in the world as at the end of 2002. The number of subscribers are estimated to reach one billion people at the end of 2003 or early 2004.

(Source: EMC World Cellular Database - website www.gsmworld.com)

SMS is ideal for sending GPS information such as longitude, latitude, bearing, velocity and altitude. GPS information is typically about 60 characters in length, leaving room for other information such as the vehicle registration details, Input/Output condition and so on to be transmitted as part of the same short message.

GSM is in fact uniquely positioned to eventually adapt, deploy and integrate 3G technology into current feature-rich service. With 3G technology and its advance wireless technology, GSM system will be easily integrated to its current networks, bringing significant features and benefit to AVL application.

(Source: The Executive Directors of Cybertowers)

4 INFORMATION ON THE COMPANY (Cont'd)

c) Internet Digital Mapping

CyberTrack provides the digital map. The purpose of the digital map is specifically to provide the position reference of tracked vehicles. Geographical data of roads and surrounding terrain, scaled to a size to fit into a computer screen, are displayed in the form of a digitised map. It is used to provide the particular position of a tracked asset by way of a flashing dot. By zoom in/out and “pan” functions, users can immediately identify the location of their vehicle.

d) GIS

GIS is a system for capturing, storing, checking, integrating, manipulating, analysing and displaying data that are spatially referenced to the Earth. It is an information system that is designed to work with data referenced by spatial or geographical coordinates. In other words, a GIS is both a database system with specific capabilities for spatially referenced data, as well as a set of operations for working with the data. GIS is used to create the digitised road maps in layers thus allowing the ability to zoom in/out and pan.

e) Remote Tracking Device

A wireless remote tracking device comprises of three components: -

GPS receiver	to receive worldwide position (longitude, latitude), speed (velocity), heading (bearing), time and date.
Modem Device	allows for transfer of information between movable assets and CyberTrack control centre.
Processor	configurable to report automatically a variety of events such as interval time reporting, memory storage, and peripheral equipment service.

4.3.5 IP AND LICENSE RIGHTS

IP of CyberTrack

CyberTrack was originally developed by James Kok and subsequently acquired by Cybertowers on 6 December 2000. The acquisition included all the technology, technical knowhow, IP rights and software and was satisfied by a total cash consideration of RM4 million. From thereon, the Company’s Managing Director, Wong Kek Wei, has been responsible for the re-engineering and upgrading of CyberTrack. Cybertowers is allowed to resell CyberTrack in any form or price and Cybertowers can make any changes or enhancement to the source programs. The entire system is linked to a digital map in the map server at Cybertowers’ control centre.

Prior to 1 September 2001, the accounting policy on plant and equipment was to include CyberTrack and depreciate it at 12% per annum on a straight line basis. During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 15 “Property, Plant and Equipment”, the Company has changed its policy by reclassifying CyberTrack to R&D expenditure and amortising the expenditure over a period of ten (10) years.

4 INFORMATION ON THE COMPANY (Cont'd)

On 6 November 2000, Cybertowers submitted an application to the Ministry of Domestic Trade and Consumer Affairs for the registration of the CyberTrack trademark. The registration is still being processed by the Ministry of Domestic Trade and Consumer Affairs.

For more details on CyberTrack, please refer to Section 4.3.2 of this Prospectus.

For details on the salient terms of the Transfer and Technical Know-How Agreement between Cybertowers and James Kok, please refer to Section 15.8(i) of this Prospectus.

License Rights

On 15 March 2000, Cybertowers entered into an ORBCOMM Reseller agreement with the licensor of the ORBCOMM Satellite Communication System; Celcom, which granted the Company a non-exclusive right to market and to resell ORBCOMM products and services, either directly or through agents, in Malaysia, Singapore and Brunei Darussalam. The agreement commenced on 15 March 2000 and shall continue for a period of one (1) year. Thereafter, the agreement shall be renewed automatically for further terms of one (1) year each unless either party gives to the other written notice of termination at least sixty (60) days prior to the expiration of any such term.

In order to obtain the access to the ORBCOMM system, the Company is required to pay to Celcom a certain amount of fees for each of the ORBCOMM products and services. However, the prices to be charged by the Company to its clients, either directly or through agents, are determined solely by the Company.

4.3.6 OPERATING MECHANISMS

Standard Product and Services

The Company presently outsources the manufacturing of its tracking product and some hardware allowing it to concentrate on the research, design and development of CyberTrack and digital maps and may thus speed up its market penetration. The Company selects manufacturers that are technically competent and cost effective to carry out the production.

The manufacturers provide 1 year warranties for the hardware supplied where defective products are replaced. In relation to the warranties provided by the Company to its customers, it is on third party manufactured products only, i.e. the hardware (tracking device and accessories) which are in turn warranted by the manufacturers to the Company.

Professional Customisation

The Company will bid for jobs available in the market either through direct marketing calls or referrals from the Company's clients and principals. The jobs will be undertaken on a project basis and the typical procedure for implementing the project is as follows: -

Introduction



An introduction of the company and a product presentation will be made to the client.

4 INFORMATION ON THE COMPANY (Cont'd)

Preliminary Agreement



Project Information



Preliminary Presentation



Demonstration Unit



Contract Agreement



Final Presentation



Project Commencement



Delivery



Training and Testing



System Hand-Over

The Company signs the Non Disclosure Agreement and/or Preliminary Memorandum of Understanding with the client.

The Company would then require the client to provide information such as time of implementation, quantity of hardware, project budget, technical and functionality specifications.

The Company will submit a draft summarised concept presentation and draft quotation to the client.

The Company will then allow the client to test its standard feature of a demonstration unit for a period of one (1) week.

Upon completion of testing on the demonstration unit, the Company will sign a contract agreement with the client. The client is required to pay a deposit of 5% of the estimated project value. This amount is non-refundable but deductible from the final project value upon project commencement.

The Company will officially provide the information like hardware specification, software specification, project block diagram, project schedule and a final quotation. The quotation will be based on software module, license, system hardware and system accessories proposed by the client.

The Company starts to develop the hardware and software according to client's requirement. At this stage, the client is required to pay 30% of the project value.

Upon delivery of hardware and completion of software installation, the client is required to pay 50% of the project value.

The Company provides training on the installation, operation and configuration of the System. The client has to do some testing on software and hardware. After that, the client will be required to sign an acceptance of the project. At this stage, 10% of the project value will have to be paid by the client.

If there is no problem with the hardware and software within the period of three (3) months after the acceptance of the project, the Company will hand-over and the client will sign off the final acceptance of the project, paying the balance of the project value.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.7 MARKET POSITION

The Company intends to establish a significant market share and position in AVL within the country. The Board believes that it is one of the few local companies which provides Internet based vehicle tracking services. Realising the growth of the domestic logistics industry, especially in the area of e-commerce, the Board of the Company believes that opportunities exist for the Company to increase its market share.

4.3.8 SIGNIFICANT NEW OR PROPOSED PRODUCTS AND SERVICES

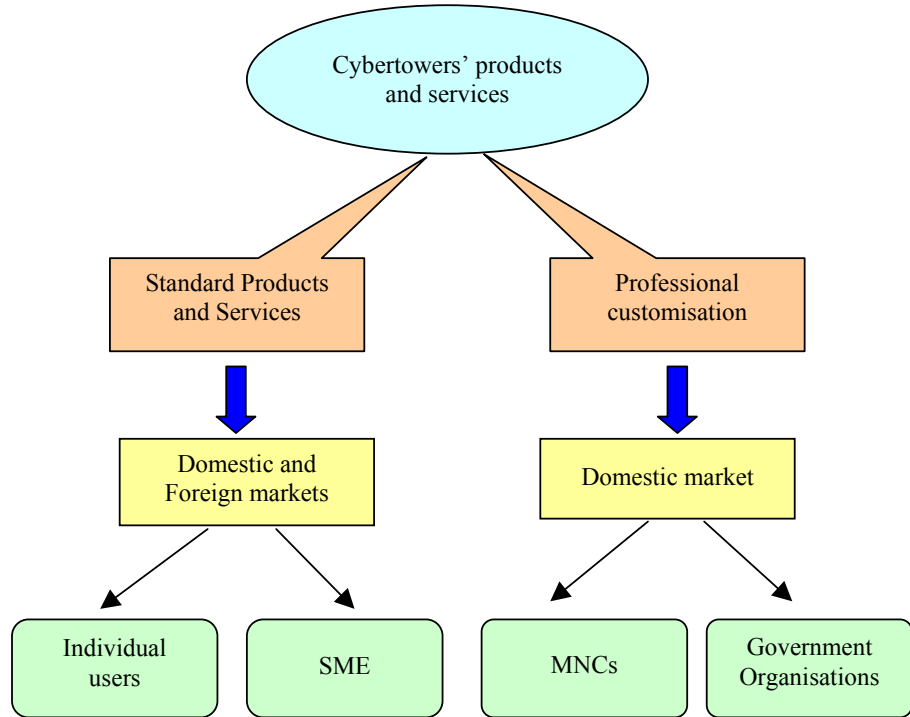
The proposed launch dates for the Company's products and services between 2003 and 2006 are as follows: -

Year	Product completed or targeted to be completed	Description	Developed or expected to be developed by
2003	Integration of all value added services in a package	To offer a full range of services to clients to replace the current standard accessories that are offered in separate packages.	1 st Quarter
2004	Navigation system	The new product feature is expected to be ready for commercialisation.	3 rd Quarter
	Development of digitised map for Malaysia	Digital map for Malaysia is expected to be ready for commercial operation. RM2.0 million is proposed to be invested in R&D in Singapore and Thailand through joint venture.	3 rd Quarter
2005	Venture overseas	RM4.0 million is proposed to be invested in R&D in the PRC, Singapore and Thailand through joint venture.	1 st Quarter
	Upgrading of digital maps	Continuous upgrading of the digital maps for Malaysia, Singapore and Thailand and development of digital map for the PRC.	
2006	Development of smaller and lower cost tracking device	RM1.5 million is proposed to be invested in R&D in the PRC through joint ventures. Market penetration into the PRC and continuous effort in increasing product awareness by giving road shows to car manufacturers, distributors and assemblers.	4 th Quarter

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.9 PRINCIPAL MARKETS

The Company's products and services would be marketed to the following target clients: -



4 INFORMATION ON THE COMPANY (Cont'd)

Standard Products and Services

(a) Individual users

The first market segment that Cybertowers focuses on is individual users, who track their vehicles for security and emergency purposes. In approaching this market segment, the Company positions its products and services as a simple and affordable product.

(b) SMEs

The second market segment that Cybertowers focuses on is the SME market. These users usually are small independent freight forwarders who have a few vehicles for delivery of internal products and goods or small players in the logistics industry, who provide transportation of goods to third parties. Based on the Executive Directors' experience with the SME sector, the sector is characterised with a lower IT budget and has low awareness of vehicle tracking solutions. Nonetheless, the Board believes that SMEs require cost effective AVL to support their clients and to reduce their fleet management expenses.

In approaching this market segment, the Company positions its products as an entry-level vehicle tracking solution that is affordable to the SMEs. These users are not required to invest in expensive infrastructure such as database servers, complete software, digital maps and other hardware, as the users can connect to the Company's control centre and track its fleet information for a monthly subscription fee.

Professional Customisation

(a) MNCs

The third market segment that Cybertowers targets are listed companies and MNCs involved in the movement of oil and gas, chemicals and the logistic industries. These users have strong financial resources and are concerned over the logistics of their cargo. Accuracy, efficiency and safety are the first priority for these users. They need a tracking system to increase accuracy in schedule adherence monitoring and reporting while minimising administration work.

(b) Government Organisations

These are for high security and valuable vehicles such as government vehicles, money or gold carriers. Security and fast response are the key requirements that can be provided by CyberTrack. CyberTrack is able to provide users with real-time tracking and monitoring services. Users can also remotely monitor or direct the vehicle operation if any unforeseen events were to occur. All data and information are well protected by CyberTrack.

4.3.10 MARKETING STRATEGY

The Company's marketing objective is to bring to market a high-performance, low-cost AVL that meets the needs of the nascent markets for tracking, managing and monitoring with GPS. In order to meet its objectives, the Company adopts the following marketing strategies to compete with competitors and to establish market share: -

4 INFORMATION ON THE COMPANY (Cont'd)

(i) Direct marketing

The Company would make direct marketing calls to its potential clients. The Company believes that once it has established a clientele list, it would be easier to convince potential clients of the benefits of its products. The Company would then conduct presentations and product demonstrations to its potential clients to highlight the products and services it can offer. The Company also approaches insurance companies to secure lower premiums for transporters who use CyberTrack. The Company also hopes to secure new clients through referrals from its network of clients.

(ii) Organise road shows

To build brand awareness and raise the Company's profile, Cybertowers will be giving road shows to car manufacturers, distributors and assemblers.

(iii) After sales client service and maintenance strategy

The Company believes that by providing its clients with good after sales and maintenance services, its existing clients would be inclined to add new applications to its existing product solutions. Fast response and technical assistance are examples of the after sales client services provided by the Company to its clients. In addition, ongoing phone support will be provided to its clients free of charge during office hours. Regular monitoring of the tracking devices will be carried out by the Company to ensure that the device is operating in good condition. The Company plans to charge maintenance fees for its clients.

(iv) Warranty program

The Company provides a one-year warranty program on third party manufactured products only to its clients. Thereafter, clients are required to sign a comprehensive or non-comprehensive maintenance agreement with the Company. For a comprehensive maintenance agreement, transportation, labour and parts costs are included in the warranty program. However, for a non-comprehensive maintenance agreement, hardware costs are excluded and clients are required to pay for the replacement of parts.

(v) Strategic alliances

The Company intends to establish a market presence in Singapore, Thailand and PRC. To achieve this objective, the Company expects to forge strategic alliances or joint ventures with overseas partners to obtain access to specific market segments and to reduce political as well as financial risk.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.11 MODES OF MARKETING/DISTRIBUTION

The Company has the following distribution channels: -

(a) Business Development Team

The Company's business development team will perform the following functions to cater to the Company's expansion, as follows: -

The business development team has been and will continue to directly market and distribute the Company's products to its clients.

The business development team who has more knowledge of the products will target the medium and high end users market such as large corporate clients, multinational transporters and security firms and major logistic handlers. The team will transfer part of their marketing role to the distribution agents who will target to market the Company's products to normal users such as small independent and private owned freight forwarders.

With the growth of the Company's client base over a larger geographical area, it is very important for the Company to ensure that its products are readily available to clients when needed. To ensure good market coverage, the Company will rely increasingly on its distribution agents to secure the necessary market coverage at reasonable cost.

To operate at a higher level of effectiveness and efficiency, the Company's business development team will take greater responsibility in planning and consulting, rather than marketing and distribution only. In particular, the business development team will perform the following functions (in addition to its marketing/distribution function as described above):-

(i) Develop a marketing plan for the sales force

The Company's business development team will be responsible for developing the optimum marketing mix for the Company and redesigning the distribution force incentive scheme. The team will also evaluate technology and other productivity tools to assist in the sales efforts.

In addition to the above, the business development team will also continue with its roadshows and exhibition to promote public awareness on CyberTrack.

(ii) Develop an effective career-path training program for the marketing force

The Company's business development team will be responsible to conduct training seminars and workshops to pass on product knowledge to distribution agents and to ensure that they are educated in the products' specifications and features. The Company intends to train its distribution agents in product knowledge, installation, maintenance, trouble shooting and product selling. In addition, the Company intends to obtain product feedback from its distribution agents to enable the Company to enhance its existing product features.

4 INFORMATION ON THE COMPANY (Cont'd)

(b) Distribution Agents

To date, the Company has appointed 24 distribution agents nationwide to market the Company's products. Every agent is required to sign a distribution agreement to commit a certain volume for every year and will be compensated in the form of commissions on sales. The quota set for each agent is 24 units per annum or an average of two (2) units per month. All distribution agents will be well trained and knowledgeable on CyberTrack including providing after sales service and support. Cybertowers also plans to increase the amount of sales by offering distribution agents more attractive benefits and opportunities such as expanding the area of coverage, giving agents more discounts when sales exceed 100% of targets and allowing agents to carry ready stock on credit.

4.3.12 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS/INPUT

As a vehicle tracking service provider, the Company's ability to deliver its products and services are dependent on its ability to hire and retain competent skilled IT staff. The Company hires personnel to accommodate any increase in the number and size of clients and projects and any increase in the size of the Company's operations. The management also conducts weekly management meetings in which human resource requirements are amongst the key agenda for discussion.

To date, the Company has not encountered any difficulty in hiring new staff to meet its expansion needs. The Board believes that the risk of insufficient qualified IT personnel could be mitigated by offering a competitive salary package and conducive working environment. In addition, due to its MSC status, the Company is eligible to employ foreign skilled workers should the need arise.

4.3.13 QUALITY CONTROL PROCEDURES

To ensure that the results of the hardware and software set up by the Company for its clients meet their respective requirements, the Company conducts design reviews by comparing the design specifications against the clients' requirements, verifying the design specifications with the clients' project teams or the Management Information System department. These ongoing reviews and checks are achieved through regular in-house meetings amongst the technical team and meetings with clients in relation to system requirements. The Company's testing and quality control elements include: -

- Specification study to record the system requirements;
- Design specification to contain details about the client's requirement and specification;
- Test plans; and
- Change request to record any request for a change of requirements and design.

The Company's project team would then test the customised solution thoroughly to ensure that it is free from defects, when integrated with other system components and/or sub-modules. After internal testing, the system is installed at the client's premises for a site acceptance test. The site acceptance test is conducted on site to ensure that the developed system, when integrated with all external system components and modules supplied by third parties, if any, functions and operates without any disruption, error or data integrity problems. Any system defects detected during the internal and site acceptance tests will be resolved and re-tested.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.14 R&D

(a) R&D Capabilities

The Board recognises that continuous R&D plans are crucial to the Company to compete effectively. Hence the Company has placed great emphasis on the development of cost-competitive vehicle tracking products. Prior to the R&D of a new product, the Company will explore the needs and market potential for such a product to ensure that the resources invested will be justified by the income generated from it in the future. Product enhancement requirements are collected from the Company's clients, distribution agents and business development team. All information collected are analysed, prioritised and put into a product enhancement schedule.

The key R&D strategies and effort of the Company are as follows: -

(i) Increase R&D manpower, training and resources

The Company intends to employ additional R&D staff. This would enable the Company to enhance its ability to develop products and shorten the product development cycle and speed to market. The Company also intends to send the R&D staff for relevant courses to update the technical knowledge of the R&D staff.

(ii) Collaborating in joint R&D with industry partners overseas

The Company intends to forge joint ventures with industry partners in Singapore, Thailand and PRC for R&D of new technologies. Total investment of RM7.5 million from internally generated funds are proposed to be invested in the foreign markets through joint ventures between the financial years 2004 and 2006. In addition, the R&D team intends to develop and upgrade its own digital maps for these foreign countries as part of the Company's effort to be self-reliant.

(iii) Keeping abreast with new communications technology

With the fast changing modes in communications technology, the Company's R&D team constantly keeps abreast with new releases of communication technology in the market and take steps to upgrade its system to match those currently available in the international market. As part of this effort, the R&D team has successfully completed the integration of CyberTrack with GPRS. Apart from the above, past R&D achievements of the Company include interfacing the tracking device with SMS, voice function, emergency button, trigger door opening, alarm and immobilise function.

(iv) Upgrading digital map

With the addition of new highways and townships within Malaysia, current digital maps will be continuously upgraded annually.

4 INFORMATION ON THE COMPANY (Cont'd)

As an MSC status company, more emphasis will be placed on R&D. For the financial year ended 31 August 2002, the Company's R&D expenses were approximately RM0.23 million. The Company is expected to incur an estimated RM4.05 million on R&D expenses in the financial year ending 31 August 2003.

(b) R&D team members

The Company is committed to investment in R&D to establish a competitive edge through technology, both in terms of manpower and funds. The Company's R&D department is currently headed by Wong Kek Wei. The Company currently has six (6) Malaysian staff and three (3) foreign expatriates who have various experiences in map development, software programming and engineering, product design and development. The team members comprise the following:-

<u>Name</u>	<u>Designation</u>	<u>Qualifications</u>
Wong Kek Wei	Software Manager	Bachelor of Science in Computer and Mathematical Sciences, Victoria University of Technology, Australia
Ong How Beng	Product Development Manager	Diploma in Electrical Engineering, Feng Chia University, Taiwan
Hai Dai Yuan	Map Manager	Master in Geophysics, Geology University of China
Luo Yu	Product Developer	Bachelor in English Literature, GuangXi Institute for Nationalities, PRC
Wang Boon Hui	Software Engineer	Bachelor of Engineering in Electronics, Multimedia University, Malaysia
Yeoh Cheu Lee	Software Engineer	Bachelor of Information Technology, University of Southern Queensland, Australia
Ng Yih Yuh	Analyst Programmer	Bachelor of Science, Campbell University, US
Luo Chun Yuan	Map Developer/ Editor	Bachelor of Science in Metal and Geophysical Prospecting, Changchun Institute of Technology, PRC
Ng Yew Khim	Senior Technician	Certificate, Institute Technology Bintang

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.15 PRINCIPAL PLACE OF BUSINESS AND PRINCIPAL ASSETS

Details of the Company's principal place of business and principal assets are as follows:-

Principal place of business

The Company's operations are currently situated at Lot 1-3B, Incubator 3, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur.

Principal assets

Cybertowers has one (1) principal asset which is CyberTrack, the details of which are set out in Section 4.3.2 of this Prospectus.

4.3.16 INFORMATION ON EMPLOYEES

As at 4 June 2003, the Company has 14 staff employed in the following capacity:-

Department	No. of Employees	Average years of service
Finance and Administration	2	1
Client Service	1	1
Business Development and Sales	2	2
R&D	9	3
Total	<u>14</u>	

Having attained the MSC status and sufficient funds raised from the Public Issue, the Company will be able to strengthen the management team and increase knowledge workers and expenditure for R&D activities.

Cybertowers currently provides staff training via in-house conducted training sessions and on-the-job training. A summary of in-house training sessions provided to employees is depicted below:-

Types of Training	Available to	Tentative Time
Product Training	All employees	Upon joining the company
System Training	R&D Personnel only	Upon joining the company
Software Training	R&D Personnel only	Upon launching of new software

All the above training sessions are given by Wong Kek Wei. External training programmes and seminars are regularly attended by senior management as a means to keep updated on the latest technology procedure and advancements.

The employees do not belong to any labour union and enjoy a cordial relationship with the management. There is no labour or industrial dispute between employees and management.

4 INFORMATION ON THE COMPANY (Cont'd)

4.3.17 KEY ACHIEVEMENTS OF THE COMPANY

Cybertowers received its MSC status from the MDC on 31 October 1997 and was then the first MSC-status company to undertake R&D on GIS.

4.3.18 OPERATING CAPACITIES AND OUTPUT

As the Company is principally involved in the provision of vehicle tracking services and development of CyberTrack, its operating capacity is determined by the number of skilled IT employees that it has. As such, the Company constantly monitors the requirements of skilled IT employees to ensure that contracts secured could be delivered to clients as scheduled. To-date, the Company has neither encountered any constraints in operating capacity nor has it encountered any difficulty in increasing its headcount to meet an increase in contracts.

4.3.19 INTERRUPTION TO OPERATIONS

There has been no interruption to the Company's business or operations in the past twelve months.

4.3.20 EXCEPTIONAL FACTORS

Save for the risk factors highlighted in Section 3 of this Prospectus, the Company does not foresee any exceptional factors, which may affect its business.

4.3.21 MAJOR CLIENTS

The Company's existing clients for its standard products and services are mainly in the SME sector and individual users including those who utilize CyberTrack services to track and monitor their own private vehicles, as the nature of its business is focused on this sector.

None of the major customers of Cybertowers are contributing more than 10% of turnover. Cybertowers is not dependent on the major customers for its business.

4.3.22 MAJOR SUPPLIERS

As mentioned in Section 4.3.6 of this Prospectus, the Company currently outsources the manufacturing of its tracking product and some hardware to overseas suppliers. Cybertowers is dependent on suppliers for its supplies as the strategy of outsourcing production will allow the Company to concentrate on research, design and development of CyberTrack and digital maps as well as to operate without high capital commitments and speed up its market penetration. Cybertowers has been maintaining a good business relationship with its suppliers. The major suppliers of Cybertowers are as follows:-

Name	Length of relationship	Purchases			
		Financial year ended 31 August 2001		Financial year ended 31 August 2002	
		RM'000	%	RM'000	%
Dinkum Technology Pte. Ltd.	4 years	734	74	2,708	100
Panasonic Industrial Company	5 years	257	26	-	-

4 INFORMATION ON THE COMPANY (Cont'd)

4.4 SUBSIDIARY AND ASSOCIATED COMPANIES

The Company does not have any subsidiary or associated companies.

4.5 FUTURE PLANS, STRATEGIES AND PROSPECTS

Future Plans and Strategies

To achieve its goal to be a multinational company specialising in the development of leading edge cyber solutions in the area of earth sciences, information and telecommunication technologies, the Board envisage that the Company's development strategies will comprise five principal areas, as follows: -

(i) Continual development of innovative products

The Board believes that the key to success in the AVL market lies with the ability to introduce innovative products at a competitive price. The Board believes that the Company's R&D efforts will enable the Company to establish its competitiveness in the industry in this respect. The Company intends to enhance its existing CyberTrack with different features and performances to differentiate its products and services from its competitors.

(ii) Expansion of its sales network and marketing channels

The Company's immediate focus is to establish and build a distribution network locally and overseas. The Company intends to appoint more distribution agents in order to cover a larger geographical area at a reasonable cost.

(iii) Improvement of R&D capabilities

The Company intends to intensify its R&D activities by hiring and training approximately 24 knowledge workers and purchasing new equipment. Staff development via courses, seminars and on-the-job training would be conducted to improve the technical staff's capabilities and to enable them to keep abreast with new technology. As part of the Company's continuous effort to be self-reliant, the Company targets to develop and upgrade its own digital maps for Malaysia and other foreign markets.

(iv) Building of brand awareness and product acceptance

An important element of the Company's business strategy is to develop and maintain widespread recognition of the "CyberTrack" brand name locally and internationally. As the Company is a new player in the AVL market, it intends to emphasise on extensive marketing and promotion efforts to penetrate a target market and to create market acceptance. Emphasis would be placed on direct marketing calls to its target clients and conducting product presentations. The Company also intends to give road shows to car manufacturers, distributors and assemblers to promote the Company's products and services.

(v) Strategic Alliances

The Company intends to forge joint ventures with other industry partners overseas in order to penetrate a wider geographical area. For a start, the Company intends to venture into Singapore, Thailand and China markets. The Company would appoint distribution agents for a defined territory to market its products. The Company believes that such a

4 INFORMATION ON THE COMPANY (Cont'd)

strategy would minimize the risks of opening new branch offices or setting up foreign subsidiaries.

Outlook

The outlook of the Company is expected to be bright in view of the growing importance of the IT industry. The growth of the manufacturing and trade sectors and rise in consumption expenditure is expected to ensure continuous and increasing demand for logistics services, especially in the area of e-commerce. Based on its competitive edge, which include a strong R&D team, established network and lower staff development cost, the successful implementation of the Company's future plan will enable the Company to capture a bigger share of the local market and penetrate overseas market. The eventual listing of the Company is further expected to boost the profile of the Company, which will hopefully translate into better earnings.

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5 INDUSTRY OVERVIEW

5.1 OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysian economy rebounded strongly during the first half of 2002, after experiencing negative growth during the second half of 2001. The strong recovery was led by robust domestic sources of growth which had mitigated the adverse impact on the economy from a weaker external sector. During the period, macroeconomic fundamentals further strengthened with external balance remaining in surplus, international reserves registering significant increases as well as inflation and unemployment continuing to remain low. Coupled with strengthened corporate and banking sector performance, the nation is well positioned to face a more challenging external environment. As such, the Malaysian economy is expected to register a stronger growth of around 4 percent in 2002, significantly higher than the 0.4 percent achieved in 2001 (Source: Economic Report 2002/2003). Subsequently, the Bank Negara Malaysia Press Statement dated 26 March 2003 reported that for 2002, the Malaysian economy has recorded a growth of 4.2 percent.

5.2 DESCRIPTION OF INDUSTRY

The AVL market is dependent on the growth of the logistics and IT industries. AVL adopts ICT to assist fleet owners in monitoring their fleets information and improving their overall efficiency and cost. A prime benefit of AVL is the ability to let fleet owners know the precise locations of their shipments in real time. New technologies and the convergence of existing technologies, such as wireless communications, computing and the Internet are opening up new possibilities and fostering growth of the AVL market.

5.2.1 AVL MARKET

The market for AVL equipment and services is in an early growth stage. However, this market is poised for rapid growth. Products have been developed to the point of being market-ready, and their functionality, practicality, and benefits have been demonstrated in actual use. According to a study by Frost & Sullivan, the compounded annual growth rate from year 2000 to year 2007 for the AVL unit shipments in North America is forecasted to grow at 12.5%. The average price per unit is approximately USD1,366 and the average service fee per unit is approximately USD39. Several hundred thousand units are in use currently and the market potential runs into millions of units.

5.2.2 IT INDUSTRY IN MALAYSIA

The IT industry in Malaysia has shown signs of recovery from the economic downturn that has been affecting its performance since the contagion effect spread to the country in 1998. Market billings have stabilised and are expected to grow again in tandem with economic revival in a number of service-centric sectors. The revenue growth for the Malaysian IT industry from 1997 to 2002 is set out in Table 1:-

Table 1: Malaysian IT Industry's Domestic Billings

Year	RM' millions
1997	5,380
1998	4,840
1999	5,230
2000	5,910
2001	6,510
2002	7,151

(Source: PIKOM)

5 INDUSTRY OVERVIEW (Cont'd)

The use of the Internet in Malaysia has grown rapidly since the start of its commercialisation in the early 1990s. The rapid growth in the popularity of the Internet is due in large part to increasing penetration of computer, modem and other access devices, reduced Internet connection costs, the emergence of new Internet appliances (such as personal digital assistants, cellular phones and Wireless Application Protocol phones), development of the Web, the introduction of easy-to-use navigational tools and utilities, and the growth in the number of information, entertainment and commercial applications available on the Internet. Growth in client/server computing, multimedia personal computers and online computing services and the proliferation of networking technologies have resulted in a large and growing group of people who are accustomed to using networked computers for a variety of purposes, including e-mail, electronic file transfers, online computing and electronic financial transactions. These trends have increasingly led businesses to explore opportunities of providing Internet-based applications and services within their organisations and to customers and business partners. Based on the statistics published by PIKOM, the growth of the Internet subscribers in Malaysia industry from 1995 to 2002 is as follows:-

	1995	1996	1997	1998	1999	2000	2001	2002
PC's Active installed (Units) ('000)	610	760	1,030	1,360	1,800	2,200	3,000	3,600
Number of Internet Subscribers ('000)	18	90	200	400	700	1,000	2,000	2,600
Number of Internet Users ('000)	30	180	500	1,500	2,800	4,000	6,500	7,500

(Source:PIKOM)

Knowledge-based Economy

Cognisance of the role of a knowledge-based economy in promoting growth and productivity, the Government has implemented the Knowledge-based or K-based Economy Master Plan. The Master Plan, launched in September 2001, outlines seven strategic thrusts comprising recommendations to accelerate the shift towards the knowledge-based economy. The strategic thrusts focus on areas that are salient to the transformation to the new economy, encompassing human resource development, institutional framework, info-structure and infrastructure, science and technology capacity, role of the private sector, a knowledge-based civil service as well as bridging the knowledge and digital divides. In providing the infrastructural support for the development of a K-based economy and ICT industries, the development of the MSC has covered further grounds. As at July 2002, 745 companies (2001: 621 companies) have been awarded MSC status. Investment in the MSC has reached RM9.7 billion, an increase of 42% compared with 2001, and has provided employment to 18,550 workers, out of whom 84% or 15,594 are knowledge workers. Thus far, there are 53 world-class companies operating in the MSC.

Skilled and knowledge workers are prerequisites for the country to propel itself into the K-based economy as well as enhance competitiveness. In this regard, education and training programmes continue to be given emphasis to address the issue of manpower shortage in ICT and related areas. In promoting computer literacy and improving students' accessibility to ICT, a sum of RM441.8 million was provided for the construction of 2,874 computer laboratories and facilities in both urban and rural areas. By mid-2002, a total of 1,977 projects or 68.8% were completed. In addition, as a brain-gain strategy, incentives were offered to attract highly skilled Malaysians working abroad to return. As of August 2002, 474 applications were received and 171 were approved covering expertise in the fields of accounting and finance, medicine, IT, industry as well as science and technology.

(Source: Economic Report 2002/2003)

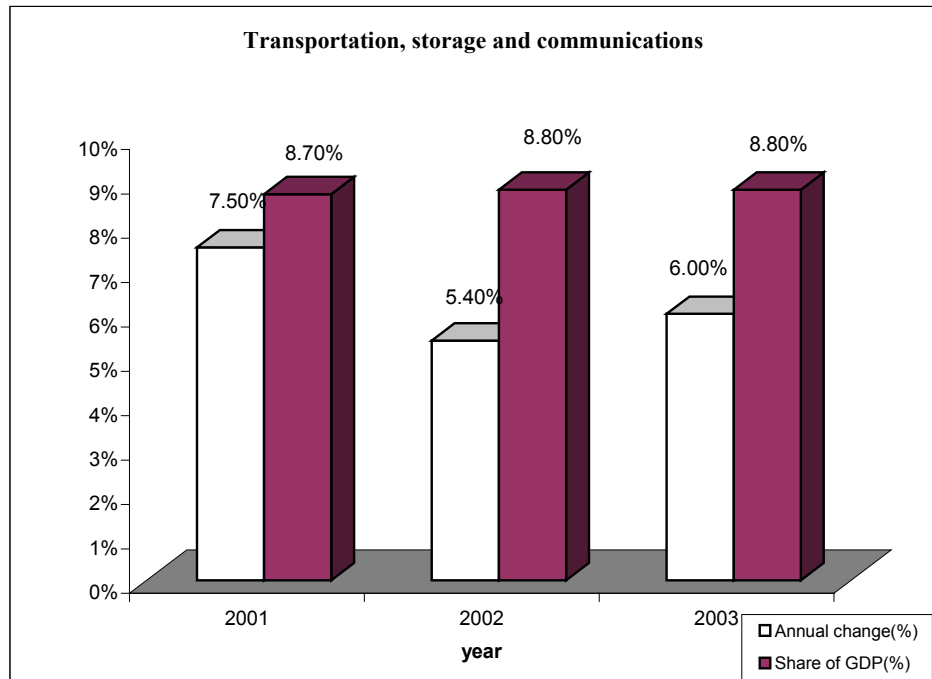
5 INDUSTRY OVERVIEW (Cont'd)

5.2.3 LOGISTICS INDUSTRY IN MALAYSIA

Transportation of goods from suppliers to end-users is an activity that has been on going in Malaysia since the development of the plantation and tin mining sectors. Initially the producers themselves handled these functions but gradually independent haulage suppliers, warehouse operators and freight forwarders came into the scene. This growth accelerated with the rise of the manufacturing and the petroleum mining sectors.

Currently, the logistics sector comprises a large number of small players at its base and a small number of large players at the higher end. These large players consider themselves as the total logistics service suppliers that are moving towards multimodalism. Multimodalism means the availability of transportation mode choices for goods which is system-oriented and describes a total transportation network. The concept of total logistics provider was developed less than a decade ago where the provision of horizontally integrated and multi-mode transport logistics services, in other words, the provision of a full range of logistics services from supplier to end-users, with various choices of transportation mode, in order to make goods and services available at the point of sale in sufficient quantity and quality, is coming out of the infancy stage and is now entering the growth stage.

The activities involved in the “logistics industry” is a subset of the “Transport, storage and communications” industry group in the Treasury Economic Report. The annual growth rate and the share of GDP for the Malaysian transportation, storage and communications sub-sector from 2001 to 2002 and the forecasted annual growth rate and the share of GDP for year 2003 are as follows:-



(Source:Economic Report 2002/2003)

5 INDUSTRY OVERVIEW (Cont'd)

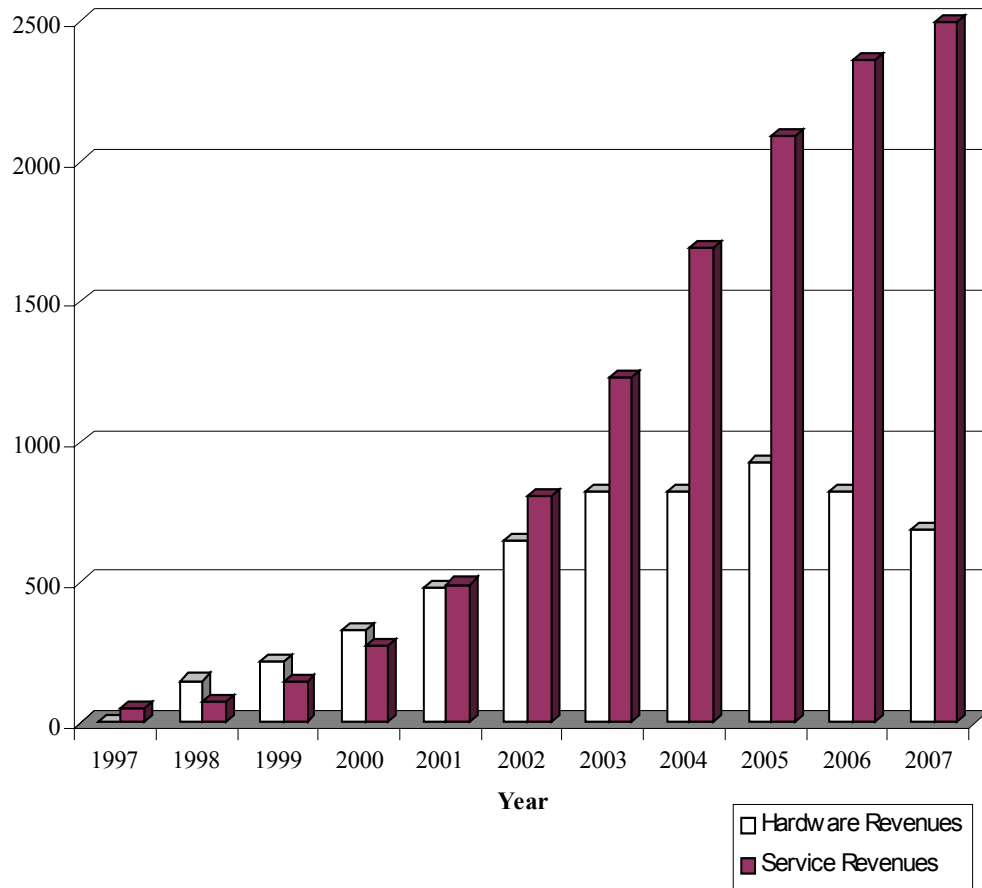
5.3 INDUSTRY GROWTH AND PROSPECTS

5.3.1 AVL MARKET

Being on the verge of take-off, AVL market offers many opportunities. While AVL has been available as a high-priced service for the transportation industry during the past decade, plummeting prices for GPS chips, advances in wireless networks and growing economies of scale now make AVL an affordable product for commercial fleets worldwide.

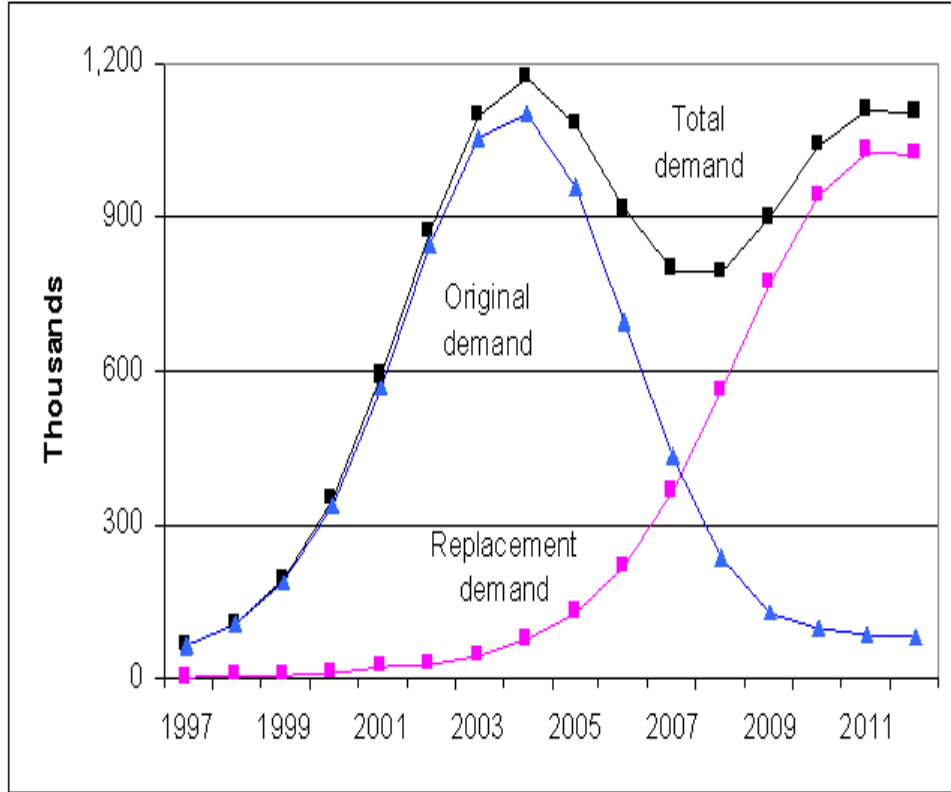
According to a study by Frost & Sullivan, total revenue for AVL market including hardware and service revenues will grow from nearly USD196 million in 1997 to about USD3.1 billion by 2007. The projected revenue growth for the hardware and service for AVL in North America from the years 1997 to 2007 are as follows: -

(USD Million)



5 INDUSTRY OVERVIEW (Cont'd)

To date, only a few hundred thousand AVL units are in use in North America. The projected unit demand for the AVL market in North America from year 1997 to 2011 is as follows: -



In conclusion, according to a study by Frost & Sullivan in 2000, major anticipated trends in the AVL market in the near future are as follows: -

- (i) Strong rising demand in the market-growth phase;
- (ii) Fluctuating demand and hardware revenues as original demand subsides and replacement demand follows;
- (iii) Declining hardware prices;
- (iv) Development of technology to provide lower cost, lower weight, smaller size and better user interfaces;
- (v) Commoditisation of products, resulting in a change in distribution from direct sales to retail sales;
- (vi) Strong growth in service revenues; and
- (vii) Entry of new market participants, even as some current participants leave the market.

(Source: "North American Automatic Vehicle Location Hardware and Service Markets" dated February 2001 – Frost & Sullivan)

5 INDUSTRY OVERVIEW (Cont'd)

5.3.2 IT INDUSTRY IN MALAYSIA

The IT industry is expected to grow in tandem with the improvement in the local economy and the Government's encouragement to strengthen the IT capabilities of the nation. According to the Economic Report 2002/2003, the strong performance of mobile phones and internet services of the telecommunications industry and the rise in local port transshipment activities is expected to continue to contribute to the expansion in the transport, storage and communication sub-sector at 5.4% in 2002 (2001 : 7.5%).

PIKOM recorded that the number of Internet subscribers in Malaysia has grown between 20% to 40% over the past 5 years and is forecasted to grow in the future, as higher usage of the Internet as a mode of commerce is expected. The growth of e-commerce, lowering of costs of technology and technological advancements thus should fuel the growth of companies web-enabling their business processes. The Company would therefore benefit from the growth of companies taking advantage of the opportunities offered by Internet technology.

5.3.3 LOGISTICS INDUSTRY IN MALAYSIA

The outlook for the industry is expected to be favourable. The strong performance of mobile phones and internet services of the telecommunications industry and the rise in local port transshipment activities has continued to contribute to the expansion in the transportation, storage and communications sub-sector. Export performance has generally picked up in 2002 after experiencing negative growth over the previous twelve months on the back of an improving world economic and trade environment. Port development continued to focus on expanding capacity, upgrading and increasing equipment and facilities as well as enhancing the efficiency of ports and port-related activities. With the relocation of the operations of Maersk Sealand and Evergreen, two of the world's largest shipping companies, from a neighbouring country to Malaysia, this has resulted in a strong performance of container throughput.

(Source: Economic Report 2002/2003)

As a majority of the Company's clients are players in the logistics industry, the prospects of the Company is dependent on the growth of logistics industry, especially in the area of e-commerce. With technological advancements in the logistics industry, the Company anticipates that there will be a strong market potential for its product and services.

5.4 INDUSTRY PLAYERS AND COMPETITION

5.4.1 GLOBAL AVL MARKET

According to Frost & Sullivan, there are approximately 150 companies competing in the North American AVL market. Generally the AVL market is segmented into three sectors, as follows: -

5 INDUSTRY OVERVIEW (Cont'd)

Local-Use Segment

The local-use segment which is described as the intra-state transportation of goods, is believed to have the largest market potential and is attracting the most competitors. According to Frost & Sullivan, local-use AVL revenues in North America will grow from USD522.7 million in 2001 to USD2.2 billion in 2007. The market for AVL units for local use is currently smaller than the long-haul-use segment, but is expected to grow significantly larger. Major market participants in this segment are @Road, AirLink, Integrated Systems Research and Teletrac.

Long-haul-Use Segment

The long-haul-use segment which is described as the inter-state transportation of goods has been tapped to a fair degree, as most of the major long-haul fleets have installed AVL equipment in their trucks. Most AVL units currently in use are in long-haul applications. The long-haul use AVL revenues in North America will grow from USD592 million in 2001 to USD767 million in 2007. The dominant player in long-haul AVL is Qualcomm, a developer and supplier of digital wireless communications products and services, which utilise CDMA technology.

Trailer-Use Segment

This segment, described as the transportation of agricultural materials livestock and extra heavy loads such as hay, cattle, sheep and heavy machinery that cannot be containerised, presents growth opportunities from a smaller revenue base than local fleet market. According to Frost & Sullivan, the infant trailer fleet market will zoom from USD26.9 million in 2001 to USD142.3 million in 2007, representing more than 500 percent growth in revenue. The leader in this sector is Terion, leading business-to-business wireless application service provider based in Melbourne, Florida.

The top five (5) AVL services providers which accounted for 68% of total market in North America are as follows: -

Company	Capabilities
@ Road, Inc	Tracking, two-way messaging
@ Track Communications, Inc	Tracking, voice and data communications, GPS location, generate state mileage reports, location status reports, panic alarm, customised applications
Montient Corp.	Tracking, condition monitoring
Qualcomm, Inc.	Tracking, two-way data and voice communications
Teletrac	Tracking, messaging, tracking, two-way communication, productivity reports, exception alerts

(Source: "North American Automatic Vehicle Location Hardware and Service Markets" dated February 2001 – Frost & Sullivan)

5.4.2 AVL MARKET IN MALAYSIA

In Malaysia, the market for AVL equipment and services is still in an infancy stage. Within the AVL market in Malaysia, there are several players in the market that competes on different market segments. The Board believes that this market is poised for rapid growth and they face competition from the following companies: -

- (i) Telekom Malaysia Berhad
- (ii) Cybertrek (Malaysia) Sdn. Bhd.;
- (iii) OTC Digital Mapping Services Sdn. Bhd.;
- (iv) Rimman VM (Malaysia) Sdn. Bhd.;
- (v) Global Watch Sdn. Bhd. ; and

5 INDUSTRY OVERVIEW (Cont'd)

(vi) Netstar Advanced Systems Sdn. Bhd.

The Board believes that the Company has a competitive advantage in providing Internet based vehicle tracking services since its competitors do not have Internet-based tracking system that allows their subscribers to track vehicles on their own. In other words, Cybertowers clients can track their fleet information by connecting to the control center facility provided by the AVL services providers with an Internet-connected PC or laptop. In addition, the Company is positioning its Internet based vehicle tracking services to the SME market, which is where the largest part of the market is in Malaysia. With its competitive advantage and this market positioning, the Board believes that the Company is able to minimise the competition.

5.5 RELEVANT LAWS AND REGULATIONS GOVERNING THE INDUSTRY AND PECULIARITIES OF THE INDUSTRY

There are currently no specific regulations governing the AVL industry in Malaysia nor is the Board currently aware of any specific material peculiarity in the said industry.

Recognising the importance of IT as the foundation of national development in the future, the Government has introduced various policies and incentives to encourage the growth of the IT industry. The most important milestone of the IT development programme is the MSC. The MSC will provide the catalyst for the synergistic expansion of related IT industries/products and create the enabling environment for orderly development of IT in the country. The MSC has led to the emergence of new service-based industry clusters, including software development, telecommunications, animation, production and broadcasting, provision of on-line services, education and training, R&D, and networks and broadband applications. In order to promote the MSC, several flagship applications have been identified such as electronic government, smart schools, multipurpose card and telemedicine. The flagship applications for multimedia environment development are R&D clusters, worldwide manufacturing webs and borderless marketing.

5.6 DEMAND AND SUPPLY CONDITIONS

The Board believes that the demand for the AVL products and services is expected to grow due to various factors such as declining prices in electronic components, increased market awareness by users, improving communication technologies which offer more accuracy and speed in data transmission and growth in the popularity of the Internet as well as wireless technology. The Company would continue to promote its products and services to its existing and prospective clients. Supply for AVL products and services would be provided mainly by companies having proven technology in this industry, especially in developing and upgrading digital maps and implementing wireless data applications.

5.7 SUBSTITUTE PRODUCTS AND SERVICES

Currently, products such as walkie-talkie and mobile phones are more widely accepted by the general public although these are not perfect substitute products since they have limitations and less features as compared to the AVL products. Due to competition, the AVL market is normally differentiated by the features and pricing of the products and services.

5 INDUSTRY OVERVIEW (Cont'd)

5.8 DEPENDENCE ON OTHER INDUSTRIES

The Company provides vehicle tracking services to industry players in the logistics industry, which in turn is highly dependent on the performance of the manufacturing and trade sectors of the economy. Essentially, it is the growth of production (especially manufacturing) and consumption (consumer and industrial goods) activities that are the basic drivers of the industry. External developments and domestic factors point to stronger recovery of the manufacturing sector in 2002. Growth of the electronics industry which is the main driver of the manufacturing sector is expected to pick up. In addition, the increased outsourcing activities by semiconductor producers in US and the EU is projected to continue and Malaysia is expected to benefit from this trend. According to the Economic Report 2002/2003, the manufacturing sector is expected to register a stronger growth of 8.5% in 2003 (2002:5.1%) due to strong output growth of consumer durables.

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6 FINANCIAL INFORMATION

6.1 PROFIT AND LOSS ACCOUNTS

The following, as extracted from the Accountants' Report set out in Section 13 of this Prospectus, is a summary of the financial results of Cybertowers for the five (5) financial years ended 31 August 1998, 1999, 2000, 2001 and 2002, and for the four (4) month period ended 31 December 2002:-

	← Financial Year Ended 31 August →					4 month period ended 31 December
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	965	4,111	1,711
EBITDA	(29)	(188)	(497)	(116)	1,492	718
Depreciation	-	-	-	-	(70)	(59)
Interest	-	-	-	-	-	-
Amortisation of R&D expenditure	-	-	-	-	(400)	(133)
Profit/(Loss) before Taxation	(29)	(188)	(497)	(116)	1,022	526
Taxation	-	-	-	-	-	-
Profit/(Loss) after Taxation	(29)	(188)	(497)	(116)	1,022	526
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	3,126 ^{*1}	10,000 ^{*1}	10,000 ^{*1}	24,493 ^{*1}	56,209	59,819
Net earnings/(loss) per share based on weighted average number of shares in issue (sen) ^{*2}	(0.93)	(1.88)	(4.97)	(0.47)	1.82	2.64*

* Annualised

Notes:-

^{*1} The par value of the ordinary shares in issue during the respective financial years of RM1.00 each is deemed to have been sub-divided into ordinary shares of RM0.10 value each to facilitate comparison since Cybertowers has on 26 November 2001 sub-divided every one (1) of its ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each.

^{*2} The net earnings/(loss) per share for the respective financial years/period under review have been calculated based on profit/(loss) after taxation divided by the weighted average number of ordinary shares (at par value of RM0.10 each) in issue during the respective financial years/period.

6 FINANCIAL INFORMATION (Cont'd)

- (i) *The Company commenced business operations on 5 January 2001.*
- (ii) *The financial results of the Company have been prepared based on accounting policies consistent with those normally adopted in the preparation of the Company's audited financial statements save for the changes in the accounting policies mentioned in Section 4 of the Accountants' Report under Section 13 of this Prospectus.*
- (iii) *There were no extraordinary or exceptional items in respect of all the financial years/period under review.*
- (iv) *The Company has not declared any dividend in the past.*
- (v) *The financial statements of the Company for the past five (5) financial years ended 31 August 2002 and four (4) month period ended 31 December 2002 were not subject to any auditors' qualification.*

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 OF THIS PROSPECTUS.

6.2.1 SEGMENTAL ANALYSIS

No segmental information is presented as the Company is principally engaged in a single business activity of developing and providing vehicle tracking services within the IT industry in Malaysia.

6.2.2 OVERVIEW OF REVENUE AND OPERATING PROFITS GROWTH AND FACTORS CONTRIBUTING THERETO

Financial year ended 31 August 1998

The Company has not commenced business operations during the financial year under review. The loss before taxation of approximately RM0.29 million was due to pre-operation expenses written off retrospectively in accordance with MASB Standard 1.

Financial year ended 31 August 1999

There was no revenue received during the financial year under review but minimal expenses were incurred. The Company has started developing and testing its internet-based AVL system and these expenses which amounted to approximately RM0.19 million were charged as an expense in the income statement to comply with MASB Standard 4 "Research and Development Cost".

Financial year ended 31 August 2000

There was no revenue received in the financial year under review and expenses remained constant. The R&D expenditure written off increased by approximately RM0.50 million resulting in a pretax loss of approximately RM0.50 million.

Financial year ended 31 August 2001

The Company commenced business operation in January 2001, generating a turnover of approximately RM0.97 million. However, the Company recorded a pretax loss of approximately RM0.12 million due to the writing off of R&D expenditure amounting to RM0.42 million.

6 FINANCIAL INFORMATION (Cont'd)

Financial year ended 31 August 2002

Turnover increased substantially by 326% from RM0.97 million in financial year ended 31 August 2001 to approximately RM4.1 million in the financial year ended 31 August 2002. This was mainly due to the business expansion and aggressive marketing strategy adopted by the Company to penetrate new markets.

The Company achieved a pretax profit of approximately RM1.0 million for the financial year under review.

4 month period ended 31 December 2002

For the four (4) month period ended 31 December 2002, the Company maintained its business expansion strategy and achieved a turnover and pretax profit of approximately RM1.7 million and RM0.50 million respectively.

6.2.3 IMPACT OF FOREIGN EXCHANGE DIFFERENCES AND INTEREST RATES

There is no significant impact of foreign exchange differences and interest rates as the Company operates within Malaysia.

6.2.4 TAXATION

There was no provision for the current year and deferred taxation for business profits as the Company has been granted pioneer status under the Promotion of Investments Act, 1986, by virtue of its MSC status.

6.2.5 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.

6.2.6 CHANGE IN ACCOUNTING POLICIES AND PRACTICES

- (a) Prior to 1 September 2001, the accounting policy on plant and equipment was to include operating software and depreciate it at 12% per annum on a straight line basis.

During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 15 "Property, Plant and Equipment", the Company has changed its policy by reclassifying the operating software to R&D Expenditure and amortising the expenditure over a period of ten (10) years.

- (b) Prior to 1 September 2001, the accounting policy on R&D Costs was being recognised as an intangible asset in the balance sheet.

During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 4 "R&D Costs", the Company changed its policy by charging the R&D Costs other than the operating software as stated in 6.2.6(a) above, as an expense in the income statement.

These changes in policies have been applied retrospectively and have resulted in an increase in the Company's profit for the financial year ended 31 August 2002 by RM80,000 (financial year ended 31 August 2001 : Increase loss by RM423,980).

6 FINANCIAL INFORMATION (Cont'd)

There are no other changes in accounting policies except as stated above.

6.2.7 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE

As at 4 June 2003, being the latest practicable date prior to the printing of this Prospectus, and save for the risk factors disclosed in Section 3 of this Prospectus, the financial conditions and operations of the Company are not affected by any of the following :-

- (a) known trends, demands, commitments, events or uncertainties that have had or that Cybertowers reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of Cybertowers;
- (b) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of Cybertowers;
- (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 Cybertowers.

6.3 AMORTISATION POLICY

Costs incurred in respect of the development projects (relating to the design and testing of new or improved products) are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits.

Development costs that have been capitalised are amortised on the straight line basis over the period of their expected benefit, which is estimated to be 10 years.

6.4 CAPITAL COMMITMENT

As at 4 June 2003, being the last practicable date prior to the printing of this Prospectus, Cybertowers has no capital commitments.

6.5 WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

The Board is of the opinion that after taking into account the gross proceeds from the Public Issue, the Company will have adequate working capital for the foreseeable requirements.

As at 4 June 2003 (being the last practicable date prior to the printing of this Prospectus): -

- (i) The Company has no outstanding material contingent liabilities;
- (ii) The Company has no outstanding borrowings either long-term or short-term and interest-bearing or non-interest bearing;

6 FINANCIAL INFORMATION (Cont'd)

- (iii) The Company has no contracted capital commitments not provided for in the accounts in respect of purchase of land, building and plant machinery and construction of factory buildings; and
- (iv) The Company is not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant and the Board has no knowledge of any proceedings pending or threatened against the Company or any facts likely to give rise to any proceedings which might materially effect the position and business of the Company.

6.6 FUTURE FINANCIAL INFORMATION

Due to the uncertain nature and inherent risks of the business of Cybertowers, no future financials are included in this Prospectus. For more details on the risk factors, please refer to Section 3 of this Prospectus.

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7 SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN

Short to medium term plans

Over the next two years, the Company will focus on R&D to establish its competitiveness in the AVL market in Malaysia. The Company intends to develop both hardware and software to enhance the existing CyberTrack in order to offer more value added services to users at a competitive price. The Company would also emphasise on developing a navigation system to direct users to reach their destination in the most efficient manner. To achieve its target, the Company expects to increase its R&D effort by investing in R&D equipment, recruiting and training more knowledge workers in developing more products and services as outlined in the product development plan in Section 4.3.8 of this Prospectus. Staff development via courses, seminars and on-the-job training would be conducted to improve the technical staff's capabilities and to enable them to keep abreast with new technology.

In addition, the Company will focus on building a bigger market share for its products and services. To achieve its target, the Company plans to appoint more distribution agents nationwide to market the Company's products and services. The Company will also emphasise its after-sales client servicing, maintenance services and direct marketing calls to build client relationship. In order to build brand awareness and raise the Company's profile, the Company intends to organise road shows and product presentations to car manufacturers distributors and assembles to promote the Company's products and services.

Long term plans

In the long term, the Company intends to forge joint ventures with other industry partners overseas in order to penetrate a wider geographical area. For a start, the Company will venture into Singapore, Thailand and the PRC markets. The Company would appoint distribution agents for a defined territory to market its products. The Company believes that such a strategy would minimize the risks associated with the opening new branch offices or setting up of new subsidiaries.

In addition, the Company plans to enhance its products and services to interface with new telecommunications technology such as 2G+ or 3G which are expected to be implemented in Malaysia. As part of the Company's continuous effort to be self-reliant, the Company targets to develop and upgrade its own digital maps for Malaysia and other foreign markets. The Company's product development would also focus on developing a smaller and lower cost tracking device to track all types of high value movable assets, including individuals.

By implementing the above measures, the Company desires to be one of the fastest growing companies specialising in the development of leading edge cyber solutions in the area of earth sciences, information and telecommunication technologies.

8 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL

8.1 INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS

The Promoters and substantial shareholders of Cybertowers and their respective shareholdings in Cybertowers are as follows:-

Name	Nationality/ Place of incorporation	Principal activity/ Designation	Before the Public Issue				After the Public Issue			
			← No. of Cybertowers Shares held →				← No. of Cybertowers Shares held →			
			Direct	%	Indirect	%	Direct	%	Indirect	%
Ikhtiar Syahdu*	Malaysia	Investment Holding	49,328,750	82.46	-	-	49,328,750	49.33	-	-
Wong Kek Wei *	Malaysian	Managing Director	6,000,000	10.03	-	-	6,000,000	6.00	-	-
Wong Chook Ping *	Malaysian	Executive Director	-	-	49,328,750	82.46 ^{*1}	-	-	49,328,750	49.33 ^{*1}
Tan Soon Sam @ Tang Suon Sam	Malaysian	-	-	-	49,328,750	82.46 ^{*1}	-	-	49,328,750	49.33 ^{*1}

Notes:-

* Promoters of Cybertowers.

^{*1} Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

Profile of Promoters and substantial shareholders

The profiles of Wong Kek Wei and Wong Chook Ping are set out in Section 8.2 of this Prospectus.

The profile of Ikhtiar Syahdu are as follows: -

- Ikhtiar Syahdu was incorporated on 18 February 1997 under the Companies Act, 1965 as a private limited company.
- The authorised share capital of the company is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of the company is RM2.00 divided into two (2) ordinary shares of RM1.00 each.
- The principal activity of the company is investment holding.
- The details on the directors and substantial shareholders of the company are as follows:-

Name	Nationality	← No of shares held →			
		Direct	%	Indirect	%
Wong Chook Ping	Malaysian	1	50	-	-
Tan Soon Sam @ Tang Suon Sam	Malaysian	1	50	-	-
		2	100	-	-

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

- e) Ikhtiar Syahdu does not have any subsidiary or associated company;
- f) Besides Cybertowers, Ikhtiar Syahdu also holds 2,766,000 ordinary shares of RM1.00 each (6.93 %) in Bright Packaging Industry Berhad, which is principally involved in manufacturing aluminium foil packaging materials, optical fibre and optical fibre cables, property investment and printing and manufacturing of packaging boxes and materials.

8.2 DIRECTORS

(i) Profile

The profiles of the Board are as follows: -

**Wong Kek Wei
Managing Director**

Wong Kek Wei, aged 29, was appointed to the Board on 8 June 2001. He is the Managing Director, Chief Executive Officer and Software Manager of Cybertowers. He graduated with a Bachelor of Science in Computer and Mathematical Science from Victoria University of Technology in Melbourne in 1998. Upon graduation, he joined Yano Electronics (M) Sdn. Bhd. which is involved in the manufacture and sale of cassette mechanisms, floppy disk drive parts, loading mechanism for video recorders and mechanical chassis for video tape recorders, as a System Analyst, responsible for analysing problems, designing and implementing new manufacturing planning resources system for the company. He left Yano Electronics in 2000 and joined Cybertowers as a Software Manager where he is responsible in analysing, designing and implementing new product features and services for CyberTrack.

**Wong Chook Ping
Executive Director**

Wong Chook Ping, aged 70, was appointed as the Executive Director of Cybertowers on 26 July 2002. He is involved in the investment decision making of the Company. As a businessman, he has been involved in timber business for 15 years and construction business as well as investments for more than 10 years. Apart from Cybertowers, Mr. Wong also sits on the board of several companies involved in investment holding.

**Lai Kiau Moi @ Chai Chin Thai
Independent Non-Executive Director**

Lai Kiau Moi @ Chai Chin Thai, aged 53, was appointed as the Independent Non-Executive Director of Cybertowers on 16 March 2001. She completed her secondary school in 1968 and upon graduation, she joined Lian Hup Trading, a logging trading company, as an Accounts Executive. From 1972 to 1988, she worked as an Accounts Executive with University of Malaya. She worked as an Accounts Executive with Mahlgai Taxi Sdn. Bhd., a taxi services provider, from 1989 to 1991. In 1992, she joined Moflex (M) Sdn. Bhd., which is involved in interior renovation, as an Accounts Supervisor and left in 1995 to join Chop Yew Lee, a retailer of petroleum products, as an Accounts Manager where she is currently employed.

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

Chai Yoon Heng Independent Non-Executive Director

Chai Yoon Heng, aged 35, was appointed as the Independent Non-Executive Director of Cybertowers on 23 November 2001. He graduated with a Bachelor of Accounting from University of Malaya in 1992. He is a Public Accountant registered with the Malaysian Institute of Accountants. He was attached with E.S.Lim & Co., Chartered Accountants for eight (8) years from 1992 to 1999 where he last served as Audit Manager. In March 2000, he joined NWP Holdings Berhad, a Main Board listed company which is principally involved in manufacturing various types of timber products, sawn timber trading and provision of timber treatment and kiln drying services, as the Corporate Affairs Manager responsible for the Group's corporate matters.

(ii) Directors' Shareholdings in Cybertowers

The shareholdings of the Board in Cybertowers are as follows: -

Name	Before the Public Issue				After the Public Issue			
	←No. of Cybertowers Shares held→				←No. of Cybertowers Shares held→			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Wong Kek Wei	6,000,000	10.03	-	-	6,000,000	6.00	-	-
Wong Chook Ping	-	-	49,328,750	82.46*	-	-	49,328,750	49.33*
Lai Kiau Moi @ Chai Chin Thai	-	-	-	-	4,000,000**	4.00	-	-
Chai Yoon Heng	-	-	-	-	4,000,000**	4.00	-	-

Notes:-

* Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

** Based on the assumption that he/she would subscribe for their respective Issue Shares allocated to them under the private placement tranche of Issue Shares.

(iii) Directorships and Substantial Shareholdings of the Directors, Promoters and substantial shareholders in Other Public Companies for the Past Two (2) Years

None of the Directors, Promoters and substantial shareholders holds or has 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.

(iv) None of the Directors, Promoters and substantial shareholders is or was involved in the following events whether in or outside Malaysia: -

- (a) A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;

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

- (b) Conviction in a criminal proceedings or is a named subject of a pending criminal proceedings; or
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction 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.
- (v) Save for Wong Kek Wei who has entered into a service agreement with Cybertowers as detailed in Section 8.4(v)(b), none of the Directors, Promoters and substantial shareholders have entered into any service agreements, which are not terminable by notice without payments or compensation other than statutory compensation, with the Company.

(vi) Directors' Remuneration and Benefits

The remuneration paid to the Directors of the Company for services rendered in all capacities to the Company for the financial year ended 31 August 2002 amounted to RM92,719. For the financial year ending 31 August 2003, the remuneration payable to the Directors is estimated at RM100,000.

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

	Aggregate Remuneration					
	Financial year ended 31 August 2002			Financial year ended 31 August 2003		
	Executive Director	Non-Executive Director	Total	Executive Director	Non-Executive Director	Total
Up to RM100,000	2	-	2	2	2	4

- (vii) No Director, substantial shareholder and promoter is related to one another.

8.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows: -

Name	Designation	Directorship
Chai Yoon Heng	Chairman of the audit committee	Independent Non-Executive Director
Lai Kiau Moi @ Chai Chin Thai	Member of the audit committee	Independent Non-Executive Director
Wong Kek Wei	Member of the audit committee	Managing Director

The Audit Committee, comprising two (2) Independent Non-Executive Directors and one (1) Executive Director (not being the Chief Executive Officer of Cybertowers), 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 Company's external auditors and reviews and evaluates the Company's internal audit and control functions. The

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

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 profiles of the key personnel of Cybertowers are as follows: -

Wong Kek Wei **Software Manager**

Please refer to Section 8.2 of this Prospectus for his profile.

Ong How Beng **Product Development Manager**

Ong How Beng, aged 31, is the Product Development Manager of Cybertowers. He is responsible for product design and sourcing of products. He is also responsible for maintaining the System for the company. He obtained his Diploma in Electrical Engineering from Feng Chia University, Taiwan in 1989. Upon graduation, he joined Fu Mon Information Co. Ltd in Taiwan, a company engaged in the supply and maintenance of computer hardware and software, where he supervised after sales service and software customisation. He returned to Malaysia in 1991 and joined IPC Systems (M) Sdn. Bhd., a company supplying computer hardware as the Head of Customer Service. He left IPC to join Computown Sdn. Bhd., a company supplying hardware and software, as a technical supervisor in 1993 where he was in charge of training and quality assurance.

Between 1994 and 1997, he ventured out on his own in retailing hardware and software including providing networking services. Due to the economic slow down he joined Accord Computer Services Sdn. Bhd. as an Assistant Manager in charge of operations. Accord Computer Services Sdn. Bhd. is involved in networking services and general maintenance of computer systems. He left Accord Computer to join Cybertowers in 1999 as Product Manager where he was involved in the development of CyberTrack.

Hai Dai Yuan **Map Manager**

Hai Dai Yuan, aged 59, is the Map Manager responsible for supervising and developing CyberTrack. In addition, she provides consultancy service in GIS and GPS on R&D for digital maps. She graduated with a Master in Geophysics in 1984 from Geology University of China. In 1964, she started her career as a Senior Teacher with Guilin College of Technology. She later rose to the position of Dean for the Geophysics Department in 1989 where she was involved in the National 305 Project of the 7th Five-Year Plan of China. At the age of 47, she was promoted to the position of Director for the High-tech Institute of Geophysics with Guilin College of Technology. She was appointed by the Ministry of Defence to carry out detection of underground cavities after nuclear blasting. She was also engaged in scientific research and study projects on geological faults, underground water and earthquake in USA, Canada and Mexico in 1992 to 1993. From 1990 to 1995, she completed more than 50 geophysical surveying projects in PRC. She was awarded a Unique

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

Contribution Expertise by the State Council of China in 1992 and the Best Professor in Natural Science by National Education Committee of China in 1993.

In 1995, she moved to Malaysia and joined Terrawest Sdn. Bhd., which is involved in providing geophysical subsurface prospecting or surveying service, as an Executive Director where she was responsible for providing expert services of geophysical subsurface prospecting and processing software to detect underground geological structures. At Terrawest Sdn. Bhd., she completed about 30 projects successfully. In 1996, she was listed in the World-Famous American Directory of Well-Known as a geologist. She joined Cybertowers in 1997 as an Executive Director and resigned in August 2000 following a change in ownership of the Company. She was however re-offered the position of Map Manager by the new owners and continued working for the Company.

**Ding Ming Tiong
Business Development Manager**

Ding Ming Tiong, aged 30, is the Business Development Manager of Cybertowers and his major role and responsibilities include sales and marketing planning. He graduated with a Diploma in Electronic, Computer and Telecommunication Engineering with Damansara Utama College in 1991. In 1993, he joined Dataprep Holdings Berhad, a Second Board listed company, as a Customer Service Engineer where he was responsible for supporting and maintaining customer computer system. Thereafter, he joined Long Huat Group Berhad, a manufacturer and distributor principally engaged in timber moulding and related machinery activities, as an Assistant Factory Manager in 1995. As the Assistant Factory Manager at Long Huat Group, he was responsible for monitoring the factory operation such as products design, costing, production planning. He left Long Huat Group in 1997 and joined DH Computer Sdn. Bhd., which is involved in sales and service of computer related products, as a Marketing Manager. He left DH Computer Sdn. Bhd. to join Cybertowers in 2000.

**Ng Yen Soon
Finance Manager**

Ng Yen Soon, aged 39, is the Finance Manager of Cybertowers where he is responsible for the overall financial management of the Company. He graduated from Systematic Institution, Kuala Lumpur. He is an Associate member of The Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants. He has not less than 13 years working experience as an Accountant, of which 7 years is in a managerial position. Upon graduation, he joined Heveafil Sdn. Bhd., which is involved in the manufacture of rubber thread, as an Accounting Clerk in 1986. Within the span of 4 years, he rose to the position of Accounting and Finance Manager where he was responsible for overseeing the operation of the accounting and finance department. In 1994, he left Heveafil Sdn. Bhd. to join Ban Seng Guan Sdn. Bhd. as a Finance Manager, which is involved in the distribution of fertilizers and animal feeds. He was responsible for overseeing the company's operation and assisting the Managing Director in the aspects of sales and marketing activities. In 1997, he joined Chung Wah Plastics, as a Group Accountant. In 2000, he joined MDD Distribution Sdn. Bhd., which is involved in the distribution of food products, as an Accounting Manager. His last position was that of a Finance Manager in Bright Packaging Industry Berhad, which he joined in 2001. The company is a Second-Board listed company which is principally involved in manufacturing aluminium foil packaging materials, optical fibre and optical fibre cables, property investment and printing and manufacturing of packaging boxes and materials. He joined Cybertowers in 2001.

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

- (ii) Save as disclosed below, none of the key personnel have any shareholdings (both direct and indirect) in Cybertowers:-

Name	Designation	No. of Cybertowers Shares held after the Public Issue			
		Direct	%	Indirect	%
Wong Kek Wei	Software Manager	6,000,000	6.00	-	-
Ong How Beng	Product Development Manager	100,000*	0.10	-	-
Hai Dai Yuan	Map Manager	100,000*	0.10	-	-
Ding Ming Tiong	Business Development Manager	100,000*	0.10	-	-
Ng Yen Son	Finance Manager	100,000*	0.10	-	-

Note:-

* *Based on the assumption that he/she would subscribe for their respective Issue Shares allocated to them pursuant to the allocation of Issue Shares to eligible employees of Cybertowers.*

- (iii) None of the key 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.
- (iv) None of the key personnel is or was involved in the following events: -
- A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation in which he was a director or key personnel;
 - Conviction in a criminal proceedings or is a named subject of a pending criminal proceedings; or
 - The subject of any order, judgement or ruling of any court of competent jurisdiction 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.
- (v) Save as disclosed below, none of the key personnel has entered into any service agreements, which is not terminable by notice without payments or compensation other than statutory compensation, with the Company:-

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

(a) By a letter dated 31 May 2000, Cybertowers agreed to extend the appointment of Hai Dai Yuan as Chief Project Manager of the Company for an additional period of three (3) years commencing from 1 June 2001 and Hai Dai Yuan agreed to the extension, subject to the terms and conditions as set out in the letter of appointment. Salient provisions of the letter of appointment are as below:-

a(i) Job function

The Chief Product Manager shall provide consultancy service in GIS and GPS R&D for the electronic map.

Meanwhile, the transfer know-how technology to support IT/Multimedia Niche product.

a(ii) Confidentiality

The Chief Product Manager shall at all times treat all the Company's matters with full confidentiality. The Chief Product Manager shall not at any time during her appointment or thereafter directly disclose, divulge, make public or use in any way or manner for her benefits or otherwise any secrets, transactions or information in or relating to the Company's business or matters or any of its customers which may come within her knowledge or possession which should not be disclose, divulged or make public without the written consent from the Company.

a(iii) Other Employment

The Chief Product Manager shall not without the written consent from the management at any time during the appointment directly or indirectly engage or be involved in any other work, job, employment or business.

a(iv) Termination

One (1) month notice is required by either party. The Chief Product Manager's services will be terminated within 24 hours without any notice or payment in lieu of such notice and without any compensation if any of the following happens:-

- 1) If the Chief Product Manager fails to perform the work as and when required or disobey or neglect any lawful order or direction of the Company;
- 2) If the Chief Product Manager is absent from work for more than two (2) consecutive working days without authorised leave except in the case of illness or accident;
- 3) For serious misconduct including drug abuse and dependency, dishonesty, insubordination, gross neglect of duties, criminal conviction, bankruptcy, defamation against the Company, misuse of Company's property and causing damages to the said property and any other default;

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

- 4) If the Chief Product Manager is discovered to have divulged the Company's confidential matters and trade secrets to outsiders; or
- 5) If the Chief Product Manager uses her position for her own personal benefit at the expense of the Company.

Upon such termination, the Chief Product Manager shall not be entitled to claim from the Company any compensation, damages or payment for or in respect of such termination.

- (b) By a contract of service dated 16 September 2002, Cybertowers appointed Wong Kek Wei as Chief Executive Officer of the Company for a period of five (5) years, commencing from 1 July 2002 and Wong Kek Wei agreed to the appointment, subject to the terms and conditions as set out in the said contract. Salient provisions of the contract of service are as below:-

b(i) Responsibilities

The Chief Executive Officer shall be responsible for the performance and completion of the said task and/or to adhere and to implement any directions or orders approved or made by the Board.

b(ii) Confidentiality

The Chief Executive Officer shall at all times treat all the Company's matters with full confidentiality. The Chief Executive Officer shall not at any time during his appointment herein or thereafter directly, divulge, made public or use in any way or manner (for his own benefits or otherwise) any secrets, transactions or information in or relating to the Company's business or matters which may come within the Chief Executive Officer's knowledge or possession which should not be disclosed, divulged or made public without the written consent from the Company.

b(iii) Other Employment

The Chief Executive Officer shall not at any time during his appointment directly or indirectly engage or be involved in any other work, job, employment or business without the written consent from the Board.

b(iv) Rules & Regulations

The Chief Executive Officer shall observe and comply with all the terms, conditions, rules and regulations that may be laid down by the Company from time to time in writing at the Company's absolute discretion.

b(v) Termination

- 1) If the Chief Executive Officer is charged in any courts for any criminal offences;

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

- 2) If the Chief Executive Officer uses his position in the Company for his own personal benefit at the expense of the Company;
- 3) If the Chief Executive Officer has committed any serious misconduct, dishonesty, defamation against the Company, gross neglect of duties, insubordination, misuse of the Company's properties or causing damage to same or is found to be a drug dependant or a bankrupt; or
- 4) If the Chief Executive Officer is in breach of any terms of the agreement.

(vi) None of the key personnel is related to one another.

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

8.5 CHANGES IN SUBSTANTIAL SHAREHOLDERS AND THEIR SHAREHOLDINGS IN CYBERTOWERS FOR THE PAST THREE (3) YEARS

	As at 31.12.2000				As at 31.12.2001			
	No. of shares of RM1.00 each				No. of shares of RM1.00 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Teh Beng Ching	47,550	4.75	-	-	2,000,000	3.57	-	-
Lai Yuen Pheng	47,550	4.75	-	-	2,000,000	3.57	-	-
Ikhtiar Syahdu	808,350	80.84	-	-	49,510,000	88.41	-	-
Claudia Yi-Chiuen Liu	47,550	4.76	-	-	-	-	-	-
James Kok	49,000	4.90	-	-	490,000	0.88	-	-
Wong Kek Wei	-	-	-	-	2,000,000	3.57	-	-
Wong Chook Ping	-	-	808,350	80.84 ^{*1}	-	-	49,510,000	88.41 ^{*1}
Tan Soo Sam @ Tang Suon Sam	-	-	808,350	80.84 ^{*1}	-	-	49,510,000	88.41 ^{*1}

	As at 31.12.2002				As at 1.06.2003			
	No. of shares of RM0.10 each				No. of shares of RM0.10 each			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Teh Beng Ching	2,000,000	3.34	-	-	2,000,000	3.34	-	-
Lai Yuen Pheng	2,000,000	3.34	-	-	2,000,000	3.34	-	-
Ikhtiar Syahdu	49,328,750	82.46	-	-	49,328,750	82.46	-	-
Claudia Yi-Chiuen Liu	-	-	-	-	-	-	-	-
James Kok	490,000	0.83	-	-	490,000	0.83	-	-
Wong Kek Wei	6,000,000	10.03	-	-	6,000,000	10.03	-	-
Wong Chook Ping	-	-	49,382,750	82.46 ^{*1}	-	-	49,328,750	82.46 ^{*1}
Tan Soo Sam @ Tang Suon Sam	-	-	49,328,750	82.46 ^{*1}	-	-	49,328,750	82.46 ^{*1}

Note:-

^{*1} Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

9 APPROVALS AND CONDITIONS

9.1 CONDITIONS TO THE APPROVALS AND COMPLIANCE THEREOF

The SC and KLSE approved the Public Issue on 10 July 2002 and 12 July 2002 respectively. The conditions imposed by the SC and KLSE and the status of compliance are set out as follows:-

Conditions imposed by SC

- | | Status of compliance |
|--|---|
| (i) Cybertowers is required to disclose the status of the utilisation of proceeds from the Public Issue in the Company's quarterly and annual reports until the proceeds are fully utilised; | The Board has undertaken to comply with this condition. |
| (ii) Cybertowers is required to disclose in the Prospectus of the existing transactions and agreements entered into between Cybertowers and the Directors, Promoters and substantial shareholders of Cybertowers or companies or person(s) connected with them; and | Complied. The said information is disclosed in Section 10 of this Prospectus. |
| (iii) Any existing or future transactions between Cybertowers and the companies or person(s) connected with Directors, Promoters and substantial shareholders of Cybertowers are required to be made on an arm's-length basis and terms not detrimental to Cybertowers. The Audit Committee of Cybertowers is required to monitor and the Board to report such transactions in the annual reports of Cybertowers every year. | The Board has undertaken to comply with this condition. |

Conditions imposed by KLSE

- | | Status of compliance |
|---|--|
| (i) A properly drafted undertaking not to venture into similar business that competes with Cybertowers supported by the Company's solicitors opinion on the validity and enforceability of the said undertaking be obtained from James Kok prior to the issuance of Prospectus; | Complied. The said undertaking which is supported by the Company's solicitors opinion on its validity and enforceability has been signed by James Kok on 17 September 2002 as disclosed in Section 15.8(iii) of this Prospectus. |
| (ii) Cybertowers is to adequately disclose in the Prospectus the limited track record of the present management team and the exit of the substantial shareholder namely Demi Maju Sdn Bhd in the past; | Complied. The said information is disclosed in Section 3(i) of this Prospectus. |
| (iii) Cybertowers is to adequately disclose in the Prospectus the amortisation policy including the impact on the historical profit of the Company should the purchase consideration for CyberTrack been classified as an intangible asset from the date of purchase and the amortised amount charged to the profit and loss account; and | Complied. The said information is disclosed in Sections 6.1, 6.2.6 and 6.3 of this Prospectus. |

9 APPROVALS AND CONDITIONS (Cont'd)

Conditions imposed by KLSE	Status of compliance
(iv) A negative statement in the Prospectus on the exclusion of profit forecast and projections from the Prospectus and the reasons thereof.	Complied. The said information is disclosed in Sections 1.11 and 6.6 of this Prospectus.

9.2 MORATORIUM ON PROMOTERS' SHARES

The Cybertowers Shares held by the Promoters amounting to approximately 55.33% of the share capital of Cybertowers at the date of admission, as tabulated below, and any interest therein may not be sold, transferred, assigned or otherwise disposed of, within one (1) year from the date of admission of Cybertowers to the Official List of the MESDAQ Market. Thereafter, they are permitted to sell, transfer, assign or otherwise dispose of up to a maximum of one third per annum on a straight line basis of their respective shareholdings in the Company which is under moratorium.

Moratorium on Promoters

The Cybertowers Shares under moratorium are as follows: -

Promoters	← No. of Cybertowers Shares →				No. of Cybertowers Shares under moratorium		%
	Direct	%	Indirect	%			
Ikhtiar Syahdu	49,328,750	49.33	-	-	41,000,000	41.00	
Wong Kek Wei	6,000,000	6.00	-	-	4,000,000	4.00	
Wong Chook Ping	-	-	49,328,750	49.33*	-	-	
	55,328,750	55.33			45,000,000	45.00	

Note:-

* *Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu. pursuant to Section 6A of the Companies Act, 1965.*

The restriction is specifically endorsed on the share certificates of Cybertowers 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 TRANSACTION/CONFLICT OF INTERESTS

- 10.1 None of the Directors and/or substantial shareholders and/or key personnel of the Company and/or person(s) connected with any of 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 Company, or are proposed to be acquired, or disposed of by or leased to the Company.
- 10.2 None of the Directors and/or substantial shareholders and/or key personnel of Cybertowers has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as that of Cybertowers.
- 10.3 There is no existing or potential related party transactions entered into or to be entered by Cybertowers with the Directors and/or substantial shareholders of Cybertowers and/or key management of Cybertowers and/or person(s) connected with any of them.
- 10.4 Declaration of advisors
- (i) Kenanga hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser for the Public Issue.
 - (ii) Messrs. Lee Perara & Tan 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 Public Issue.
 - (iii) Messrs. Yeap Cheng Chuan & Co has given their confirmation that there are no existing or potential conflicts of interest in its capacity as Auditors and Reporting Accountants for the Public Issue.

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11 OTHER INFORMATION CONCERNING THE COMPANY

11.1 LANDED PROPERTIES

The Company does not have any landed property.

11.2 APPROVALS, MAJOR LICENSES AND PERMIT OBTAINED

Save as disclosed below, the Company does not currently hold any regulatory licenses or permits.

MSC Status

Cybertowers obtained its MSC status on 31 October 1997. Having qualified for MSC status, Cybertowers is expected to operate according to the following conditions to maintain the preferential status: -

- (a) commence operations of and undertake the MSC-Qualifying Activities within six (6) months from the date of approval with any proposed changes being first consented to by MDC.
- (b) locate the Company's headquarters and/or principal work activities of the MSC-Qualifying Activities in a MSC designated Cybercity within six months from the date of the approval;
- (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);
- (d) continuously comply with the MSC's environmental guidelines; and
- (e) comply with all such statutory, regulatory and/or licensing requirements as may be applicable.

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

All the conditions stated above have been complied with by Cybertowers.

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

- (a) To provide a world-class physical and information infrastructure;
- (b) To allow unrestricted employment of local and foreign knowledge workers;
- (c) To ensure freedom of ownership by exempting companies with MSC Status from local ownership requirements;
- (d) To give the freedom to source capital globally for MSC infrastructure, and the right to borrow funds globally; and
- (e) 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.

11 OTHER INFORMATION CONCERNING THE COMPANY (Cont'd)

Cybertowers 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.

Communication and Multimedia Commission License

Cybertowers has been registered as the holder of service application provider license on 3 July 2002. With the license, Cybertowers will be able to provide services as indicated in the Communications and Multimedia (Licensing) Regulations 2000 such as Internet access services, messaging services and telegram services, with a condition that Cybertowers does not provide "Voice-over-IP" service which requires an individual license for the provider. The said condition has been complied with by Cybertowers.

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12 DIRECTORS' REPORT

Cybertowers Berhad (385635-V)

Lot 1-3B, Incubator 3, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur,
Tel: 603-89962996 Fax: 603-89966998

Registered Office:
30B&C, Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

The Shareholders of Cybertowers Berhad

Date: **09 JUN 2003**

Dear Sir/ Madam

On behalf of the Board of Directors of Cybertowers Berhad ("Cybertowers"), I report after due enquiry that during the period from 31 December 2002 (being the date to which the last audited accounts of Cybertowers has been made) to 9 June 2003 (being a date not earlier than fourteen (14) days before the issuance of this Prospectus) :-

- (i) the business of the Company, in the opinion of the Directors, has been satisfactorily maintained;
- (ii) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the Company which have adversely affected the trading or the value of the assets of the Company;
- (iii) the current assets of the Company appear in the books at value, which are believed to be realisable in the ordinary course of business;
- (iv) no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company; and
- (v) save as disclosed in the Accountants' Report and proforma balance sheets in this Prospectus, there have been no changes in the published reserves nor any unusual factors affecting the profits of the Company.

Yours faithfully
For and on behalf of the Board of Directors
Cybertowers Berhad


Wong Kek Wei
Managing Director

YEAP CHENG CHUAN, C.A. (M), FCCA, CPA

شریکت یاف چیغ چوان
YEAP CHENG CHUAN & CO.
Chartered Accountants

葉程權會計公司

Suite 609, Block C, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel: 03-7660 8112, 7660 8121, 7660 8966, 7660 0904 Fax: 03-7660 8911, 7957 7189 E-mail: sbsycap@pd.jaring.my

09 JUN 2003

The Board of Directors
Cybertowers Berhad
30B&C, Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared by Messrs. Yeap Cheng Chuan & Co., an approved company auditor, for inclusion in the Prospectus of Cybertowers Berhad (hereinafter referred to as "Cybertowers" or "the Company") to be dated 11 June 2003 in connection with the issue of 40,181,250 new ordinary shares of RM0.10 each in Cybertowers at an issue price of RM0.16 per ordinary share ("Public Issue") and the listing of and quotation for the entire enlarged issued and paid-up share capital of Cybertowers comprising 100,000,000 ordinary shares of RM0.10 each on the MESDAQ Market of the Kuala Lumpur Stock Exchange ("MESDAQ Market").

2. GENERAL INFORMATION

2.1 INCORPORATION

Cybertowers was incorporated in Malaysia on 2 May 1996 under the Companies Act, 1965 as a private limited company with the name of Cybertowers Sdn Bhd. On 17 October 2001, the Company converted to a public company and assumed its present name.

Cybertowers is principally involved in the development and operation of an Internet-based automatic vehicle locating (AVL) system that uses satellite and wireless telecommunication media.

The Company obtained approval from the Multimedia Development Corporation (MDC) as a Multimedia Super Corridor (MSC) company on 31 October 1997 and has been granted Pioneer Status under the Promotion of Investments Act, 1986.

2.2 SHARE CAPITAL

At the date of incorporation, the Company's authorised share capital was RM100,000 comprising 100,000 ordinary shares of RM1.00 each. On 29 May 1998 and 18 April 2001, the authorised share capital was increased to RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each and RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each respectively, and subsequently on 26 November 2001, the authorised share capital was sub-divided into 100,000,000 ordinary shares of RM0.10 each.

13 ACCOUNTANTS' REPORT (Cont'd)

The present issued and paid-up share capital of the Company is RM5,981,875 comprising 59,818,750 ordinary shares of RM0.10 each. Upon completion of the Public Issue, the issued and paid-up share capital of Cybertowers will be increased to RM10,000,000 comprising 100,000,000 ordinary shares of RM0.10 each.

The changes in the issued and paid-up share capital of Cybertowers since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Resultant Issued and paid-up share capital (cumulative) RM	Resultant Issued and paid-up share capital (cumulative)
02.05.1996	2	1.00	Subscribers' shares	2	2
24.07.1997	8	1.00	Cash	10	10
19.11.1997	99,990	1.00	Cash	100,000	100,000
29.05.1998	900,000	1.00	Cash	1,000,000	1,000,000
08.05.2001	4,600,000	1.00	Cash	5,600,000	5,600,000
26.11.2001	-	0.10	Subdivision of RM1.00 par value shares to RM0.10 par value shares	5,600,000	56,000,000
12.08.2002	3,818,750	0.10	Capitalisation of shareholder's advances	5,981,875	59,818,750

3. RESTRUCTURING EXERCISE

The Company undertook the following exercises in conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the MESDAQ Market:-

(i) Capitalisation of advance

Capitalisation of an amount owing to the holding company, Ikhtiar Syahdu Sdn. Bhd., of approximately RM611,000 with issuance of 3,818,750 Cybertowers Shares at approximately RM0.16 per share.

The capitalisation of advance was completed on 12 August 2002.

(ii) Public Issue

A public issue of 40,181,250 new ordinary shares of RM0.10 each at an issue price of RM0.16 per ordinary share by way of private placement and public offer.

13 ACCOUNTANTS' REPORT (Cont'd)

(iii) Listing and quotation on MESDAQ Market

The admission to the Official List of MESDAQ Market and the listing of and quotation for the entire enlarged issued and paid-up share capital of Cybertowers of RM10,000,000 comprising 100,000,000 Cybertowers shares of RM0.10 each on the MESDAQ Market upon completion of the Public Issue.

4. ACCOUNTING POLICIES AND STANDARDS

This report is based on the audited financial statements which have been prepared in accordance with applicable approved accounting standards issued by the MASB and is presented on a basis consistent with accounting policies normally adopted by Cybertowers unless otherwise indicated in the following changes in the accounting policies:-

- (a) Prior to 1 September 2001, the accounting policy on plant and equipment was to include operating software and depreciate it at 12% per annum on a straight line basis.

During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 15 "Property, Plant and Equipment", the Company has changed its policy by reclassifying the operating software to R&D Expenditure and amortise the expenditure over a period of ten (10) years.

- (b) Prior to 1 September 2001, the accounting policy on R&D Costs was being recognised as intangible asset in the balance sheet.

During the financial year ended 31 August 2002, in compliance with the definition on MASB Standard 4 "Research and Development Costs", the Company has changed its policy by charging the R&D Costs other than the operating software as stated in 4(a) above, as an expense in the income statement.

These changes in policies have been applied retrospectively and have resulted in an increase in the Company's profit for the year by RM80,000 (2001 : Increase loss by RM423,980).

There are no other changes in accounting policies except as stated above.

5. FINANCIAL STATEMENTS AND AUDITORS

The financial statements for the relevant periods under review have been audited and reported without any qualification. We have acted as the auditors of Cybertowers since its incorporation.

6. DIVIDENDS

No dividends have been declared or paid by Cybertowers to the shareholders for the past years/period.

13 ACCOUNTANTS' REPORT (Cont'd)**7. SUMMARISED INCOME STATEMENT**

The following is a summary of the financial results of Cybertowers for the five (5) financial years ended 31 August 1998, 1999, 2000, 2001 and 2002, and the four (4) month period ended 31 December 2002:-

	← Financial Year Ended 31 August →					4 month period ended 31 December
	1998	1999	2000	2001	2002	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	965	4,111	1,711
EBITDA	(29)	(188)	(497)	(116)	1,492	718
Depreciation	-	-	-	-	(70)	(59)
Interest	-	-	-	-	-	-
Amortisation of R&D expenditure	-	-	-	-	(400)	(133)
Profit/(Loss) before Taxation	(29)	(188)	(497)	(116)	1,022	526
Taxation	-	-	-	-	-	-
Profit/(Loss) after Taxation	(29)	(188)	(497)	(116)	1,022	526
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	3,126 ^{*1}	10,000 ^{*1}	10,000 ^{*1}	24,493 ^{*1}	56,209	59,819
Net earnings/(loss) per share based on weighted average number of shares in issue (sen) ^{*2}	(0.93)	(1.88)	(4.97)	(0.47)	1.82	2.64*

* Annualised

Notes:-

^{*1} The par value of the ordinary shares in issue during the respective financial years of RM1.00 each is deemed to have been sub-divided into ordinary shares of RM0.10 value each to facilitate comparison since Cybertowers has on 26 November 2001 sub-divided every one (1) of its ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each.

^{*2} The net earnings/(loss) per share for the respective financial years/period under review have been calculated based on profit/(loss) after taxation divided by the weighted average number of ordinary shares (at par value of RM0.10 each) in issue during the respective financial years/period.

13 ACCOUNTANTS' REPORT (Cont'd)

7.1 NOTE TO SUMMARISED INCOME STATEMENTS

- (a) The Company has not commenced business operations during the financial year ended 1998. The loss before taxation of approximately RM0.29 million was due to pre-operation expenses written off retrospectively in accordance with MASB Standard 1.
- (b) There was no revenue received during the financial year ended 1999. The Company has started developing and testing its Internet-based AVL system and these expenses amounted to approximately RM0.19 million were charged as an expense in the income statement to comply with MASB Standard 4 "Research and Development Cost".
- (c) There was no revenue received in the financial year ended 31 August 2000 but expenses remained constant. The R&D expenditure written off increased by approximately RM0.50 million resulting in a pretax loss of approximately RM0.50 million.
- (d) The Company commenced business operation in January 2001, generating a turnover of approximately RM0.97 million for the financial year 2001. However, the Company recorded a net loss of approximately RM0.12 million due mainly to the writing off of R&D expenditure amounting to approximately RM0.42 million.
- (e) Turnover increased substantially by 326% from approximately RM0.97 million in financial year ended 31 August 2001 to approximately RM4.1 million in the financial year ended 31 August 2002. This is mainly due to the business expansion and aggressive marketing strategy adopted by the Company to penetrate new market. The Company achieved a pretax profit of approximately RM1.0 million for the financial year ended 31 August 2002.
- (f) For the four (4) month period from 1 October 2002 to 31 December 2002, the Company maintained its business expansion strategy and achieved a turnover and pretax profit of approximately RM1.71 million and RM0.50 million respectively.
- (g) There was no taxation charge for the financial years ended 31 August 1998 to 2000 as the Company had not commenced business operation. For the financial years ended 31 August 2001 and 2002, the Company was exempted from tax. Cybertowers obtained approval from the Multimedia Development Corporation (MDC) as a Multimedia Super Corridor (MSC) company and has been granted Pioneer Status with income tax exemption under the Promotion of Investments Act, 1986 for a period of five years commencing 5 January 2001. The Pioneer Status can be extended for a further period of five years upon expiry.
- (h) There were no exceptional or extraordinary items for the financial years under review.

13 ACCOUNTANTS' REPORT (Cont'd)**8. SUMMARISED BALANCE SHEET**

The following is a summarised balance sheets of Cybertowers for the five (5) financial years ended 31 August 1998, 1999, 2000, 2001 and 2002, and the four (4) month period ended 31 December 2002:-

	← As at 31 August →					As at 31 December
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2002 RM'000
PLANT & EQUIPMENT	-	331	323	322	1,237	1,392
R&D	-	-	-	4,000	3,600	3,467
CURRENT ASSETS	990	510	434	1,083	1,884	2,261
CURRENT LIABILITIES	(29)	(68)	(481)	(645)	(557)	(430)
NET CURRENT ASSETS/(LIABILITIES)	961	442	(47)	439	1,327	1,831
	961	773	276	4,760	6,164	6,690
Financed by:						
SHARE CAPITAL	1,000	1,000	1,000	5,600	5,982	5,982
RESERVES	-	-	-	-	-	-
(ACCUMULATED LOSSES)/ RETAINED PROFITS	(39)	(227)	(724)	(840)	182	708
	961	773	276	4,760	6,164	6,690
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	3,126 ^{*1}	10,000 ^{*1}	10,000 ^{*1}	24,493 ^{*1}	56,209	59,819
Net Tangible Assets (NTA) per ordinary share (sen) ^{*2}	30.7	7.73	2.76	3.10	4.56	5.39
Net Asset Value (NAV) per ordinary share (sen) ^{*2}	30.7	7.73	2.76	19.43	10.97	11.18

Notes:-

^{*1} The par value of the ordinary shares in issue during the respective financial years of RM1.00 each is deemed to have been sub-divided into ordinary shares of RM0.10 value each to facilitate comparison since Cybertowers has on 26 November 2001 sub-divided every one (1) of its ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each.

^{*2} The NTA and NAV for the respective financial years/period under review have been calculated based on weighted average number of ordinary shares (at par value of RM0.10 each) in issue during the respective financial years/period.

13 ACCOUNTANTS' REPORT (Cont'd)**9. PROFORMA STATEMENT OF ASSETS AND LIABILITIES**

The following proforma statement of assets and liabilities have been prepared based on the audited balance sheets of Cybertowers as at 31 December 2002 and should be read in conjunction with the notes set out in Section 10. The proforma statement of assets and liabilities is provided for illustrative purposes only to show the effects of the Public Issue as detailed in Section 1 herein and utilisation of proceeds of Public Issue thereof on the assumption that these transactions were completed on 31 December 2002.

	Note	RM'000
PLANT & EQUIPMENT	10.2	1,392
R&D EXPENDITURE	10.3	7,217
CURRENT ASSETS		
Inventories	10.4	1,123
Trade receivables	10.5	1,110
Other receivables		1
Deposit & prepayment		24
Cash and bank balances		1,182
		3,440
CURRENT LIABILITIES		
Other payables		226
Deposits received		204
		430
NET CURRENT ASSETS		3,010
		11,619
Financed by:		
SHARE CAPITAL	10.6	10,000
SHARE PREMIUM	10.7	911
RETAINED PROFIT		708
SHAREHOLDERS' FUNDS		11,619
NTA per share (sen)		4.4 [#]

[#] Based on ordinary shares of RM0.10 each.

13 ACCOUNTANTS' REPORT (Cont'd)

10. NOTES TO THE PROFORMA STATEMENT OF ASSETS AND LIABILITIES

10.1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and comply with applicable approved accounting standards issued by the MASB and the provisions of the Companies Act, 1965.

(b) Plant and Equipment

(i) Measurement Basis

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amount. An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. An impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of previous impairment loss and is recognised to the extent if the carrying amount of the assets that would have been determined has no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(ii) Depreciation

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. The principal annual rates used are as follows :-

	%
Furniture & fittings	10
Computer equipment	12 - 20
Office equipment	10
Renovation	10

Gains and loss on disposal of plant and equipment are determined by reference to its carrying amount and is taken to income statement in the financial year in which it was disposed.

13 ACCOUNTANTS' REPORT (Cont'd)

(c) **R&D**

Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits.

Development costs that have been capitalised are amortised on the straight line basis over the period of their expected benefit, which is estimated to be 10 years.

(d) **Currency Conversion and Translation**

Translation is foreign currencies during the year are converted in to Ringgit Malaysia at rates of exchange approximating those ruling at the transaction date or at contracted rates, where applicable. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at the rates exchange approximating those then ruling. All exchange gains or losses are dealt with in the income statement.

The exchange rate ruling at balance sheet date used is as follows :-

	<u>2002</u>	<u>2001</u>
1 Singapore Dollar	RM2.1910	RM 2.0650

(e) **Revenue Recognition**

Revenue from sale of goods and rendering of services is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of discounts and returns.

(f) **Inventories**

Inventories are stated at the lower of cost and net realised value. Cost is determined on a first-in-first-out basis. Net realisable value is the estimated selling price, in the ordinary course of business, less the costs of completion and selling expenses.

In arriving at net realisable value, due allowances is made for all obsolete and slow moving items.

(g) **Trade Receivables**

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

(h) **Cash and Cash Equivalents**

Cash comprises cash in hand, at bank and demand deposits. Cash equivalents are short term, highly liquid investment that are readily convertible to known amount subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

13 ACCOUNTANTS' REPORT (Cont'd)**(i) Provisions**

Provision are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on past history of the level of repairs and replacements.

(k) Employee Leave Entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to the employees. A provision is made for the estimated liability for unutilised annual leave and long service leave as a result of service rendered by employees up to the balance sheet date.

10.2 PLANT AND EQUIPMENT

The details of plant and equipment are as follows :-

	At 1 Sept 2002	Addition	Disposal	At 31 Dec2002
<u>Cost</u>	RM'000	RM'000	RM'000	RM'000
Furniture & fittings	3	-	-	3
Computer equipment	481	1,195	-	1,676
Office equipment	4	4	-	8
Renovation	13	-	-	13
	<u>501</u>	<u>1,199</u>	<u>-</u>	<u>1,700</u>

	At 1st Sept 2002	Charge for the period	Disposal	At 31 Dec 2002
Accumulated Depreciation	RM'000	RM'000	RM'000	RM'000
Furniture & fittings	1	-	-	1
Computer equipment	175	127	-	302
Office equipment	1	1	-	2
Renovation	2	1	-	3
	<u>179</u>	<u>129</u>	<u>-</u>	<u>308</u>

13 ACCOUNTANTS' REPORT (Cont'd)**10.3 R&D EXPENDITURE**

RM'000

Balance at 1 September 2002	4,000
Less : Amortisation during the period	(533)
Balance at 31 December 2002	<u>3,467</u>
Add: Utilisation of proceeds for R&D expenditure	<u>3,750</u>
	<u><u>7,217</u></u>

R&D expenditure is amortised over 10 years.

10.4 INVENTORIES

RM'000

Trading goods – cost	<u><u>1,123</u></u>
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10.5 TRADE RECEIVABLES

RM'000

Trade receivables	<u><u>1,110</u></u>
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There are no provision for doubtful debts as the Board is of the opinion that all the trade receivables are collectible.

The Company's trend in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional creditor risk beyond amounts provided for collection is inherent in the Company's trade receivables.

10.6 SHARE CAPITAL

RM'000

Authorised shares of RM0.10 each (2001 : RM1 each) :-	
- Balance at 1 September 2002	10,000
- Increased during the period	-
- Balance at 31 December 2002	<u><u>10,000</u></u>

Issued and fully paid up Ordinary shares of RM0.10 each (2001 : RM1 each) :-	
- Balance at 1 September 2002	5,982
- Public Issue	<u>4,018</u>
- Balance at 31 December 2002	<u><u>10,000</u></u>

10.7 SHARE PREMIUM

RM'000

Balance at 1 September 2002	-
Ordinary shares issued at premium pursuant to Public Issue	2,411
Less: Estimated listing expenses	(1,500)
	<u><u>911</u></u>

13 ACCOUNTANTS' REPORT (Cont'd)**11. PROFORMA NET TANGIBLE ASSETS COVER PER SHARE**

Based on the proforma statement of assets and liabilities of Cybertowers as at 31 December 2002, the proforma net tangible assets cover per share is calculated as follows:-

Proforma net tangible assets as at 31 December 2002 (RM'000)	<u>4,402</u>
Number of ordinary shares of RM0.10 each in issue ('000)	<u>100,000</u>
Proforma net tangible assets cover per share on the basis of the enlarged share capital of 100,000,000 ordinary shares of RM0.10 each (RM)	<u>0.044</u>

12. PROFORMA CASH FLOW STATEMENT

The proforma cash flow statement of Cybertowers is provided for illustrative purposes only to show the effects of the Public Issue as detailed in Section 1 herein and utilisation of proceeds of Public Issue thereof on the assumption that these transactions were completed on 31 December 2002.

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-	
Profit for the period	526
Adjustments for :-	
Depreciation	59
Amortisation of R&D expenditure	133
Operating profit before working capital changes	<u>718</u>
Decrease in inventories	558
Increase in receivables	(935)
Decrease in payables	(127)
Net cash provided by operating activities	<u>214</u>
CASH FLOWS FROM INVESTING ACTIVITIES:-	
Purchase of plant and equipment	(214)
R&D expenditure	(3,750)
	<u>(3,964)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-	
Proceeds from Public Issue	6,429
Payment of estimated listing expenses	(1,500)
	4,929
Net increase in cash and cash equivalents	1,179
Cash and cash equivalents brought forward	3
Cash and cash equivalents carried forward	<u>1,182</u>

13 ACCOUNTANTS' REPORT (Cont'd)

NOTES TO PROFORMA CASH FLOW STATEMENT

Cash and cash equivalents carried forward consist of:-

	RM'000
Cash and bank balances	<u>1,182</u>

The cash derived from operating activities was due to improved demand for the Company's product and services. The Company invested in purchase of additional computer equipment in line with the expansion of the Company's business.

Pursuant to the public issue of 40,181,250 new ordinary shares of RM0.10 each at an issue price of RM0.16 per share, the proceeds of RM6,429,000 were utilised for R&D expenditure of RM3,750,000, payment of estimated listing expenses amounting to RM1,500,000 and the remaining for working capital purposes.

13. SUBSEQUENT EVENT

There were no significant events subsequent to 31 December 2002 up to the date of this Report.

14. AUDITED FINANCIAL STATEMENTS

No audited financial statements of Cybertowers have been made up in respect of any period subsequent to 31 December 2002.

Yours faithfully,



**YEAP CHENG CHUAN & CO.
AF 0116
CHARTERED ACCOUNTANTS**



**YEAP CHENG CHUAN
NO. 566/4/04(J/PH)
CHARTERED ACCOUNTANT**

14 PROFORMA BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER
THEREON

YEAP CHENG CHUAN, C.A. (M), FCCA, CPA

شریکت یاف چیغ چوان
YEAP CHENG CHUAN & CO.
Chartered Accountants

葉程權會計公司

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09 JUN 2003

The Board of Directors
Cybertowers Berhad
30B&C, Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya

Dear Sirs,

CYBERTOWERS BERHAD
PROFORMA BALANCE SHEETS AS AT 31 DECEMBER 2002

We have reviewed the presentation of the Proforma Balance Sheets of Cybertowers Berhad ("Cybertowers"), as at 31 December 2002 accompanying together with the notes thereon for which the Directors are solely responsible, issued in connection with the Public Issue of 40,181,250 ordinary shares of RM0.10 each at an issue price of RM0.16 per share ("Public Issue") and the listing of and quotation for its enlarged issued and fully paid-up share capital of 100,000,000 ordinary shares of RM0.10 each on the MESDAQ Market of the Kuala Lumpur Stock Exchange ("MESDAQ Market").

In our opinion, the Proforma Balance Sheets together with the accompanying notes thereon which are provided for illustrative purposes only, have been properly compiled on the bases and accounting policies consistent with those normally adopted by Cybertowers.

Yours faithfully,


YEAP CHENG CHUAN & CO.
AF 0116
CHARTERED ACCOUNTANTS


YEAP CHENG CHUAN
NO. 566/4/04(J/PH)
CHARTERED ACCOUNTANT

**14 PROFORMA BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER
THEREON (Cont'd)**

PROFORMA BALANCE SHEETS AS AT 31 DECEMBER 2002

The Proforma Balance Sheets of Cybertowers as set out below are provided for illustrative purposes only to show the effects of the Public Issue and utilisation of proceeds on the assumption that these transactions were completed on 31 December 2002.

	(i) Audited as at 31 December 2002 RM'000	(ii) After (i) and Public Issue RM'000	After (ii) and utilisation of proceeds RM'000
FIXED ASSETS	1,392	1,392	1,392
R&D EXPENDITURE	3,467	3,467	7,217
CURRENT ASSETS	2,261	8,690	3,440
CURRENT LIABILITIES	(430)	(430)	(430)
	<hr/> 6,690	<hr/> 13,119	<hr/> 11,619
Financed by: -			
SHARE CAPITAL	5,982	10,000	10,000
SHARE PREMIUM	-	2,411	911
RETAINED PROFIT	708	708	708
SHAREHOLDER FUNDS	<hr/> 6,690	<hr/> 13,119	<hr/> 11,619
Number of ordinary shares of RM0.10 each in issue ('000)	59,819	100,000	100,000
NTA (RM'000)	3,223	9,652	4,402
NAV (RM'000)	6,690	13,119	11,619
NTA per share (Sen)	5.39	9.65	4.40
NAV per share (Sen)	11.18	13.12	11.62

14 PROFORMA BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

NOTES TO THE PROFORMA BALANCE SHEETS AS AT 31 DECEMBER 2002

1. The Proforma Balance Sheets of Cybertowers have been prepared based on the audited balance sheets as at 31 December 2002 and accounting policies and bases consistent with those normally adopted in the preparation of the audited financial statements and are provided for illustrative purpose only.
2. The Proforma Balance Sheets have been prepared on the assumption that the following events were effected on 31 December 2002:-
 - (a) Public Issue of 40,181,250 new ordinary shares of RM0.10 each in Cybertowers at an issue price of RM0.16 per share to individuals, societies, co-operatives and institution and the subsequent initial listing of and quotation for Cybertowers' entire enlarged issued and paid-up share capital of RM10,000,000 comprising 100,000,000 ordinary shares of RM1.00 each in Cybertowers pursuant to the public issue on the MESDAQ Market.
 - (b) The proposed utilisation of gross proceeds from the Public Issue is as follows:-

	RM'000
R&D expenses	3,750
Working capital	1,179
Estimated listing expenses	1,500
	6,429

3. Shareholders' Funds

	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000
The movement in the share capital, share premium, reserves and retained profits are as follows:-			
As at 31 December 2002	5,982	-	708
Public Issue	4,018	2,411	-
	10,000	2,411	708
Utilisation of proceeds			
- Listing expenses	-	(1,500)	-
Total	10,000	911	708

15 STATUTORY AND OTHER GENERAL INFORMATION

15.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of the Prospectus later than twelve (12) months after the date of the issue of the Prospectus.
- (ii) There are no founder, management or deferred shares. There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) No person has been or is entitled to be given an option to purchase or subscribe for any shares, stocks or debentures of the Company.
- (iv) Save for the Issue Shares and as disclosed in Section 4.2 of this Prospectus, no shares or debentures of the Company have been or proposed to be issued partly or fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.
- (v) The Company has no outstanding convertible debt securities.
- (vi) The Company may, pursuant to Section 58 of the Companies Act, 1965 pay commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for Cybertowers Shares at a rate not exceeding 10% of the price at which the shares are issued.

15.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association. (The words and expressions appearing in the following provision shall bear the same meanings used in the Company's Articles of Association.)

(i) Transfer of Shares

The provisions of the Articles of Association of the Company in respect of the arrangements for the transfer of shares and restrictions on their free transferability are as follows: -

Article 24

Subject to the provisions of the Central Depositories Act and the Rules and in so far as it relates to non-deposited securities, any holder may transfer all or any of his non-deposited securities by instrument in writing in the form prescribed and approved by the Board. The instrument shall be executed by or on behalf of the transferor and transferee and the transferor shall remain the holder of the non-deposited securities transferred until the transfer is registered and the name of the transferee is entered in the relevant register of non-deposited securities in respect thereof. Any fee charged on the transfer of securities shall not exceed Ringgit Malaysia Three (RM3.00) per transfer or such sums as shall from time to time fixed by the Exchange.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 25

The transfer of any listed security or class of listed security of the Company shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of shares.

Article 26

Subject to these Articles there shall be no restriction on the transfer of fully paid up shares which are quoted or to be quoted except where required by law.

Article 27

The Directors may:-

- (a) decline to register the transfer of a share (not being a fully paid share) or a non-deposited security; and
- (b) decline to register the transfer of any share or non-deposited security on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of law in Malaysia.

Article 28

Subject to the Act, Listing Rules, the Central Depositories Act and the Rules, if the Directors refuse to register a transfer of non-deposited security, they shall within three (3) market days after the date on which the transfer was lodged with the Company, send to the lodging broker and transferee written notice of the refusal and the precise reasons therefor.

Article 29

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine but shall not exceed thirty (30) days in the aggregate in any calendar year.

Article 30

The Company shall give at least twelve (12) market days' notice (or such other period as may be required by the Exchange) of the intention to close the register to fix a books closing date which shall be published in a daily newspaper circulating in Malaysia and which shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the register is being closed. At least three (3) market days prior notice (or such other period as may be required by the Exchange) shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors Provided Always That where the Record of Depositors is required in respect of corporate actions, at least seven (7) market days prior notice shall be given to the Central Depository.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(ii) Remuneration of Directors

The provisions of the Articles of Association of the Company dealing with the remuneration of the Directors are as follows: -

Article 92

The Directors shall be paid by way of fees for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. Provided always that: -

- (i) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (ii) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (iii) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting;
- (vi) any fee paid to an alternate director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

- (i) The Directors shall be entitled to be reimbursed for all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (ii) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board of Directors who are not in full time employment of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. Such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iii) Voting & Borrowing Powers of Directors

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors on proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows: -

Article 97

- (i) The Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries.
- (ii) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 114

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest or indirect (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in quorum present at the meeting.

Article 115

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat the terms of any such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Article 116

A Director may vote in respect of: -

- (i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iv) Changes in Capital and Variation of Class Rights

The provisions in the Articles of Association of the Company as to changes in capital and variation of class rights which are as stringent as those provided in the Companies Act, 1965, are as follows: -

Article 5

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any resolutions of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise and either at a premium, discount or otherwise as the directors think fit PROVIDED ALWAYS that: -

- (i) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (ii) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in general meeting;
- (iii) the rights attaching to the shares of a class other than ordinary shares shall be expressed in the resolution creating the same;
- (iv) every issue of the shares or options to employees of the Company and/or the Company's subsidiaries and/or Directors shall be approved by the members in general meeting and no Director shall participate in such issue of shares or options to employees unless: -
 - (a) the members in general meeting have approved of the specific allotment to be made to such directors; and
 - (b) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to the Public Issue or public offer or special issue, such participation to be approved by the relevant authorities.

Article 7

Notwithstanding Article 11 hereof the repayment of preference share capital other than redeemable preference shares, or any other alteration of preference shareholder's rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 11

If at any time the share capital is divided into different classes of shares, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum as defined above is not present, those persons who are present shall form the quorum) and that any holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held. To every such special resolution the provisions of section 152 of the Act shall, with such adaptations as are necessary, apply.

Article 12

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or the Company in some or in all respects *pari passu* therewith.

Article 50

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amount and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 52

Except so far as otherwise provided by the conditions of issues, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Article 53

The Company may by ordinary resolution: -

- (i) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iii) subdivide its shares or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them, subject nevertheless to the provisions of section 62(1)(d) of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 54

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation and consent required by law.

Article 55

The Company may, subject to, and in accordance with, the Act, the rules, regulations and orders made pursuant to the Act, the conditions, restrictions and limitations expressed in these Articles and the Listing Requirements and any other relevant authorities from time to time, by resolution purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Companies Act, 1965 and the Listing Requirements and/or any other relevant authorities from time to time.

15.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Directory section at the front of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company.
- (iii) The remuneration paid to the Directors of the Company for services rendered in all capacities to the Company for the financial year ended 31 August 2002 amounted to RM92,719. For the financial year ending 31 August 2003, the remuneration payable to the Directors is estimated at RM100,000.

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

← Aggregate Remuneration →					
← Financial year ending 31 August 2002 →			← Financial year ending 31 August 2003 →		
Non-Executive Director	Executive Director	Total	Non-Executive Director	Executive Director	Total
Up to RM100,000	2	-	2	2	4

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iv) None of the Directors and/or substantial shareholders and/or key personnel of the Company and/or person(s) connected with any of 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 Company, or are proposed to be acquired, or disposed of by or leased to the Company.
- (v) None of the Directors or substantial shareholders and/or key personnel of the Company has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as the Company.
- (vi) None of the Promoters have received any amounts or benefits paid or given by the Company other than by the virtue of their directorships as disclosed in Section 15.3 (iii) of this Prospectus within the two (2) years preceding the date of the Prospectus, or intended to be so paid or given.
- (vii) According to the Register of Directors' shareholdings of Cybertowers (applicable for before the Public Issue only), the direct and indirect interests of the Directors in the Cybertowers Shares are/will be as follows: -

Name	Before the Public Issue				After the Public Issue			
	← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Wong Kek Wei	6,000,000	10.03	-	-	6,000,000	6.00	-	-
Wong Chook Ping	-	-	49,328,750	82.46*	-	-	49,328,750	49.33*
Lai Kiau Moi @ Chai Chin Thai	-	-	-	-	4,000,000**	4.00	-	-
Chai Yoon Heng	-	-	-	-	4,000,000**	4.00	-	-

Notes:-

* Deemed interest by virtue of his/her substantial shareholding in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

** Based on the assumption that he/she would subscribe for their respective Issue Shares allocated to them under the private placement tranche of Issue Shares.

- (viii) The existing substantial shareholders and their respective direct and indirect interests in the Cybertowers Shares are/will be as follows: -

Shareholders	Before the Public Issue				After the Public Issue			
	← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Ikhtiar Syahdu	49,328,750	82.46	-	-	49,328,750	49.33	-	-
Wong Kek Wei	6,000,000	10.03	-	-	6,000,000	6.00	-	-
Wong Chook Ping	-	-	49,328,750	82.46* ¹	-	-	49,328,750	49.33* ¹

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Shareholders	Before the Public Issue				After the Public Issue			
	← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →		← No. of Cybertowers Shares held →	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Soon Sam @ Tang Suon Sam	-	-	49,328,750	82.46 ^{*1}	-	-	49,328,750	49.33 ^{*1}

Note:-

^{*1} Deemed interest by virtue of his/her substantial interest in Ikhtiar Syahdu pursuant to Section 6A of the Companies Act, 1965.

- (ix) Save for the risk factors which are described in Section 3 of this Prospectus, the Board is not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company.
- (x) None of the Directors and/or substantial shareholders of the Company and/or person(s) connected with them are interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company taken as a whole.

15.4 GENERAL

- (i) The nature of the Company's business and the names of all corporations, which are deemed to be related to the Company by virtue of section 6 of the Companies Act, 1965 are set out in Section 4 of this Prospectus.
- (ii) The Company has not established a place of business outside Malaysia.
- (iii) The manner in which copies of this Prospectus together with the Application Form may be obtained is set out in Section 16.1 of this Prospectus.
- (iv) The time of the opening and closing of the Application List of the Public Issue is set out in Section 16.1 of this Prospectus.
- (v) The amount payable in full on application is RM0.16 per Issue Share.
- (vi) Save as disclosed in Sections 3, 4, and 6 of this Prospectus, the financial condition and operations of the Company are not affected by any of the following: -
 - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way;
 - (b) Material commitments for capital expenditure;
 - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (d) Known trends or uncertainties that have had or that the Company reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
- (vii) As at the date of this Prospectus, the Company does not have any outstanding convertible debt securities.
- (viii) So far as known to the Company, the Promoters will exercise control over the Company holding approximately 55.33% of the shareholding of Cybertowers upon listing.
- (ix) Save for the Public Issue, there is currently no scheme involving the staff in the capital of the Company.
- (x) Particulars relating to the outstanding borrowings and contingent liabilities of the Company are disclosed in Section 6.5 of this Prospectus.
- (xi) The name and address of the Reporting Accountants and Auditors of the Company are set out under the "Corporate Directory" Section of this Prospectus.

15.5 EXPENSES AND COMMISSIONS

- (i) The estimated amount of expenses of the Public Issue relating to the brokerage fees, underwriting fees, placement fees and other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of Cybertowers on the MESDAQ Market which is estimated to be RM1,500,000 will be borne by Cybertowers.
- (ii) A placement fee of 2% of the Issue Price of RM0.16 per Issue Share for a total of up to 27,000,000 of the Issue Shares is payable by Cybertowers to the Placement Agents.
- (iii) Underwriting commission is payable by the Company to the Underwriters, at the rate of 2.5% of the Issue Price of RM0.16 per Issue Share of the 10,981,250 of the Issue Shares underwritten.
- (iv) Sponsorship fees of RM30,000 per year is payable by Cybertowers to Kenanga for being the sponsor of Cybertowers upon listing of Cybertowers on the MESDAQ Market.
- (v) Save as disclosed above, no commissions, discounts, brokerage or other special terms have, within the two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable to any Director, promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company in connection with the issue or sale of any capital of the Company.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year there were no: -

- (i) public take-over offers by third parties in respect of the Company's securities; or
- (ii) public take-over offers by the Company in respect of other corporations' securities.

15.7 MATERIAL LITIGATION

As at 4 June 2003, being the latest practicable date prior to the printing of this Prospectus, the Company is not engaged in any material litigation and arbitration either as plaintiff or defendant and the Board has no knowledge of any proceedings pending or threatened against the Company or any facts likely to give rise to any proceedings which might materially affect the position and business of the Company.

15.8 MATERIAL AGREEMENTS

Save as disclosed below, there is no other material agreements entered into by the Company as at the date of this Prospectus: -

- (i) Transfer of Technology and Technical Know-How Agreement dated 6 December 2000 between James Kok and Cybertowers for the purchase of CyberTrack, an IP, for a purchase consideration of RM4.0 million satisfied by cash.

Other salient terms of the Transfer of Technology and Technical Know-How Agreement are as follows: -

- (a) Transfer of technology and technical know-how

The parties confirm and declare that James Kok, as the developer, having successfully developed and integrated his Internet-based tracking system with the Company's existing equipment for developing the CyberTrack System within the testing period, the developer absolutely sells and transfers to the Company and the Company buys and acquires absolutely the technology, the technical know-how and the software comprised in the developer's tracking system together with all intellectual property rights connected therewith in exchange for RM4.0 million made up of cash in the sum of RM4.0 million paid prior or now to the developer the receipt whereof is acknowledged. In consideration of the said sum RM4.0 million, the developer officially transfers absolutely the technology, technical know-how and all intellectual property rights together with all relevant software comprised in the developer's tracking system to the Company subject to and upon the terms and conditions set out in the agreement.

- (b) James Kok as the seller agreed, at its own cost and expenses, to be responsible for and to perform all the following activities arising from, or involving CyberTrack for a period of five (5) years from 6 December 2000, including but not limited to the following:-

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- b(i) To carry out R&D, upgrade, improve, and/or enhance the CyberTrack System provided that all such upgrading, improvement and/or enhancement together with the IP rights shall belong to the Company; and
 - b(ii) At all times provide technical expertise, technical support and know-how relating to the operation and maintenance of the CyberTrack System; and the various systems-integration and computer networking on the Internet relevant to the CyberTrack business, as well as all technical aspects of the same.
- (ii) ORBCOMM Reseller Agreement dated 15 March 2000 between Celcom and Cybertowers, for the non-exclusive right to market and to resell ORBCOMM products and services, either directly or through agents, in Malaysia, Singapore and Brunei Darussalam. The term of this agreement shall commence on 15 March 2000 and continue for a period of one (1) year. Thereafter, the agreement shall be renewed automatically for further terms of one (1) year each unless either party gives to the other written notice of termination at least sixty (60) days prior to the expiration of any such term.

In order to obtain the access to the ORBCOMM system, the Company is liable to pay to Celcom a certain amount of fees set forth in the agreement for each of the ORBCOMM products and services. However, the prices to be charged by the Company to its clients, either directly or through agents, are determined solely by the Company; and

- (iii) An agreement dated 17 September 2002 between James Kok and Cybertowers wherein James Kok agreed and undertook not to venture into any similar businesses that competes with the Company pursuant to a condition imposed by KLSE in relation to the approval granted for the Public Issue.

15.9 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company) which have been entered into by the Company within the two (2) years preceding the date of this Prospectus:-

- (i) Underwriting Agreement dated 6 June 2003, entered into between Cybertowers of the one part and Kenanga and Affin Merchant of the other part, for the underwriting of 10,981,250 of the Issue Shares pursuant to the Public Issue for an underwriting commission of 2.5% of the Issue Price of RM0.16 per Issue Share; and
- (ii) Placement Agreement dated 6 June 2003 between Cybertowers of the one part and Kenanga and Affin Merchant of the other part for the placement of up to 27,000,000 of the Issue Shares for a placement fee of 2% of the Issue Price of RM0.16 per Issue Share.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.10 LETTERS OF CONSENT

- (i) The written consents of the Corporate and Due Diligence Solicitors, Registrar, Adviser and Managing Underwriter, Underwriter, Sponsor, Placement Agents, Principal Banker, Issuing House, Company Secretaries, PIKOM and Frost & Sullivan to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and their letters relating to the Proforma Balance Sheets as at 31 December 2002 in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of Cybertowers during normal office hours for a period of not less than twelve (12) months from the date of this Prospectus: -

- (i) Memorandum and Articles of Association of Cybertowers;
- (ii) The Directors' Report and Accountants' Report, referred to in Sections 12 and 13 respectively of this Prospectus;
- (iii) The material agreements and material contracts referred to in Sections 15.8 and 15.9 respectively of this Prospectus;
- (iv) The Directors' existing or proposed service contracts with Cybertowers referred to in Section 8.2(v) of this Prospectus;
- (v) The Proforma Balance Sheets as at 31 December 2002 and the Reporting Accountants' Letter relating to the Proforma Balance Sheets as included in Section 14 of this Prospectus.
- (vi) The letters of consent referred to in Section 15.10 of this Prospectus; and
- (vii) The audited financial statements of Cybertowers for the five (5) financial years ended 31 August 2002 and the four (4) month period ended 31 December 2002.

15.12 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by the Board and Promoters and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm that after making all reasonable inquiries 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.
- (ii) Kenanga acknowledges that, based on all information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE

16.1 OPENING AND CLOSING OF APPLICATION LIST

The Application List for the Public Issue will open at 10.00 a.m. on 23 June 2003 and will remain open until 8.00 p.m. on the same day or for such period or periods as the Board and Kenanga at their absolute discretion may jointly decide. Late applications will not be accepted.

Copies of the Application Forms together with the Prospectus may be obtained, subject to availability, from the Issuing House, Kenanga, Placement Agents and ADA who is also a KLSE Member.

16.2 TRADING OF SHARES LISTED ON MESDAQ MARKET

Under KLSE's trading rules, effective from the date of listing, trading in all the KLSE listed securities can only be executed through an ADA who is also a KLSE Member.

16.3 PRIVATE PLACEMENT AND PUBLIC OFFER PROCEDURES

The Public Issue will be made available for subscription by individuals, companies, societies, co-operatives and institutions by way of private placement and public offer as follows:-

	No of Issue Shares to be allocated
(i) Eligible employees and business associates of Cybertowers	2,200,000
(ii) General public	
- by way of private placement	27,000,000
- by way of public offer	10,981,250
Total	40,181,250

(A) Applications for the 2,200,000 of the Issue Shares, made available for application by the eligible employees and business associates of the Company must be made on the **Pink** Application Forms provided only and NOT on any other application form or by way of Electronic Share Application.

In the event that any of the 2,200,000 of the Issue Shares is not subscribed for by the eligible employees and business associates of Cybertowers, such Issue Shares will be made available for application by Ding Ming Tiong who has given an irrevocable undertaking to subscribe for any Issue Shares not subscribed for by the eligible employees and business associates of Cybertowers.

(B) The private placement procedure will be as follows: -

(i) The potential investors will be pre-identified by the Placement Agents.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) As Placement Agents, Kenanga and Affin Merchant will, commencing from 11 June 2003, send out the Prospectus to this group of pre-identified investors together with the **Green** Application Forms. Applications for the 27,000,000 of the Issue Shares must be made on the Green Forms provided and NOT on any other application form or by way of Electronic Share Application.
- (C) The public offer procedure will be as follows:-
- (i) Applications for the 10,981,250 of the Issue Shares made available for application by the public must be made on the **White** Application Forms and **White Official “A” and “B” envelopes** provided or by way of Electronic Share Application. However, only an applicant who is an individual and who is a Malaysian citizen residing in Malaysia and has a CDS Accounts can make an Electronic Share Application;
 - (ii) As the issuing house, MIH will, on 11 June 2003, send out the Prospectus to all ADAs which are registered KLSE members together with the **White** Application Forms. Malaysian as well as foreign investors could obtain the **White** Application Forms and **White official “A” and “B” envelopes** from the respective ADA;
 - (iii) Upon the closing of the Application List, in the case of oversubscription of shares in the public offer, balloting will be carried out by MIH; and
 - (iv) Upon close of the Application List, in the case of undersubscription of shares in the public offer, shares may be transferred from the public offer tranche and allocated by way of private placement. Nevertheless, the Placement Agents will inform KLSE of the reason for transfer and demonstrate that there is a demand for shares under the private placement tranche.

A summary of the application procedures are as set out below:-

Applicants	Application method
Eligible employees and business associates of the Company	Pink Application Form only
Pre-identified investors	Green Application Forms only
Public (eg. corporations, institutions, foreigners etc)	White Application Form only
Public (Individuals)	White Application Form or Electronic Share Application*

Note:-

* *Only individual applicants, who are Malaysian citizen residing in Malaysia, with CDS Accounts are eligible to apply for the Issue Shares using the Electronic Share Application.*

Applications shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of Cybertowers.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Applicants may apply for shares under the private placement tranche or the public offer tranche or both. An applicant who has been successfully allocated shares under the public offer may also, at the discretion of the Board, be allocated shares under the private placement and vice versa.

Multiple applications made under the public offer tranche shall be rejected. Only one application form from each applicant will be considered and applications must be for 100 Issue Shares or multiples thereof.

The amount payable in full upon application is RM0.16 per Issue Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and vice versa.

16.4 PROCEDURE FOR APPLICATION AND ACCEPTANCE (USING APPLICATION FORMS)

In accordance with Section 41(2) of the Securities Commission Act, 1993, the Application Form together with the Notes and Instructions printed therein shall constitute an integral part of this Prospectus. The Application Forms must be completed in accordance with the notes and instructions printed on the reverse side of the respective Application Forms and in this Prospectus. Applications which do not strictly conform to the terms of this Prospectus or Application Form or Notes and Instructions printed therein or which are illegible will not be accepted.

FULL INSTRUCTION FOR THE APPLICATION FOR THE ISSUE SHARES ARE SET OUT IN THE APPLICATION FORM. ALL APPLICANTS ARE ADVISED TO READ THE APPLICATION FORM AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

(i) Private Placement

The applicant must return the completed **GREEN** Application Form and accompanying remittance to the Placement Agents by **ORDINARY POST OR DELIVERED BY HAND** before the closing of the Application List on 23 June 2003, at the following:-

In respect of investors identified by Kenanga:-

K & N Kenanga Bhd
13th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

In respect of investors identified by Affin Merchant:-

Affin Merchant Bank Berhad
27th Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

so as to arrive not later than 8.00 p.m. on 23 June 2003 or such further period or periods, as the Board and the Placement Agents at their absolute discretion may decide. Late applications will not be accepted.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY A BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR AND SUCH REMITTANCE MUST BE MADE OUT IN FAVOUR OF "**K&N KENANGA BHD**" (IN RESPECT OF INVESTORS IDENTIFIED BY KENANGA) OR "**AFFIN MERCHANT BANK BERHAD**" (IN RESPECT OF INVESTORS IDENTIFIED BY AFFIN MERCHANT) AND CROSSED "A/C PAYEE ONLY" AND WRITTEN ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT AND THE SERIAL NUMBER OF THE APPLICATION FORM (AS EXACTLY STATED ON THE APPLICATION FORM).

THE ACCEPTANCE OF THE APPLICATION SHALL BE AT THE ABSOLUTE DISCRETION OF THE PLACEMENT AGENTS.

PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE **GREEN** APPLICATION FORM TO KENANGA AND AFFIN MERCHANT.

(ii) Public Offer

The applicant must despatch the completed **WHITE** Application Form and accompanying remittance to **MIH** by ORDINARY POST, before the closing of the Application List on 23 June 2003, at the following:-

Malaysian Issuing House Sdn. Bhd. (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
P.O. Box 13269
50804 Kuala Lumpur

or DELIVERED BY HAND AND DEPOSITED in the Drop-in Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, so as to arrive not later than 8.00 pm on 23 June 2003.

All applications received and not rejected during the opening period from 10.00 a.m. until 8.00 p.m. on 23 June 2003 shall not be construed as acceptance nor shall it constitute any shares being allotted to the applicant. Applications shall not be deemed to have been accepted by reason of the remittance being presented for payment.

EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE BY EITHER:

- BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
- CHEQUE ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR; OR

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- MONEY ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
- GUARANTEED GIRO ORDER (“GGO”) FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD); OR
- ATM STATEMENT OBTAINED ONLY FROM:
 - AFFIN-ACF FINANCE BERHAD (*formerly known as Asia Commercial Finance (M) Berhad*);
 - ALLIANCE BANK MALAYSIA BERHAD;
 - AMBANK BERHAD (*formerly known as Arab-Malaysian Bank Berhad*);
 - AMFINANCE BERHAD (*formerly known as Arab-Malaysian Finance Berhad*);
 - BANK UTAMA (MALAYSIA) BERHAD;
 - BUMIPUTRA-COMMERCE BANK BERHAD;
 - EON BANK BERHAD;
 - EON FINANCE BERHAD;
 - HONG LEONG BANK BERHAD;
 - HONG LEONG FINANCE BERHAD;
 - MALAYAN BANKING BERHAD;
 - MAYBAN FINANCE BERHAD;
 - PUBLIC BANK BERHAD;
 - PUBLIC FINANCE BERHAD;
 - RHB BANK BERHAD;
 - SOUTHERN BANK BERHAD; OR
 - SOUTHERN FINANCE BERHAD (*formerly known as United Merchant Finance Berhad*)

AND MUST BE MADE OUT IN FAVOUR OF “**MIH SHARE ISSUE ACCOUNT NO. 251**” AND CROSSED “**A/C PAYEE ONLY**” (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (EXACTLY AS STATED ON THE APPLICATION FORM). APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER’S DRAFTS/CASHIER’S ORDERS/CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES/MONEY ORDERS/GGO/ATM STATEMENTS WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORMS.

AN APPLICANT SHOULD STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM IF HE PRESENTLY HAS SUCH AN ACCOUNT AND HE SHALL BE DEEMED TO HAVE AUTHORISED MCD TO DISCLOSE INFORMATION PERTAINING TO THE CDS ACCOUNT TO THE ISSUING HOUSE/COMPANY. WHERE AN APPLICANT DOES NOT PRESENTLY HAVE A CDS ACCOUNT, HE SHOULD STATE IN HIS APPLICATION FORM HIS PREFERRED ADA CODE.

The Directors and employees of MIH and their immediate family are strictly prohibited from applying for the Issue Shares under the public offer tranche.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

ALL APPLICANTS MUST GIVE THEIR:-

- (A) EXACT FULL NAME (AS PER THE IDENTITY CARD OR PASSPORT OR “RESIT PENGENALAN SEMENTARA (JPN 1/9)” WHERE APPLICABLE IN THE CASE OF INDIVIDUAL APPLICANTS OR AS PER CERTIFICATE OF INCORPORATION IN THE CASE OF CORPORATE/INSTITUTIONAL APPLICANTS. WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN HIS AUTHORITY CARD); AND
- (B) ADDRESS (AS PER IDENTITY CARD OR “RESIT PENGENALAN SEMENTARA (JPN 1/9)” OR CHANGE OF ADDRESS CARD OR “RESIT PENUKARAN KAD PENGENALAN (JPN 1/22)” WHERE APPLICABLE IN THE CASE OF INDIVIDUAL APPLICANTS EXCEPT FOR ARMED FORCES/POLICE PERSONNEL, AND THE REGISTERED ADDRESS IN THE CASE OF CORPORATE/INSTITUTIONAL APPLICANTS. ARMED FORCES/POLICE PERSONNEL MUST USE THE ADDRESS OF THE RESPECTIVE CAMP/BASE/STATION).

MIH RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL BUMIPUTERA APPLICANTS AND PARTIALLY SUCCESSFUL APPLICANTS WHOSE MONIES HAVE BEEN BANKED IN WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 21 DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LIST BY REGISTERED POST AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT’S OWN RISK.

FOREIGN INDIVIDUALS AND CORPORATIONS MUST ATTACH A LEGIBLE PHOTOCOPY OF THEIR PASSPORT OR CERTIFICATE OF INCORPORATION OR EQUIVALENT DOCUMENT PROVING ITS CONSTITUTION. FOREIGN INDIVIDUALS AND CORPORATIONS MUST PROVIDE THEIR CORRESPONDENCE ADDRESS IN MALAYSIA.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF APPLICATION FORMS OR APPLICATION MONIES WILL BE MADE BY THE BOARD / PLACEMENT AGENTS OR THE ISSUING HOUSE.

INVESTORS SHOULD NOTE THAT ONCE THE APPLICATION FORM AND PAYMENT HAVE BEEN RECEIVED BY THE PLACEMENT AGENTS/ ISSUING HOUSE THEY CANNOT SUBSEQUENTLY BE WITHDRAWN.

THE ACCEPTANCE OF THE APPLICATION FORM SHALL BE AT THE ABSOLUTE DISCRETION OF BOARD.

THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREFOR.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WITHOUT INTEREST, WILL BE RETURNED AND DESPATCHED TO THE APPLICANT WITHIN 21 DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATIONS LISTS BY ORDINARY POST (IN THE CASE OF A FULLY UNACCEPTED APPLICATION) AND REGISTERED POST (IN THE CASE OF A PARTIALLY ACCEPTED APPLICATION) AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

THE BOARD RESERVES THE RIGHT TO REQUIRE ANY SUCCESSFUL APPLICANT TO APPEAR IN PERSON AT THE REGISTERED OFFICE OF MIH WITHIN FOURTEEN (14) DAYS OF THE DATE OF THE NOTICE ISSUED TO HIM TO ASCERTAIN THE REGULARITY OR PROPRIETY OF THE APPLICATION. THE BOARD SHALL NOT BE RESPONSIBLE FOR ANY LOSS OR NON-RECEIPT OF THE SAID NOTICE NOR SHALL THEY BE ACCOUNTABLE FOR ANY EXPENSES INCURRED OR TO BE INCURRED BY THE SUCCESSFUL APPLICANT FOR THE PURPOSE OF COMPLYING WITH THIS PROVISION.

16.5 PROCEDURES FOR APPLICATION AND ACCEPTANCE (USING ELECTRONIC SHARE APPLICATIONS)

(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (a) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (b) The applicant must have a CDS account.
- (c) The applicant is to apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5(ii) below.

The applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:

- Personal Identification Number (PIN);
- MIH Share Issue Account Number 251;
- CDS Account Number;
- Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

16 **PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

(ii) **Terms and Conditions**

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the “Steps”). The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application. Any reference to “applicant” in the terms and conditions for Electronic Share Application and the Steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions. Applications must be made in accordance with the procedures set out on the ATM screens of the relevant Participating Financial Institutions and the instructions, terms and conditions printed in this Prospectus.

In the case of Electronic Share Application, only an applicant who is an individual and who is a Malaysian citizen residing in Malaysia and has a CDS Account can make an Electronic Share Application.

The applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip (“Transaction Record”), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIH. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the Application List on 23 June 2003 at 8.00 p.m. (“Closing date and Time”), the Participating Financial Institution shall submit a magnetic tape containing its respective customers’ applications for the Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. on the second business day after the closing of the Application List.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one (1) application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one (1) application.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (b) The applicant is required to confirm the following statement (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:
 - I have attained 18 years of age as at the closing date of the share application;
 - I am a Malaysian citizen residing in Malaysia;
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application;
 - This is the only application that I am submitting; and
 - I hereby give consent to the Participating Financial Institution and MCD to disclose information pertaining to myself and my account with the Participating Financial Institution and MCD to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant's particulars to MIH, or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE ISSUE SHARES, WHETHER AT THE ATM OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicant, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key or button on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of the Company.
- (f) The Company reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only on a non-discriminatory basis without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days after the balloting date. The applicants may check their accounts on the fifth market day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than twenty one (21) days from the day of the final ballot of the Application List.

Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises the Company:-
 - (aa) to credit the shares allotted or allocated to the applicant into the CDS account of the applicant; and
 - (bb) to issue share certificate(s) representing such shares allotted or allocated in the name of MCD Nominees Sdn Bhd and send the same to MCD.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if:
 - (aa) the Company or MIH does not receive the applicant's Electronic Share Application; or
 - (bb) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIH,the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both MCD and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered address last maintained with MCD.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:
 - (aa) in consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at its respective ATMs, his Electronic Share Application is irrevocable;
 - (bb) the Company, the Participating Financial Institutions, MCD and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (cc) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (dd) the applicant irrevocably authorises MCD to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allotted or allocated to the applicant; and
- (ee) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) The Board reserves the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) The Board reserves the right to reject applications which do not conform to these instructions.
- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
 - AMBANK BERHAD (*formerly known as Arab-Malaysian Bank Berhad*);
 - AMFINANCE BERHAD (*formerly known as Arab-Malaysian Finance Berhad*);
 - BUMIPUTRA-COMMERCE BANK BERHAD (at selected branches in the Klang Valley only);
 - HSBC BANK MALAYSIA BERHAD;
 - MALAYAN BANKING BERHAD;
 - MAYBAN FINANCE BERHAD;
 - OCBC BANK (MALAYSIA) BERHAD; OR
 - STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only)
- (p) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institutions.

16.6 CDS ACCOUNTS

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the ordinary shares of the Company will be by book entries through CDS Account. No share certificates will be issued to successful applicants.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

(i) Application by way of Application Forms

In the case of an application by way of Application Forms, an applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account registered in his own name. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. A list of the ADA Codes is given in Section 16.9 of this Prospectus. Where an applicant already has a CDS Account, the applicant **should not** complete the preferred ADA Code.

If a successful applicant fails to state either his CDS Account Number or the preferred ADA Code in his Application Form, the Board or Placement Agents may exercise their absolute discretion to instruct the Issuing House to insert a preferred ADA Code on the Application Form and further instruct MCD to open a CDS Account on the investor's behalf at a specified ADA and credit the shares allotted to the applicant into the applicant's CDS account.

Where an applicant already has a CDS Account, his completion of the Application Form includes his authority for MCD to disclose information pertaining to the CDS Account to the Issuing House/Company.

(ii) Application by way of Electronic Share Applications

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application require him to do so.

Failure to comply with these specific instructions as required for the Electronic Share Application or inaccuracy in the CDS Account number or the preferred ADA Code may result in the application being rejected. The Board reserves the right to reject any incomplete or inaccurate application. Applications may also be rejected if the applicant's particulars provided in their Application Forms, or in the case of Electronic Share Applications, if the records of the Participating Financial Institutions at the time of making the Electronic Share Applications differ from those in the MCD's records, such as the identify card number, name and nationality.

16.7 NOTICE OF ALLOTMENT

Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. A notice of allotment will be despatched to the successful or partially successful applicant at the address shown in the Application Form where the applicant does not presently have a CDS account or to the applicant's address last maintained with the MCD where the applicant has an existing CDS Account at the applicant's own risk within 30 days after the final ballot of the Application List. For Electronic Share Application, the notice of allotment will be despatched to the successful or partially successful applicant at the address last maintained with the MCD at the applicant's own risk within 30 days after the final ballot of the Application List. This is the only acknowledgement of acceptance of the application.

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.8 FORMALISING CDS ACCOUNTS

Successful or partially successful applicants whose CDS accounts have been opened by the MCD at their preferred ADA or the ADA caused to be inserted by MIH at the instruction of the Company in case where the successful or partially successful applicants fail to state either their CDS account number or preferred ADA Code, are required to formally open the account by submitting to the ADA the necessary documents and the account opening fees. No transaction of shares credited to the account can be effected until the account has been formally opened.

16.9 LIST OF ADAs

The list of ADAs and their respective Broker codes is as follows:-

Name	Address and Telephone Number	Broker Code
KUALA LUMPUR		
AFFIN-UOB SECURITIES SDN BHD	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-21438668	028-001
AMSECURITIES SDN BHD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788	086-001
AVENUE SECURITIES SDN BHD	Ground Floor & Level 1 THB Satu, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20951111	052-001
BBMB SECURITIES SDN BHD	Level 2, 3, 4 & 15, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20319900	099-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor, Podium Block AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : 03-40433533	024-001
CIMB SECURITIES SDN BHD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : 03-20849999	065-001
HLG SECURITIES SDN BHD	Level 5, Wisma Kia Peng No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21681168	066-001

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
HWANG-DBS SECURITIES BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
HWANG-DBS SECURITIES BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Tel No : 03-91303399	068-012
INTER-PACIFIC SECURITIES SDN BHD	Level 7, Menara Shahzan Insas 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21441888	054-001
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
K & N KENANGA BHD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	30th Floor, Menara Weld No. 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20201600	053-001
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Tel No : 03-21667922	076-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Ground, 1st & 2nd Floor No. 33, Plaza Crystaville Jalan 23/70A Desa Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62033366	076-010
LEONG & COMPANY SDN BHD	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26928899	061-001
M & A SECURITIES SDN BHD	Level G-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkarang Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
MAYBAN SECURITIES SDN BHD	Level 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
MIDF SISMA SECURITIES SDN BHD	17th & 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-21668888	026-001
OSK SECURITIES BERHAD	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-21624388	056-001
OSK SECURITIES BERHAD	Ground Floor, No. 15, Block A Jalan Prima 1 Pusat Niaga Metro Prima, Kepong 52100 Kuala Lumpur Tel No : 03-62575869	056-028
PB SECURITIES SDN BHD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001
PM SECURITIES SDN BHD	Ground & 1st Floor, MUI Plaza Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-21463000	064-001
RHB SECURITIES SDN BHD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92852233	087-001
SIME SECURITIES SDN BHD	21st Floor, Sime Bank Building 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-22749288	097-001
TA SECURITIES BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	074-001
SELANGOR DARUL EHSAN		
AFFIN-UOB SECURITIES SDN BHD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	028-002
HWANG-DBS SECURITIES BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
HWANG-DBS SECURITIES BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
JF APEX SECURITIES BERHAD	3rd Floor, Wisma Apex 145A-C, Jalan Bukit 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
K & N KENANGA BHD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : 03-79562169	073-005
K & N KENANGA BHD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241682	073-006
K & N KENANGA BHD	Room 7.02, Level 7, Menara ING Intan Millenium Square No. 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-30057001	073-007
MOHAIYANI SECURITIES SDN BHD	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77297345	095-001
OSK SECURITIES BERHAD	24, 24M, 26M, 28M & 28A Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	056-011
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007
SJ SECURITIES SDN BHD	Level 3, Holiday Villa No. 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel No : 03-56340202	096-001
MELAKA		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : 06-3371533	012-001
OSK SECURITIES BERHAD	579, 580-581 A&B Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006
RHB SECURITIES SDN BHD	Lot 9 & 10, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : 06-2833622	087-002
PERAK DARUL RIDZUAN		
AVENUE SECURITIES SDN BHD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	052-002
BOTLY SECURITIES SDN BHD	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
HWANG-DBS SECURITIES BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8060888	068-003
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6910910	076-008

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
MAYBAN SECURITIES SDN BHD	55, 57 & 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2558233	098-002
OSK SECURITIES BERHAD	21-25, Jalan Seenivasagam 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	056-002
OSK SECURITIES BERHAD	17G, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	056-014
OSK SECURITIES BERHAD	No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	056-016
OSK SECURITIES BERHAD	28, Jalan Maharaja Taman Bagan Serai Baru 34300 Bagan Serai Perak Darul Ridzuan Tel No : 05-7231888	056-018
OSK SECURITIES BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	056-034
SBB SECURITIES SDN BHD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	090-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel No : 04-2299318	078-002
AVENUE SECURITIES SDN BHD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : 04-2281868	052-003
BBMB SECURITIES SDN BHD	7th & 8th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	099-002

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
HWANG-DBS SECURITIES BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
HWANG-DBS SECURITIES BERHAD	Ground, 1st & 2nd Floor 1620 & 1621, Jalan Permatang Batu Taman Industri Permatang Batu 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Prai, Pulau Pinang Tel No : 04-3322123	093-001
OSK SECURITIES BERHAD	64, Bishop Street 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : 04-2634222	056-004
OSK SECURITIES BERHAD	Level 19, Menara NB 5050 Jalan Bagan Luar 12000 Butterworth Pulau Pinang Tel No : 04-3322299	056-005
OSK SECURITIES BERHAD	11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	056-015
OSK SECURITIES BERHAD	No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	056-032
OSK SECURITIES BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
THONG & KAY HIAN SECURITIES SDN BHD	Wisma Sri Pinang, Level 5 & 6 60, Green Hall 10200 Pulau Pinang Tel No : 04-2635481	070-001
UT SECURITIES SDN BHD	6th, 10th & 12th Floor Mayban Trust Building 3, Penang Street 10200 Pulau Pinang Tel No : 04-2626644	059-001
PERLIS INDRA KAYANGAN		
KUALA LUMPUR CITY SECURITIES SDN BHD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : 04-9765200	076-003
KEDAH DARUL AMAN		
HWANG-DBS SECURITIES BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
KUALA LUMPUR CITY SECURITIES SDN BH	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004
OSK SECURITIES BERHAD	No. 1, Jalan Pahlawan 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	056-017
OSK SECURITIES BERHAD	No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	056-019
OSK SECURITIES BERHAD	Ground & 1st Floor, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	056-021

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
NEGERI SEMBILAN DARUL KHUSUS		
HWANG-DBS SECURITIES BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007
HWANG-DBS SECURITIES BERHAD	No. 6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	056-024
OSK SECURITIES BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	056-037
OSK SECURITIES BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 71200 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553011	056-040
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Suite 8.2, Level 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
AMSECURITIES SDN BHD	2nd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002
AVENUE SECURITIES SDN BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9532222	052-004

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
ENG SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	081-001
HWANG-DBS SECURITIES BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004
K & N KENANGA BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
K & N KENANGA BHD	No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008
K & N KENANGA BHD	No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
K & N KENANGA BHD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 46 & 48 Jalan Dato' Kapten Ahmad 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006
OSK SECURITIES BERHAD	Unit 27-01 to 27-08 Level 27, Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2212233	056-006
OSK SECURITIES BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	056-009
OSK SECURITIES BERHAD	Ground Floor, 17, Jalan Delima Pusat Perdagangan Pontian 82000 Pontian Johor Darul Takzim Tel No : 07-6868018	056-023

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	Ground & 1st Floor No. 19, Jalan Pesta 1-1 Taman Tun Dr. Ismail 1, Jalan Bakri 84000 Muar Johor Darul Takzim Tel No : 06-9538262	056-025
OSK SECURITIES BERHAD	Ground & 1st Floor 10, Jalan Bendahara 12 Taman Ungku Tun Aminah 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	056-029
OSK SECURITIES BERHAD	Ground & 1st Floor No. 28 Jalan Tengku Ahmad 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	056-030
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	056-031
OSK SECURITIES BERHAD	240 & 240A, Jalan Besar 83700 Yong Peng Johor Darul Takzim Tel No : 07-4675388	056-033
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	056-035
OSK SECURITIES BERHAD	Ground Floor, No. 7, Jalan Jaya 81900 Kota Tinggi Johor Darul Takzim Tel No : 07-8822018	056-036
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	056-038
OSK SECURITIES BERHAD	1st Floor, No. 2 & 4 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	056-039
PM SECURITIES SDN BHD	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-2781813	064-005

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
PAHANG DARUL MAKMUR		
KUALA LUMPUR CITY SECURITIES SDN BH	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002
OSK SECURITIES BERHAD	A-27 & A-29, Lorong Tun Ismail 9 Seri Dagangan Kuantan Business Centre 25000 Kuantan Pahang Darul Makmur Tel No : 09-5163811	056-007
OSK SECURITIES BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	056-022
OSK SECURITIES BERHAD	Ground Floor No. 43 Jalan Bunga Tanjung 28400 Mentakab Pahang Darul Makmur Tel No : 09-2771541	056-026
OSK SECURITIES BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	056-041
KELANTAN DARUL NAIM		
KOTA BHARU SECURITIES SDN BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	075-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Lot 6 & 7, Section 25 Jalan Sultan Yahya Petra Bandar Kota Bharu 15200 Kota Bharu Kelantan Darul Naim Tel No : 09-7432588	076-007
OSK SECURITIES BERHAD	No. 3953-H (Ground & 1st Floor) Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	056-020

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
TERENGGANU DARUL IMAN		
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009
OSK SECURITIES BERHAD	Ground Floor, 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	056-027
PTB SECURITIES SDN BHD	1st, 2nd & 3rd Floor No. 61, Jalan Sultan Ismail P. O. Box 151, Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6235546	025-001
SARAWAK		
BORNEO SECURITIES SDN BHD	12G, Jalan Kampung Datu 96000 Sibu Sarawak Tel No : 084-319998	030-001
HWANG-DBS SECURITIES BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : 082-236999	068-005
K & N KENANGA BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002
K & N KENANGA BHD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003
OSK SECURITIES BERHAD	Ground & 1st Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No : 082-422252	056-008

16 PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	Lot 1168, Ground Floor Wisma Interhill Miri Waterfront Commercial Centre 98008 Miri Sarawak Tel No : 085-422788	056-012
OSK SECURITIES BERHAD	101 & 102, Pusat Pedada, Jalan Pedada 96000 Sibul Sarawak Tel No : 084-329100	056-013
WILAYAH PERSEKUTUAN LABUAN		
CIMB SECURITIES SDN BHD	Unit 7(A), Level 7, Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 Wilayah Persekutuan Labuan Tel No : 087-451666	065-002
SABAH		
HWANG-DBS SECURITIES BERHAD	Room Nos. 106-109, Mezzanine Floor Room Nos. 207-212, 2nd Floor Gaya Centre, Jalan Tun Fuad Stephens 88400 Kota Kinabalu Sabah Tel No : 088-311688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	020-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Suite 1-9-E1, 9th Floor, CPS Tower No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-253922	076-005
OSK SECURITIES BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	056-010