

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF OPENSYS (M) BERHAD (369818-W) ("OPENSYS" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD (18417-M), THE ADVISER, PLACEMENT AGENT AND 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 HEREINAFTER DEFINED).

THE SECURITIES COMMISSION ("SC") AND THE KUALA LUMPUR STOCK EXCHANGE ("KLSE") HAVE APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC AND THE KLSE RECOMMENDS THE PUBLIC ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OPENSYS AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE KLSE SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OPENSYS AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, OPENSYS OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

CHARACTERISTICS OF THE MESDAQ MARKET OF KLSE - INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON MESDAQ ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES.

COMPANIES THAT ARE LISTED ON MESDAQ MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON MESDAQ MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY.

HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

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**INDICATIVE TIMETABLE**

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

<b>EVENT</b>	<b>INDICATIVE DATE</b>
OPENING OF APPLICATION	8 JANUARY 2004
CLOSING OF APPLICATION	16 JANUARY 2004
TENTATIVE ALLOTMENT DATE	20 JANUARY 2004
TENTATIVE LISTING DATE	29 JANUARY 2004

The Directors and the Underwriter may in their absolute discretion mutually decide to extend the closing date of the Application to a further date or dates. Should the closing date of the Application be extended, the dates for the allotment of the Issue Shares and listing of and quotation for the entire enlarged issued and paid-up share capital of OpenSys on the MESDAQ Market would be extended accordingly.

In the event that the Directors and the Underwriter decide to extend the closing date of the Application, appropriate press release will be made to the local news agencies and an advertisement will be placed in one (1) Bahasa Malaysia and one (1) English widely circulated newspapers.

**DEFINITIONS**

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

“Application”	: Refers to application for the Issue Shares by way of Application Forms
“Application Form”	: Application for the Issue Shares by way of a printed application form
“AT&T GIS”	: AT&T Global Information Solutions (Malaysia) Sdn Bhd ( <i>Company No. 3626-M</i> )
“Board”	: The Board of Directors of the Company
“Bonus Issue”	: The bonus issue of 86,533,350 new OpenSys Shares credited as fully paid-up on the basis of approximately 1.05 OpenSys Shares for every one (1) OpenSys Share held on 8 October 2003. The Bonus Issue was completed on 14 November 2003
“CAV”	: Commerce Asset Ventures Sdn Bhd ( <i>Company No. 330858-U</i> )
“CDS”	: Central Depository System
“CIMB”	: Commerce International Merchant Bankers Berhad ( <i>Company No. 18417-M</i> )
“CSA”	: Computer Systems Advisers (M) Berhad ( <i>Company No. 25110-P</i> )
“CTV”	: Commerce Technology Ventures Sdn Bhd ( <i>Company No. 512485-M</i> )
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation
“Eligible Employee”	: A natural person who is employed by and on the payroll of OpenSys or its subsidiaries (if any) (including Executive Directors) and who fulfils the conditions of eligibility stipulated in Clause 5.1 of the ESOS Bye-Laws
“Entitlement Date”	: The date at the close of the business on which shareholders must be registered as members in order to participate in any dividends, rights, allotments and/or other distributions
“EPS”	: Earnings per share
“ESOS” or the “Scheme”	: The employee share option scheme of up to 30% of the issued and paid-up share capital of the Company
“ESS”	: The employees share scheme, involving a transfer by Sislogik, of up to 6,161,235 OpenSys Shares held by Sislogik, to the employees of the Company as at 11 April 2003 (save for the employees who are also Promoters) at the absolute discretion of the directors of Sislogik
“Euro”	: European currency unit
“FIC”	: Foreign Investment Committee
“ING Companies”	: ING InterAdvies NV, ING Mercantile Mutual Bank, ING Direct Spain Bank, ING Regio Bank and ING POSBank, and may refer to one or more of them, as may be appropriate
“Issue Price”	: The issue price of RM0.24 per Issue Share
“Issue Shares”	: The 53,000,000 new OpenSys Shares which are the subject of the Public Issue

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**DEFINITIONS (Cont'd)**


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“KLSE”	: Kuala Lumpur Stock Exchange ( <i>Company No. 30632-P</i> )
“Listing”	: Listing of and quotation for the entire enlarged issued and paid-up share capital of OpenSys on the MESDAQ Market
“Listing Requirements”	: Listing requirements of KLSE for the MESDAQ Market
“MAA”	: Malaysian Assurance Alliance Berhad ( <i>Company No. 8029-A</i> )
“MCD”	: Malaysian Central Depository Sdn Bhd ( <i>Company No. 165570-W</i> ), a subsidiary of the KLSE
“MDC”	: Multimedia Development Corporation Sdn Bhd ( <i>Company No. 389346-D</i> )
“MESDAQ Market”	: MESDAQ Market of the KLSE
“MITI”	: Ministry of International Trade and Industry
“MSC”	: Multimedia Super Corridor
“NCR”	: NCR (Malaysia) Sdn Bhd ( <i>Company No. 3626-M</i> ) which was known for a while as AT&T GIS and which has since reverted to its original name.
“NTA”	: Net tangible assets
“Omtiara”	: Omtiara Sdn Bhd ( <i>Company No. 610973-K</i> )
“OpenSys” or the “Company”	: OpenSys (M) Berhad ( <i>formerly known as OpenSys (M) Sdn Bhd</i> ) ( <i>Company No. 369818-W</i> )
“OpenSys Share”	: Ordinary share of RM0.10 each in OpenSys
“Option”	: The right of a Eligible Employee who has accepted a written offer made by the option committee pursuant to a contract constituted by the acceptance of the said offer by an Eligible Employee to subscribe for new OpenSys Share, in accordance with the terms and conditions of the ESOS By-Laws
“Option Share”	: OpenSys Share to be issued upon the exercise of Options granted pursuant to the ESOS
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“Placement”	: The placement by the Placement Agent on behalf of the Company of 53,000,000 Issue Shares at the Issue Price, subject to and on the terms and conditions set out in this Prospectus
“Placement Agent”	: The placement agent for the Placement, namely CIMB
“PMI”	: Project Management Institute, a non-profit management professional association established in 1969 with its headquarters in Philadelphia, Pennsylvania, USA, with over 86,000 members in 125 countries world wide

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**DEFINITIONS** *(Cont'd)*

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“Promoters”	: Collectively, Tan Kee Chung, Chee Hong Soon, Tune Hee Hian, Azlan Bin Abdullah, Leong Yoke Wai, Lim Swee Keah, Koh Lea Cheong, Tan Gaik Keow and Omtiara
“Public Issue”	: Public Issue of the Issue Shares at the Issue Price to the Malaysian public and identified investors by way of private placement
“R&D”	: Research and Development
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“Sanchez”	: Sanchez Computer Associates, Inc.
“SC”	: Securities Commission
“SGD”	: Singapore Dollar
“Sislogik”	: Sislogik (M) Sdn Bhd ( <i>Company No: 393022-K</i> ), one of the shareholders of OpenSys which will implement the ESS and is a company equally owned by two (2) of the Promoters, namely, Tan Kee Chung and Chee Hong Soon
“SME”	: Small medium enterprise
“USA”	: United States of America
“USD”	: United States of America Dollar

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. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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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**DEFINITIONS (Cont'd)**

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*To facilitate a better understanding of the business of the Company, the following glossary provides an explanation of some of the technical terms and abbreviations (which should not be treated as definitive of their meanings) used in this Prospectus relating to the Company's business.*

**ABBREVIATED TECHNICAL TERMS**

- “BASIC” : Beginner’s All-Purpose Symbolic Instruction Code, which is a computer programming language that is used for a wide variety of business applications
- “B2B” : An abbreviation for business-to-business which denotes the exchange, sale or purchase of products online between business enterprises
- “B2C” : An abbreviation for business-to-consumer which denotes the exchange, sale or purchase of products online between business enterprises and consumers
- “C/C++” : C is a computer programming language. C++ is an object-oriented programming language. Both languages are used for creating large-scale application programs
- “DHTML” : Dynamic Hypertext Markup Language, which is a collection of tags, options, style sheets, and programming modules that allows for more user interaction with web pages
- “e-commerce” : Electronic commerce which involves the carrying out of business transactions via the Internet
- “enterprise software” : Customised software which is not purchased “off-the-shelf” and which normally resides on computer servers and mainframes, and which are critical to the computer systems operated by a business
- “ESM” : Efficient service machine. A multi-function non-cash self-service machine which can be used for cheque-deposits without the need for bank-in slips and/or envelopes, payment of bills, purchases of insurance policies and bankers’ or demand drafts, opening of fixed deposit accounts, purchases of certificates of deposits, subscription for shares, topping up of the stored cash value of smart cards, cash cards or pre-paid cards and obtaining information in respect of existing bank accounts, insurance policies and share information. Payment (where required) can be made through funds transfer, debit or credit cards or cheques (as appropriate)
- “Internet” : The Internet is a world-wide system of computer networks - a network of networks in which users at any one computer can, if they have permission, obtain information from any other computer
- “Internet Explorer” : A graphical Internet browser or interface developed by Microsoft, Inc.
- “IT” : Information Technology
- “Java” : An object-oriented programming language expressly designed for use in the distributed environment of the Internet
- “MTS” : Microsoft Transaction Server, which is a programme that runs on the Internet or some other network server with a Windows NT system. MTS manages application and database transaction requests on behalf of a client computer user
- “ODBC” : Open DataBase Connectivity, which is a standard or open application programming interface used to access a system database

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**DEFINITIONS (Cont'd)**

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- “PDA” : Personal Digital Assistant, which is a pocket-size electronic organiser/computer
- “Rational Rose” : Rational Rose is an object-oriented software design tool used in visual modelling and component construction of enterprise-level software applications
- “Rational Unified Process” : A disciplined approach or methodology in developing software applications
- “Smart Card” : A smart card is a card with an embedded electronics microchip which has memory and processing capability
- “UNIX” : An interactive time sharing multi-user general purpose operating system
- “Visual Basic” : A programming environment in which a programmer uses a graphical user interface to choose and modify pre-selected sections of a programme written in BASIC
- “Windows NT” : Windows New Technology, a multipurpose 32-bit operating system from Microsoft, Inc that supports preemptive multitasking. It integrates a variety of network and application services that are required to run an enterprise

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**1. CORPORATE DIRECTORY****DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Profession</b>	<b>Nationality</b>
Tan Kee Chung <i>(Executive Director and Chief Executive Officer)</i>	No. 36, Jalan 19/31 46300 Petaling Jaya Selangor Darul Ehsan	Systems Engineer	Malaysian
Chee Hong Soon <i>(Executive Director)</i>	No. 24, Jalan SS22/34 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Systems Engineer	Malaysian
Tune Hee Hian <i>(Executive Director)</i>	No. 136, Jalan USJ 12/1 UEP Subang Jaya 47630 Petaling Jaya Selangor Darul Ehsan	Project Manager	Malaysian
Azlan Bin Abdullah <i>(Non-Independent Non- Executive Director)</i>	51, Lorong 16/9E Section 16 46350 Petaling Jaya Selangor Darul Ehsan	Businessman	Malaysian
Lee Swee Seng <i>(Independent Non- Executive Director)</i>	57 Jalan SS18/4 47500 Subang Jaya Selangor Darul Ehsan	Advocate and Solicitor	Malaysian
James Henry Stewart <i>(Independent Non- Executive Director)</i>	Condo Puncak Prima B-4-5, Jalan Sri Hartamas 50480, Kuala Lumpur	Company Director	Canadian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
James Henry Stewart	Chairman of the Committee	Independent Non-Executive Director
Lee Swee Seng	Member of Committee	Independent Non-Executive Director
Chee Hong Soon	Member of Committee	Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**

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- JOINT COMPANY SECRETARIES** : Lim Seck Wah (MAICSA 0799845)  
No. 36, Jalan Suasana 2/2  
Bandar Tun Hussein Onn  
Batu 9 ¼, 43200 Cheras  
Selangor Darul Ehsan
- Harcharan Singh A/L Sarja Singh (MIA 8874)  
No. 5, Jalan BRP 5/3  
Bukit Rahman Putra  
Seksyen U20, 40100 Shah Alam  
Selangor Darul Ehsan
- REGISTERED OFFICE** : Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan  
Tel No.: 03-2692 4271  
Fax No.: 03-2732 5388
- HEAD OFFICE** : Level 23, Tower 2  
PETRONAS Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Tel No.: 03-7490 1288  
Fax No.: 03-7490 1282  
E-mail: [enquiries@myopensys.com](mailto:enquiries@myopensys.com)  
Website: <http://www.myopensys.com>
- AUDITORS AND REPORTING ACCOUNTANTS** : Ler Lum & Co (AF 0276)  
2nd & 3rd Floor, Bangunan Yeoh  
35 & 37, Jalan Kamunting  
50300 Kuala Lumpur  
Wilayah Persekutuan  
Tel No.: 03-2691 5737
- SOLICITORS FOR THE LISTING** : Raslan Loong  
Advocates and Solicitors  
SERLAH, Level 3A, Menara John Hancock  
6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Tel No.: 03-2093 3939
- PRINCIPAL BANKERS** : Malayan Banking Berhad  
Jalan P.Ramlee Business Centre  
Ground Floor, MUI Plaza  
Jalan P. Ramlee  
50250 Kuala Lumpur  
Tel No.: 03-2142 6985
- Bumiputra Commerce Bank Berhad  
Business Centre KL 1 - Wisma Bandar  
7th Floor, Wisma Bandar  
18, Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Tel No.: 03-2697 9700

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1. **CORPORATE DIRECTORY (Cont'd)**

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**REGISTRAR** : Mega Corporate Services Sdn Bhd  
Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
P.O. Box 12337  
50774 Kuala Lumpur  
Tel No.: 03-2692 4271

**ADVISER, SPONSOR,  
PLACEMENT  
AGENT AND  
UNDERWRITER** : Commerce International Merchant Bankers Berhad  
7th Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
Tel No.: 03-2084 8888

**LISTING SOUGHT** : MESDAQ Market of the KLSE

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## 2. INTRODUCTION

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This Prospectus is dated 8 January 2004.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval has been obtained from the SC for the Public Issue on 22 September 2003. Approval has also been obtained from the KLSE on 23 September 2003 for admission to the Official List of the MESDAQ Market and for permission to deal in and for the listing of and quotation for the entire enlarged issued and paid-up ordinary shares of OpenSys 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.

Pursuant to the KLSE Listing Requirements, the Company needs to have at least 25% but not more than 49% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum number of 200 public shareholders (including employees), upon admission to the MESDAQ Market. The Company is expected to achieve this at the point of the 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 the Listing. In the event therefore, monies paid in respect of all Applications will be returned in full without interest.

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

An applicant must presently have a CDS account and must state his CDS account number in the space provided in the Application Form.

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 OpenSys and/or CIMB. 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 OpenSys since the date hereof.

The distribution of this Prospectus and the sale of any part of the Issue Shares are subject to Malaysian law and CIMB and the Company takes no responsibility for the distribution of this Prospectus and/or the sale of any part of the Issue Shares outside Malaysia, which may be restricted by law in other jurisdictions. This Prospectus will not be registered under any securities legislation of any jurisdiction except Malaysia and the Issue Shares will not be sold in any country other than Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the 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.

**Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

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3. INFORMATION SUMMARY

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The following is a summary of the salient information about OpenSys and the Public Issue and should be read in conjunction with the more detailed information and financial statements appearing elsewhere in this Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in OpenSys.

**3.1 HISTORY AND BUSINESS**

OpenSys was incorporated on 7 December 1995 in Malaysia under the name of OpenSys (M) Sdn Bhd as a private company limited by shares under the Companies Act, 1965 and commenced operations in January 1996. The Company was subsequently converted to a public company on 3 August 2000 and thereupon changed its name to OpenSys (M) Berhad. It was re-converted into a private limited company on 14 December 2000. On 9 May 2003, the Company again converted to a public company and thereupon changed its name to OpenSys (M) Berhad.

As at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, the authorised share capital of OpenSys is RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each and its issued and paid-up share capital is RM16,880,000 comprising 168,800,000 shares of RM0.10 each credited as fully paid-up.

The principal activities of OpenSys are to provide solutions to the financial services industry in the areas of self-service machines and universal delivery systems and IT services such as systems integration, project management, software development, support services and training.

On 18 November 1998, OpenSys was accorded interim MSC status, which status was confirmed on 9 August 2001. OpenSys was also awarded pioneer status by the MITI on 16 December 1999 for a period of five (5) years commencing 1 December 1998 by virtue of its MSC status. OpenSys has on 12 September 2003 applied for the extension of its pioneer status for a further period of five (5) years and as at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, the Company is awaiting the confirmation of the MDC in respect of the same.

OpenSys does not have any subsidiaries or associated companies.

*Further details on the history and business of OpenSys are set out in Sections 7 and 10.1 of this Prospectus.*

## 3. INFORMATION SUMMARY (Cont'd)

## 3.2 SHAREHOLDINGS OF DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT

## (i) Directors

The shareholdings of the Directors of OpenSys after the Public Issue based on their shareholdings as at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Director	Designation	←-----After the Public Issue <sup>(i)</sup> ----->			
		←-----Direct----->		←-----Indirect----->	
		No. of OpenSys Shares held	%	No. of OpenSys Shares held	%
Tan Kee Chung	Executive Director and Chief Executive Officer	40,864,430	18.42	15,192,003 <sup>(ii)</sup>	6.85
Chee Hong Soon	Executive Director	7,084,020	3.19	-	-
Tune Hee Hian	Executive Director	4,579,182	2.06	-	-
Azlan Bin Abdullah	Non-Independent Non-Executive Director	24,218,093	10.92	-	-
Lee Swcc Seng	Independent Non- Executive Director	-	-	-	-
James Henry Stewart	Independent Non- Executive Director	-	-	-	-

**Notes:**

(i) The number of OpenSys Shares held after the ESS and Public Issue but before the exercise of any Options arising from the ESOS.

(ii) Deemed interested by virtue of his shareholding in Omtiaru in accordance with Section 6A of the Companies Act, 1965.

Further details on the Directors are set out in Section 8.1 of this Prospectus.

### 3. INFORMATION SUMMARY (Cont'd)

#### (ii) Promoters

The shareholdings of the Promoters after the Public Issue based on their shareholdings as at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Promoter	Nationality/ Place of Incorporation	←-----After the Public Issue <sup>(i)</sup> -----→			
		←-----Direct-----→		←-----Indirect-----→	
		No. of OpenSys Shares held	%	No. of OpenSys Shares held	%
Tan Kee Chung	Malaysian	40,864,430	18.42	15,192,003 <sup>(ii)</sup>	6.85
Chee Hong Soon	Malaysian	7,084,020	3.19	-	-
Tune Hee Hian	Malaysian	4,579,182	2.06	-	-
Azlan Bin Abdullah	Malaysian	24,218,093	10.92	-	-
Leong Yoke Wai	Malaysian	4,579,182	2.06	-	-
Lim Swee Keah	Malaysian	4,579,182	2.06	-	-
Koh Lea Cheong	Malaysian	4,579,182	2.06	-	-
Tan Gaik Keow	Malaysian	4,579,182	2.06	-	-
Low Suet Cheng	Malaysian	4,579,182	2.06	-	-
Omtiara	Malaysia	15,192,003	6.85	-	-

**Notes:**

(i) The number of OpenSys Shares held after the ESS and Public Issue but before the exercise of any Options arising from the ESOS.

(ii) Deemed interested by virtue of his shareholding in Omtiara in accordance with Section 6A of the Companies Act, 1965.

Further details on the Promoters are set out in Section 8.2 of this Prospectus.

#### (iii) Substantial Shareholders

The shareholdings of the Substantial Shareholders of OpenSys after the Public Issue based on their shareholdings as at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Substantial Shareholder	←-----After the Public Issue <sup>(i)</sup> -----→			
	←-----Direct-----→		←-----Indirect-----→	
	No. of OpenSys Shares held	%	No. of OpenSys Shares held	%
Tan Kee Chung	40,864,430	18.42	15,192,003 <sup>(ii)</sup>	6.85
Azlan Bin Abdullah	24,218,093	10.92	-	-
CTV	30,094,010	13.57	-	-
Omtiara	15,192,003	6.85	-	-
Dato' Sulaiman Bin Aris	-	-	30,094,010 <sup>(iii)</sup>	13.57
Dato' Azmi Bin Abdullah	-	-	30,094,010 <sup>(iii)</sup>	13.57

**Notes:**

(i) The number of OpenSys Shares held after the ESS and Public Issue but before the exercise of any Options arising from the ESOS.

(ii) Deemed interested by virtue of his shareholding in Omtiara in accordance with Section 6A of the Companies Act, 1965.

(iii) Deemed interested by virtue of his shareholding in CTV in accordance with Section 6A of the Companies Act, 1965. However, he does not have any economic and beneficial interest in the shares held by him in CTV and therefore in the shares held by CTV in OpenSys. The shares held by him in CTV are held in trust for charitable purposes.



## 3. INFORMATION SUMMARY (Cont'd)

Further details on the Substantial Shareholders are set out in Section 8.3 of this Prospectus.

## (iv) Key Management

The shareholdings of the Key Management of OpenSys after the Public Issue based on their shareholdings as at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Key Management Personnel	Designation	←-----After the Public Issue <sup>(i)</sup> -----→			
		←-----Direct-----→		←-----Indirect-----→	
		No. of OpenSys Shares held	%	No. of OpenSys Shares held	%
Tan Kee Chung	Chief Executive Officer	40,864,430	18.42	15,192,003 <sup>(ii)</sup>	6.85
Chee Hong Soon	Chief Technology Officer	7,084,020	3.19	-	-
Tunc Hee Hian	Technical Director	4,579,182	2.06	-	-
Leong Yoke Wai	Technical Consultant	4,579,182	2.06	-	-
Lim Swee Keah	Sales Director	4,579,182	2.06	-	-
Koh Lea Cheong	Technical Consultant	4,579,182	2.06	-	-
Tan Gaik Keow	Technical Manager	4,579,182	2.06	-	-
Low Suet Cheng	Technical Consultant	4,579,182	2.06	-	-
Harcharan Singh A/L Sarja Singh	Chief Financial Officer	2,659,645	1.20	-	-
Wong Yook Keong	Project Management/ Quality Assurance Director	1,310,374	0.60	-	-
Tham Kok Cheng	Product Development Director	2,159,574	0.97	-	-

**Notes:**

- (i) The number of OpenSys Shares held after the ESS and Public Issue but before the exercise of any Options arising from the ESOS.
- (ii) Deemed interested by virtue of his shareholding in Omtiara in accordance with Section 6A of the Companies Act, 1965.

Further details on the Key Management are set out in Section 8.5 of this Prospectus.

## 3. INFORMATION SUMMARY (Cont'd)

## 3.3 FINANCIAL HIGHLIGHTS

## 3.3.1 Income Statements

The following is the summary of the audited financial results of the Company based on the audited financial statements of the Company for the past five (5) financial years ended 31 December 2002 and the seven (7) months financial period ended 31 July 2003 which have been restated<sup>(x)</sup> to conform with the applicable newly approved accounting standards in Malaysia and the correction of fundamental errors in respect of capitalised development expenditure. The results of the Company have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

	Financial Year Ended 31 December					Seven (7) months period ended
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	31 July 2003 RM 000
Revenue	4,775	7,336	11,246	20,036	21,989	13,544
EBITDA	1,126	2,069	3,289	6,025	3,382	1,476
Depreciation and amortisation	(133)	(268)	(431)	(2,924)	(1,808)	(1,253)
Interest expense	(24)	(9)	(31)	(70)	(335)	(259)
Interest income	64	51	71	60	108	63
PBT	1,033	1,843	2,898	3,091	1,347	27
Taxation <sup>(vii)</sup>	(282)	29	(20)	(17)	(76)	(20)
PAT	751	1,872	2,878	3,074	1,271	7
Weighted average number of ordinary shares of RM0.10 each in issue (000)*	134,070 <sup>(i)</sup>	134,070 <sup>(ii)</sup>	137,616 <sup>(iii)</sup>	152,303 <sup>(iv)</sup>	168,800 <sup>(v)</sup>	168,800 <sup>(vi)</sup>
Gross EPS <sup>(viii)</sup> (sen)	0.77	1.37	2.11	2.03	0.80	0.02
Net EPS <sup>(viii)</sup> (sen)	0.56	1.40	2.09	2.02	0.75	**

**Notes:**

\* For illustrative purposes, it is assumed that the shares split of RM1.00 per share to RM0.10 per share has been effected since the date of incorporation of OpenSys.

\*\* Negligible.

(i) The weighted average number of shares for the financial year ended 31 December 1998 represents the weighted average number of shares in issue after adjustments for the bonus shares arising from the 4 for 1 bonus issue in the financial year ended 31 December 1999, the bonus shares arising from the 5 for 1 bonus issue and the bonus shares arising from the 1.18 for 1 bonus issue in the financial year ended 31 December 2000, the issuance of 10,000,000 OpenSys Shares in the financial year ended 31 December 2001 and the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.

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**3. INFORMATION SUMMARY (Cont'd)**


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- (ii) *The weighted average number of shares for the financial year ended 31 December 1999 represents the weighted average number of shares in issue after adjustments for the bonus shares arising from the 5 for 1 bonus issue and the bonus shares arising from the 1.18 for 1 bonus issue in the financial year ended 31 December 2000, the issuance of 10,000,000 OpenSys Shares in the financial year ended 31 December 2001 and the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.*
- (iii) *The weighted average number of shares for the financial year ended 31 December 2000 represents the weighted average number of shares in issue after adjustments for the issuance of 10,000,000 OpenSys Shares in the financial year ended 31 December 2001 and the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.*
- (iv) *The weighted average number of shares for the financial year ended 31 December 2001 represents the weighted average number of shares in issue after adjustments for the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.*
- (v) *The weighted average number of shares for the financial year ended 31 December 2002 represents the weighted average number of shares in issue after adjustments for the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.*
- (vi) *The weighted average number of shares for the seven (7) months financial period ended 31 July 2003 represents the weighted average number of shares in issue after adjustments for the bonus shares arising from the 1.05 for 1 bonus issue in the financial year ending 31 December 2003.*
- (vii) *OpenSys is granted pioneer status and is exempted from income tax on its qualifying activities. The provision for taxation is in respect of interest income only.*
- (viii) *The gross EPS and net EPS have been calculated by dividing the PBT and PAT respectively for the financial years/ period by the weighted average number of ordinary shares in issue.*
- (ix) *There were no extraordinary items or exceptional items in respect of all the financial years/ period under review.*
- (x) *The restatement comprises the prior year adjustments as set out below:*
- *Increase of approximately RM613,000 for revenue, increase of approximately RM550,000 for cost of sales and operating expenses and increase of approximately RM63,000 each for PBT and PAT for the financial year ended 31 December 1999;*
  - *Increase of approximately RM695,000 for revenue, increase of approximately RM1,359,000 for cost of sales and operating expenses and decrease of approximately RM664,000 each for PBT and PAT for the financial year ended 31 December 2000; and*
  - *Increase of approximately RM2,036,000 for cost of sales, administration and operating expenses and decrease of approximately RM2,036,000 each for PBT and PAT for the financial year ended 31 December 2001.*

The audited financial statements of the Company for the past five (5) financial years ended 31 December 2002 and the seven (7) months financial period ended 31 July 2003 have not been subjected to any audit qualifications.

*Further details on the Income Statements are set out in Sections 6.1 and 11 of this Prospectus.*

## 3. INFORMATION SUMMARY (Cont'd)

## 3.3.2 Proforma Balance Sheets as at 31 July 2003

The following is a summary of the proforma balance sheets of OpenSys as at 31 July 2003, prepared for illustration purposes only to show the effects of the Bonus Issue, Public Issue and full exercise of the Options arising from the ESOS on the assumption that the transactions were completed on 31 July 2003. The proforma balance sheets have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the proforma balances sheet set out in Section 6.3 of this Prospectus:

	Audited as at 31 July 2003 RM 000	Proforma I After Bonus Issue RM 000	Proforma II After Proforma I and Public Issue RM 000	Proforma III After Proforma II and full exercise of ESOS <sup>(i)</sup> RM 000
Property, plant and equipment	1,558	1,558	1,558	1,558
Development expenditure	8,412	8,412	8,412	8,412
<b>Current assets</b>				
Inventories	3,153	3,153	3,153	3,153
Trade debtors	22,372	22,372	22,372	22,372
Other debtors, deposits and prepayments	1,220	1,220	1,220	1,220
Fixed deposits	3,546	3,546	3,546	3,546
Cash and bank balances	196	196	9,079	25,049
	30,487	30,487	39,370	55,340
<b>Current liabilities</b>				
Trade creditors	11,130	11,130	11,130	11,130
Other creditors and accruals	4,216	4,216	4,216	4,216
Hire purchase creditor	40	40	40	40
Amount due to Directors	2,544	2,544	2,544	2,544
Bankers acceptance	3,217	3,217	3,217	3,217
Bank overdraft	2,337	2,337	-	-
Provision for taxation	2	2	2	2
	23,486	23,486	21,149	21,149
Net current assets	7,001	7,001	18,221	34,191
	16,971	16,971	28,191	44,161
<b>Financed by:</b>				
Share capital	8,227	16,880	22,180	28,834
Share premium	3,397	-	5,920 <sup>(i)</sup>	15,236
Retained profits	5,274	18	18	18
Shareholders' funds	16,898	16,898	28,118	44,088
<b>Long term liability</b>				
Hire purchase creditors	73	73	73	73
	16,971	16,971	28,191	44,161
NTA	8,486	8,486	19,706	35,676
NTA per share (sen)	10.31	5.03	8.88	12.37

**Notes:**

(i) After deduction of estimated listing expenses of RM1,500,000.

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**3. INFORMATION SUMMARY (Cont'd)**


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- (ii) *Based on the assumption that 66,540,000 Options will be granted pursuant to the ESOS and will be fully exercised at the indicative exercise price of RM0.24 per Option Share.*

*Further details on the proforma balance sheets are set out in Section 6.3 of this Prospectus.*

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

<i>Authorised</i>	<b>RM</b>
500,000,000 ordinary shares of RM0.10 each	<u>50,000,000</u>
<b><i>Issued and fully paid-up</i></b>	
168,800,000 ordinary shares of RM0.10 each	16,880,000
<i>To be issued and credited as fully paid-up pursuant to the Public Issue</i>	
53,000,000 ordinary shares of RM0.10 each	5,300,000
<i>Enlarged issued and paid-up capital upon listing</i>	
221,800,000 ordinary shares of RM0.10 each	<u>22,180,000</u>
<i>To be issued and credited as fully paid-up pursuant to full exercise of ESOS<sup>(i)</sup></i>	
66,540,000 ordinary shares of RM0.10 each	6,654,000
<i>Enlarged issued and paid-up capital upon full exercise of ESOS</i>	
288,340,000 ordinary shares of RM0.10 each	<u>28,834,000</u>

**Note:**

- (i) *The Options will only be granted to eligible Directors and employees of the Company one (1) month after the Listing date and will only be exercisable after one (1) year has lapsed from the Listing date.*

There is only one (1) class of shares in OpenSys, being ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Issue Shares shall upon issue and allotment rank pari passu in all respects with one another and the other existing issued and fully paid-up OpenSys Shares including voting rights and shall be entitled to all rights and dividends and other distributions the entitlement date of which is subsequent to the date of allotment of the Issue Shares.

*Further details on the share capital are set out in Section 4.1 of this Prospectus.*

- (ii) **Issue Price per Issue Share** **RM0.24**

*Further details on the basis to determine the Issue Price is set out in Section 4.5 of this Prospectus.*

- (ii) **Market capitalisation of OpenSys based on the Issue Price and the enlarged issued and paid-up share capital immediately after the Public Issue but before the exercise of any Options arising from the ESOS** **RM53,232,000**

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**3. INFORMATION SUMMARY (Cont'd)**


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**(iv) Proforma NTA**

The proforma NTA of the Company as at 31 July 2003 after the Public Issue and deducting estimated listing expenses of RM1,500,000 but before the exercise of any Options arising from the ESOS RM19,705,457

The proforma NTA of the Company per share (based on the latest audited financial statements as at 31 July 2003 and enlarged issued and paid-up share capital after the Public Issue and deducting estimated listing expenses of RM1,500,000 but before the exercise of any Options arising from the ESOS) 8.88 sen

*Further details on the Public Issue and on the proforma NTA are set out in Section 4 and Section 6.3 respectively of this Prospectus.*

**3.5 UTILISATION OF PROCEEDS**

The gross proceeds from the Public Issue amounting to RM12,720,000 will accrue entirely to the Company and will be utilised as follows:

	<b>RM 000</b>
Working capital	11,220
Estimated listing expenses	1,500
	12,720

*Further details on the utilisation of proceeds are set out in Section 4.7 of this Prospectus.*

**3.6 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 a more detailed commentary, please refer to Section 5 of this Prospectus:

- No prior market for OpenSys Shares;
- Delay in or abortion of the Listing;
- Dependence on key personnel;
- Management of growth;
- Foreign exchange fluctuation;
- Dependence on financial services sector;
- Dependence on major customers;
- Dependence on key products;
- Negative publicity due to product failure;
- Intellectual property infringement;
- Rapid technological/product changes;
- Competition;
- Market acceptance of products;
- Product liability claims;
- Capitalisation of development expenditure;
- MSC and pioneer status;
- Global expansion issues;
- Political, economic and social considerations;

### 3. INFORMATION SUMMARY (Cont'd)

- Financial constraints;
- Influence by Substantial Shareholders and/or Promoters; and
- Forward-looking statements.

OpenSys has taken certain actions to mitigate certain risks highlighted above, where possible. Further details on the risk factors and the mitigation efforts are set out in Section 5 of this Prospectus.

#### 3.7 MATERIAL LITIGATION, CAPITAL COMMITMENTS, CONTINGENT LIABILITIES, BORROWINGS AND WORKING CAPITAL

##### (i) Material litigation

As at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, OpenSys is not engaged in any material litigation or arbitration either as plaintiff or defendant, which has a material and adverse effect on the financial position of OpenSys, and the Directors of OpenSys do not know of any proceeding pending or threatened against the OpenSys or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company.

##### (ii) Capital commitments and contingent liabilities

As at 29 December 2003, being the latest practicable date prior to the printing of this Prospectus, the Company does not have any capital commitments or contingent liabilities which may have a material impact on the financial position of the Company.

##### (iii) Borrowings

As at 30 November 2003, being the latest practicable date prior to the printing of this Prospectus, the total outstanding interest-bearing borrowings of the Company is as follows:

Facilities	Payable within 12 months RM 000	Payable after 12 months RM 000	Total Outstanding RM 000
Overdraft	491	-	491
Hire purchase creditor	46	50	96
Bankers' acceptance	1,691	-	1,691
Loan from Malaysia Debt Ventures Berhad <sup>(i)</sup>	3,775	323	4,098
	<u>6,003</u>	<u>373</u>	<u>6,376</u>

**Note:**

- (i) *The loan from Malaysia Debt Ventures Sdn Bhd ("MDV") is in respect of a facilities agreement dated 30 July 2003 entered into between the Company and MDV for a term loan of the principal amount of RM7,400,000 and related security documents which carries an interest rate of 6.3% per annum. As at 30 November 2003, being the latest practicable date prior to the printing of this Prospectus, a total amount of RM6,473,137 has been drawn down while RM2,375,000 has been repaid. The purpose of the loan was to finance the purchase of the components of Touch ESMS of the Company and also for its working capital.*

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**3. INFORMATION SUMMARY (Cont'd)**


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There has not been any default on payments of either interest and/or principal sums in respect of any borrowings throughout the financial year ended 31 December 2002 up to 29 December 2003, being the latest practicable date prior to the printing of this Prospectus.

**(iv) Working capital**

The Directors are of the opinion that after taking into account the cashflow generated from its existing operations, banking facilities and amount to be raised from the Public Issue, the Company will have sufficient working capital for a period of 12 months from the date of this Prospectus for its foreseeable requirements.

*Further details on the material litigation, material capital commitments and material contingent liabilities are set out in Sections 6.4 of this Prospectus.*

**3.8 SUMMARY OF PRODUCTS AND SERVICES AND INTELLECTUAL PROPERTY RIGHTS****3.8.1 Products and services**

The Company designs and develops the Touch ESM, which is a family of non-cash self-service machines that allows users to perform various non-cash financial transactions in the financial services industry. In addition, OpenSys also develops the eSys, which is an enterprise software that allows financial institutions to perform various financial services and products efficiently. The Company also provides a range of IT services in connection with its software products and the software products of third parties.

*Further details on the products and services are set out in Section 7.6 of this Prospectus.*

**3.8.2 Intellectual Property Rights**

The Company has obtained/applied for the registration of the following trademarks in Malaysia:

- |              |                       |
|--------------|-----------------------|
| • eSoho      | • myHP                |
| • eSys       | • myLife              |
| • myAuto     | • myLoans             |
| • myChecks!  | • myPayments          |
| • myCheques  | • myPDA               |
| • myClaims   | • myPortfolio         |
| • myCustomer | • mySecurity          |
| • myDeposits | • mySwitch            |
| • myFire     | • myTeller            |
| • myFunds    | • myTrade             |
| • myGL       | • the logo of OpenSys |
| • myHealth   | • Touch               |

**Copyright**

OpenSys owns the copyright in all software developed for its current eSys and eSoho modules namely myTeller, myAuto, myPDA, myClaims, mySwitch, mySecurity, myLoans and myCheques.



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**3. INFORMATION SUMMARY (Cont'd)**

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**Industrial Designs**

OpenSys has applied in Malaysia for the registration of the design of the cabinet of the Touch 3050 as an industrial design under the Industrial Designs Act, 1996. The said industrial design was registered on 20 March 2002.

*Further details on the intellectual property rights are set out in Section 7.12 of this Prospectus.*

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