

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Profession	Nationality
Chu Jenn Weng <i>(Executive Chairman/Managing Director)</i>	19, Lorong Tambun Indah 9 Taman Tambun Indah 14100 Simpang Ampat Seberang Perai Selatan, Penang	Company Director	Malaysian
Siaw Kok Tong <i>(Executive Director)</i>	101-18-5, Gambier Heights Persiaran Bukit Gambir 1 11700 Penang	Company Director	Malaysian
Yeoh Shih Hoong <i>(Executive Director)</i>	24 Solok Titi Teras Satu 11000 Balik Pulau, Penang	Company Director	Malaysian
Dato' Kiew Kwong Sen <i>(Independent Director)</i>	No. 70 Taman Jesselton 10450 Georgetown Penang	Company Director	Malaysian
Dr. Ahmad Fadzil bin Mohamad Hani <i>(Independent Director)</i>	24 Pesiaran Wira Jaya Barat 60 Rapat Setia Baru 31350 Ipoh Perak	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Kiew Kwong Sen	Chairman of Committee	Independent Director
Dr. Ahmad Fadzil bin Mohamad Hani	Member of Committee	Independent Director
Siaw Kok Tong	Member of Committee	Executive Director

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK
--

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Khoo Lay Tatt (MAICSA 7029262)
107-17-3, Gambier Heights
Persiaran Bukit Gambir 1
11700 Penang
Telephone No.: 04-228 8155
Facsimile No.: 04-269 2386
- How Wee Ling (MAICSA 7033850)
Block 4-11-01, Solok Gangsa
11600 Penang
Telephone No.: 04-228 8155
Facsimile No.: 04-269 2386
- REGISTERED OFFICE** : 3rd Floor, Wisma Wang
251-A Jalan Burma
10350 Penang
Telephone No.: 04-228 8155
Facsimile No.: 04-269 2386
- HEAD OFFICE** : 5, Lintang Bayan Lepas 2
Bayan Lepas Industrial Park
Phase 4, 11900 Bayan Lepas
Penang
Telephone No.: 04-646 6227
Facsimile No.: 04-646 6327
Website : www.vitrox.com
- REGISTRAR** : PFA Registration Services Sdn Bhd (19234-W)
Level 13, Uptown 1 No.1
Jalan SS21/58 Damansara Uptown
47400 Petaling Jaya, Selangor
Telephone No.: 03-7725 4888/ 7725 8046
Facsimile No.: 03-7722 2311
- PRINCIPAL BANKERS** : Hong Leong Bank Berhad (97141-X)
15-1-1, (Bayan Point) Medan Kampung Relau
11900 Penang
Telephone No.: 04-643 4023/4613/4461
Facsimile No.: 04-643 4705
- Public Bank Berhad (6463-H)
Bayan Baru Branch
5,7,9 & 11, Lorong Kampung Jawa
Bandar Bayan Baru
11900 Bayan Lepas
Penang
Telephone No.: 04-643 8200
Facsimile No.: 04-644 1877
- AUDITORS AND REPORTING ACCOUNTANTS** : Deloitte KassimChan (AF0080)
Chartered Accountants
4th Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
Telephone No.: 04-228 8255
Facsimile No.: 04-228 8355

CORPORATE DIRECTORY (Cont'd)

- SOLICITORS FOR THE LISTING** : Zaid Ibrahim & Co
51-22-B&C Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
Telephone No.: 04-227 0888
Facsimile No.: 04-228 6755
- ADVISER, UNDERWRITER,
SPONSOR AND PLACEMENT
AGENT** : Hwang-DBS Securities Berhad (14389-U)
Suite 23A-01, 23A Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Telephone No.: 03-2143 7888
Facsimile No.: 03-2148 2989
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No.: 03-2693 2075
Facsimile No.: 03-2693 0858
- INDEPENDENT MARKET
RESEARCH CONSULTANT** : Infocredit D&B (Malaysia) Sdn Bhd (527570-M)
Level 9-3A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No.: 03-2718 1000
Facsimile No.: 03-2717 1001
- LISTING SOUGHT** : MESDAQ Market of Bursa Securities

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY

THIS INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

1.1 HISTORY AND PRINCIPAL ACTIVITIES

ViTrox was incorporated in Malaysia as a private limited company on 22 April 2004 under the Act under the name of "ViTrox Corporation Sdn Bhd". On 24 June 2004, ViTrox converted into a public limited company and adopted its present name. The authorised share capital of ViTrox is RM25,000,000 comprising 250,000,000 Shares, of which 75,400,000 Shares have been issued and fully paid-up as at 31 July 2005.

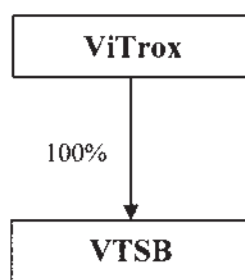
The principal activities of ViTrox are investment holding and engaging in research and development of machine vision products and services, while its sole subsidiary, VTSB, is principally involved in the development and production of automated vision inspection system.

Further information on the business of ViTrox Group has been set out in Section 6 of this Prospectus.

A summary of the details of VTSB is as follows:

Date & Place Of Incorporation	Issued And Paid-Up Share Capital (RM)	% Effective Equity Interest Held	Principal Activities
3 March 2000/ Malaysia	500,000	100	Development and production of automated vision inspection system

The corporate structure of the ViTrox Group as at 31 July 2005 is depicted as follows:



Further information on ViTrox and VTSB are disclosed in Section 4 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL**

As at 31 July 2005, the direct and indirect shareholdings of the Promoters, substantial shareholders, Directors, key management and key technical personnel of the ViTrox Group before and after the Public Issue and Bonus Issue are set out below. The illustrated shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

1.2.1 Promoters

Promoters	Nationality	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Malaysian	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Malaysian	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Malaysian	12,063,968	16.0	-	-	20,123,280	13.0	-	-

1.2.2 Substantial Shareholders

Substantial Shareholders	Nationality	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Malaysian	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Malaysian	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Malaysian	12,063,968	16.0	-	-	20,123,280	13.0	-	-

1.2.3 Directors

Directors	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Executive Chairman/ Managing Director	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Executive Director	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Executive Director	12,063,968	16.0	-	-	20,123,280	13.0	-	-

1. INFORMATION SUMMARY (Cont'd)

	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Directors									
Dato' Kiew Kwong Sen	Independent Director	-	-	-	-	500,000	0.3	-	-
Dr. Ahmad Fadzil bin Mohamad Hani	Independent Director	-	-	-	-	500,000	0.3	-	-

1.2.4 Key Management and Key Technical Personnel

Key Management & Key Technical Personnel	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Wong Ting Lik	Section Manager (Application)	150,800	0.2	-	-	441,542	0.3	-	-
Vincent Leong Wai Shun	Specialist R&D Engineer	150,800	0.2	-	-	376,333	0.2	-	-
Tan Hong Soon	Section Manager (Production)	2,261,994	3.0	-	-	3,953,323	2.6	-	-
Cheng Ming Hann	Section Manager (Service and Support)	-	-	-	-	183,333	0.1	-	-
Su Pek Fuen	Acting Section Manager (Human Resource & Administrative)	-	-	-	-	192,708	0.1	-	-
Lee Poh Lean	Senior Account Executive	100	#	-	-	143,500	0.1	-	-

Note:

Less than 0.1%

Further details of the Promoters, substantial shareholders, Directors, key management and key technical personnel of the ViTrox Group, are set forth in Section 5 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)

1.3 TECHNOLOGY AND INTELLECTUAL PROPERTY

Machine vision is a multi-disciplinary technology. The design, development and production of these systems require extensive knowledge and understanding of a combination of various disciplines including lighting, optics/imaging, sensors/cameras, electronics, mechanical handling and software systems. Over the years, the Group has built up the capabilities to design and develop critical components of machine vision system such as the proprietary light source, proprietary optical module, programmable light source controller, imaging software, and electronics controlled and triggering devices for high speed application. As at 31 July 2005, the Group has developed various proprietary technologies such as the ViTrox Standard Component Library (VSCL2), ViTrox Illumination System, 3D Optical design, Integrated Vision System and High-Speed Line-Scan Vision System.

The ViTrox Group regards its intellectual property rights as critical to its continued success and has taken steps, which it believes to be necessary and customary in its industry, to protect its rights to that intellectual property. The ViTrox Group's intellectual property includes copyright in relation to the proprietary technologies and solutions, which the ViTrox Group has developed.

Further details of the ViTrox Group's technology and intellectual property rights are set forth in Section 6.7 of this Prospectus.

1.4 R&D CAPABILITIES

The ViTrox Group is committed to continuous R&D efforts to keep abreast of market developments, market trends and to tap into potential new markets in order to ensure the long term competitive and sustainability of its business. The Group places strong emphasis on R&D to create new machine vision solutions and to improve upon its current machine vision products through quality improvement, features enhancement and refinement of capabilities and processes of its business activities.

As part of its five (5)-year business development plan, the Group's R&D plan shall be focused on the consolidation of its inherent strengths and to meet the technological challenges prevailing in the identified markets that the Group intends to diversify into areas such as China, Taiwan, Japan, US and Europe. In this regards, the R&D activities of the Group will revolve around the following:

- (i) Continuous new products enhancement and developments;
- (ii) Assessing new technology trends (especially in the semiconductor sector) and conducting system requirement studies and analysis to improve both value and quality of its machine vision solutions;
- (iii) Conducting machine vision system design, programming, testing and benchmarking of its deliverables to prevailing international standards to enhance its knowledge database to monitor and track ongoing and future market trends in the machine vision and semiconductor industries; and
- (iv) Developing new areas for expansion and diversification of business activities and products.

Further details of the ViTrox Group's R&D capabilities are set forth in Section 6.8 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.5 FINANCIAL HIGHLIGHTS****1.5.1 Proforma Consolidated Income Statement**

The following table sets out a summary of the proforma consolidated income statement of the ViTrox Group for ten (10) months financial period ended 31 December 2000 ("FYP 2000"), past four (4) financial years ended 31 December 2004 and five (5) months financial period ended 31 May 2005 ("FYP 2005") based on the assumption that the current structure of the ViTrox Group has been in existence throughout the financial years and periods under review. The following table is presented for illustrative purposes only and has been extracted from the Reporting Accountants' Report set out in Section 11 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

	FYE 31 December					FYP 2005
	FYP 2000	2001	2002	2003	2004	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,428	2,654	3,983	6,571	13,648	4,707
EBITDA	2,554	488	1,428	3,570	5,611	1,749
Finance cost	(4)	(30)	(35)	(35)	(43)	(16)
Depreciation	(30)	(156)	(177)	(276)	(499)	(209)
PBT	2,520	302	1,216	3,259	5,069	1,524
Taxation	-	(5)	(2)	(3)	(10)	(7)
PAT	2,520	297	1,214	3,256	5,059	1,517
No. of ViTrox Shares assumed in issue ('000)*	75,400	75,400	75,400	75,400	75,400	75,400
Gross EPS (sen)	3.3	0.4	1.6	4.3	6.7	2.0
Net EPS (sen)	3.3	0.4	1.6	4.3	6.7	2.0

Note:

* Based on the number of enlarged share capital of the Company after Acquisition but before Public Issue and Bonus Issue

There were no exceptional or extraordinary items in the financial periods and financial years under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.5.2 Proforma Consolidated Balance Sheet**

The following table sets out the summary of the Proforma Consolidated Balance Sheets of the ViTrox Group as at 31 May 2005, for illustrative purposes only, to show the effects of the Acquisition, the Public Issue and Bonus Issue on the assumption that the Listing will be completed as at that date and should be read with the notes and assumptions to the proforma consolidated balance sheets of the ViTrox Group as set forth in Section 10.5 of this Prospectus.

	As at 31 May 2005 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
PROPERTY, PLANT AND EQUIPMENT	-	3,049	9,049	9,049
CURRENT ASSETS				
Inventories	-	2,068	2,068	2,068
Trade receivables	297	2,008	2,008	2,008
Other receivables and prepaid expenses	490	2,121	1,631	1,631
Short-term deposits with licensed banks	-	4,242	4,242	4,242
Cash and bank balances	*	935	4,685	4,685
Total Current Assets	787	11,374	14,634	14,634
CURRENT LIABILITIES				
Trade payables	-	428	428	428
Other payables and accrued expenses	656	793	793	793
Hire-purchase payables	-	107	107	107
Long-term loan - current portion	-	85	85	85
Tax liabilities	-	9	9	9
Total Current Liabilities	656	1,422	1,422	1,422
NET CURRENT ASSETS	131	9,952	13,212	13,212
	131	13,001	22,261	22,261
SHARE CAPITAL	*	7,540	9,300	15,500
RETAINED PROFIT	131	5,076	5,076	5,076
SHARE PREMIUM	-	2	7,502	1,302
SHAREHOLDERS' EQUITY	131	12,618	21,878	21,878
LONG TERM LIABILITIES	-	383	383	383
	131	13,001	22,261	22,261
Par value per ordinary share (sen)	10	10	10	10
Number of ordinary shares ('000)	0.200	75,400	93,000	155,000
NTA (RM'000)	131	12,618	21,878	21,878
NTA per ordinary share (sen)	65,500	17	24	14

Notes:

* RM20

Proforma I Pursuant to Acquisition

Proforma II Pursuant to Proforma I, Public Issue and utilisation of listing proceeds

Proforma III Pursuant to Proforma II and Bonus Issue

1. INFORMATION SUMMARY (Cont'd)**1.5.3 Qualification to Financial Statements**

The financial statements of ViTrox for the nine (9) months financial period ended 31 December 2004 and five (5) months financial period ended 31 May 2005 were not subject to any qualifications.

The financial statements of the VTSB for the ten (10) months financial period ended 31 December 2000, the past four (4) financial years ended 31 December 2004 and the five (5) months financial period ended 31 May 2005 were not subject to any qualifications.

1.6 RISK FACTORS

The following is a summary of risk factors (which may not be exhaustive), both specific to the ViTrox Group and relating to the general business environment, which may impact on the operating performance and financial position of the Group. To appreciate the risk factors associated with an investment in ViTrox, this Prospectus should be read in its entirety. Details of the key risk factors listed below (which may not be exhaustive) of which investors should be aware are set out in Section 3 of this Prospectus:

1.6.1 Risks relating to Business and Operations of ViTrox Group

- (i) Operating Risks
- (ii) Dependence on Major Customers
- (iii) Lack of Long Term Contracts
- (iv) Dependence on Key Management and Key Technical Personnel
- (v) Technological Risks
- (vi) Protection of the ViTrox's Group Proprietary Technology and Intellectual Property Rights
- (vii) Delays in Research and Development
- (viii) Dependence on the Semiconductor Industry and OEM Market Segment
- (ix) Investment Risks
- (x) Foreign Exchange Risks
- (xi) Change in MSC Status
- (xii) Risks in New Geographical Markets

1.6.2 Risks relating to ViTrox Shares

- (i) No Prior Market for ViTrox Shares and Possible Volatility of Share Price
- (ii) Control by Certain Shareholders
- (iii) Delay or Failure in Listing
- (iv) Profit Forecast

1.6.3 Industry Risks

- (i) Competition
- (ii) Rapid Technological Changes

1.6.4 Other Risks

- (i) Political and Economic Conditions
- (ii) Difficulty in Managing Future Growth
- (iii) Forward-Looking Statements

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.7 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE**

The following statistics relating to the Public Issue are derived from the full text of this Prospectus and should be read in conjunction with that text.

1.7.1 Share Capital

	RM
Authorised share capital	
250,000,000 ordinary shares of RM0.10 each	<u>25,000,000</u>
Issued and fully paid-up share capital as at 31 July 2005	
75,400,000 ordinary shares of RM0.10 each	7,540,000
To be issued pursuant to the Public Issue	
17,600,000 ordinary shares of RM0.10 each	<u>1,760,000</u>
Share capital upon completion of Public Issue	
93,000,000 ordinary shares of RM0.10 each	9,300,000
To be issued pursuant to the Bonus Issue	
62,000,000 ordinary shares of RM0.10 each	<u>6,200,000</u>
Enlarged share capital pursuant to Listing	
155,000,000 ordinary shares of RM0.10 each	<u>15,500,000</u>
<i>To be issued pursuant to ESOS, assuming full exercise of ESOS options allocated</i>	
<i>15,500,000 ordinary shares of RM0.10 each</i>	<u>1,550,000</u>
<i>Enlarged share capital pursuant to ESOS</i>	<u>17,050,000</u>

1.7.2 Issue Price

The Issue Price for each Public Issue Share	60 sen
The theoretical ex-bonus price after the Bonus Issue	36 sen

1.7.3 Proforma Consolidated NTA

Proforma consolidated NTA (after the Public Issue and Bonus Issue and deducting the total estimated listing expenses of RM1.3 million) (RM '000)	21,878
Proforma consolidated NTA per share (based on the enlarged issued and paid-up share capital of 155,000,000 Shares) (sen)	14

The Proforma Consolidated Balance Sheets of the ViTrox Group is as set out in Section 10.5 of this Prospectus.

1.7.4 Classes of Shares and Ranking

There is only one (1) class of shares in ViTrox, being ordinary shares of 10 sen each. The Public Issue Shares, when issued, shall rank pari passu in all respects with the other then existing issued and paid-up ordinary shares of 10 sen each in ViTrox, including voting rights and rights to all dividends and distribution that may be declared, paid or made subsequent to the date of allotment thereof.

1. INFORMATION SUMMARY (Cont'd)

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

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

1.7.5 Forecast**(i) Consolidated Profit Forecast**

<u>Financial year ending 31 December 2005</u>	RM'000
Consolidated revenue	14,544
Consolidated PBT before pre-acquisition profit and exceptional item	5,518
Less: Taxation	(7)
Consolidated PAT before pre-acquisition profit and exceptional item	5,511
Less: Pre-acquisition profit	(1,382)
Consolidated PAT before exceptional item	4,129
Add: Negative goodwill written off	4,821
Consolidated PAT attributable to shareholders	8,950

Based on weighted average paid-up share capital of 70,516,750[#] ViTrox Share

Gross EPS [^] (sen)	5.87
Net EPS ^{^^} (sen)	5.86
Net PE multiple based on theoretical ex-bonus price of 36 sen per ViTrox Share (times)	6.1

Notes:

[#] *On the basis that the Acquisition is completed on 15 June 2005 and after the Public Issue and Bonus Issue which are assumed to be completed by early September 2005*

[^] *Based on consolidated PBT after pre-acquisition profit and before exceptional item*

^{^^} *Based on consolidated PAT after pre-acquisition profit and before exceptional item*

Based on enlarged and paid-up share capital of 155,000,000 ViTrox Share after Public Issue and Bonus Issue

Gross EPS* (sen)	3.56
Net EPS** (sen)	3.56
Net PE multiple based on theoretical ex-bonus price of 36 sen per ViTrox Share (times)	10.1

Notes:

* *Based on consolidated PBT before pre-acquisition profit and exceptional item*

** *Based on consolidated PAT before pre-acquisition profit and exceptional item*

Further information on the consolidated profit forecast of the ViTrox Group is as set out in Section 10.6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**(ii) Dividend Forecast****Financial year ending 31 December 2005**

Gross dividend per Share (%)	5.0
Net dividend per Share (%)	3.6
Gross dividend yield based on the theoretical ex-bonus price of 36 sen per Share (%)	1.4
Net dividend yield based on the theoretical ex-bonus price of 36 sen per Share (%)	1.0
Net dividend cover based on enlarged number of ordinary shares in issue based on enlarged and paid-up share capital of 155,000,000 ViTrox Shares after Bonus Issue (times)	9.9

Further information on the dividend forecast of the ViTrox Group is as set out in Section 10.9 of this Prospectus.

1.8 PROCEEDS FROM THE PUBLIC ISSUE AND UTILISATION

Based on the Issue Price of 60 sen per Public Issue Share, it is anticipated that the gross proceeds from the Public Issue will be RM10,560,000 and is expected to be utilised as follows:

	Amount RM
Purchase of R&D equipment	1,170,000
Regional offices set-up	1,869,600
Repayment of financing of the acquisition of land and the construction of three double-storey office-cum-factory buildings	6,000,000
Working capital	220,400
Estimated listing expenses*	1,300,000
	<u>10,560,000</u>

Note:

* *The proceeds to be utilised for working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from their estimated amount.*

Details of the utilisation of the gross proceeds receivable from the Public Issue are highlighted in Section 2.7 of this Prospectus.

1.9 MATERIAL LITIGATION

Save as disclosed below, as at 31 July 2005, neither ViTrox nor VTSB is engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial positions of ViTrox or its subsidiary, and the Directors of ViTrox are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial positions or business of ViTrox and/or its subsidiary.

VTSB vs Tan Hwang Kiat (NRIC No.: 730726-02-5333) ("First Defendant") and ACA Vision Technology Sdn Bhd (Company No.: 618197-K) ("Second Defendant").

1. INFORMATION SUMMARY (Cont'd)

The First Defendant was an engineer previously employed by VTSB. He was suspected to have copied VTSB's source code and produced automated vision inspection system to be sold through the Second Defendant.

VTSB was granted an Anton Pillar order on 22 October 2003 and conducted a raid at the Second Defendant's office and the First Defendant's residence on 29 October 2003. ViTrox's source codes were discovered in the computers at the said office but nothing was found at the residence. VTSB has applied for injunction based on the results of the raid on 24 November 2003. The application for the injunction together with two separate applications by the Defendants to set aside the Anton Pillar order and an application by the First Defendant to challenge an affidavit of a witness for the Plaintiff have been earlier fixed for hearing on 26 May 2005 which is subsequently rescheduled to 15 August 2005.

Based on the advice of the solicitors, the Directors of VTSB are confident that the court is likely to allow VTSB's claim. VTSB will be entitled to all earnings the First Defendant and Second Defendant made as a result of the use of VTSB's source codes and costs including the investigation fees.

Notwithstanding the above, in the event that VTSB's claim is not successful and assuming that both the Defendants continue with the business, the Directors of VTSB believe that VTSB would only be minimally affected, if any, in view of the fact that the affected source codes are of the older version. In line with the dynamic environment of the machine vision industry, VTSB has since upgraded the source codes which are of higher accuracy and speed. As such, the current product lines of VTSB are independent of the affected source codes and thus, the sales of VTSB's products should not be affected by products arising from the use of the affected source codes, if any.

1.10 CONTINGENT LIABILITIES

The Directors of ViTrox are not aware of any contingent liabilities as at 31 July 2005 which, upon becoming enforceable, may have a material effect on the financial performance or financial position of the Group.

1.11 MATERIAL CAPITAL COMMITMENTS

Save as disclosed in Section 10.3.4 of this Prospectus, as at 31 July 2005, the Directors of ViTrox are not aware of any material capital commitment, which upon becoming enforceable, may have a material impact on the financial position of the ViTrox Group.

1.12 BORROWINGS

As at 31 July 2005, the ViTrox Group has total outstanding borrowings comprising term loans and hire-purchases, all of which are interest bearing, the summary of which is as follows:

	Portion due within one year (RM'000)	Portion due after one year (RM'000)	Total (RM'000)
Long-term loan	519	728	1,247
Hire-purchase payables	110	309	419
	<u>629</u>	<u>1,037</u>	<u>1,666</u>

As at 31 July 2005, there have been no defaults on payments of either interests and/or principal sums in respect of any borrowings throughout the past financial year ended 31 December 2004 and the subsequent period immediately preceding the date of this Prospectus.

2. DETAILS OF THE PUBLIC ISSUE

2.1 INTRODUCTION

This Prospectus is dated 16 August 2005. A copy of this Prospectus has been registered by the SC and lodged with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

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

Approval has been obtained from the SC on 9 March 2005 for the listing of the Company on the MESDAQ Market. An application has been made to the Bursa Securities for the admission of ViTrox to the Official List of the MESDAQ Market and for the listing of and quotation for the entire enlarged issued and paid-up ordinary shares of ViTrox, including the Public Issue Shares which are the subject of this Prospectus, on the MESDAQ Market. Any allotment made on an application for the Public Issue Shares pursuant to this Prospectus shall be void if the said permission is not granted within six (6) weeks from the date of issue of this Prospectus, or such longer period as may be specified by the Bursa Securities, provided that the Company is notified by or on behalf of the Bursa Securities within the aforesaid timeframe. ViTrox Shares will be admitted to the to the Official List of the MESDAQ Market and official quotation will commence after the receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the ViTrox Group and ViTrox Shares.

Acceptance of applications for the Public Issue Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation of the entire issued and paid-up share capital on the MESDAQ Market of Bursa Securities. Accordingly, monies paid in respect of any application accepted for the Public Issue Shares will be returned in full without interest if the said permission is not granted.

Pursuant to the Listing Requirements, at least 25% but not more than 49% of the total number of shares of the Company for which the listing is sought must be held by a minimum number of 200 public shareholders upon completion of the Public Issue and at the point of listing. In the event that the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with its listing on the MESDAQ Market. In the event thereof, monies paid in respect of all applications will be returned without interest.

These ViTrox Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company or of its Shares.

An applicant must have a CDS Account when applying for the Public Issue Shares. In the case of an application by way of Application Form, an applicant should state his/her CDS Account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application or Internet Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application or Internet Share Application. Further details on the application procedures are set out in Section 16 of this Prospectus.

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

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 ViTrox. Neither the delivery of this Prospectus nor any Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company or any of its subsidiary, or of the Group, since the date hereof.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to apply for any Public Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering, subscription, sale and/or issue of the Public Issue Shares in other jurisdictions outside Malaysia may be restricted by law. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

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

2.2 OPENING AND CLOSING OF APPLICATION

Application will be accepted from 10.00 a.m. on 16 August 2005 and will close at 5.00 pm on 30 August 2005 or for such later period or periods as the Directors of ViTrox and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted. Should the closing date of the application be extended, the dates for the balloting, allotment of shares, despatch of notice of allotment and listing and quotation for the entire issued and paid-up share capital of ViTrox on the MESDAQ Market will be extended accordingly. ViTrox will notify the public via advertisements in a widely circulated English and Bahasa Malaysia newspapers in Malaysia in the event there is an extension of time on the closing date of the application. The indicative timing of events leading up to the Listing is as follows:

Event	Date
Opening of application	16 August 2005
Closing of application	30 August 2005
Balloting of application	2 September 2005
Allotment of shares	8 September 2005
Despatch of notice of allotment to successful applicants	9 September 2005
Listing of ViTrox's entire enlarged issued and paid-up share capital on the MESDAQ Market of Bursa Securities	12 September 2005

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

2.3 DETAILS OF THE PUBLIC ISSUE

The Public Issue of 17,600,000 new ViTrox Shares is an invitation by the Company to eligible Directors and employees of the ViTrox Group, the Malaysian Public and the identified investors to apply for the Public Issue Shares at the issue price of 60 sen per Public Issue Share, payable in full on application and upon such terms and conditions as set out in this Prospectus.

The 17,600,000 Public Issue Shares will be allocated in the following manner:

(i) **Eligible Directors and Employees**

1,900,000 new Shares representing approximately 2.0% of the enlarged issued and paid-up share capital of ViTrox after Public Issue are reserved for eligible Directors and employees ("Eligible Employees") of the ViTrox Group.

The Board of Directors of ViTrox is given the discretion to determine the allocation of new Shares to the Eligible Employees. The criteria for allocation of securities to the Eligible Employees include length of service, position in the Group, performance and contribution to the success of the Group. As at 31 July 2005, a total of 50 Eligible Employees are eligible for allocation of the 1,900,000 new Shares reserved for Eligible Employees. As at 31 July 2005, the following Directors are eligible for the allocation of ViTrox Shares:

Name of Director	No of ViTrox Shares
Chu Jenn Weng	10,000
Siaw Kok Tong	10,000
Yeoh Shih Hoong	10,000
Dato' Kiew Kwong Sen	300,000
Dr. Ahmad Fadzil bin Mohamad Hani	300,000

(ii) **Malaysian Public**

3,000,000 new Shares representing approximately 3.2% of the enlarged issued and paid-up share capital of ViTrox after Public Issue to be made available for application to the Malaysian Public.

(iii) **Private Placement**

12,700,000 new Shares representing approximately 13.7% of the enlarged issued and paid-up share capital of ViTrox after Public Issue placed and/or to be placed by the Placement Agent to identified investors whose irrevocable undertakings to subscribe have been obtained.

The Public Issue Shares under paragraphs (i) and (ii) are fully underwritten by the Underwriter via the underwriting agreement referred to in Section 2.9 of this Prospectus. Any Public Issue Shares not taken up by the Eligible Employees of the ViTrox Group will be made available for application by other Eligible Employees and subsequent untaken Public Issue Shares will be made available for application by the Malaysian Public.

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

2.4 SHARE CAPITAL AND RIGHTS ATTACHING TO THE SHARES

2.4.1 Share Capital

	RM
Authorised share capital	
250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and fully paid-up share capital as at 31 July 2005	
75,400,000 ordinary shares of RM0.10 each	7,540,000
To be issued pursuant to the Public Issue	
17,600,000 ordinary shares of RM0.10 each	1,760,000
Share capital upon completion of Public Issue	
93,000,000 ordinary shares of RM0.10 each	9,300,000
To be issued pursuant to the Bonus Issue	
62,000,000 ordinary shares of RM0.10 each	6,200,000
Enlarged share capital pursuant to Listing	
155,000,000 ordinary shares of RM0.10 each	15,500,000
<i>To be issued pursuant to ESOS, assuming full exercise of ESOS options allocated</i>	<i>1,550,000</i>
<i>15,500,000 ordinary shares of RM0.10 each</i>	
<i>Enlarged Share Capital pursuant to ESOS</i>	<i>17,050,000</i>

2.4.2 Class of Shares and Ranking

There is only one (1) class of shares in ViTrox, namely ordinary shares of 10 sen each. The Public Issue Shares, when issued, shall rank *pari passu* in all respects with the other then existing issued and paid-up ordinary shares of 10 sen each in ViTrox, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

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

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

2.5 BASIS OF ARRIVING AT THE ISSUE PRICE

Prior to the Public Issue, there has been no public market for ViTrox Shares. The issue price of 60 sen per Public Issue Share was determined and agreed upon by ViTrox and Hwang-DBS, as the Adviser and Underwriter, after taking into consideration the following factors:

- (i) the prospects, future plans and strategies of the ViTrox Group as described in Sections 6, 7 and 8 of this Prospectus;
- (ii) the ViTrox Group's operating and financial history and conditions as described in Sections 6, 9, 10 and 11 of this Prospectus;

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

- (iii) the ViTrox Group's forecasted net EPS of 3.6 sen for FYE2005 based on the enlarged and paid-up share capital of 155,000,000 ViTrox Shares which is equivalent to net PE multiple of 10.1 times;
- (iv) the industry review and prevailing market conditions; and
- (v) the proforma consolidated NTA per share of ViTrox of 14 sen after the Acquisition, the Public Issue and the Bonus Issue as at 31 May 2005.

Investors should also be aware that the Bonus Issue will be implemented prior to the official quotation of the entire issued and paid-up share capital of ViTrox on the MESDAQ Market. Based on the issue price of 60 sen per Public Issue Share, the theoretical ex-bonus price is 36 sen.

Investors should also note that market price of the Public Issue Shares upon and subsequent to the Listing are subject to the vagaries of market forces and other uncertainties, which may affect the price of the said shares. Investors should bear in mind the investment considerations and risk factors set forth in Section 3 of this Prospectus before deciding on whether or not to invest in the Public Issue Shares.

2.6 PURPOSE OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:

- (i) obtain the listing of and quotation for the entire issued and paid-up capital of ViTrox on the MESDAQ Market, which is expected to enhance the business, profile and future prospects of the ViTrox Group;
- (ii) enable the ViTrox Group to gain access to the capital market to raise funds for its future expansion and continued growth of the Group;
- (iii) provide an opportunity for identified investors, eligible Directors and employees of the ViTrox Group, and the public to participate in the continuing growth of the ViTrox Group by way of equity participation; and
- (iv) raise funds for the ViTrox Group's operations and expansion plan.

2.7 PROCEEDS FROM THE PUBLIC ISSUE AND UTILISATION

Based on the issue price of 60 sen per Public Issue Share, it is anticipated that the gross proceeds of the Public Issue will be RM10,560,000 and are expected to be utilised as follows:

	Note	Amount RM'000	To be utilised by FYE 31 December
Purchase of R&D equipment	(1)	1,170,000	2006
Regional offices set-up	(2)	1,869,600	2006
Repayment of financing of the acquisition of land and the construction of three double-storey office-cum-factory buildings	(3)	6,000,000	2005
Working capital	(4)	220,400	2006
Estimated listing expenses*	(5)	1,300,000	2005
		10,560,000	

2. DETAILS OF THE PUBLIC ISSUE (Cont'd)

Notes:

- * *The proceeds to be utilised for working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from their estimated amount.*
- (1) *A total of RM1,170,000 will be set aside for the purpose of purchasing R&D equipment which are essential to the Group's R&D plans such as camera, frame grabber, lens, scopes, personal computers, mechanical module, light source, electronics board for I/O, laser system and reference material.*
- (2) *As part of its business expansion plan, the Group plans to set up regional offices in China, Taiwan, US, Japan and Europe. The Group will allocate RM1,869,600 for regional offices set-up, which will be used to pay rental and salary for staff such as service and support personnel. This is in line with the Group's plan for expansion to the overseas market.*
- (3) *The Group plans to allocate RM6,000,000 for the repayment of financing for the acquisition of a leasehold land and the construction and renovation of three double-storey office-cum-factory buildings. In respect thereof, the Group has accepted credit facilities totaling RM7,880,000 on 21 February 2005. As at 31 July 2005, the Group has drawn RM0.9 million upon the aforementioned credit facilities for the purposes of acquisition of land and construction of the three double-storey office-cum-factory buildings. The office-cum-factory expansion is necessitated by the Group's current operating constraints whereby shortage of space has limited R&D activities on new products and shall expand the production capacity of the Group in line with business expansion plan of the Group.*
- (4) *With the planned business expansion, the Group expects to require additional working capital to fund its operations. The Group plans to set aside RM220,400 of the proceeds for the day-to-day working capital requirements.*
- (5) *The expenses of the Listing are estimated at RM1,300,000, with the following estimated breakdown:*

	RM
<i>Professional fees</i>	<i>533,000</i>
<i>Fees to the authorities</i>	<i>68,000</i>
<i>Fees to Issuing House</i>	<i>100,000</i>
<i>Underwriting, placement fees and brokerage fees</i>	<i>293,000</i>
<i>Printing and advertising</i>	<i>200,000</i>
<i>Miscellaneous</i>	<i>106,000</i>
	<u><u>1,300,000</u></u>

2.8 BROKERAGE, UNDERWRITING AND PLACEMENT FEES

2.8.1 Brokerage

Brokerage is payable by ViTrox at the rate of 1% of the issue price of 60 sen per Public Issue Share in respect of successful applications which bear the stamps of either the Adviser, a participating organisation of Bursa Securities, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIH.

2.8.2 Underwriting

Hwang-DBS, as the Underwriter, had on 8 August 2005 agreed to underwrite 4,900,000 Public Issue Shares on the terms set out in the underwriting agreement referred to in Section 2.9 of this Prospectus. The underwriting commission is payable by ViTrox at the rate of 2.0% of the issue price of 60 sen per Public Issue Share, the total of which is RM58,800.

2.8.3 Placement

The Placement Agent has agreed to place out 12,700,000 Public Issue Shares which are reserved for the identified investors. Placement fee shall be payable by the Company to the Placement Agent at a rate of 2.0% of the issue price of 60 sen per Public Issue Share placed out.

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The salient terms of the Underwriting Agreement are summarised as follows:-

(i) **3 Rights and Remedies To Continue After Completion**

The rights and remedies conferred upon the Underwriter by the aforesaid representations, warranties, agreements and indemnities will continue in full force and effect until 6 months after the date of listing and quotation of the IPO Shares on the Bursa Securities.

(ii) **4 Conditions Precedent**

4.1 The obligations of the Underwriter under this Agreement will further be conditional upon:

4.1.1 the Underwriter being reasonably satisfied that the listing and quotation of the IPO Shares on the MESDAQ Market will be granted within 2 clear Market Days after the submission to the Bursa Securities of the relevant documents including the receipt of confirmation from Bursa Depository confirming that all the respective central depository system accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants;

4.1.2 the issuance of the IPO Shares have been approved by the SC, MITI and any other relevant authority or authorities;

4.1.3 there not having been on or prior to the Listing Date, any adverse change or any development reasonably likely to involve a prospective adverse change in the financial condition of the Company, from that set out in the Prospectus which is material in the context of the offering in the IPO Shares nor the occurrence of any event rendering untrue or incorrect to an extent which is material any representations or warranties contained in clause 1 as though they have been given or made on such date;

4.1.4 the filing with the SC and the lodgement with the Registrar of Companies of the Prospectus and accompanying documents on or before their issue, circulation or distribution to the public;

4.1.5 the placement shares being fully subscribed by places;

4.1.6 the Prospectus being issued within one (1) month of the date of this Agreement;

4.2 If any of the conditions precedent in clause 4.1 above which is to be satisfied prior to the Closing Date for application of the IPO Shares is not satisfied, the Underwriter will thereupon be entitled to terminate this Agreement by notice in writing to the Company. In such event, this Agreement will automatically be terminated and the parties to this Agreement will be released and discharged from their obligations.

4.3 In the event of termination pursuant to clause 4.2 above, (except for the liability of the Company for payments of costs and expenses incurred prior to or in connection with such termination) the parties will be released and discharged from their obligations.

(iii) **5 Termination by the Underwriter if Adverse Changes and Consequence Thereof**

5.1 Notwithstanding anything contained in this Agreement, the Underwriter may by notice in writing to the Company given at any time before the Listing Date,

2. DETAILS OF THE PUBLIC ISSUE *(Cont'd)*

terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares and pursuant thereto terminate this Agreement if:

- 5.1.1 there is any breach by the Company of any of the representations, warranties or undertakings contained in clause 1, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or
 - 5.1.2 the Company withholds any information of a material nature from the Underwriter, which, in the reasonable opinion of any Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO Shares, or the distribution or sale of the IPO Shares; or
 - 5.1.3 there has occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group; or
 - 5.1.4 there has occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reason of Force Majeure which would have or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the Group or the success of the IPO Shares or which is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or
 - 5.1.5 any government, requisition or other occurrence of any nature whatsoever which would or is likely to have a material adverse effect on the financial and operational condition of the Company;
 - 5.1.6 there is failure on the part of the Company to perform any of its obligations herein contained;
 - 5.1.7 the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities;
 - 5.1.8 the Company has committed a breach of any of the representations, warranties, undertakings, covenants or other provisions of the Underwriting Agreement, the breach of which is either incapable of remedy or if capable of remedy, the Company has failed to remedy such breach within a period of fourteen (14) days from the date of a notice in writing from the Underwriter notifying the Company of such breach and require the Company to remedy the same; or
 - 5.1.9 the Kuala Lumpur Composite Index has dropped to below 700 points and stayed below 700 points for at least three (3) consecutive market days.
- 5.2 Upon such notice(s) of termination being given under clause 5.1, the Underwriter will be released and discharged of its obligations without prejudice to its rights.
 - 5.3 This Agreement will thereafter be of no further force or effect and no party will be under any liability to any others in respect of this Agreement, except that the Company will remain liable in respect of any of its obligations and liabilities under clause 1, for the payment of the costs and expenses already incurred up to the date on which such notice was given and for the payment of any taxes, duties or levies and the Company will refund to the Underwriter the subscription monies, if any, relating to the Underwritten Shares without any deduction.

2. DETAILS OF THE PUBLIC ISSUE (Cont'd)

- 5.4 The Underwriter and the Company may however, confer with a view to deferring the issuance of the IPO Shares or amending its terms or the terms of this Agreement or enter into a new underwriting agreement accordingly. However, neither the Company nor the Underwriter will be under any obligation to make a fresh agreement.”

2.10 APPROVALS AND CONDITIONS

The Listing Scheme was approved by the SC (and under the Guidelines of the FIC on Acquisition, Merger and Take-Overs by Local and Foreign Interests) on 9 March 2005 and the MITI on 19 July 2004, subject to the following conditions set out below. As ViTrox is an MSC status company, no equity condition has been imposed on ViTrox in conjunction with the Listing under the Guidelines of the FIC for the Acquisition, Merger and Takeovers by Local and Foreign Interests.

Authority	Details of conditions imposed	Status of compliance
SC	<p>(i) ViTrox to disclose in its prospectus the following:-</p> <p>(a) The extent of risks associated with the Company's dependency on SRM Tech, in particular SRM Tech's contribution towards the Company's revenues from FYE 2000 to the latest available audited financial statements and the business activities of SRM Tech; and</p> <p>(b) The Company's current/proposed measures to mitigate dependency on the semiconductor industry and OEM segment, in particular the expansion of the Company's product and industry focus;</p> <p>(ii) ViTrox to disclose in its prospectus risks associated with the lack of long-term contracts and mitigating factors taken/to be taken by the Group, and the impact on the Group's future financial performance in the event that ViTrox Group fail to secure future orders due to the absence of long term contract;</p> <p>(iii) ViTrox to disclose in the prospectus the ageing analysis based on the Group's latest audited trade receivables including measures taken to recover the long overdue balances and other credit control measures undertaken to mitigate the risk of bad debts;</p> <p>(iv) ViTrox to make full provision for trade receivables outstanding that has exceeded the normal credit period of 60 days but less than 180 days, unless it can be justified that the outstanding amount can be collected. The said justification must be disclosed in the prospectus supported by an independent opinion from the Reporting Accountants;</p> <p>(v) ViTrox to collect or make full provision for all trade receivables that have been outstanding for more than 180 days;</p>	<p>Complied. Please refer to Section 3.1.2 of this Prospectus.</p> <p>Complied. Please refer to Section 3.1.8 of this Prospectus.</p> <p>Complied. Please refer to Section 3.1.3 of this Prospectus.</p> <p>Complied. Please refer to Section 11 (Item 9.5) of this Prospectus.</p> <p>Complied. Please refer to Section 11 (Item 9.5) of this Prospectus.</p> <p>Complied. Please refer to Section 11 (Item 9.5) of this Prospectus.</p>

2. DETAILS OF THE PUBLIC ISSUE (Cont'd)

Authority	Details of conditions imposed	Status of compliance
SC (cont'd)	<p>(vi) The proforma group's audited financial statements for FYE 31 December 2004 do not vary materially from the unaudited financial statements for FYE 31 December 2004 that was submitted to the SC;</p> <p>(vii) Hwang-DBS/ViTrox to disclose the status of utilisation of proceeds in its periodic and annual reports until the proceeds are fully utilised;</p> <p>(viii) Hwang-DBS/ViTrox to inform the SC on the appointment of Independent Directors and to provide confirmation that they qualify as Independent Directors as defined in the Listing Requirements;</p> <p>(ix) ViTrox to confirm that the members of audit committee meet the qualifying criteria under Listing Requirements;</p> <p>(x) Hwang-DBS/ViTrox to ensure that all provisions under Listing Requirements are complied with;</p> <p>(xi) Hwang-DBS/ViTrox to inform the SC when the proposed flotation on MESDAQ Market is completed; and</p> <p>(xii) Approvals to be obtained from other relevant authorities, if any.</p>	<p>Complied. The confirmation letter has been submitted to the SC on 26 July 2005.</p> <p>To be complied</p> <p>Complied. The confirmation letter has been submitted to the SC on 26 July 2005.</p> <p>Complied. The confirmation letter has been submitted to the SC on 26 July 2005.</p> <p>To be complied.</p> <p>To be complied.</p> <p>Complied.</p>
MITI	<p>(i) ViTrox is to meet the thirty percent (30%) Bumiputera equity requirement within one (1) year after ViTrox has achieved the profit track record requirement for companies applying for listing on the Second Board of the Bursa Securities or within five (5) years after being listed on the MESDAQ Market, whichever is the earlier*;</p> <p>(ii) Allocation of the Bumiputera shares highlighted under condition (i) above is subject to the approval of MITI*;</p> <p>(iii) ViTrox is to obtain the SC's approval on the Listing Scheme and comply with the guidelines for acquisitions, mergers and take-overs; and</p> <p>(iv) ViTrox to obtain the approval of MESDAQ Market on the Listing Scheme.</p> <p><i>* ViTrox is exempted from complying with items (i) and (ii) above upon obtaining the MSC status and presentation of a copy of the MSC certificate to the MITI. ViTrox has obtained the MSC status on 11 August 2004 and a copy of the MSC certificate has been presented to the MITI vide a letter dated 15 March 2005.</i></p>	<p>Exempted*</p> <p>Exempted*</p> <p>Complied. SC's approval was obtained on 9 March 2005.</p> <p>Not applicable. The SC has assumed the sole approving authority for the MESDAQ Market effective 1 January 2005.</p>

2. DETAILS OF THE PUBLIC ISSUE (Cont'd)**2.11 MORATORIUM ON SALE OF SHARES**

Pursuant to the Listing Requirements, 76,725,000 Shares held by the Promoters of ViTrox amounting to 49.5% of the issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market are to be placed under moratorium.

The promoters whose Shares are subject to moratorium are set out below:

Name	At the point of listing ¹		Shares under moratorium assuming full exercise of ESOS options ²	
	No. of shares to be held under moratorium	% of share capital	No. of shares to be held under moratorium	% of share capital
Chu Jenn Weng	36,662,153	23.7	36,662,153	21.5
Siaw Kok Tong	26,661,100	17.2	26,661,100	15.6
Yeoh Shih Hoong	13,401,747	8.6	13,401,747	7.9
	76,725,000	49.5	76,725,000	45.0

Notes:

1. Based on the enlarged share capital of 155,000,000 ViTrox Shares after the Public Issue and the Bonus Issue and takes into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.
2. Based on the enlarged share capital of 170,500,000 ViTrox Shares (assuming full exercise of the maximum allocations under the ESOS and that none of the Promoters will be allocated the aforementioned ESOS options), and is indicative only and to be adjusted for allocation to Directors

They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares and the public is deemed to have notice of this restriction under the moratorium within one (1) year from the date of admission of the Company to the Official List of the MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under the moratorium on a straight line basis.

The restriction is specifically endorsed on the notices of allotment representing the respective shareholdings of the substantial shareholders/promoters which are under moratorium to ensure that the Company's Share Registrar shall not register any transfer not in compliance with the aforesaid restrictions. The moratorium has been fully accepted by the aforementioned Promoters and the public is deemed to have notice of this restriction.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE VITROX GROUP OUTLINED IN THIS PROSPECTUS, APPLICANTS SHOULD CAREFULLY CONSIDER THE FOLLOWING INVESTMENT CONSIDERATIONS (WHICH MAY NOT BE EXHAUSTIVE), BOTH SPECIFIC TO THE VITROX GROUP AND RELATING TO THE GENERAL BUSINESS ENVIRONMENT, THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE VITROX GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE APPLYING FOR THE PUBLIC ISSUE SHARES.

Investors should rely on their own evaluation to assess the merits and risks of the investment. Investors who are in any doubt as to the information contained in this section should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

3.1 RISKS RELATING TO BUSINESS AND OPERATIONS OF VITROX GROUP

3.1.1 Operating Risks

VTSB has been profitable since its date of incorporation as at 3 March 2000. Nonetheless, there is no assurance that the ViTrox Group will be profitable in future years.

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors. These may include, amongst others, the ability of the Group to secure new contracts from their clients, the ability of the ViTrox Group to control unforeseen costs, unforeseen changes to the Group's operating expenses, the availability of human resources to meet market demand, reliance on performance of other industries, competition, the ability of the Group to develop and market, on a timely basis, new products, market acceptance of new products or services, and other business risks common to going concern.

3.1.2 Dependence on Major Customers

For the past five (5) years, SRM Tech and SRM Integration (Malaysia) Sdn Bhd (*Company No: 631935-W*) have historically contributed more than 50% of ViTrox Group's revenue, as set out below:-

Ten (10) months ended 31 December 2000	FYE 31 December				Five (5) months ended 31 May 2005	
	2001	2002	2003	2004		
SRM Tech's percentage contribution to the Group's revenue (%)	91.5	50.7	43.5	76.0	61.9	10.3
SRM Integration (Malaysia) Sdn Bhd's percentage contribution to the Group's revenue (%)	-	-	-	-	0.5	67.2

SRM Tech is principally involved in the manufacturing and assembly of SMD auto test handler equipment. SRM Integration (Malaysia) Sdn Bhd is principally involved in the manufacturing of semiconductor equipment. (*Source: Respective companies filing reports with the Companies Commission of Malaysia dated 3 August 2005*)

The loss of SRM Tech and SRM Integration (Malaysia) Sdn Bhd ("Major Customers") as customers may adversely affect the Group's revenue and operating results. However, the possibility of the aforementioned is mitigated by the established business relationship between the Group and the Major Customers over the past five (5) years with ViTrox's proven delivery track record. Nonetheless, the management of ViTrox Group recognises the need for revenue diversification and to further mitigate the highlighted risk, has embarked on this effort since 2001 through expansion into other geographical markets and thus, widening its clientele base. While the management of the Group will make its best effort in diversifying the Group's revenue base, there can be no assurance that the aforesaid efforts will be able to mitigate the risk arising from dependence on the Major Customers.

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

3.1.3 Lack of Long Term Contracts

ViTrox Group has historically not entered and presently does not enter into any long-term contract with its customers on the provision of the Group's products and services. The lack of long term contracts with the customers is in line with dynamics of the machine vision industry which is subject to rapid technological changes and thus frequent product specification changes. Hence, the contracts for the supply of ViTrox Group's products and services are generally short-term in nature and on per order basis. Hence, the financial performance of the Group would be dependent on the ability of the Group to secure new contracts on a consistent basis. Consequently, the failure of the Group in securing new contracts in the future may have a material adverse financial impact on the Group.

Nonetheless, the risk of lack of long term contract with the Group's customers is mitigated by the established business relationships between the Group and its customers over the past five (5) years, as evidenced by the length of customer relationship which averages about 3 years and continuous repeat orders secured by the Group. Details on the major customers of the Group for the FYE 2004 are set out in Section 6.4 of this Prospectus. In addition, the management of the Group recognises the need for revenue diversification and has embarked on this effort since 2001 through expansion into other geographical markets to widen its clientele base and continuous expansion and innovation on its products and services offerings. While the management of the Group will make its best efforts in diversifying its revenue base, there can be no assurance that the aforesaid efforts will be able to mitigate the risk arising from lack of long term contracts with the Group's customers.

3.1.4 Dependence on Key Management and Key Technical Personnel

The ViTrox Group's future performance will depend to a certain extent on the continued efforts and abilities of its Directors and key management and key technical personnel. The loss of the services of any of these individuals may have a material and adverse effect on the ViTrox Group. Although the ViTrox Group presently had a young management team, the ViTrox Group will make efforts to ensure there is sufficient understudy of its existing management team to ensure smooth transition in the event of loss of any key personnel.

Chu Jenn Weng, Siaw Kok Tong and Yeoh Shih Hoong have been the driving force of the ViTrox Group since its inception. The loss of their services and guidance may impact on the future performance of the ViTrox Group. However, the moratorium on their shareholdings together with their substantial interests in ViTrox will mitigate against the risk of their exit from the ViTrox Group.

The Directors of ViTrox Group recognise the importance of the Group's ability to attract and retain its key personnel and have in place a human resource strategy, which includes a suitable compensation package and a human resource training and development program for all supporting employees in all key functions of the Group's operations. The Group has made continuous efforts to strategically develop a dynamic and strong management team and groom the younger members of the senior management in assisting senior key personnel to operate and manage the Group's activities. As such, the loss of any key personnel is therefore, not expected to cause any major disruption to the Group's operations.

The ViTrox Group has also put in place an ESOS scheme which will provide incentive for commitment of employees to the ViTrox Group and shall be implemented in due course. Please refer to Section 14 of this Prospectus for further details on the ESOS. However, there can be no assurance that these measures will be able to counter the risks of loss of the ViTrox Group's skilled personnel.

3.1.5 Technological Risks

The ViTrox Group operates in an environment where its operations are exposed to risks of computer viruses, industrial espionage, theft, hacking and fraud. Any of these risks may disrupt the operations of the ViTrox Group.

In response to this, the ViTrox Group has made all reasonable efforts to minimise potential security breaches by the use of layers of security systems such as firewalls, encrypted keys and anti-cloning algorithms, and to undertake periodic back-ups of important computer databases which are kept at

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

separate secured location. To date, there has not been any material disruption or damage to the ViTrox Group's computer systems. However, going forward, there is no assurance that the appropriate security systems will be able to prevent these risks from occurring.

3.1.6 Protection of the ViTrox's Group Proprietary Technology and Intellectual Property Rights

One of the principal threats to the ICT industry is infringement of copyright and illegal copying of proprietary software. The Group relies upon a combination of trade secrets, non-disclosure and other contractual agreements to attempt to protect its proprietary rights. The ViTrox Group is also protected by the general copyright and intellectual property laws in Malaysia for its proprietary processes and know-how. The ViTrox Group's success is dependent upon its ability to protect its intellectual property rights. Accordingly, there can be no assurance that the ViTrox Group will be able to continue to protect its proprietary rights against infringement, unauthorised third-party copying, use or exploitation, any of which may have a material and adverse impact on the ViTrox Group's business, operating results and financial condition.

However, the ViTrox Group's proprietary machine vision solutions requires a high level of domain knowledge as well as the requisite pedagogical expertise before it can be applied or replicated for commercial exploitation. Additionally, the clientele of ViTrox Group is primarily made up of reputable MNCs with a track record of respect and compliance on the intellectual property rights which in turn diminishes the probability of infringement of ViTrox Group's intellectual properties. Thus, the ViTrox Group's products may be less affected by risks of widespread unauthorised use, copying and exploitation.

As with the ViTrox Group's employees who are required to enter into agreements with the Group to limit the possibility of unauthorised copying and exploitation during their employment and when they leave the Group's employment, the Group's customers and suppliers are also bound by user/non-disclosure agreements, which prohibit them from the same. Internally, the Group has undertaken modularisation of its software codes and only certain top management personnel would have access to the full source codes, and hence, minimising the probability of breaches by the employees of the Group.

The trademark "VITROX" is presently pending approval as at 31 July 2005 subsequent to application on 27 August 2004. The Directors of ViTrox intends to pursue trademark registrations in other countries where its products are sold to ensure protection of its brand names.

Nevertheless, there can be no assurance that the steps taken by the ViTrox Group to protect its intellectual property rights will prevent fully the risks of infringement.

3.1.7 Delays in Research and Development

The ViTrox Group carries on continuous R&D activities to expand its product and services range as well as to enhance its machine vision technologies and services. The ViTrox Group aims to continue improving its products so as to meet international standards through intensive R&D programmes. There can, however, be no assurance that these R&D programmes can be successfully completed on time so as to enable timely roll-out of new products and enhancements which meet the demands of the market.

However, the ViTrox Group believes that its existing product and services range have been well received by its clients and their continued demand will mitigate against any delays in its R&D.

3.1.8 Dependence on the Semiconductor Industry and OEM Market Segment

ViTrox Group's financial performance is closely related to the performance of semiconductor industry and the related OEM market segment, and thus, is prone to the semiconductor's business cycle. A severe downturn in the semiconductor industry may cause significant cutbacks in infrastructure investments by the semiconductor producers and OEMs, and thus may reduce demand for products and services by machine vision systems providers such as ViTrox Group. While the cyclical nature of the semiconductor industry affects all machine vision systems providers across the board, the management

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

of ViTrox Group believes that the Group would be able to mitigate this cyclical risks by practicing prudent cash flow management and diversifying its income streams through expansion into other geographical markets and new segments within the semiconductor industry which may require machine vision solutions. Further details on the Company's expansion plan have been set out in Section 8 of this Prospectus. However, there can be no assurance that the steps to be undertaken by the Group would be able to mitigate the risk posed by the cyclical nature of the semiconductor industry.

3.1.9 Investment Risks

If appropriate opportunities present themselves, whether in Malaysia or elsewhere, the ViTrox Group may decide to acquire businesses, products or technologies, or enter into joint ventures, alliances or partnerships with third parties, or to expand into other geographical markets.

There can be no assurance that the ViTrox Group will be able to successfully identify, negotiate, finance or implement these ventures or investments, to successfully integrate these ventures or investments with its current business and operations, or to benefit from the same. These ventures and investments may also require additional capital, which may or may not be available on terms satisfactory to the ViTrox Group. However, any venture or investment of such nature will be carefully considered by the Directors of ViTrox.

The ViTrox Group may also from time to time invest in new ventures and products. These investments may not be successful, or may have a delayed gestation period. In this event, the ViTrox Group may not be able, or may be slow, to recover its investments and/or achieve satisfactory returns. Whilst any venture or investment of such nature will be carefully considered by the Directors of ViTrox, there can be no assurance that the new ventures or investments will be successful.

3.1.10 Foreign Exchange Risks

ViTrox Group's products and services are presently sold in overseas market such as China, Taiwan, Japan and US. Going forward, the Group intends to set up offices in China and Taiwan, and further expand its markets into Europe, US and Japan. Sales to the overseas markets are often transacted in USD, and expenditure of the ViTrox Group in these markets will also be incurred in local currencies. In such instances, the Group will be exposed to foreign exchange fluctuations.

Fluctuations in the conversion rate of RM against USD may have material financial impact on the Group's financial performance. The risk of foreign exchange fluctuation is mitigated by the managed float mechanism by the Bank Negara Malaysia adopted since 21 July 2005 on the RM-USD conversion rate which may prevent extreme exchange rate fluctuation. No assurance can be given that the managed float mechanism will be maintained in the future and that if the said managed float mechanism is removed or revised, it will not have an adverse material effect on the performance of the Group.

3.1.11 Change in MSC Status

ViTrox was granted the MSC status in accordance with MDC's procedures on 11 August 2004. With the MSC status, ViTrox is expected to enjoy financial and non-financial incentives.

MDC is the body responsible for monitoring all MSC status companies. MDC has the right to withdraw any company's MSC status at any time. There can be no assurance that ViTrox will continue to retain its MSC status or that it will continue to enjoy, or it will not experience delays in enjoying, the incentives granted to MSC status companies, all of which could materially and adversely affect the ViTrox Group's business, operating results and financial condition. However, the Directors of ViTrox shall ensure that ViTrox will continue to comply with the conditions of the MSC status granted and that the necessary applications to renew the MSC status will be made in the future.

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

3.1.12 Risks in New Geographical Markets

Presently, ViTrox's products are sold in overseas markets such as China, Taiwan, Japan and US. ViTrox intends to expand its markets to other parts of Asia, Europe and US. In line with these expansion plans, there are risks associated with market expansions to these regions.

If ViTrox is not successful in penetrating these new geographical markets, it may suffer revenue shortfalls and an increase in operating costs. Substantial management resources would also have been devoted to launch its products and grow its operations in targeted markets. There can be no assurance that sales and marketing efforts of the ViTrox Group's business development team will be successful or generate significant revenue. The ViTrox Group will be subject to further risks when it operates in foreign countries that could affect its financial conditions and operating results, including:-

- (i) local regulatory requirements;
- (ii) costs and risks in localisation of its products for these new markets;
- (iii) fluctuations in currency exchange rates;
- (iv) an imposition of currency exchange controls;
- (v) unexpected change in regulatory requirements; and
- (vi) poor market acceptance.

Detailed analyses of new target markets will be conducted and evaluated prior to making these decisions.

3.2 RISKS RELATING TO VITROX SHARES

3.2.1 No Prior Market for ViTrox Shares and Possible Volatility of Share Price

There has been no prior public market for ViTrox Shares. The Issue Price was determined based upon several factors and may not be an indication of the market price of ViTrox Shares after the Listing. Please refer to Section 2.5 of this Prospectus on the basis for the determination of the Issue Price.

A variety of factors may cause the price of ViTrox Shares to fluctuate, including (without limitation), sales of substantial amounts of ViTrox Shares in the public market in the immediate future; announcements of developments relating to the Group's business, fluctuations in the Group's operating results and sales levels, general industry conditions or the world-wide economy; announcements of new products or product enhancements by the Group and/or of its competitors and developments in copyright or other intellectual property rights.

There can be no assurance that an active public market in ViTrox Shares will be developed or be sustained after this Listing, or that the market price of ViTrox Shares will not decline below the Issue Price.

3.2.2 Control by Certain Shareholders

ViTrox is controlled by the Promoters, namely Chu Jenn Weng, Siaw Kok Tong and Yeoh Shih Hoong who together control about 74.1% of ViTrox's enlarged issued and paid-up share capital after the Listing. Consequently, the aforesaid shareholders, if acting in concert, may be able to influence the outcome of certain matters such as the appointment of Directors and the approval of business and investments requiring the vote of ViTrox's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

Nonetheless, the existence of Independent Directors and the Audit Committee would be an effective mechanism to promote good corporate governance to ensure future transactions of the ViTrox Group including related party transactions, if any, are made on arms-length basis. The Audit Committee will in that sense represent the interest of the minority shareholders and general public at large.

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

3.2.3 Delay or Failure in Listing

The success of the Listing is also exposed to the risk of delay or failure in the event any of the following events occur:-

- (i) the Underwriting Agreement is terminated based on its terms;
- (ii) the Underwriter fail to honour their obligations under the Underwriting Agreement; or
- (iii) ViTrox is unable to meet public spread requirements, that is, at least 25% of the issued and paid up capital of ViTrox must be held by a minimum of 200 "public" shareholders.

In the event of the failure of the Listing, investors shall be reimbursed their application monies without interest.

3.2.4 Profit Forecast

This Prospectus contains a profit forecast of the Group that is based on assumptions which the Directors believe to be reasonable, but which nevertheless are subject to uncertainties and are contingent in nature. Due to the subjective judgements included and inherent uncertainties of the profit forecast, and because events and circumstances may not occur as expected, there can be no assurance that the profit forecast contained herein will be realized and actual results may be materially different from those shown. Investors will be deemed to have read and understood the assumptions underlying the profit forecast that is contained herein.

3.3 INDUSTRY RISKS

3.3.1 Competition

ViTrox Group is involved in a highly competitive and rapidly changing machine vision and semiconductor industries. The barriers to entry for the machine vision industry are high in line with the sophisticated technical knowledge requirement, substantial R&D investment and the substantial period required to establish a reputable track record. The ViTrox Group is confident that it has competitive advantages such as its lower cost structures which allows for its competitive pricing, its innovative products such as the 4-in-1 Integrated Vision System, 3D Lead Vision Inspection System, Pad Vision Inspection System, Package Vision Inspection System and Mark Vision Inspection System, and its continuous R&D efforts over those of its competitors. Further details on the competition landscape and barriers to entry of the machine vision industry, and the competitive advantages of the ViTrox Group are set out in Section 6.2 of this Prospectus.

However, if the ViTrox Group does not keep pace with product and technological advances, the ViTrox Group's competitive position and prospects for growth could be adversely affected, especially where there can be no assurance that the Group's competitors will not develop technologies or products that are more competitive and effective than those of the Group.

Whilst the ViTrox Group will take every measure to limit the risks of competition through continuous R&D activities in enhancing its technologies and provision of innovative and comprehensive machine vision products and services to the market, there can be no assurance that that the ViTrox Group will be able to compete successfully against current or future competitors.

3.3.2 Rapid Technological Changes

Rapid technological changes in semiconductor industry, computer operating environments and software and hardware applications may affect the ViTrox Group's products. Such technological changes may also affect the ViTrox Group's customers' requirements to change swiftly. The ViTrox Group's products may become obsolete due to changes in technology used in ICT and in developing the software. The ViTrox Group's future depends substantially upon its ability to meet the more sophisticated needs of its customers. The ViTrox Group's business, operating results and financial

3. INVESTMENT CONSIDERATIONS AND RISK FACTORS (Cont'd)

position can be affected by competing products and services which better address customer requirements. In this regard, the ViTrox Group will continue its efforts to keep abreast with technological advancements and to develop its products using the latest appropriate technology in order to deliver new products or enhancements to address the demands of its customers and the market.

The ViTrox Group is also actively continuing its on-going R&D programme to mitigate this risk. However, there can be no assurance that these R&D programmes will be sufficient to meet the rapid evolving technologies in semiconductor and ICT industries.

3.4 OTHER RISKS

3.4.1 Political and Economic Conditions

The Group's performance are expected to be closely linked to the future economic conditions and development in the country within which it operates and sell its products which in turn, may be affected by local, regional or global political and economic uncertainties, including but not limited to the risks of war, changes in political leadership, changes in interest and foreign exchange rates and method of taxation.

Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the Group.

3.4.2 Difficulty in Managing Future Growth

In order to achieve the proposed Business Development Plan, the Group relies on the availability of management, financial, customer support, operational and other resources. The Group's future plans and prospects will be dependent upon certain factors, including the Group's ability to enter into strategic marketing arrangements on a timely basis and on favourable terms, to hire and retain skilled personnel, to successfully monitor its business growth and to obtain adequate financing when needed. There can be no assurance that the Group will be able to successfully implement its Business Development Plan or to manage its growth. There can be no assurance that there are no unanticipated expenses, problems or technical difficulties which may result in material delays in the implementation or deviations from its original plans. In addition, the actual results may deviate from the Business Development Plan due to rapid technological and market changes, and competitive pressures.

3.4.3 Forward-Looking Statements

This Prospectus contains forward-looking statements, which are statements other than statements of historical facts that are based on assumptions that are subject to uncertainties and contingencies. The words, such as "believes", "plans", "expects" and similar expressions, are used to identify such forward-looking statements. The Group believes that the forward-looking statements are reasonable at this point in time. There can be no assurance that such expectations will prove to have been correct and that any deviations from such expectations will not have any adverse impact on the performance of the Group.

4. INFORMATION ON VITROX

4.1 INFORMATION ON VITROX

4.1.1 Background

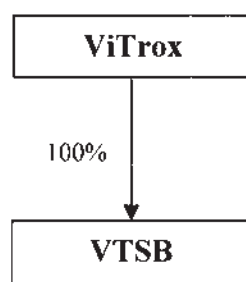
ViTrox was incorporated in Malaysia as a private limited company on 22 April 2004 under the Act under the name of "ViTrox Corporation Sdn Bhd". On 24 June 2004, ViTrox converted into a public limited company and adopted its present name. The authorised share capital of ViTrox is RM25,000,000 comprising 250,000,000 Shares, of which 75,400,000 Shares have been issued and fully paid-up as at 31 July 2005.

The principal activities of ViTrox are investment holding and engagement in research and development of machine vision products and services, while its sole subsidiary, VTSB, is principally involved in the development and production of automated vision inspection system.

A summary of the details of VTSB is as follows:

Date & Place Of Incorporation	Issued And Paid-Up Share Capital (RM)	% Effective Equity Interest Held	Principal Activities
3 March 2000/ Malaysia	500,000	100	Development and production of automated vision inspection system

The corporate structure of the ViTrox Group as at the 31 July 2005 is depicted as follows.



The ViTrox Group is a leading machine vision solutions provider in Malaysia, catering particularly to the semiconductor industry, locally and globally. The Group is focused on providing competitive automated machine vision inspection systems for product and process quality controls to semiconductor manufacturers, systems integrators and OEM, i.e. the machine makers. ViTrox Group aims to be a world-class machine vision solutions provider to its customers with the objectives of assisting the customers to achieve the most efficient and cost effective quality control processes.

The ViTrox Group's key asset, VTSB, was co-founded in 2000 by Mr. Chu Jenn Weng and Mr. Siaw Kok Tong. Since the foundation days, the Group has grown from providing basic machine vision application development and installation into a recognised machine vision solutions provider.

ViTrox Group gained recognition in the market when it commenced business relations with some of the major players in the semiconductor industry such as Unisem Bhd, Carsem (M) Sdn Bhd, Mini-Circuits (a division of Scientific Components Corporation), Renesas Semiconductor (Malaysia) Sdn Bhd, Fairchild Semiconductor Sdn Bhd and semiconductor equipment manufacturers including SRM Tech, SRM Integration (Malaysia) Sdn Bhd, Polytool Integration Sdn Bhd, LKT Automation Sdn Bhd and LKT Integration Sdn Bhd. As at 31 July 2005, the Group has a staff force of 48 dedicated personnel coupled with a network of sales agents/representatives who provides services to OEMs, system integrators and end-users throughout Asia.

The ViTrox Group is supported by a pool of trained and qualified engineers headed by Mr. Chu Jenn Weng. These engineers are involved in the R&D of new machine vision technologies and products, improvement of existing machine vision products and their derivatives. The Group is committed to be

4. INFORMATION ON THE VITROX GROUP (Cont'd)

at the forefront of machine vision technology advancement while maintaining total customer satisfaction as its top priority.

Though still a relatively young firm, the ViTrox Group has demonstrated its commitment and consistency in providing quality machine vision products and services when it was certified as ISO9001:2000 compliant in May 2004. The commitment of the Group to excellence is further cemented by the series of awards that the Group has garnered as follow:

- September 2004 Awarded the Top Ten of the Malaysia 100 Outstanding Small & Medium Enterprises under the Golden Bull Award 2004 (4th Place) as organised by Nanyang Siang Pau and Ernst & Young

 Awarded the Enterprise 50 Award (2nd Place) by Small and Medium Industries Development Corporation (SMIDEC) and Accenture. The award recognises the achievements of Malaysia's enterprising homegrown companies, which are well positioned for the future.
- October 2004 Awarded the Best of Industrial Application Award and the Prime Minister's "Best of the Best" Award (Overall Winner) by MDC under the MSC-Asia Pacific ICT Awards (MSC-APICTA) 2004.

 The founder of the Group, Mr. Chu Jenn Weng, was awarded the Young Most Promising Entrepreneur Award under the Business Excellence Award 2004 by the Malaysian Canadian Business Council
- December 2004 Awarded the SMI Best Overall Award 2004 by SMI Association of Malaysia

 Awarded the Best of Industrial Application award in the Asia Pacific ICT Awards (APICTA) International 2004 (Hong Kong)

 Awarded the Deloitte Technology Fast 500 Asia Pacific Award
- January 2005 Awarded the Global Golden Rim Award 2005 by the Chinese Enterprise Development Association of Taiwan



ViTrox has been granted the MSC status on 11 August 2004 by the MDC in accordance with MDC's procedures. With the MSC status, ViTrox is expected to enjoy financial and non-financial benefits. Amongst the key MSC benefits it is likely to enjoy are five (5) years free of tax, renewable for another five (5) years and exclusion from the NDP requirement.

The ViTrox Group's operations is currently located in No. 5, Lintang Bayan Lepas 2, Bayan Lepas Industrial Park, Phase 4, 11900 Bayan Lepas, Penang with a total land area of approximately 1,533 sq. metres and a built-up area of 544 sq. metres whereby the production area occupies approximately 57.6 sq. metres. The Group plans to shift to its proposed new three double-storey office-cum-factory buildings located in the Penang Cybercity I, a MSC designated area within the Bayan Lepas Industrial Zone with a total land area of approximately 12,152 sq. metres with an initial built-up area of 2,787 sq.

4. INFORMATION ON THE VITROX GROUP (Cont'd)

metres. About half of the total land area will be reserved for future expansion. The proposed office-cum-factory is expected to be completed by the first quarter of 2006.

4.1.2 Restructuring and Listing Exercise

As an integral part of and in conjunction with the Listing, ViTrox implemented a restructuring exercise which was approved by the SC and the SC on behalf of the FIC on 9 March 2005 and the MITI on 19 July 2004.

The restructuring scheme entails the following:-

(i) Acquisition

The acquisition of the entire issued and paid-up share capital of VTSB comprising 500,000 ordinary shares of RM1.00 each by ViTrox from the Vendors for a purchase consideration of RM7,542,012, which was satisfied by the issuance by ViTrox of 75,399,800 new Shares at an issue price of approximately 10 sen per Share.

These new Shares issued ranked pari passu in all respects with the then existing Shares except that they did not rank for any dividend, rights, allotment and/or distribution declared or paid prior to allotment thereof.

The consideration was arrived at based on the audited consolidated NTA of VTSB as at 31 December 2003 of RM7,542,012. The Acquisition was completed on 15 June 2005. Upon completion of the Acquisition, the issued and paid up share capital of ViTrox increased from RM20 comprising 200 Shares to RM7,540,000 comprising of 75,400,000 Shares.

(ii) Public Issue

Following the completion of the Acquisition and in conjunction with the listing of ViTrox on the MESDAQ Market, ViTrox is implementing a public issue of 17,600,000 new Shares at an issue price of 60 sen per Share. Upon completion of the Public Issue, the issued and paid up capital of ViTrox will be increased from RM7,540,000 comprising 75,400,000 Shares to RM9,300,000 comprising 93,000,000 Shares.

The Public Issue of a total of 17,600,000 Shares representing 18.9% of the enlarged issued and paid up share capital after the Public Issue are to be issued to the following parties:

- 1,900,000 new Shares, representing approximately 2.0% of the enlarged issued and paid up share capital of ViTrox after Public Issue reserved for Eligible Employees of the ViTrox Group;
- 3,000,000 new Shares, representing approximately 3.2% of the enlarged issued and paid up share capital of ViTrox after Public Issue reserved for application by the Malaysian Public; and
- 12,700,000 new Shares representing approximately 13.7% of the enlarged issued and paid-up share capital of ViTrox after Public Issue to be placed with identified investors by the placement agents.

The Public Issue Shares will rank pari passu in all respects with the other existing issued and paid up Shares in ViTrox including voting rights and dividends and distributions that may be declared subsequent to the date of allotment of the Public Issue Shares.

4. INFORMATION ON THE VITROX GROUP (Cont'd)

(iii) Bonus Issue

Following the completion of the Public Issue, as part of the Listing and in recognition of the support of the shareholders of ViTrox subsequent to the Public Issue, ViTrox shall implement a bonus issue of 62,000,000 Shares issued to all shareholders of ViTrox prior to the Listing on the basis of two (2) ViTrox Shares for every three (3) existing ViTrox Shares held after the Public Issue and will be completed prior to the Listing. The Bonus Issue will be capitalised from the share premium account arising from the Public Issue.

Upon completion of Bonus Issue, the issued and paid-up share capital of ViTrox will be increased from RM9,300,000 comprising 93,000,000 Shares to RM15,500,000 comprising 155,000,000 Shares.

The new Shares to be issued pursuant to the Bonus Issue will rank *pari passu* in all respects with the other existing issued and paid up Shares in ViTrox including voting rights and dividends and distributions that may be declared subsequent to the date of allotment of the new Shares to be issued pursuant to the Bonus Issue.

(iv) Listing

Upon completion of the Public Issue and Bonus Issue, the entire issued and paid-up capital of ViTrox of RM15,500,000 comprising 155,000,000 Shares will be listed on the MESDAQ Market.

(v) ESOS

ViTrox will implement an ESOS involving up to 10% of issued and paid-up share capital of ViTrox at any one time during the existence of the ESOS, to be issued pursuant to the options to be granted under the ESOS to the eligible employees and Directors of the Group. The draft ESOS By-Laws are set out in Section 14 of this Prospectus.

4.1.3 Share Capital

The issued and paid-up share capital of ViTrox as at 31 July 2005 are as follows:

	RM
Authorised	
250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and paid-up share capital	
75,400,000 ordinary shares of RM0.10 each	7,540,000

4.1.4 Changes in Share Capital

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

Date of Allotment	No. of Ordinary Shares	Par Value (Sen)	Consideration	Cumulative Total Issued and Paid-Up Share Capital (RM)
22/04/2004	2	100	Subscribers' shares	2
27/05/2004	18	100	Cash	20

4. INFORMATION ON THE VITROX GROUP (Cont'd)

Date of Allotment	No. of Ordinary Shares	Par Value (Sen)	Consideration	Cumulative Total Issued and Paid-Up Share Capital (RM)
28/05/2004	200	10	Sub-division of par value from RM1.00 per ordinary share to RM0.10 per ordinary share	20
15/06/2005	75,399,800	10	Shares issued pursuant to the Acquisition by ViTrox at an issue price of approximately 10 sen per share	7,540,000

Upon completion of the Public Issue and Bonus Issue, the enlarged issued and paid-up share capital of ViTrox shall be RM15,500,000 comprising 155,000,000 ViTrox Shares.

4.1.5 Subsidiaries and Associated Companies

As at 31 July 2005, ViTrox has one (1) wholly-owned subsidiary, namely VTSB. The principal activities of VTSB are as follows:

Date & Place of Incorporation	Issued and Paid-Up Share Capital (RM)	% Effective Equity Interest Held	Principal Activities
3 March 2000 / Malaysia	500,000	100	Development and production of automated vision inspection system

As at 31 July 2005, ViTrox does not have any associated company.

4.2 INFORMATION ON VTSB**4.2.1 History and Business**

VTSB was incorporated as private limited company in Malaysia under the Act on 3 March 2000 and commenced its business on 1 September 2000.

VTSB is principally engaged in the development and production of automated vision inspection system.

4.2.2 Share Capital

The issued and paid-up share capital of VTSB as at 31 July 2005 are as follows:

	RM
Authorised	
1,000,000 ordinary shares of RM1.00 each	1,000,000
Issued and paid-up share capital	
500,000 ordinary shares of RM1.00 each	500,000

4. INFORMATION ON THE VITROX GROUP (Cont'd)**4.2.3 Changes in Share Capital**

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Cumulative paid-up share capital (RM)
03/03/2000	100	Subscribers' shares	100
10/05/2000	499,900	Cash	500,000

As at 31 July 2005, VTSB does not have any outstanding options or convertible securities.

4.2.4 Substantial Shareholder

As at 31 July 2005, VTSB is wholly-owned by ViTrox.

4.2.5 Subsidiary and Associated Companies

As at 31 July 2005, VTSB does not have any subsidiary or associated company.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

5.1 PROMOTERS

The Promoters of ViTrox and their shareholdings in ViTrox before and after the Public Issue and Bonus Issue are as follows:

Promoters	Nationality	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Malaysian	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Malaysian	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Malaysian	12,063,968	16.0	-	-	20,123,280	13.0	-	-

The illustrated shareholdings above take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

5.2 INFORMATION ON PROMOTERS

5.2.1 Background

Chu Jenn Weng, Siaw Kok Tong and Yeoh Shih Hoong are promoters, substantial shareholders and Directors of ViTrox. Their profiles are set forth in Section 5.5.1 of this Prospectus.

5.2.2 Directorships in other Public Corporation in the Last Two (2) Years

None of the Promoters of ViTrox was a director of any public corporation in the two (2) years preceding 31 July 2005.

5.2.3 Substantial Shareholdings in other Public Corporation in the Last Two (2) Years

None of the Promoters of ViTrox had or has any substantial shareholding in any public corporation in the two (2) years preceding 31 July 2005.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.2.4 Changes in the Promoters' Shareholdings in ViTrox

The changes in the Promoters' shareholdings in ViTrox since the date of incorporation of ViTrox are as follows:

Promoters	After Acquisition				After Public Issue and Bonus Issue			
	<-----Direct----->		<----Indirect---->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chu Jenn Weng*	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong*	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong*	12,063,968	16.0	-	-	20,123,280	13.0	-	-

Note:

* The promoters did not have any shareholding in ViTrox prior to the Acquisition.

The illustrated shareholdings above take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

5.3 SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of ViTrox and their shareholdings in ViTrox before and after the Public Issue and Bonus Issue are as follows:

Substantial Shareholders	Nationality	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<----Indirect---->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Malaysian	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Malaysian	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Malaysian	12,063,968	16.0	-	-	20,123,280	13.0	-	-

The illustrated shareholdings above take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

5.4 INFORMATION ON SUBSTANTIAL SHAREHOLDERS

5.4.1 Background

The profiles of Chu Jenn Weng, Siaw Kok Tong and Yeoh Shih Hoong, who are also promoters and Directors of ViTrox, are as set forth in Section 5.5.1 of this Prospectus.

5.4.2 Directorships in other Public Corporations in the Last Two (2) Years

None of the substantial shareholders of ViTrox was or is a director of any public corporation in the two (2) years preceding 31 July 2005.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.4.3 Substantial Shareholdings in other Public Corporation in the Last Two (2) Years

None of the substantial shareholders of ViTrox had or has any substantial shareholding in any other public corporation in the two (2) years preceding 31 July 2005.

5.4.4 Changes in the Substantial Shareholders' Shareholdings in ViTrox

Save as disclosed in Section 5.2.4 of this Prospectus, there are no changes in the substantial shareholders' shareholdings in ViTrox since the date of incorporation of ViTrox.

5.5 DIRECTORS

5.5.1 Profiles

The profiles of the Directors of ViTrox are as follows:

Chu Jenn Weng, aged 35, is a promoter, substantial shareholder and Executive Chairman of ViTrox. He is the Managing Director of ViTrox in charge of the day-to-day operations of the ViTrox Group. He was appointed to the Board of ViTrox on 7 July 2005.

A co-founder of VTSB, Mr. Chu has more than 10 years experience in machine vision and related field. He started his first project in machine vision back in 1992 while he was still studying in Universiti Sains Malaysia ("USM") majoring in Electrical and Electronics Engineering. Upon graduation from the University, he was employed as an instrumentation engineer in Hewlett-Packard Malaysia ("HPM") (now known as Agilent Technologies Sdn Bhd), where he initiated and led the in-house 4-person machine vision team for more than 5 years. During his 5½-year career in HPM, he was directly involved in R&D of machine vision systems, system set-up and support, as well as setting objectives and development plan for the entire team.

Mr. Chu completed his part time postgraduate study in image processing from Universiti Sains Malaysia in 1998. While learning the fundamental and required techniques in this field, he travelled to countries like Singapore and the USA to study and evaluate the need of those technologies and its potential for growth. Mr. Chu left HPM in 1998 to start up his own business with his partner, Siaw Kok Tong in machine vision. Thereafter, the company was then converted into a private limited company in March 2000 and was officially named VTSB.

During the startup phase of VTSB, Mr. Chu was involved in every aspect of the business, starting from sales and marketing, R&D of vision system, part purchasing, finance as well as service and support. As the Managing Director of the company, Mr. Chu oversees the entire operations of the business including company objectives, goals and directions.

Mr. Chu currently leads the technical team of ViTrox Group, which includes R&D, application development, project implementation and system service and supports.

Siaw Kok Tong, aged 33, is a promoter, substantial shareholder and an Executive Director of ViTrox. He is the Executive Director of ViTrox responsible for administration, human resource, finance, sales and marketing of the ViTrox Group. He was appointed to the Board of Directors of ViTrox on 7 July 2005.

A co-founder of VTSB, Mr. Siaw graduated with a Bachelor degree (First Class Honours) in Computer Science from USM in 1995. Mr. Siaw commenced his career with HPM as an instrumentation engineer in the Automation Department, where he was involved in the development of machine vision systems. During his 4½-year tenure in HPM, he was promoted to Senior Engineer and subsequently left the company in 1999 upon completion of his scholarship bond. In 2000, Mr. Siaw co-founded VTSB with Chu Jenn Weng, where during the early stages of the company set-up, he was involved in application development and installation, system support and servicing, as well as the general administration and

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

management of VTSB. With the subsequent addition of new engineers, he went on to head the development of non-standard vision applications.

Mr. Siaw currently heads the Administration, Human Resources, Finance, Sales & Marketing Departments. Mr. Siaw played a key role in the establishment of the Group's customer base in Malaysia, China, Taiwan and US. Concurrently, he is also responsible for promotional and marketing materials of the Group to promote ViTrox Group's vision systems locally and globally. As an Executive Director of ViTrox, Mr. Siaw is involved in the day-to-day operations of ViTrox, as well as management decision-making and planning.

Yeoh Shih Hoong, aged 33, is a promoter, substantial shareholder and an Executive Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 7 July 2005.

Mr. Yeoh graduated with a Bachelor degree (First Class Honours) in Computer Science from USM in 1997. During his third year of tertiary study, he underwent industrial training in HPM where he was assigned to work on machine vision projects.

Mr. Yeoh joined VTSB since its inception and has played a pivotal role in the product development of the company. He successfully co-developed many products for the company, such as Mark Lead Inspection System, IC Package Inspection System, Object Verification System and Die Counting System and the 4-in-1 Integration Solution. Mr. Yeoh played a key role in the development of the sub-pixel technology and VSCL platform of VTSB.

As the Senior Section Manager (Application) of VTSB, he is currently involved in the R&D of new machine vision products, supporting existing products as well as training new engineers on the machine vision technologies. As an Executive Director of ViTrox, Mr. Yeoh is involved in management decision-making and planning.

Dato' Kiew Kwong Sen, aged 57, is an Independent Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 8 July 2005.

He graduated from National Taiwan University with a Bachelor degree in Mechanical Engineering Degree, 1972 and later received a Masters in Industrial Engineering Degree from the University of California, Berkeley, USA. He worked in various technical and management positions at Advanced Micro Devices and HPM from 1973 to 1984. Dato' Kiew then worked more than eight (8) years there as Product Line Manager, Offshore Manufacturing Manager, Worldwide Production and Planning Control Manager for Hewlett Packard Components Group in San Jose, California, USA until 1996.

In 1997, he started Gibraltar Semiconductor in San Jose, California and grew the company from a reseller of RF components to full scale manufacturing operations from design, wafer fabrication, assembly and testing within two (2) years. Concurrently, he was the Executive Vice President of Mini-Circuits Incorporated, New York, US. He was subsequently promoted to oversee Mini-Circuits Asia Pacific and became Chairman and CEO of Mini-Circuits Taiwan Ltd and Mini-Circuits Technology Malaysia Sdn Bhd.

Dato' Kiew has been actively involved in various community services and charitable and educational projects such as the Salvation Army. He is also the founder and Chairman of the Mini-Circuits Scholarship Foundation which provides scholarships yearly for local tertiary studies.

Dato' Kiew has been serving as a member of Penang Competitiveness Committee since 2003. He is now the Deputy Chairman, Executive Committee, Board of Directors of investPenang since the formation of the organisation in January 2005.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Dr. Ahmad Fadzil bin Mohammed Hani, 45, is an Independent Director of ViTrox. He was appointed to the Board of Directors of ViTrox on 8 July 2005.

He graduated in 1983 from the University of Essex, United Kingdom with a Bachelor degree (Honours) degree in Electronic Engineering. He completed his Masters degree in Telematics in 1984 and Doctorate in Image Processing in 1991 at the same university.

Dr. Ahmad Fadzil has been a lecturer in signal processing and researcher in image processing at the USM since 1984. Between 1988 and 1991, he was a senior research officer in image processing and subsequently as a lecturer at his alma matter, University of Essex. Upon returning to Malaysia, he was made the Dean of the School of Electrical & Electronic Engineering at USM from 1992 to 1996. In 1997, he became the founding Dean of the Engineering Faculty at the newly established Petronas University of Technology, Malaysia. He became the Director of Academic Studies at Petronas University in 1999. Currently, he is the Director of Postgraduate Studies, a position which he has assumed in 2003.

Dr. Ahmad Fadzil is a Fellow of the Institution of Engineers, Malaysia. He served as a council member of the institution from 2001 to 2004. He is a registered professional engineer with the Board of Engineers, Malaysia and a senior member of the Institute of Electrical and Electronics Engineers (IEEE), USA. His research interests include image compression, image processing applications in telemedicine and artificial intelligence.

5.5.2 Shareholdings of Directors in ViTrox

The shareholdings of the Directors of ViTrox before and after the Public Issue and Bonus Issue are as follows:

Directors	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Chu Jenn Weng	Executive Chairman/ Managing Director	32,915,782	43.7	-	-	54,876,303	35.4	-	-
Siaw Kok Tong	Executive Director	23,935,666	31.7	-	-	39,909,443	25.7	-	-
Yeoh Shih Hoong	Executive Director	12,063,968	16.0	-	-	20,123,280	13.0	-	-
Dato' Kiew Kwong Sen	Independent Director	-	-	-	-	500,000	0.3	-	-
Dr. Ahmad Fadzil bin Mohamad Hani	Independent Director	-	-	-	-	500,000	0.3	-	-

The illustrated shareholdings above take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

5.5.3 Directorships In Other Public Corporations In The Last Two (2) Years

None of the Directors of ViTrox was or is a director of any public corporations in the two (2) years preceding 31 July 2005.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.5.4 Substantial Shareholdings in other Public Corporations in the Last Two (2) Years

None of the Directors of ViTrox had or has any substantial shareholding in any other public corporations in the two (2) years preceding 31 July 2005.

5.5.5 Audit Committee

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Dato' Kiew Kwong Sen	Chairman of Committee	Independent Director
Dr. Ahmad Fadzil bin Mohamad Hani	Member of Committee	Independent Director
Siaw Kok Tong	Member of Committee	Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the ViTrox Group's auditors, the review of the auditors' evaluation of internal accounting controls and management information systems, the review of the scope of internal audit procedures, the review of financial statements and the nomination of auditors. The Audit Committee will also be responsible for the assessment of financial risks and matters relating to related party transactions and conflicts of interest. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

5.5.6 Directors' Remuneration and Benefits

The remuneration and benefits was paid (including bonus) by the ViTrox Group to the Directors of ViTrox Group for the financial year ended 31 December 2004 amounts to RM911,364. It is estimated that the aggregate remuneration and benefits (including estimated bonus) proposed for the Directors of the ViTrox Group by way of emoluments for the financial year ending 31 December 2005 is about RM361,000. As at 31 July 2005, the Directors of ViTrox fall within the following remuneration bands:

Remuneration Band (RM)	Number of Directors	
	FYE 31 December 2004	FYE 31 December 2005
Below RM50,000	-	2
From RM50,001 – RM100,000	-	1
From RM100,001 – RM200,000	-	2
From RM200,000 – RM300,000	1	-
From RM301,000 – RM400,000	2	-

5.5.7 Service Agreement

None of the Directors has entered into or proposes to enter into any service agreement with the ViTrox Group. Chu Jenn Weng, Siaw Kok Tong and Yeoh Shih Hoong who are respectively the Executive Chairman/Managing Director, Executive Director, and Executive Director hold managerial positions within the ViTrox Group and are engaged under the usual and standard contract of employment of the ViTrox Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.5.8 Involvement in other Businesses and Corporations

None of the Executive Directors of ViTrox is involved in the activities or operations of any other business or corporation.

5.5.9 Declaration

None of the Directors of ViTrox is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (ii) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (iii) a subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5.6 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

5.6.1 Profiles

The profiles of the key management and key technical personnel of the ViTrox Group are as follows:

Wong Ting Lik, aged 28, is the Section Manager (Application) of VTSB. Mr. Wong graduated from USM with an Honours bachelor degree in Mechanical Engineering in 2000. He joined Hadco Corporation as a Process Engineer upon graduation and joined VTSB in November 2000 as an Application Engineer. Mr. Wong played major role in product development, product improvement plan and software library development. He successfully developed various vision systems such as MLP bottom pad inspection, BGA 3D inspection and SOT 3D lead inspection system.

Mr. Wong was promoted to Senior Application Engineer in June 2003 and to the current position of the Section Manager (Application) in January 2004. As the Section Manager (Application), he leads the application engineers in developing new machine vision systems and improving existing products. Additionally, he is involved in preparing training manual and conducting vision system training both internally and externally.

Vincent Leong Wai Shun, aged 27, is the Specialist R&D Engineer of VTSB. Mr. Leong graduated from University of Plymouth, England with a Bachelor (Honours) degree in Computing and Informatics in 1998. Upon graduation, he started as an engineer in Pentamaster Technology Sdn Bhd and joined LKT Automation Sdn Bhd in 2000. Mr. Leong joined VTSB in 2002 as a Senior R&D Engineer and was promoted to his current position in 2004. As the Specialist R&D Engineer, he assists Mr. Chu in overseeing the R&D projects in VTSB and undertakes responsibilities on researches, investigations, design, development and implementation of new and existing vision applications.

Mr. Leong is currently pursuing his Masters degree in Biometrics Identification from USM. His research interest includes computer vision, image processing, biometrics identification and security system.

Tan Hong Soon, aged 26, is the Section Manager (Production) of VTSB. Mr. Tan graduated from the Colleges Communication Mertajam in 1999 with a Diploma in IT. Mr. Tan joined VTSB as a Project Engineer in October 2000 and in July 2003, Mr. Tan was promoted to Section Manager (Production). Mr. Tan played a major role in production operation and customer support where he had successfully

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

established standard operation procedure, process and work instructions that are in strict compliance to ISO requirements.

As the Section Manager (Production), he oversees the Production Department and is responsible for production planning and inventory management. He is also an internal auditor in the ISO team.

Cheng Ming Hann, aged 28, is the Section Manager (Service and Support) of VTSB. Mr. Cheng graduated from Polytechnic of Kota Bharu with Diploma in Electric and Electronic Engineering in the year 2000. He completed his industrial training in HPM in 1998.

Mr. Cheng joined VTSB in April 2000 as a Service Engineer. He was promoted to be a Senior Service Engineer in January 2003 and to his current position as the Section Manager (Service & Support) in September 2003. As the Section Manager (Service & Support), he oversees customer service and support which included problem solving, technical consultation, new system study and evaluation, system setup and installation, system buyoff and integration. Additionally, he is involved in preparing training manual and conducting vision system training both internally and externally.

Lee Poh Lean, aged 29, is the Senior Accounts Executive of VTSB and is currently pursuing her ACCA Professional Qualification studies on a part-time basis. She obtained her Diploma in Business Administration in 1999 and has more than eight (8) years of experience in the finance and accounting field. Prior to joining VTSB, Ms. Lee was an Account Officer with Synergy Combination Consulting Sdn Bhd, a consulting firm for four (4) years. Ms. Lee joined VTSB in 2001 as an Accounts Executive where she was later promoted to her present position in 2003.

Ms. Lee currently heads the Finance Department of VTSB. She plays a major role in monitoring day-to-day financial activities for the company and is involved in management planning and budgeting.

Su Pek Fuen, aged 31, is the Acting Section Manager (Human Resource & Administrative) of VTSB. Ms Su graduated from USM in 1997 with a Bachelors degree in Applied Science, majoring in Analytical Chemistry and minor in Management, and a Diploma in Laboratory Technology from USM. Upon graduation from USM, she joined Solectron Sdn Bhd as a Material Fulfillment specialist.

Ms. Su joined VTSB at its inception as a human resources executive and was promoted to her present position in 2004. As the head of the Human Resources and Admin Department, she oversees the human resources and general administrative activities which includes employees compensation, welfare, security and health, office facility, utilities maintenance and renovation. She is credited with the establishment of an internal control system and generated company-wide policies. She is also a Document Controls Officer in ISO9001:2000 team.

5.6.2 Shareholding of Key Management and Key Technical Personnel

The shareholding of key management and key technical personnel of ViTrox (other than those who are Directors of ViTrox) before and after the Public Issue and Bonus Issue are as follows:

Key Management & Key Technical Personnel	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Wong Ting Lik	Section Manager (Application)	150,800	0.2	-	-	441,542	0.3	-	-
Vincent Leong Wai Shun	Specialist R&D Engineer	150,800	0.2	-	-	376,333	0.2	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Key Management & Key Technical Personnel	Designation	Before Public Issue and Bonus Issue				After Public Issue and Bonus Issue			
		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
Tan Hong Soon	Section Manager (Production)	2,261,994	3.0	-	-	3,953,323	2.6	-	-
Cheng Ming Hann	Section Manager (Service and Support)	-	-	-	-	183,333	0.1	-	-
Su Pek Fuen	Acting Section Manager (Human Resource & Administrative)	-	-	-	-	192,708	0.1	-	-
Lee Poh Lean	Senior Accounts Executive	100	#	-	-	143,500	0.1	-	-

Note:

Less than 0.1%

The illustrated shareholdings above take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the ViTrox Group but do not take into consideration the allocation of options under the ESOS.

5.6.3 Involvement in Other Businesses and Corporations

None of the key management and key technical personnel is involved in the activities or operations of any other business or corporation.

5.6.4 Service Agreements

None of the key management and/or key technical personnel of the ViTrox Group has entered into or proposes to enter into any service agreement with the ViTrox Group other than the usual and standard terms of employment.

5.6.5 Declaration

None of the key management or key technical personnel of the ViTrox Group is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law filed (and not struck out) against such personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (ii) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (iii) a subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS,
DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save for Ms. Su Pek Fuen who is the wife of Mr. Chu Jenn Weng, there are no family relationship or association between the Promoters, substantial shareholders, Directors and key management and key technical personnel of the ViTrox Group.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK