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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

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**13.1 Share Capital**

1. No Shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
2. There are no founder, management or deferred Shares in the Company.
3. A director is not required to hold any qualification Share in the Company.
4. 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.

**13.2 Articles of Association**

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

**Article 20**

Subject to the provisions of the Central Depositories Act and the Rules 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 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 the listed securities. Subject to these Articles, there shall be no restriction on the transfer of fully paid shares except where required by law.

**Article 21**

No share shall in any circumstances be transferred or transmitted to any infant, bankrupt or person of unsound mind.

**Article 22**

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. Such notice shall state the books closing date, which shall be at least twelve clear market days (or such other period as prescribed by the Exchange or any relevant governing laws and/or guidelines) after the date of notification to the Exchange, and the address of share registry at which documents will be accepted for registration. As least three market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

2. The provisions of the Company's Articles of Association dealing with the voting and borrowing powers of the directors are as follows:-

**Article 84**

The Directors may raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and disposition in security or bonds of cash-credit, with or without power of sale, as the Directors shall think fit.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

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**Article 85**

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 a security for any debt, liability or obligation of an unrelated third party.

**Article 86**

1. The Directors may borrow or raise any such money as aforesaid upon by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue of sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for shares in the Company or any class authorised to be issued.
2. Subject as aforesaid, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company both present and future and upon any capital remaining unpaid upon the shares of the Company whether called up or not or by any other security and the Director may confer upon any mortgagees or persons in whom any debentures, debenture stock or security is vested such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Director may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustee may be remunerated.
3. The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised, but in such case the amount shall be reckoned as part of the money borrowed.

**Article 89**

The Director shall cause a proper register to be called "Register of Charges" to be kept in accordance with the provision of the Act, of all mortgages and charges especially affecting the property of the Company and a sum of RM1.00 shall be payable for each inspection of the Register of Charges.

3. The provisions of the Articles of Association dealing with changes in capital and variations of class rights which are as stringent as those provided in the Act are as follows:-

**Article 37**

The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION****Article 38**

1. Subject to any direction to the contrary that may be given by the Company in general meeting any original shares for the time being unissued and any new shares from time to time to be created, shall before they are issued, be offered to the Members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer if not accepted or renounced will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the Directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided.
2. Notwithstanding the foregoing and subject to the Act, the Company may apply to any Exchange for waiver of convening an extraordinary general meeting to obtain shareholders approval for further issue of shares (other than bonus or rights issue) where the aggregate issues of which in any one financial year do not exceed ten per cent (10%) of the issued capital and where in accordance with the provisions of section 132D of the Act, there is still in effect a resolution approving the issue of shares by the Company

**Article 40**

The Company may by Ordinary Resolution:-

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
- (b) Sub-divide its existing shares, or any of them into shares of smaller amount that is fixed by the Memorandum of Association subject, nevertheless, to the provisions 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, capital, voting or otherwise over the others or any other of such shares; or
- (c) Cancel any shares not taken or agreed to be taken by any person.

**Article 41**

1. The Company may by Special Resolution reduce its share capital and any capital redemption reserve fund in any manner authorised and subject to any conditions prescribed by the Act and the Listing Requirements.
2. The Company may reduce its issued share capital by the cancellation of shares purchased by the Company and the amount by which the Company's issued capital is diminished shall be transferred to the capital redemption reserve in accordance with section 67A of the Act and the Listing Requirements.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION****Article 42**

Subject to the provisions of section 65 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issue shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the Members of that class. To any such separate meeting all the provisions of these Articles as to General Meetings of the Company shall mutates mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy one-third of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him. To every such special resolution the provisions of section 152 of the Act shall with such adaptations as are necessary apply. Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from Members holding at least three-fourths of the issued shares of the class and such consent if obtained within two months from the date of the separate General Meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy.

**Article 43**

The rights conferred upon the holders of the shares of any class with preference 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 assets of the Company in some or in all respects *pari passu* therewith but in no respect in priority thereto.

4. The provisions of the Articles of Association dealing with the remuneration of the directors are as follows:-

**Article 74**

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of proposed increase has been given in the notice convening the meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. PROVIDED THAT no Director (non-executive or executive) shall be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration which shall not include a commission on or percentage of turnover. The fee payable to non-executive Directors shall be fixed sums as shall be determined by the Company in general meeting.

**Article 105 (4)**

An alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION****13.3 Directors and Substantial Shareholders**

1. The names, addresses and occupations of the directors are set out in the section titled "Corporate Directory" of this Prospectus.
2. No directors or key management and/or technical personnel is or has been involved in any of the following events, whether in or outside Malaysia:-
  - (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was or is a partner or any corporation of which he was or is a director or key personnel;
  - (b) A conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
  - (c) The subject of any order, judgment or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution or engaging in any type of business practice or activity.
3. For the financial year ended 31 December 2002, a total sum of RM179,300 was paid to the directors of IAB as remuneration for their service in all capacities to the Company and its subsidiaries. For the current financial period ending 31 May 2003, a total sum of RM120,000 was paid to the directors of IAB. The directors fall within the following remuneration bands:-

| Remuneration Band (RM) | Number of Directors        |                          |
|------------------------|----------------------------|--------------------------|
|                        | 12 Months Ended 31.12.2002 | 5 Months Ended 31.5.2003 |
| 0 – 100,000            | 2                          | 3                        |
| 100,001 – 200,000      | 1                          | -                        |
| 200,001 – 300,000      | -                          | -                        |
| 300,001 – 400,000      | -                          | -                        |
| 400,001 – 500,000      | -                          | -                        |
| 500,001 – 600,000      | -                          | -                        |

No remuneration was paid or is payable to Mr. Hideo Hirahara and En Shamsudin @ Samad bin Kassim as at 31 May 2003. Mr Lee Soo Hong @ Lee Soo Pin was appointed on 3 June 2003 and as such, has not been provided any remuneration as at 31 May 2003.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

4. Based on the Register of Directors' Shareholdings of IAB as at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the Directors in the issued share capital of the Company before and after the Public Issue are as follows:-

| Director                     | Before Public Issue |      |                         |       | After Public Issue |      |                         |       |
|------------------------------|---------------------|------|-------------------------|-------|--------------------|------|-------------------------|-------|
|                              | Direct              |      | Indirect                |       | Direct             |      | Indirect                |       |
|                              | No. of Shares       | %    | No. of Shares           | %     | No. of Shares      | %    | No. of Shares           | %     |
| Hideo Hirahara               | 924,610             | 2.05 | 28,236,340 <sup>1</sup> | 62.75 | 1,014,610          | 1.69 | 28,236,340 <sup>1</sup> | 47.06 |
| Tan Teong Boon               | 2,039,670           | 4.53 | 27,385,670 <sup>2</sup> | 60.86 | 2,109,670          | 3.52 | 27,385,670 <sup>2</sup> | 45.64 |
| Soo Kuan Yow                 | 772,810             | 1.72 | 27,385,670 <sup>2</sup> | 60.86 | 842,810            | 1.40 | 27,385,670 <sup>2</sup> | 45.64 |
| Chen Fam Tet                 | 506,350             | 1.13 | 27,385,670 <sup>2</sup> | 60.86 | 576,350            | 0.96 | 27,385,670 <sup>2</sup> | 45.64 |
| Shamsudin @ Samad bin Kassim | -                   | -    | 243,830 <sup>3</sup>    | 0.54  | 33,300             | 0.06 | 243,830 <sup>3</sup>    | 0.41  |
| Lee Soo Hong @ Lee Soo Pin   | -                   | -    | -                       | -     | 27,800             | 0.05 | -                       | -     |

**Notes:-**

<sup>1</sup> Deemed interest by virtue of his shareholding in IESB and Cell-Infotech

<sup>2</sup> Deemed interest by virtue of his/her shareholding in IESB

<sup>3</sup> Deemed interest by virtue of his family's shareholding interest in Fjarrow (M) Sdn Bhd

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## 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

5. Based on the Register of Substantial Shareholders of IAB as at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, the direct and indirect interests of the substantial shareholders and Promoters in the issued share capital of the Company before and after the Public Issue are as follows:-

| Shareholder/Promoter | Nationality /<br>Place of<br>Incorporation | Before Public Issue |       |                         |       | After Public Issue |       |                         |       |
|----------------------|--------------------------------------------|---------------------|-------|-------------------------|-------|--------------------|-------|-------------------------|-------|
|                      |                                            | Direct              |       | Indirect                |       | Direct             |       | Indirect                |       |
|                      |                                            | No. of Shares       | %     | No. of Shares           | %     | No. of Shares      | %     | No. of Shares           | %     |
| IESB *               | Malaysia                                   | 27,385,670          | 60.86 | -                       | -     | 27,385,670         | 45.64 | -                       | -     |
| OSKTV                | Malaysia                                   | 5,062,500           | 11.25 | -                       | -     | 5,062,500          | 8.44  | -                       | -     |
| OSKHB                | Malaysia                                   | -                   | -     | 5,062,500 <sup>1</sup>  | 11.25 | -                  | -     | 5,062,500 <sup>1</sup>  | 8.44  |
| Hideo Hirahara *     | Japanese                                   | 924,610             | 2.05  | 28,236,340 <sup>2</sup> | 62.75 | 1,014,610          | 1.69  | 28,236,340 <sup>2</sup> | 47.06 |
| Tan Teong Boon *     | Malaysian                                  | 2,039,670           | 4.53  | 27,385,670 <sup>3</sup> | 60.86 | 2,109,670          | 3.52  | 27,385,670 <sup>3</sup> | 45.64 |
| Soo Kuan Yow *       | Malaysian                                  | 772,810             | 1.72  | 27,385,670 <sup>3</sup> | 60.86 | 842,810            | 1.40  | 27,385,670 <sup>3</sup> | 45.64 |
| Chen Fam Tet *       | Malaysian                                  | 506,350             | 1.13  | 27,385,670 <sup>3</sup> | 60.86 | 576,350            | 0.96  | 27,385,670 <sup>3</sup> | 45.64 |

**Notes:-**

- \* Promoter of IAB  
<sup>1</sup> Deemed interest by virtue of its shareholding in OSKTV  
<sup>2</sup> Deemed interest by virtue of his shareholding in IESB and Celt-Infotech  
<sup>3</sup> Deemed interest by virtue of his/her shareholding in IESB

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

6. Save as disclosed in **Sections 6.23 and 6.24** of this Prospectus, none of the directors or substantial shareholders of the Company or its subsidiaries has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries.
7. Save as disclosed in **Sections 6.24, 13.6 and 13.7** of this Prospectus, none of the directors of the Company has any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to the Company or its subsidiaries or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole.
8. Save as disclosed in **Sections 6.24, 13.6, 13.7 and 13.8** of this Prospectus, there are no contracts or arrangements subsisting at the date of this Prospectus in which any director or substantial shareholder of the Company is interested and which is significant in relation to the business of the Company or the Group taken as a whole.
9. Upon Listing, none of the directors of the Company have any existing or proposed service contracts with the Company, which is not terminable by notice without payments or compensation other than statutory compensation.

**13.4 General**

1. No property has been acquired or is proposed to be acquired, and no preliminary expenses are to be repaid, by the Company or its subsidiaries in contemplation of the Public Issue.
2. 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 disclosed in **Section 6.23** of this Prospectus.
3. The time of the opening of the Application Lists is set out in the section on "Procedure for Application and Acceptance" of this Prospectus.
4. The amount payable in full on application is RM0.37 per Share.
5. No person has an option or is entitled to be given an option to purchase or subscribe for any Shares, stocks or debentures of the Company or its subsidiaries.
6. Save as disclosed in this Prospectus, no capital of the Company or its subsidiaries has been issued or is proposed to be issued as partly or fully paid-up otherwise than for cash within the two (2) years preceding the date of this Prospectus.
7. Save as disclosed in **Sections 6.2 to 6.7** of this Prospectus, no capital of the Company or its subsidiaries has been issued or is proposed to be issued for cash within the two (2) years preceding the date of this Prospectus.
8. Save as disclosed in **Sections 6.6 (note a) and 13.3(3)** of this Prospectus, there are no amounts or benefits paid or intended to be paid or given to any Promoter, Director or substantial shareholder within the two (2) years preceding the date of this Prospectus.
9. There has not been, in so far as known to the Company, any persons who, directly or indirectly, jointly or severally, exercise control over the corporation and particulars of the proportion of the voting capital held.



**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

10. The Group has no outstanding convertible debt securities.
11. The name and address of the auditors are set out in the section on "Corporate Directory" of this Prospectus.
12. Apart from the subsidiaries of the Company disclosed in **Section 6** of this Prospectus, the Group has not established any place of business outside Malaysia.
13. The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in **Section 14** on "Procedure for Application and Acceptance" of this Prospectus.

**13.5 Expenses and Commission**

1. Save as disclosed in this Prospectus, there have been no commissions, discounts, brokerages or other special terms granted or paid by IAB or its subsidiaries within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any Shares or debentures of the Company or its subsidiaries for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any Shares or debentures of IAB or its subsidiaries and no director or proposed director or Promoter or expert is entitled to receive any such payment.
2. Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the MESDAQ Market of the KLSE amounting to approximately RM1.2 million will be borne by the Company.
3. No amount or benefit has been paid or given within the two (2) years preceding the date hereof, nor is it intended to be so paid or given, to any Promoter, save as disclosed in this Prospectus.

**13.6 Material Contracts**

Save as disclosed below and in **Section 6.24** hereof, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or its subsidiaries within the two (2) years preceding the date of this Prospectus and no current and/or subsisting material agreements which have been entered into by the Company or its subsidiaries:-

- (i) Sponsorship Agreement dated 3 June 2003 between IAB and OSK whereby IAB appointed OSK as the sponsor for its listing on the MESDAQ Market of the KLSE from the date of the agreement until one (1) year from the date of the Company's admission to the official list of the MESDAQ Market of the KLSE, for a total fee of RM30,000 per annum.
- (ii) Underwriting Agreement dated 3 June 2003 between IAB and OSK for the underwriting of 15,000,000 Issue Shares at the Issue Price for an underwriting commission of 2.5% of the underwritten value.
- (iii) Placement Agreement dated 3 June 2003 between IAB and OSK for the placement of 12,500,000 Issue Shares at the rate of 1.5% for places identified and secured by the Placement Agent.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

- (iv) Pursuant to Subscription Agreements dated 4 December 2002, IAB had invited OSKTV and Ng Sing Chung to subscribe for a total of 413,221 Redeemable Convertible Preference Shares ("RCPS") of RM0.10 each to be issued at RM2.42 per RCPS. The RCPS will be converted within 30 days after its maturity date, i.e. the last day of the period of three (3) years from the date of first issuance of the RCPS or upon MESDAQ's approval of the listing of IAB on the MESDAQ Market, whichever is earlier.
- (v) Agreement dated 11 June 2002 between IAB and OSK for the appointment of OSK as the Main Adviser to IAB for the Company's proposed listing exercise.

**13.7 Material Agreements**

Save as disclosed below and in **Section 6.24** hereof, there are no other material agreements entered into by the Group as at the date of this Prospectus.

- (i) Agreement dated 5 May 2003 entered into between FMSB and IAB to form the basis of the parties' collaboration in the areas of sale of licensed software products provided by IAB ("Licensed Software"), customization and implementation of the Licensed Software, software development services and pre-sale promotion activities for the Licensed Software.
- (ii) Agency Agreement dated 25 March 2002 signed between IAB and Baycom Sdn Bhd ("Baycom") to appoint IAB as a direct sales service provider for its IPStar Broadband Internet Access Service on Baycom's behalf, subject to commission payable to IAB.
- (iii) Agreement dated 4 March 2002 entered into between IAB and FMSB for IAB to provide the System Sales Support Services for Fujitsu Application products and other related products to FMSB. The Agreement shall be valid from 1 April 2002 to 30 September 2002 and shall be renewed automatically if there is no prior written notice of termination. This agreement has been further renewed to March 2003.
- (iv) Agreement dated 6 August 2001 between IASB and ELID Sales and Marketing Sdn Bhd ("ELID") for ELID to supply AT2000 Time Clock series to IASB with the purpose to set up a framework of working relationship conducive to the long term co-operation between the parties concerned.
- (v) MoU dated 8 July 2001 signed between IAB and FAPL for both parties to collaborate on the design, development, marketing, implementation and support of a total solution package to Japanese related companies in Asia, in particular Japanese related manufacturing companies in Malaysia, Singapore, Vietnam, Indonesia and other Asean countries for a period of two (2) years from the date of signing of Collaboration Agreement, which will be signed within 60 days from the date of the MoU. The Collaboration Agreement is still in the process of being executed and both parties have agreed to the extension of the time frame for the same; and
- (vi) Agreement dated 1 August 2000 entered into between IAB and MDC wherein MDC shall award IAB with a grant of RM3,089,061 over a period of 18 months from the MGS to assist IAB in its R&D activities related to the Project (as defined in the Agreement). As the said grant has been fully disbursed as at the date of this Prospectus, the continuing obligations of IAB under the Agreement shall cease. This has subsequently been confirmed vide a letter from MDC dated 4 December 2002.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION****13.8 Other Agreements**

Other agreements entered into by the Group as at the date of this Prospectus are as follows:-

- (i) IAB had entered into service agreements with several of its employees who are employed on a contractual basis based on the projects on hand. These agreements are standard and the typical salient terms of these agreements are as set out below:-
  1. The employee's employment will commence for a period of twelve (12) or twenty-four (24) months (depending on the nature of the contract) unless terminated or extended.
  2. The employee is not required to undergo a probationary period as the employee is considered a confirmed staff.
  3. The employee will be entitled to ten (10) days annual leave for each year of the employee's employment.
  4. Upon confirmation of the employee's employment, either party may terminate the agreement and the employee's employment by the giving of four (4) months' prior written notice to the other party.
  5. The employee shall be entitled to all benefits that have been expressly provided in the service agreement.
- (ii) ISSB has entered into software support agreements, computer hardware support service agreements and software license and technical support agreements with its customers and MoU with its business partners in the ordinary course of its business. The agreements are standard and the salient terms of these agreements are as set out below:-
  1. Software support agreement for ISSB, as an independent contractor duly authorized by the owner of the software, to provide to the customer the support services in respect of the software.
  2. Computer hardware support agreement for ISSB to provide free support services and additional support services and maintenance on the software and hardware to the customer.
  3. Software license and technical support agreement for ISSB to grant the customer a non-exclusive license to use the computer software programs and associated documents and to provide certain services to the customer in respect of technical support in relation to the licensed programs under the agreement and customised software by ISSB.
  4. MoU between ISSB and the business partner to participate in joint collaboration to promote and sell each other's specialised products and services and common product and services.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

- (iii) IASB has entered into maintenance agreements and MoU with its customers and business partners in the ordinary course of its business. The agreements are standard and the salient terms of these agreements are as set out below:-
1. Maintenance agreement for IASB to provide to the user maintenance services in respect of the software supplied by IASB.
  2. MoU for IASB to be associated with the business partner by granting the latter the non-exclusive, non-transferable license to distribute, resell and implement the software in Malaysia. The copyright of the license is held by IASB.

**13.9 Litigation and Contingent Liabilities**

1. The Company and its subsidiaries are not engaged in any litigation or arbitration, including those pending and threatened and those settled, concluded or avenue for appeal exhausted in the one (1) year preceding the date of this Prospectus, either as plaintiff or defendant, which has a material effect on the financial position of the Company, and the directors do not know of any proceedings which might materially and adversely affect the financial position or business of the Company.
2. Save as disclosed in Section 5.7 on “**Working Capital, Borrowings and Contingent Liabilities**”, neither the Company nor its subsidiaries has any outstanding contingent liabilities as at the date of this Prospectus.

**13.10 Public Take-Overs**

During the last financial year and the current financial year, there have been:-

- (a) No public take-over offers by third parties in respect of the Company's and its subsidiaries' shares; and
- (b) No public take-over offers by the Group in respect of other companies' shares.

**13.11 Consents**

1. The written consents of the Adviser, Sponsor, Underwriter and Placement Agent, Auditors and Reporting Accountants, Solicitors, Principal Bankers, Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
2. The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letter relating to the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

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**13.12 Insurance Policies**

The Group has purchased the following types of insurance policies:-

- 1) Industrial All Risks Policy – covering all computer equipment and office equipment in the event of any physical loss, destruction or damage to property for a period of twelve (12) months, subject to yearly renewal.
- 2) Cash-in-Transit Policy - covering monies secured in the locked safe in the premises and all money in transit from or to bank, subject to yearly renewal.
- 3) Fire Consequential Loss Policy – covers any building or other property or any part thereof used by the Company in the event of being destroyed or damaged by fire, lightning or explosion, subject to yearly renewal.
- 4) Private Car Policy - covering the vehicle in the event of any damages or lost for a period of twelve (12) months, subject to yearly renewal.

**13.13 Documents for Inspection**

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (a) Memorandum and Articles of Association of the Company;
- (b) Material contracts and agreements referred to in Sections 6.24 (a) (b) and (c) (ii), 13.6 and 13.7 respectively, of this Prospectus;
- (c) Directors' Report and Accountants' Report as included herein;
- (d) Reporting Accountants' letter relating to the Proforma Consolidated Balance Sheets as included herein;
- (e) Audited accounts of the Group for the past five (5) financial years ended 31 December 2002; and
- (f) Consent letters referred to in Section 13.11 of this Prospectus.

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**14. PROCEDURE FOR APPLICATION AND ACCEPTANCE**


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**14.1 Opening and Closing of Applications**

Applications will be accepted from **10.00 a.m.** on 30 June 2003 and will close at **8.00 p.m.** on 11 July 2003 or such other later time and date or dates as the Directors of IAB and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

COPIES OF THE APPLICATION FORMS TOGETHER WITH THIS PROSPECTUS MAY BE OBTAINED, SUBJECT TO AVAILABILITY, FROM THE ISSUING HOUSE, OSK AND ADAs WHICH ARE REGISTERED KLSE MEMBERS.

**14.2 Trading of Shares Listed on the MESDAQ Market**

Under the KLSE's trading rules, effective from the date of listing, trading in all securities listed on the MESDAQ Market of the KLSE can only be executed through an ADA.

**14.3 Private Placement and Public Offer Procedures**

The Public Issue will be made by way of private placement and public offer. The breakdown of the Issue is shown below:

|                                               | <b>No. of Shares to be Allocated</b> |
|-----------------------------------------------|--------------------------------------|
| Eligible directors and employees of the Group | 1,000,000                            |
| Individuals, companies and institutions       |                                      |
| - by way of private placement                 | 12,500,000                           |
| - by way of public offer                      | 1,500,000                            |
| <b>Total</b>                                  | <b>15,000,000</b>                    |

The private placement procedure is as follows:-

- (a) The potential investors will be pre-identified by the Placement Agent.
- (b) The Placement Agent will, on the opening of the Application List, send out this Prospectus to this group of pre-identified potential investors together with the **Blue** Application Forms.
- (c) Upon the closing of the Application List, in the event of under-subscription for the Issue Shares in the private placement, Shares may be transferred from the private placement tranche and allocated by way of public offer.

The public offer procedure is as follows:-

- (a) The Issuing House will, on the opening of the Application List, send out this Prospectus to all ADAs which are registered KLSE Members together with the **White** Application Forms. Malaysian as well as foreign investors may obtain the **White** Application Forms from the respective ADAs.
- (b) Upon the closing of the Application List, in the event of over-subscription for the Issue Shares in the public offer, balloting will be carried out by the Issuing House.
- (c) Upon the closing of the Application List, in the event of under-subscription for the Issue Shares in the public offer, Shares may be transferred from the public offer tranche and allocated by way of placement. The Placement Agent will inform the KLSE of the reason for the transfer and demonstrate that there is a demand for the Shares under the private placement tranche.