

I-POWER BERHAD

(Formerly known as I-Power Technologies Bhd.)
(Company No. : 596299-D) (Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 18,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN I-POWER BERHAD AT AN ISSUE PRICE OF RM0.43 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION, BY WAY OF PRIVATE PLACEMENT, COMPRISING:-

- 2,635,000 ORDINARY SHARES OF RM0.10 EACH RESERVED FOR DIRECTORS AND ELIGIBLE EMPLOYEES OF I-POWER BERHAD; AND
- 15,365,000 ORDINARY SHARES OF RM0.10 EACH TO THE MALAYSIAN PUBLIC.

PURSUANT TO THE LISTING OF I-POWER BERHAD ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD)

THE ABOVE PUBLIC ISSUE INVOLVES A CERTAIN DEGREE OF RISK. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 4 OF THIS PROSPECTUS.

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF I-POWER BERHAD (*FORMERLY KNOWN AS I-POWER TECHNOLOGIES BHD.*) (COMPANY NO: 596299-D) ("I-POWER" 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 STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

ASEAMBANKERS MALAYSIA BERHAD (15938-H) ("ASEAMBANKERS"), BEING THE ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT, 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 OF 18,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN I-POWER.

BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) ("BURSA SECURITIES") AND THE SECURITIES COMMISSION ("SC") HAVE APPROVED THE PUBLIC ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC OFFERING ON 6 SEPTEMBER 2004 AND 3 SEPTEMBER 2004, RESPECTIVELY, AND THAT THE APPROVALS SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES AND THE SC RECOMMEND THE PUBLIC OFFERING.

BURSA SECURITIES AND THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM 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 STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

ADMISSION TO THE OFFICIAL LIST OF THE MESDAQ MARKET OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, COMPANY 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 BURSA SECURITIES ("MESDAQ MARKET") -

INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS OF BURSA SECURITIES 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.

DEFINITIONS

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

“Act”	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Application Form”	:	Application for Public Issue Shares by way of a printed application form
“Aseambankers”	:	Aseambankers Malaysia Berhad (15938-H)
“ATM”	:	Automatic Teller Machine
“Board” or “Directors”	:	The Board of Directors of I-Power
“BNM”	:	Bank Negara Malaysia
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W) <i>(Formerly known as Malaysian Central Depository Sdn Bhd)</i>
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W) <i>(Formerly known as Malaysia Securities Exchange Berhad)</i>
“CCM”	:	Companies Commission of Malaysia
“CDS”	:	Central Depository System
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
“CEO”	:	Chief Executive Officer
“CTO”	:	Chief Technology Officer
“Deposited Security”	:	A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provisions of the Central Depositories Act and the Rules.
“Depositor”	:	A holder of a Securities Account
“EBIDTA”	:	Earnings before interest, depreciation, taxation and amortisation
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee
“FYE”	:	Financial Year Ended/Ending
“GDP”	:	Gross Domestic Product

DEFINITIONS (Cont'd)

“Grant”	:	A grant awarded by MDC of Ringgit Malaysia Two Million Four Hundred and Ninety One Thousand Five Hundred and Fifty Five (RM2,491,535) only from Multimedia Super Corridor Research and Development Grant Scheme to assist the Company in carrying out R&D activities for IBIMM, a data mining solution for a period of twenty four (24) months commencing on 1 August 2003.
“ICT”	:	Information communication and technology
“IT”	:	Information Technology
“I-Power” or the “Company”	:	I-Power Berhad (<i>formerly known as I-Power Technologies Bhd.</i>) (596299-D)
“IP”	:	Intellectual property
“IPR”	:	Intellectual property rights
“Jason Chia”	:	Chia Kok Chin, the CEO/CTO of I-Power
“K-Economy”	:	Knowledge Economy
“Listing”	:	The listing of and quotation for 63,000,000 Shares in I-Power representing the entire issued and paid-up share capital of I-Power on the MESDAQ Market.
“Listing Requirements”	:	The listing requirements of the Bursa Securities for the MESDAQ Market
“Market Day”	:	A day on which the Bursa Securities is open for trading in securities
“MDC”	:	Multimedia Development Corporation Sdn Bhd (389346-D)
“Member Company ”	:	Member company as defined in the Rules of the Bursa Securities
“MESDAQ”	:	Malaysian Exchange of Securities Dealing and Automated Quotation Bhd.
“MESDAQ Market”	:	The MESDAQ Market of the Bursa Securities
“MI”	:	Minority interest
“MIDFCCS”	:	MIDF Consultancy And Corporate Services Sendirian Berhad (11324-H)
“MSC”	:	Multimedia Super Corridor
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PC”	:	Personal computer
“PE Multiple”	:	Price earnings multiple

DEFINITIONS (Cont'd)

“PowerSys”	:	Power-Sys Solutions Sdn Bhd (462459-M)
“Public Issue”	:	Public issue of 18,000,000 new Shares in the Company at an issue price of RM0.43 per Share
“Public Issue Price”	:	The issue price of RM0.43 per Share in the Company pursuant to the Public Issue
“Public Issue Shares”	:	18,000,000 new Shares in I-Power, which are the subject of the Public Issue
“R&D”	:	Research and development
“Record of Depositors”	:	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	The Rules of the Central Depository or any statutory modification, amendment or re-enactment thereof for the time being in force.
“SC”	:	Securities Commission of Malaysia
“SCA”	:	Securities Commission Act, 1993
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities of the SC or any statutory modification, amendment or re-enactment thereof for the time being in force
“Securities Account”	:	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
“Share(s)”	:	Ordinary share(s) of RM0.10 each in I-Power
“Share Split”	:	The splitting of the ordinary shares in I-Power from one (1) ordinary shares of RM1.00 each into ten (10) ordinary shares of RM0.10 each
“TPM”	:	Technology Park Malaysia

Words imparting the singular shall, where applicable, include the plural voice and vice versa and words imparting masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation.

Unless otherwise indicated, any reference in this Prospectus to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision as for the time being amended or re-enacted and to any repealed legislation, statute or statutory provision which it re-enacts (with or without modifications).

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

GLOSSARY OF TECHNICAL TERMS

“AIX”	:	Advance Interactive Executive, the interface by which a programmer writing an application program can make requests of the operating system or another application
“ANSI”	:	Short form for American National Standards Institute. The United States institute that approves various standards in the United States of America, including the standards for computers and for communications. ANSI is a member of the International Organization for Standardization (ISO).
“API”	:	Application Programming Interface, a software interface that enables applications to communicate with each other
“CD-RW”	:	Compact disk that is readable and writable
“CGI”	:	Common Gateway Interface, a standard for the exchange of information between Web server and computer programs that are external to it
“ERP”	:	Enterprise Resource Planning
“E- Solutions”	:	Enterprise electronic business software solutions
“HTML”	:	Hypertext Markup Language
“HTTP”	:	Hypertext Transfer Protocol
“IBIMM”	:	Intelligent Business Information Miner and Modeller, a data mining solution
“ISV”	:	Independent Software Vendor
“Java”	:	An object-oriented programming language for portable interpretive code that supports interaction among remote objects
“JavaBeans”	:	A platform-independent, software components technology for building reusable Java components called “beans”, which can be made available for use by other software engineers or can be used in Java applications
“100% Pure Java”	:	Development technologies that are 100% Java technologies
“JDBC”	:	Java Database Connectivity
“JAF”	:	JavaBeans Activation Framework, which allows Java developers to take advantage of standard services to determine the type of an arbitrary piece of data, encapsulate access to it, discover the operations available on it and to instantiate the appropriate JavaBeans component to perform those operations
“JMS”	:	Java Message Services is a set of interfaces described in the J2EE specification, which allows developers to write vendor-neutral messaging applications without having to learn the native APIs of different enterprise messaging system
“JSP”	:	JavaServer Pages

GLOSSARY OF TECHNICAL TERMS (Cont'd)

“J2EE”	:	Java 2 Platform, Enterprise Edition, an environment suitable for the development, deployment and management of enterprise applications written in Java language
“J2ME”	:	Java 2 Micro Edition, a highly optimised Java runtime environment
“LAN”	:	Local Area Network
“MEPS”	:	Malaysian Electronic Payment System
“Meta-language”	:	Meta-language is a method to develop computer programs. It works by generating source code in a target language from a program specification in a higher level language
“RAM”	:	Short form for random access memory. The most common computer memory which can be used by program to perform necessary tasks while the computer is on
“RDBMS”	:	Relational Database Management System
“Servlets”	:	Servlets are protocol and platform independent server-side software components, written in Java. They run inside a Java enabled server or application server, such as the WAS
“SI”	:	System Integrations
“SQL”	:	Structure Query Language, a standardised query language for requesting information from a database
“SSL”	:	Secure Socket Layer, a protocol for transmitting private documents over the internet
“Struts Application Framework”	:	Struts Application Framework is the implementation for Model-View-Controller (MVC) design pattern for Java server page. MVC is about dividing application component into 3 different categories for easy maintenance
“WAN”	:	Wide Area Network, a network that provides communication services to a geographic area larger than that served by a local area network that may use or provide public communication facilities
“WAS”	:	Websphere Application Server
“XML”	:	Extensible Markup Language, a Meta-language that allows the author of a document to provide markup definitions or, in other words, to associate “tags” with data. The purpose of the tags is to provide information to an application about the data through their association with the document contents

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of I-Power on the MESDAQ Market of Bursa Securities are as follows: -

EVENT	DATE
DATE OF PROSPECTUS :	29 December 2004
OPENING AND CLOSING DATE OF THE PUBLIC ISSUE :	7 January 2005
TENTATIVE ALLOTMENT DATE :	11 January 2005
TENTATIVE DATE OF DESPATCH OF NOTICES OF ALLOTMENT TO SUCCESSFUL APPLICANTS :	14 January 2005
TENTATIVE LISTING DATE :	25 January 2005

The timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The Directors and the Adviser, Managing Underwriter and Placement Agent may in their 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 Public Issue Shares and the listing of and quotation for the entire enlarged issued and paid-up share capital of I-Power on the MESDAQ Market of Bursa Securities would be extended accordingly. I-Power will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in the event there is an extension of time on the closing date of the application.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	Page
1. CORPORATE INFORMATION.....	1
2. SUMMARY INFORMATION.....	4
2.1 History and Business.....	4
2.2 Technology, Products, Intellectual Property Rights and Technical Feasibility.....	5
2.3 Promoter, Substantial Shareholders, Directors and Key Management.....	7
2.4 Historical Financial Highlights.....	11
2.5 Proforma Balance Sheet as at 30 June 2004.....	12
2.6 Proforma NTA.....	13
2.7 Future Financial Information.....	13
2.8 Principal Statistics Relating to the Public Issue.....	13
2.9 Proposed Utilisation of Proceeds.....	14
2.10 Summary of Material Risk Factors.....	14
2.11 Working Capital, Borrowings, Contingent Liabilities, Material Commitment and Material Litigation.....	15
3. DETAILS OF THE PUBLIC ISSUE.....	16
3.1 Opening and Closing Dates of the Application.....	17
3.2 Dates of Special Events.....	17
3.3 Purposes of the Public Issue.....	17
3.4 Number and Class of Securities to be Issued.....	18
3.5 Details of the Public Issue.....	19
3.6 Basis of Arriving at the Public Issue Price.....	20
3.7 Proposed Utilisation of Proceeds.....	21
3.8 Brokerage and Placement Fees and Underwriting Commission.....	22
3.9 Underwriters.....	22
3.10 Details of the Estimated Listing Expenses.....	22
3.11 Force Majeure Clauses and Salient Points in the Underwriting Agreement.....	23
4. RISK FACTORS.....	26
4.1 Risk Factors.....	26
5. INFORMATION ON I-POWER.....	34
5.1 History and Business.....	34
5.2 Changes in Share Capital.....	35
5.3 Summary Of The Flotation Scheme.....	36
5.4 Subsidiary and Associated Companies.....	36
5.5 Organisational Structure.....	37
5.6 Principal Products and Services and Brand Names.....	38
5.7 Technology Used.....	45
5.8 Patents and Trademarks.....	47
5.9 Approvals, Substantial Licenses and Permits.....	47
5.10 Major Customers.....	48
5.11 Major Suppliers.....	48
5.12 Competition.....	50
5.13 Quality Control Procedure.....	50
5.14 R&D.....	51
5.15 Employees.....	51
5.16 Summary of Independent Intellectual Property Valuation Report.....	52
5.17 Independent Technical Feasibility Report.....	61

TABLE OF CONTENTS (Cont'd)

	Page
6. INDUSTRY AND BUSINESS OVERVIEW	68
6.1 Industry Overview	68
7. SUMMARY OF FIVE-YEAR BUSINESS PLAN	73
7.1 Background of I-Power	73
7.2 I-Power's Business Vision, Objectives and Mission	73
7.3 Development Milestones	74
7.4 Marketing & Sales Strategy	76
8. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT	78
8.1 Promoters	78
8.2 Directors	80
8.3 Substantial Shareholders	84
8.4 Audit Committee	85
8.5 Key Management Team	86
8.6 Declarations from the Directors and Key Management Team	88
8.7 Family Relationship	88
8.8 Management Service Contract	88
9. CONDITIONS AND MORATORIUM	89
9.1 Approvals and Conditions	89
9.2 Moratorium on Disposal of Shares	90
10. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST	91
10.1 Related-Party Transactions	91
10.2 Interest in Similar Business	91
10.3 Loan (including guaranteed of any kind) Made by I-Power to the Related Parties	91
10.4 Declaration by the Advisers	91
11. FINANCIAL INFORMATION	92
11.1 Profit and Dividend Record	92
11.2 Overview of Turnover and PAT	92
11.3 Directors' Declaration on Financial Performance	93
11.4 Working Capital, Borrowings, Contingent Liabilities, Material Commitment and Material Litigation	93
11.5 Proforma Balance Sheet As At 30 June 2004	95
12. ACCOUNTANTS' REPORT	99
13. DIRECTORS' REPORT	115
14. ADDITIONAL INFORMATION	116
14.1 Share Capital	116
14.2 Articles of Association	116
14.3 Directors and Substantial Shareholders	125
14.4 General	128
14.5 Material Contracts	130
14.6 Material Litigation/Arbitration	131
14.7 Material Agreements	131
14.8 Responsibility Statement	131
14.9 Consent	131
14.10 Documents for Inspection	132

TABLE OF CONTENTS (Cont'd)

	Page
15. APPLICATION FOR SECURITIES	133
15.1 Opening and Closing of Application Lists	133
15.2 General Conditions for Application	133
15.3 Procedures For Placement Application List And Acceptance.....	135
15.4 CDS Account	137
15.5 Notice of Allotment.....	137
15.6 List of Authorised Depository Agents.....	138

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK