

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL**7.1 Substantial Shareholders and Promoters****7.1.1 Shareholdings in IAB**

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 / Place of Incorporation	Before Public Issue			After Public Issue		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
IESB *	Malaysia	27,385,670	60.86	-	27,385,670	45.64	-
OSK TV	Malaysia	5,062,500	11.25	-	5,062,500	8.44	-
OSK HB	Malaysia	-	-	5,062,500 ¹	-	-	5,062,500 ¹
Hideo Hirahara *	Japanese	924,610	2.05	28,236,340 ²	1,014,610	1.69	28,236,340 ²
Tan Teong Boon *	Malaysian	2,039,670	4.53	27,385,670 ³	2,109,670	3.52	27,385,670 ³
Soo Kuan Yow *	Malaysian	772,810	1.72	27,385,670 ³	842,810	1.40	27,385,670 ³
Chen Fam Tel *	Malaysian	506,350	1.13	27,385,670 ³	576,350	0.96	27,385,670 ³

Notes:-

* Promoter of IAB

1 Deemed interest by virtue of its shareholding in OSKTV

2 Deemed interest by virtue of his shareholding in IESB and Cell-Infortech

3 Deemed interest by virtue of his/her shareholding in IESB

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL**7.1.2 Background on Substantial Shareholders and Promoters**

The Promoters of IAB are IESB, Mr Hideo Hirahara, Mr Tan Teong Boon, Mr Chen Fam Tet and Madam Soo Kuan Yow. Mr Hideo Hirahara, Mr Tan Teong Boon, Mr Chen Fam Tet and Madam Soo Kuan Yow are directors of IAB and their profiles are set out in the section on "Board of Directors".

A brief background of the substantial shareholders of IAB, apart from those who are also directors of the Company, is set out below.

IESB was incorporated in Malaysia on 9 July 1997 under the Act as a private limited company with the name of Initiative Support Sdn Bhd. It subsequently changed its name to Infortech Integration Sdn Bhd on 27 August 1997. It assumed its present name on 28 November 2002. It is an investment holding company, with its sole assets being its shareholdings in IAB. Its issued and paid-up capital is RM5.00 comprising five (5) ordinary shares of RM1.00 each. The directors and shareholders of IESB are Mr Tan Teong Boon, Mr Chen Fam Tet, Madam Soo Kuan Yow and Mr Hideo Hirahara.

OSKTV is a wholly owned subsidiary of OSKHB, a company listed on the Main Board of the KLSE. The principal activity of OSKTV is to undertake venture capital investments in high technology and high growth companies. The investment focus of OSKTV is information and communication technology, advanced manufacturing and biotechnology and life sciences. As at 16 June 2003, being the last practicable date prior to the printing of this Prospectus, OSKTV has an authorized share capital and issued and paid-up share capital of RM5.0 million and RM150,000 respectively. Its directors are Mr Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohamed bin Nik Yahya. Mr Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohamed bin Nik Yahya are also the directors of OSKHB and OSK.

7.1.3 Directorships in Other Public Corporations

None of the substantial shareholders or Promoters of IAB has held directorships in any other public corporations for the past two (2) years.

7.1.4 Substantial Shareholdings in Other Public Corporations

The substantial shareholdings of the substantial shareholders of IAB in other public companies incorporated in Malaysia for the past two (2) years are as follows:

Name of Substantial Shareholder	Company	----- Direct -----		----- Indirect -----	
		No of Shares held	%	No of Shares held	%
OSKTV	Nova MSC Berhad	16,364,119	6.15	-	-

Save for the above, none of the other substantial shareholders or Promoters of IAB have any substantial shareholdings, whether directly or indirectly, in any other public corporations for the past two (2) years.

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

7.2 Changes in Substantial Shareholders

The changes in the registered substantial shareholders of IAB and their shareholdings for the past three (3) years up to the date of this Prospectus are as follows:

	As at 14.1.2000		As at 18.3.2002		As at 19.3.2002		As at 29.10.2002	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teong Boon	9,999	99.99	279,999	50.91	279,999	50.91	279,999	34.15
Lim Meng Yan	-	-	30,000	5.45	30,000	5.45	42,636	5.20
Chen Fam Tet	-	-	80,000	14.55	80,001	14.55	139,637	17.03
Mohd Isa bin Ismail	-	-	100,000	18.18	100,000	18.18	113,955	13.90
Primary Returns Sdn Bhd	-	-	40,000	7.30	40,000	7.30	56,782	7.00
Soo Kuan Yow	-	-	-	-	-	-	118,600	14.46
Hideo Hirahara	-	-	-	-	-	-	-	-
IESB	-	-	-	-	-	-	-	-
OSKTV	-	-	-	-	-	-	-	-
	As at 29.11.2002		As at 3.12.2002		As at 10.12.2002		As at 16.5.2003	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teong Boon	301,532	12.88	127,865	5.46	124,865	5.33	124,865	4.53
Lim Meng Yan	42,636	1.82	42,636	1.82	42,636	1.82	42,636	1.55
Chen Fam Tet	139,637	5.96	30,998	1.32	30,998	1.32	30,998	1.13
Mohd Isa bin Ismail	113,955	4.87	37,186	1.59	37,186	1.59	37,186	1.35
Primary Returns Sdn Bhd	56,782	2.42	56,782	2.42	56,782	2.42	56,782	2.06
Soo Kuan Yow	118,600	5.06	47,310	2.02	47,310	2.02	47,310	1.72
Hideo Hirahara	56,603	2.42	56,603	2.42	56,603	2.42	56,603	2.05
IESB	1,236,663	52.81	1,673,495	71.47	1,676,495	71.60	1,676,495	60.86
OSKTV	-	-	-	-	-	-	309,916	11.25
	As at 28.5.2003		As at 30.5.2003					
	No. of Shares	%	No. of Shares	%				
Tan Teong Boon	203,967	4.53	2,039,670	4.53				
Lim Meng Yan	69,646	1.55	696,460	1.55				
Chen Fam Tet	50,635	1.13	506,350	1.13				
Mohd Isa bin Ismail	60,744	1.35	607,440	1.35				
Primary Returns Sdn Bhd	92,754	2.06	927,540	2.06				
Soo Kuan Yow	77,281	1.72	772,810	1.72				
Hideo Hirahara	92,461	2.05	924,610	2.05				
IESB	2,738,567	60.86	27,385,670	60.86				
OSKTV	506,250	11.25	5,062,500	11.25				

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

7.3 Moratorium on Promoters' Shares

In compliance with Rule 10.2 of the Listing Requirements of the KLSE for the MESDAQ Market, Shares held by the Promoters amounting to at least 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of MESDAQ Market must be placed under moratorium. The Promoter whose Shares are subject to moratorium are as follows:-

Shareholder/Promoter	After Public Issue			Under Moratorium		
	Direct No. of Shares	%	No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
IESB	27,385,670	45.64	-	27,000,000	45.00	-

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7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

IESB will not be allowed to sell, transfer or otherwise dispose of any part of its interest in the Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of MESDAQ Market, and thereafter, it is permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of its shareholdings under moratorium on a straight-line basis.

The quantum and proportion of shares which are to be held under moratorium as depicted above is fully accepted by the Promoter whose shareholding after the Public Issue would be 27,385,670 shares, representing 45.64% of the enlarged issued and paid-up share capital of the Company.

This restriction is specifically endorsed on the share certificates of IAB representing the shareholdings of the Promoter which are under moratorium to ensure that the Company's Registrar shall not register any transfer not in compliance with the moratorium restrictions. This restriction has been fully accepted by the aforesaid shareholder.

The shareholders of IESB, namely Tan Teong Boon, Chen Fam Tet, Soo Kuan Yow and Hideo Hirahara, have also given their undertakings that they will not sell, transfer or otherwise dispose of any part of their interest in IESB until the expiry of three (3) years from the date of the Company's admission to the MESDAQ Market.

7.4 Board of Directors

Hideo Hirahara, a Japanese age 62, is the non-Executive Chairman of the Company. He is also the Founding Chairman of the Cell-Infortech Group of Companies, which has presence in Japan and Malaysia as well as China and India.

Prior to founding the Cell-Infortech Group, Mr Hirahara was a researcher at the Toshiba Research and Development Center as well as a representative to General Automation Inc. in Japan. From his humble beginnings, Mr Hirahara was responsible for the growth of the Company from a local systems house with five (5) employees to an MNC with offices in Japan (Tokyo and Nagoya), Malaysia, China, Thailand and India. The Cell-Infortech Group serves other MNCs such as Fujitsu, Toshiba, NEC, Sony, Dentsu, Sky-perfect, Ito-Yoka-do, Daiei, JUSCO, Isetan, Daiken, World, Hyatt Intercontinental, New Otani, JAL Hotels and Tokyu, among others.

Besides Cell-Infortech and System House Miki, Mr Hirahara also holds directorships in ISSB, IASB, IESB and SISD. Mr Hirahara holds a Masters Degree in Management Science from Waseda University in Japan and was a PhD candidate in Operations Research from the same university.

Mr Tan Teong Boon, a Malaysian age 43, is the Managing Director and Chief Technology Officer of IAB. His responsibilities include the development of business and technology-related strategies and policies of the Group. As Chief Technology Officer, he is primarily responsible for the direction of the technology, architecture and R&D of the Group's products.

Prior to co-founding the Group in 1991, Mr Tan worked as a software engineer at Cell-Infortech where he pursued, among others, R&D work at Toshiba Research Labs. Concurrently, he was the head of the Malaysian software engineering team in Japan. Collectively, he has over 19 years of experience in the ICT and software industry and has been involved in various aspects of the software business, including software marketing, design, development, and implementation.

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Under Mr Tan's leadership, the Group's mission has been to continuously advance and improve software technology, and to make it easier and more cost effective for its customers to use the Group's products. Mr Tan is committed to a long term view of developing the software business of the Group as reflected in the Group's continuous investment in R&D. He was also instrumental in obtaining the MGS grant totalling approximately RM3.1 million for the development of its proprietary enterprise application.

Mr Tan holds a Bachelor's degree in Computer Science and Business Administration from the Simon Fraser University, Canada and is conversant with the Japanese language and culture.

In addition to the Company, Mr Tan also holds directorships in ISSB, IASB, LAIPL, IESB as well as SISD.

Mr Chen Fam Tet, a Malaysian age 49, is an Executive Director as well as Chief Marketing Officer of IAB. His responsibilities include the Group's marketing and sales functions.

Mr Chen started his career as an accounts officer and later ventured into an office automation retail and distribution business together with two partners in 1978. He founded ARSSB, an IT company, in 1985, which was the developer of atCom Payroll Plus and atCom Time Manager. He was appointed a director in IASB in 1997 and subsequently as CEO responsible for the overall business development and management of the atCom Human Resource Management. Mr Chen has accumulated more than 20 years of sales and marketing experience, particularly in retail and distribution business. Mr Chen holds a Diploma in Accounting from Cyma College in Kuala Lumpur.

In addition to the Company, Mr Chen also holds directorships in IESB, IASB and ARSSB.

Madam Soo Kuan Yow, a Malaysian age 40, is an Executive Director and Chief Operating Officer of IAB. Her responsibilities include overseeing the Group's overall operations, customer support as well as product planning and design.

Madam Soo was a co-founder of ISSB, holding the post of Senior Development Manager where she was responsible for the research, design and development of the company's software product and customization projects. She was attached to Cell-Infortech in 1986 for a period of approximately 1 year, during which time she was involved in the development of Japanese business applications for Epson Corporation, Toshiba Corporation as well as the Japan National Bank.

She was instrumental in the successful design and support of the Group's products such as WinAcc Business Accounting and atCom ERM and also helped IAB to obtain the MGS Grant amounting to approximately RM3.1 million.

As Chief Operating Officer, she is primarily responsible for the Group's operations including its customer support functions. She is also responsible for product specifications and design to suit market and customer needs. Madam Soo holds a Diploma in Computer Studies from City & Guilds of London Institute as well as Accounting from the London Chamber of Commerce and Industry and is conversant with the Japanese language and culture.

In addition to the Company, Madam Soo also holds directorships in IASB, ISSB and IESB.

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Shamsudin @ Samad bin Kassim, age 57, was appointed as an Independent Non-Executive Director of IAB on 16 December 2002. He graduated in 1970 with a Bachelor of Economics degree from University Malaya and completed his Masters degree in Public and International Affairs (MPIA) from University of Pittsburg, United States of America in 1979.

He has more than 30 years of experience in the public sector. He served as an Assistant Secretary with the Ministry of Works from 1970 to 1973. Thereafter, he worked as an Economist with the Highway Planning Unit from 1973 to 1974 before joining the Services Division of Public Services Department as an Assistant Director from 1974 to 1979.

He assumed the post of Programme Co-ordinator at INTAN from 1981 to 1984 and was thereafter seconded to Malaysian Industrial Development Finance Berhad from 1984 to 1985. In 1985, he joined the Industry Division of MITI as a Senior Assistant Secretary and was later transferred to the Trade Commission, Vienna, Austria in 1989. Upon his return in 1996, Samad Kassim was appointed as a Director of the Industry Division of MITI until 2000. From 2000 to 2001, he assumed the position as the Chief Executive Officer of the Small and Medium Industry Development Corporation ("SMIDEC").

Presently, he sits on the board of Century Logistics Holdings Berhad, Supermax Corporation Berhad, Ingress Corporation Berhad, Kinsteel Berhad and the boards of several other private limited companies in Malaysia.

Lee Soo Hong @ Lee Soo Pin, age 55, is a Chartered Accountant by profession. He graduated in 1970 from the Nanyang University in Singapore with a Bachelor of Accountancy. He is a fellow member of The Association of Chartered Certified Accountants (ACCA), United Kingdom. He is also a member of the Malaysian Institute of Accountants and Malaysian Institute of Taxation.

Mr Lee worked in Messrs. Y.C. Lee & Co., Public Accountants, Singapore from 1975 to 1980 and held the position of audit manager. He was subsequently promoted as a partner in the same firm in 1979. Upon leaving the firm in 1980, he started his public practice in Malaysia under the name of Messrs. Lee Soo Pin & Co., Chartered Accountants.

Mr Lee does not hold any directorships in other public and non-public companies.

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7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

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

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 ¹	62.75	1,014,610	1.69	28,236,340 ¹	47.06
Tan Teong Boon	2,039,670	4.53	27,385,670 ²	60.86	2,109,670	3.52	27,385,670 ²	45.64
Soo Kuan Yow	772,810	1.72	27,385,670 ²	60.86	842,810	1.40	27,385,670 ²	45.64
Chen Fam Tet	506,350	1.13	27,385,670 ²	60.86	576,350	0.96	27,385,670 ²	45.64
Shamsudin @ Samad bin Kassim	-	-	243,830 ³	0.54	33,300	0.06	243,830 ³	0.41
Lee Soo Hong @ Lee Soo Pin	-	-	-	-	27,800	0.05	-	-

Notes:-

- ¹ Deemed interest by virtue of his shareholding in IESB and Cell-Infortech
² Deemed interest by virtue of his/her shareholding in IESB
³ Deemed interest by virtue of his family's shareholding in Fjarrow (M) Sdn Bhd

Directorships of Directors in Other Public Companies

Based on the declarations by the Directors of IAB, save as disclosed below, none of the Directors of IAB have any directorships in any other public corporations for the past two (2) years:

Name of Director/ Company	Date of Appointment / (Resignation)
Shamsudin @ Samad bin Kassim	
Century Logistics Holdings Berhad	1.11.2001
Ingress Corporation Berhad	2.11.2001
Supermax Corporation Berhad	18.7.2002
Kinsteel Berhad	12.8.2002

Substantial Shareholdings of Directors in Other Public Companies

None of the directors of IAB has had substantial shareholdings (5% or more), whether direct or indirect, in other public companies as at the date of this Prospectus.

7.5 Audit Committee

IAB has set up an Audit Committee which comprises the following Board members:-

Name	Designation	Directorship
Lee Soo Hong @ Lee Soo Pin	Chairman	Independent Non-Executive Director
Shamsudin @ Samad bin Kassim	Member	Independent Non-Executive Director
Soo Kuan Yow	Member	Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the financial statements, and nomination of the auditors.

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

7.6 Key Management and Technical Personnel

Mr Chang Hung Chun, a Malaysian age 30, is the Financial Controller of the Group. His main responsibilities include the accounting and finance functions of the Group.

Mr Chang began his career with KPMG in 1998, a firm of Chartered Accountants, where he gained experience in the field of audit and due diligence. During his tenure with KPMG, he was seconded to KPMG Hong Kong where he was involved in a due diligence exercise with one of the largest oil and gas companies in China. He subsequently joined the Group in 2002.

Mr Chang holds a Bachelor of Accounting degree from University of Malaya. He is currently a member of the Malaysian Institute of Accountants and has also successfully completed the Malaysian Institute of Certified Public Accountants professional examinations in 1999.

Mr Takashi Hasegawa, a Japanese age 46, is the Senior Sales Manager at IAB whose main responsibility is to promote the Group's products to the OJC.

Mr Hasegawa started his marketing and IT career when he joined Nikko Telecommunication Ltd, an authorized dealer of NEC Corporation products in 1984. Upon his resignation from Nikko Telecommunication Ltd in 1996, he set up a company in Malaysia, Johotek (M) Sdn Bhd. He resigned from his post in Johotek in 1998 and joined IAB in 2001 to market the atCom products and services to OJC operating in Malaysia. Mr Hasegawa holds a Bachelor of Arts degree in English studies from Sophia University in Japan.

Madam Siew Yoke Har, a Malaysian age 45, is the Senior Sales Manager at ISSB, whose main responsibilities include pre-sales consultation and marketing of the Company's products and service.

She started her marketing career in 1983 with CH Computerware (M) Sdn Bhd to promote computer media and to establish a nation-wide dealers network. From 1987 to 1989, she worked as a Business Development Manager in Infortech Japan promoting the company's IT products and services to foreign companies in Japan. In 1990, she became the first pioneering staff as Personal Assistant to the Managing Director in Hirose Electric (Malaysia) Sdn Bhd, a Japanese factory specialized in manufacturing electronic connectors. She was instrumental in helping the company set up their factory in Malaysia and later a new factory in Indonesia. She joined ISSB in 1997 as the Business Development Manager to market ISSB's software products and services.

Madam Siew holds a Degree in Economics and Mass Communication from Simon Fraser University, Canada and is conversant with the Japanese language and culture.

Mr Lim Meow Fook, a Malaysian age 36, is the Senior Consulting Manager at ISSB responsible for the support and operations of the group business involving system and network integration, and atCom Hospitality Suites.

Prior to joining the Group, Mr Lim was attached to Computrade Sdn Bhd, where he worked as a C programmer for two (2) years. He went on to start his own IT services business with a partner in 1990, selling PCs and accessories and providing programming services.

He joined ISSB in 1991 as an analyst programmer and was soon promoted to the role of Customer Service Manager and later Senior Technical Manager in charge of the customer service and technical support division. Mr Lim holds a Diploma in Computer Studies and a Certificate in Computer Engineering from Informatics College, Kuala Lumpur. He is also a Microsoft Certified Systems Engineer.

7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Mr Pang Jek Chua, a Malaysian age 39, is the Senior Project Manager at IAB, a position he has held since joining the Company in 1998. He is responsible for managing the R&D team and other customization development within the Group.

Mr Pang joined ISSB in 1993, where he was primarily responsible for the Japanese software customization for Japanese customers, including Fujitsu, Toshiba and Toyota System Research. He has a total of six (6) years in developing CASE tools using the Unix and Windows platforms. In 2000, he was appointed as Assistant Project Manager for the atCom Studio and atCom ERM Project. Mr Pang holds an Advanced Diploma in Software System Design from the Tokyo Institute of Computer Science and is conversant with the Japanese language and culture.

Mr Un Sze Hau, a Malaysian age 32, is IASB's Sales Manager and is primarily responsible for the sale of atCom Human Resource Solution in the international market.

He has been marketing and providing support services for the atCom range of products since 1992 while he was attached to Excel Systems Sdn Bhd. He joined IASB in 1998 as a Sales Manager, where he was primarily responsible for the marketing and other operations of IASB. Mr Un holds a Higher Diploma in Computer Science from Kolej Damansara Utama in Selangor.

Ms Tan Eng Swan, a Malaysian age 31, is the Consulting Manager in IASB and is primarily responsible for compiling the customer and product requirements for and overseeing the products support functions.

She has held the position of Support Manager for the atCom HR Suite since 1994 prior to joining IASB in 2000, where she is now primarily responsible for the conduct of the Group's support team members on all aspects of support and implementation of the atCom Human Resource Suite. Prior to joining IASB, Ms Tan was attached to Excel Systems Sdn Bhd. Ms Tan holds a Diploma in Computer Science from the Tunku Abdul Rahman College in Kuala Lumpur.

Mr Yong Choon Vooi, a Malaysian age 34, is the Project Manager at IAB, and is responsible for managing all types of customized projects, including business applications and e-Commerce applications, for the Company.

Prior to joining the Company, Mr Yong worked as a Pascal programmer in Rapid Computer (SEA) Sdn Bhd. He left the company in 1995 to work for ISSB where he last held the post of Project Leader. Upon joining IAB in 1997, he was promoted to Project Leader where he was responsible for seven (7) other programmers in developing CASE tool applications using the C++ language in a Windows environment. Mr Yong holds a Bachelor of Science in Computer Science from the Campbell University in Texas, USA.

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7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL***Shareholdings in IAB***

Amongst the key management and technical personnel, the following persons hold shares in IAB:

Shareholder	Before Public Issue				After Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chang Hung Chun	-	-	-	-	-*	-	-	-
Takashi Hasegawa	196,020	0.44	-	-	196,020*	0.33	-	-
Siew Yoke Har	-	-	29,425,340 ¹	65.39	-*	-	29,495,340 ¹	49.16
Lim Meow Fook	421,300	0.94	-	-	421,300*	0.70	-	-
Pang Jek Chua	74,750	0.17	-	-	74,750*	0.12	-	-
Un Sze Hau	101,410	0.23	-	-	101,410*	0.17	-	-
Tan Eng Swan	101,410	0.23	-	-	101,410*	0.17	-	-
Yong Choon Vooi	52,940	0.12	-	-	52,940*	0.09	-	-

* Excludes subscription of Shares offered to the eligible employees of the IAB Group under the Public Issue

¹ Deemed interested pursuant to Section 122A of the Act

Directorships in Other Public Companies

None of the abovementioned key management and technical personnel of IAB has held directorships in other public companies during the last two (2) years.

Substantial Shareholdings in Other Public Companies

None of the abovementioned key management and technical personnel of IAB have any substantial shareholdings (5% or more), whether direct or indirect, in other public companies as at the date of this Prospectus.

7.7 Relationships and Associates

There are no family or business relationships amongst the substantial shareholders, promoters, directors, key management and technical personnel of the Group save for the following relationship with a director and substantial shareholder of IAB:-

- (a) Madam Siew Yoke Har is the spouse of Mr Tan Teong Boon, who is one of the directors and substantial shareholders of IAB.

See "Information on IAB Group - Related-Party Transactions and Conflict of Interest" for details on any related-party transactions.

7.8 Service Agreements

Save for six (6) employees of the Group who are presently employed under contract by the Group, the majority employees of the Group have standard employment letters. Please refer to **Section 13.8** for the salient terms of the service agreements. Save for Mr Takashi Hasegawa, one of the key technical personnel engaged by the Company, none of the directors and/or key management or other key technical personnel have entered into any service agreements with the Group.

The employees who have entered into service agreements with the Group are employed on a contractual basis based on the projects on hand. Save as disclosed above, there are no other existing or proposed service agreements between the Company or any other company within the Group and its key management and technical personnel.

8. BUSINESS OVERVIEW

8.1 Market Opportunities and Industry Overview**8.1.1 Overview of the Malaysian Economy**

In the environment of heightened uncertainty in the global economy, growth in the Malaysian economy would be mainly domestic driven, supported by a modest growth in external demand. According to the Bank Negara Malaysia Report 2002, real GDP growth can potentially be sustained in the region of 4.5% in 2003 (4.2% in 2002). However, unlike 2002, when the public sector demand is expected to assume a more significant role in driving economic expansion in 2003.

The projections for growth in 2003 are based on modest world economic growth, improvement in the global electronics industry, firm commodity prices and further expansion in intra-regional trade. The expectation of a moderate pace of growth takes into account the increasing strength of domestic sources of growth following the restructuring of the financial and corporate sectors since the Asian financial crisis. These developments would provide further flexibility for the economy in managing the uncertainties emanating from the spillover of geopolitical tensions. Increased domestic sources of growth in the region and the consequent stronger growth in regional trade would also contribute towards growth in Malaysia.

(Source: Bank Negara Malaysia Report 2002)

The outlook for the second half of 2003 is for further strengthening of the Malaysian economy. On the external front, the outlook for the major industrial economies in general and the US in particular has improved, although growth is likely to be more modest than earlier expectations. Proactive measures by the authorities in the area of monetary and fiscal policies have been taken to support growth.

As part of the economic stimulus package, the 3-month intervention rate was reduced by 50 basis points to 4.5%. Together with the other measures in the economic stimulus package to increase disposable income, it is expected to enhance the potential for supporting the growth prospects. The interest rate adjustment represents a pre-emptive measure intended to lend support to strengthen further the domestic growth potential in an environment of a more modest growth in the global economy. With economic fundamentals remaining strong and macroeconomic policy in place to support growth, Malaysia is well positioned to realise its underlying growth prospects.

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003 - Bank Negara Malaysia, 28 May 2003)

8.1.2 Overview of the Regional Economy

The East Asian economy, led by China, the Republic of Korea and Taiwan, has been the fastest growing region since the Asian financial crisis. Real GDP growth in the region, owing to an expected rebound in the global electronics cycle, is expected to accelerate to a robust 5.2% in 2002, compared to 4.3% in 2001. As inter-regional trade becomes more prominent, economies in the region including Asean stands to gain from China's strong economic performance, which is expected to further enhance the growth momentum.

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China grew at a rate of 8% in the second quarter of 2002, after a strong first quarter growth of 7.6%. Growth was boosted by exports and strong state spending on housing, roads, airports and other infrastructure projects. Exports, which accounted for 20% of GDP, were mainly from foreign manufacturers who had benefited from China's entry into the World Trade Organisation. China is expected to continue attracting FDI in search of low labour costs and a huge domestic market. With the yuan, one of the three Asian currencies pegged to the dollar, the weakening of the US dollar since April has provided Chinese exports the competitive edge.

(Source: *Bank Negara Malaysia Annual Report 2002*)

On the regional front, the SARS impact has been adverse on specific sectors including the retail, travel and tourism-related sectors. The recent downward revisions on regional outlook reflect the varying impact of SARS among countries in the region. In response, the Governments in the region have announced economic relief packages to mitigate the impact of SARS. It is largely expected that the regional growth would pick up in the second half of the year. In Malaysia, a stimulus package amounting to RM7.3 billion was introduced, incorporating 90 measures under 4 main strategies, aimed at alleviating the impact of SARS and strengthening economic activity.

(Source: *Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003 - Bank Negara Malaysia, 28 May 2003*)

8.1.3 Overview of the Malaysian ICT Industry

The Malaysian Government's vision of developing Malaysia into a nation of knowledge-based society is clearly reflected in its efforts in creating a conducive environment for the development of ICT. Notions as such can be seen through infrastructural support, the development of the MSC, education and training programmes, special incentives such as the abolition of sales tax on computers and components, and the granting of accelerated capital allowance for expenses on computers equipment.

The thrust of the Government from 2001 onwards to 2005 will be to shift the growth strategy from one that is input-driven to one that is knowledge-driven in order to enhance potential output growth and accelerate structural transformation within the manufacturing and services sectors. ICT itself will be used as a key enabler to facilitate local companies to compete globally, especially in sectors such as banking and finance, logistics, manufacturing and other key services. Investments will also be made to upgrade communications networks in line with technological advancements. For the same period, a total of RM5.2 billion will be allocated for ICT related programmes and projects.

(Sources: *The Eighth Malaysian Plan 2001-2005*)

In cognisance of the role of a knowledge-based economy in promoting growth and productivity, the Government launched the Knowledge-based Economy Master Plan in September 2002. The Master Plan outlines seven strategic thrusts comprising recommendations to accelerate the shift towards the knowledge-based economy. The strategic thrusts focus on areas that are salient for the transformation to the new economy, encompassing human resource development, institutional framework, information structure and infrastructure, science and technology capacity, role of the private sector, a knowledge-based economy and ICT industries. The development of the Multimedia Super Corridor ("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.

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Skilled and knowledge-workers are prerequisites for the country to propel itself into the knowledge-based economy as well as enhance competitiveness. In this regard, education and training programmes continued 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.

(Sources: Economic Report 2002/2003)

8.1.4 ERM/ ERP Market Overview

The Group believes that the ERM/ ERP market in the Asia/Pacific region is expected to experience high growth over the next few years. Among the countries in this region, China is expected to experience the highest growth rate and it will account for a large bulk of the total market value. Therefore, the Group is convinced that there is high growth potential for the ERM/ERP market in Asia/Pacific, especially in China and the market growth is expected to escalate as increasing number of companies realise the importance of ERM/ERP in their overall business strategy.

Today, an increasing number of software programs are moving towards web-based architecture. Leaders in the applications software market see web-based architecture as a means of integrating disparate components in a more standardized manner. ERM/ERP vendors such as SAP have adopted the web-based concepts for its software architecture through mySAP.com, which allows multiple users to access its software over a simple web-based interface. As companies start to expand their operations to other countries, web-based ERM/ERP will be viewed as a cost effective and more dynamic alternative to their current application that predominantly runs on 'Client Server' architecture.

8.1.5 ASP Market Overview

ASPs are characterized by their software implementation, integration, and customer support that are built specifically for one-to-many Internet delivery. The Group believes that the traditional software supply model will eventually transform to the ASP model, through two stages of transitions, the transitional ASP stage and the pure ASP stage.

In the transitional ASP stage, applications are developed for a client server environment and are delivered on a one-to-one basis, that is, one application/ dedicated server to one customer. The fixed cost of application development and maintenance is not designed to support online service deliveries.

In the Pure ASP stage, applications are delivered as a centrally managed service and are designed purely for centrally managed delivery. In this stage, patches and feature enhancements are managed centrally by the service provider. The fixed cost of application maintenance is minimised because the software is centrally managed.

The Group believes that the transitional stage ASP is expected to experience strong revenue-earning opportunities over the next few years. However, the Group expects the pure ASP to start to challenge the dominance of transitional stage ASPs in the near future. Therefore, the Group has already commenced plans for the re-architecture of their products to support the pure ASP model.

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8.2 Prospects and Outlook

Despite the risks associated with the Group as disclosed under **Section 4** of the Prospectus, the prospects and business of the Group are encouraging due to various factors which are highlighted below.

The Group's products, which are based on the Group's proprietary software engine, atCom Studio, and combined with its enterprise software called atCom ERM, is a customisable enterprise application designed for the web and targeted at Asian MNCs. The software is a culmination of more than ten (10) years of experience in designing, developing and deploying enterprise software for various MNCs and SMEs. It is based on the latest Microsoft.NET, XML and Web Services technology.

The value of the atCom ERM is its inherent ability to be installed on Extranet over the IP VPN instead of the expensive leased lines to link companies together, thus reducing the telecommunication costs for companies implementing system across states or national borders. Further, the needs of businesses in different countries can be catered for without having programmers to create different versions of the source codes. Instead, software implementers can set up and customize the rich system parameters to cater for the needs of various companies operating in different countries, thus reducing software customization costs. Finally, real-time consolidation of financial data becomes possible, since the client's financial and operation data, which are sourced from various locations and countries, are stored in the same database.

Using atCom ERM, the Group also intends to adopt the ASP model for its enterprise applications, along with its existing web-based enterprise applications. The introduction of the ASP model in the future will allow the Group to capture a different market niche, especially the SMEs which might view the ASP model as a cheaper alternative to the enterprise application which is required to be installed at client's premises. This may provide an additional source of revenue for the Group.

Web Services that are based on XML technology are expected to become popular in the future as the industry's main players such as IBM, Sun Microsystems and Microsoft have invested substantially in this emerging technology. This technology enables software components to be accessible over the current Internet infrastructure and is expected to be used to integrate disparate systems on a dynamic basis in the near future. As companies start to expand their operations to other countries, web-based enterprise application will be viewed as a cost effective and more dynamic alternative to their current application that predominantly runs on 'Client Server' architecture. As atCom was developed based on the XML and Web Services technology, the Group shall be able to capitalize on the burgeoning market for Web Services programs without much re-programming required to their software.

With their experience in marketing and support across Asia, the Group is determined to exploit the market of web-based enterprise application for medium-sized Asian MNCs in the region. The Group intends to create an Asian brand for web-based enterprise application. Hence, the Group will continuously commit all its resources in designing, developing, marketing and supporting an Asian branded web-based enterprise application, which aims to help Asian MNCs to manage and operate their businesses across borders.

Apart from Malaysia and Singapore, China is targeted as the Group's overseas market due to its huge FDI by OJC who have decided to take advantage of the abundance of resources, cheap labour and huge market in China. According to the Japan-China Investment Promotion Organization, the accumulated number of Japanese investments in the main cities of China from 1979 to 2000 stands at 11,670, which is about 10.6% of the accumulated investment from other countries of 109,804. This creates opportunities for the Group, which has a unique advantage due to its alliances with Japanese companies, thus placing the Group in a strong position to target OJC clients operating in China.

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In addition, the Group, with over ten (10) years of experience in the marketing, distribution and support of enterprise solution in Asia, is expected to build upon its existing strategic network comprising the Infotech Alliance Group of Companies, subsidiaries, partners, distributors and resellers that are located across the region to market its products through the launch of its VAP programs.

The Group practices distributed software development to increase or decrease software development capacity easily, thus reducing both product development time and costs. In this regard, the Group makes strategic use of the software programming talents from its subsidiary in India, IA IPL, by sub-contracting out programming work to IA IPL to take advantage of the talent and lower wages of the software programmers based there.

With its product and services line-up and marketing network, as well as its software development policy to continually use R&D to enhance its products further, the Group should be able to maintain if not enhance its position and capitalize on growth opportunities in the ICT market.

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9. SUMMARY OF BUSINESS DEVELOPMENT PLAN

The following is a summary of the Business Development Plan prepared by the Group for the purpose of inclusion in this Prospectus.

9.1 Background of the Group

The Group is an integrated IT solutions provider of software product and development services, in addition to providing system and network integration services. Its proprietary suite of customizable software solutions, which can be deployed on the cost-effective Internet infrastructure, is expected to provide comprehensive and end-to-end solutions to companies operating across national borders. Users of the Group's products will be able to customize and deploy software applications from a single location to suit country-specific, language-specific as well as the customer-specific needs of the business of both the headquarter and its various subsidiaries across various states or national borders. At the same time, the Group also provides software customization, system integration and managed network services to help clients design, set-up and maintain cost-effective total systems comprising networks, computers, software products and custom solution.

There are four (4) companies in the Group, namely IAB, ISSB, IASB and IAIP. In addition, the Company also owns a 7.6% stake in a company based in Shanghai, China, which also serves as its sales and marketing arm for the Chinese market.

9.2 Proposed Business Development Activities

The business development plan has identified steps that will be undertaken to achieve the Group's development objectives.

The proposed activities to be undertaken by the Group are as follows:-

(i) *Markets*

The Group intends to enhance its existing market base, which include Japan, and to tap into new markets, China in particular, for its products. In doing so, it is expected to open up additional joint venture companies as marketing offices in China where many OJC are known to operate to achieve its market presence in China.

(ii) *New Product Launches*

IAB is actively conducting R&D to continually enhance and develop new products to suit the market demand.

(iii) *R&D*

The Group's future success is largely dependent on its ability to maintain and enhance its current products, develop new products and maintain technological competitiveness. The Group continually invests a significant amount of resources in its product development plans in order to take advantage of emerging technologies and to further broaden the functionality and performance of its software solutions.

9.3 Human Resource Policy

The Company anticipates that its rate of increase for human resource needs will decrease in tandem with the increased sales projected by the Group. This is because, as software products sales increases, the dependence on customised software will decrease, resulting in the decrease in the number of developers over the years, while the sales and support staff are expected to increase.

9. SUMMARY OF BUSINESS DEVELOPMENT PLAN

The Company expects to mitigate the shortage of skilled knowledge workers in Malaysia by relying on its pool of software programmers and developers employed by its office in India as well from its joint-venture companies in China.

The company will also implement an ESOS to attract and retain its key employees to jointly pursue the Group's objectives.

9.4 Conclusion

The Group is well positioned to take advantage of the anticipated growth in the OJC segment of the ERM market and the ASP market with its proprietary products and marketing network. The Group maintains strong links with its Japanese shareholder, Cell-Infortech, which in turn enables the Group to capitalise on the latter's goodwill in attracting the interest of OJC in the region to its award-winning software products.

The above represents the strategies and policies of the Group to achieve its goal of helping customers manage and operate their businesses across regions and national borders.

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