4 INFORMATION ON OUR GROUP

4.1 BACKGROUND

4.1.1 Incorporation and Commencement of Business

We were incorporated in Malaysia under the Companies Act, 1965 on 3 January 2005 as a private limited company under the name of VisDynamics Holdings Sdn Bhd. We commenced our business on 13 January 2005. Subsequently, on 25 January 2005 we were converted to a public limited company and have since assumed our present name.

Our principal activities are investment holding and provision of management services. Currently, we have a single wholly-owned subsidiary, VRSB. VRSB is principally engaged in the R&D, design, assembly and final set-up/tuning of test/backend equipment in the ATE industry for semiconductors.

4.1.2 Share Capital And Changes In Share Capital

Our present authorised share capital is RM25,000,000 comprising 250,000,000 Shares. Our present issued and paid-up share capital is RM5,000,000 comprising 50,000,000 Shares. Details of the changes in our issued and paid-up share capital since our incorporation are as follows:

Date of Allotment	No. Of Ordinary Shares	Par Value (RM)	Consideration	Cumulative Total Issued And Paid-up Share Capital (RM)
03/01/2005	200	0.10	Subscribers' Shares	20
13/01/2005	49,999,800	0.10	Non-cash [(a)]	5,000,000

Notes:-
(a) In consideration for the Acquisition of VRSB

Upon completion of the IPO, our enlarged issued and paid up share capital will be RM6,670,000 comprising 66,700,000 Shares.

4.1.3 Restructuring Scheme

In conjunction with, and as an integral part of the proposed listing of and quotation for our entire issued and paid-up share capital on the MESDAQ Market, we have undertaken the following restructuring:

i) Acquisition of VRSB

On 13 January 2005, we entered into a Sale and Purchase Agreement to acquire the entire issued and paid-up share capital of VRSB, comprising 2,000,000 ordinary shares of RM1.00 each from the vendors listed below for a purchase consideration of RM4,999,980. The purchase consideration were based on the historical earnings and NTA value of VRSB, as follows:-

a) profit after tax of RM2,862,684 for the FP 2004; and

b) NTA of RM2,321,471 based on the audited NTA of VRSB of RM3,321,471 as at 31 October 2004, net of RM1,000,000 declared dividend.

The purchase consideration gave rise to a premium of RM1,576,446. This premium was paid after taking into consideration the potential revenue and profit to be generated based on VRSB's R&D capabilities, technological expertise and experience in the ATE industry for semiconductors.

The purchase consideration was satisfied by our issuance of 49,999,800 new Shares. The vendors' shareholdings in our Group after the Acquisition are as follows:

Shareholders	No. of Ordinary Shares in VRSB	Percentage (%) Interest	Purchase Consideration (RM)	No. of VHSB Shares Issued
Choy Ngee Hoe	902,500	45.13	2,256,230	22,562,300
Lee Chong Leng	134,640	6.73	336,600	3,366,000
Ong Hui Peng	134,640	6.73	336,600	3,366,000
Ch'ng Paed Wee	134,640	6.73	336,600	3,366,000
Chan Heng Soon	134,640	6.73	336,600	3,366,000
Jong Pit Fong	134,640	6.73	336,600	3,366,000
Lim Yong Juay	134,640	6.73	336,600	3,366,000
Teo Leong Khoon	134,640	6.73	336,600	3,366,000
Tang Pen San	85,932	4.30	214,830	2,148,300
Chong Wen Tat	38,468	1.93	96,170	961,700
Khairil Anuar Abdullah	30,620	1.53	76,550	765,500
TOTAL	2,000,000	100.00	4,999,980	49,999,800

The Acquisition of VRSB was completed on 13 January 2005.

ii) ESOS

In conjunction with our restructuring scheme, on 14 January 2005 we implemented an ESOS involving up to 10% of our issued and paid-up share capital at any time during the existence of the ESOS, to be issued pursuant to the Options to be granted under the ESOS to the Directors, including non-executive directors, and eligible employees of our Group. The ESOS will be in force for a duration of 10 years.

On 14 January 2005, our directors granted 550,000 options to certain key employees, excluding the Promoters ("Initial Grant"). The exercise price for all options under the Initial Grant was at the higher of the par value of the Shares or our NTA based on our latest audited accounts. The purpose of the Initial Grant is to retain and motivate eligible employees who have contributed to our success. The number of options under the Initial Grant is subject to change in line with the employment status of employees. As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), the number of options under the Initial Grant is 525,000.

The By-Laws of the ESOS are set out in Section 11 of this Prospectus.

iii) Conversion to a Public Company

On 25 January 2005 we were converted to a public company and assumed the name of VisDynamics Holdings Berhad.

4.1.4 Listing Scheme

Our listing scheme comprises the following, which were approved by the SC on 16 November 2005 :-

(i) Public Issue

The Public Issue of 16,700,000 new Shares at an issue price of RM0.66 are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner: -

(a) Public

1,200,000 Public Issue Shares will be made available for application by individuals, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside, to the extent possible, to be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) Our Eligible Employees, Directors and/or Business Associates

1,000,000 Public Issue Shares will be reserved for our eligible employees, directors as well as business associates (which include the suppliers, sales agents and customers).

The shares have been allocated to two (2) eligible directors, twenty (20) eligible employees and thirteen (13) eligible business associates. The allocation of shares to our eligible employees and directors are based on the following criteria as approved by our Board of Directors:-

(i) At least eighteen (18) years old;

(ii) Length of service.

Details of the directors' pink form allocation are as follows: -

Name of Directors	Designation	Pink Form Allocation
Dato' Nordin Baharuddin	Non-Executive Independent Director	100,000
Datuk Azzat Kamaludin	Non-Executive Independent Director	100,000
Total		**200,000**

The allocation of shares to our eligible business associates are based on the following criteria as approved by the Board of Directors: -

(i) Contribution to our current and future business operations and opportunities; and

(ii) Length of business relationship.

(c) Placees

14,500,000 Public Issue Shares are reserved for private placement to investors, which have been identified.

In summary, the Public Issue Shares will be allocated and allotted in the following manner: -

	Public Issue Shares
Public	1,200,000
Our Eligible Employees, Directors and/or Business Associates	1,000,000
Placees	14,500,000
Total	**16,700,000**

All the Public Issue Shares to be made available for application by the public and our eligible employees, directors and/or business associates are fully underwritten. The Public Issue Shares available for application by identified placees are not underwritten as the respective placees have given their irrevocable undertakings to subscribe the Public Issue Shares available for application under the private placement.

Any Public Issue Shares which are not taken up by the eligible employees, directors and/or business associates will be made available to the Public and/or identified placees via placement. Any shares not subscribed by the Public under the public offer will be made available to identified placees. Any further Public Issue Shares not subscribed for will be made available for subscription by the Underwriters in the proportions specified in the Underwriting Agreement.

The 16,700,000 new Shares to be issued by us pursuant to the Public Issue shall rank pari passu in all respects with our existing ordinary shares then, except that they will not be entitled to any dividends, rights, allotments, and/or distributions, the entitlement date of which is prior to the date of allotment of the Public Issue Shares.

Upon completion of the Public Issue, our issued and paid-up share capital will be increased from RM5,000,000 comprising 50,000,000 Shares to RM6,670,000 comprising 66,700,000 Shares.

(ii) Proposed Listing

Following the IPO, we are expected to be admitted to the Official List and our entire issued and paid-up share capital is proposed to be listed and quoted on the MESDAQ Market.

(iii) ESOS

In line with the ESOS, our Options Committee may make offers to grant options, in addition to the Initial Grant made pursuant to the Restructuring Scheme, for up to 10% of the enlarged share capital at any time during the existence of the ESOS to directors, including non-executive directors, and eligible employees of our Group, in accordance with the ESOS By-Laws set out in Section 11 of this Prospectus. The Options Committee has not granted any options exercisable at the Issue Price as part of the listing scheme.

The exercise price for options granted subsequent to the listing will be the higher of the par value of the shares, or the weighted average market price of the ordinary shares for the five (5) market days immediately preceding the date the option is granted with a discount of not more than ten per centum (10%), as our Options Committee shall decide at their discretion from time to time.

All ESOS shares shall rank pari passu in all respects with our existing ordinary shares then, except that they will not be entitled to any dividends, rights, allotments, and/or distributions, the entitlement date of which is prior to the date of allotment of the ESOS shares.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.2 BUSINESS

4.2.1 Overview

The semiconductor manufacturing process can be grouped into front-end and back-end processes. Front-end processes are related to wafer fabrication while back-end processes involve the packaging/assembly of wafer into semiconductor devices, followed by the final testing and packing of semiconductors devices. Through our subsidiary, VRSB, we are principally involved in the R&D, design, assembly and final set-up/tuning of semiconductor equipment primarily used in the final testing and packing of semiconductor manufacturing process. This particular market segment is generally known as the semiconductor ATE industry.

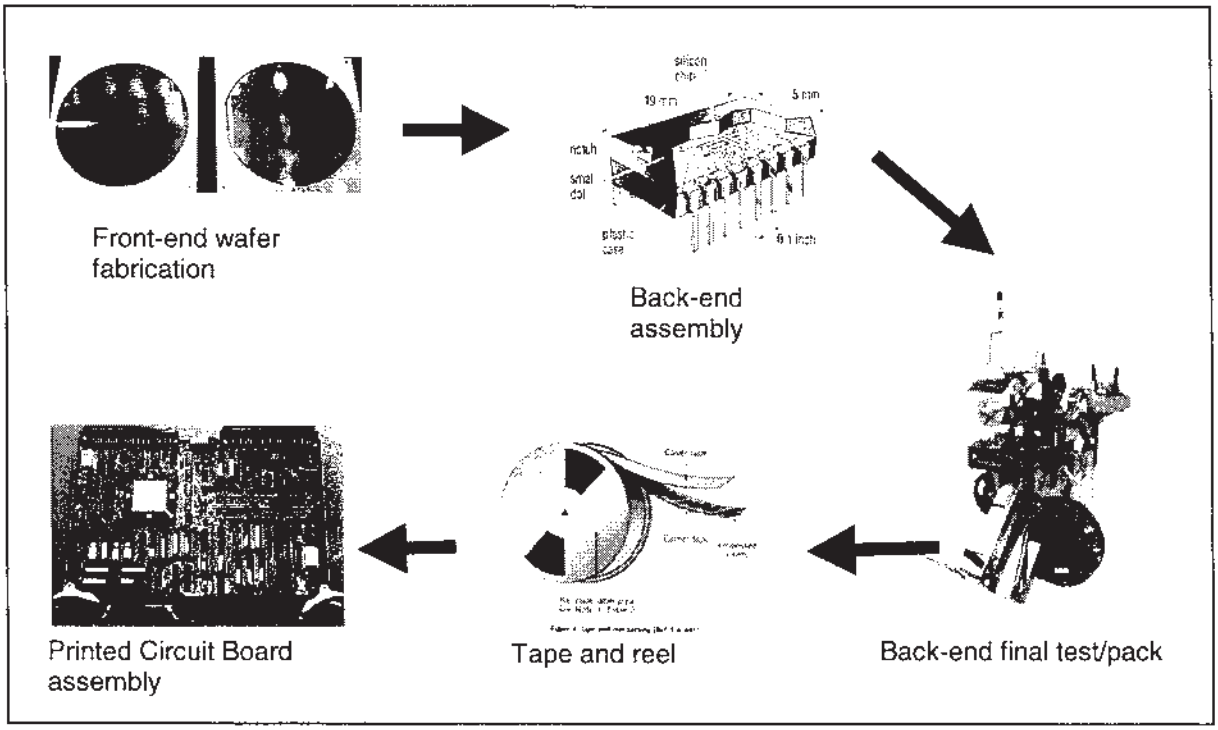
Our strength lies in the collective in-house technical expertise of our key personnel which spans across all the three core enabling technological areas (in the ATE business), namely mechatronics, control software and vision inspection. In addition, our key management is also experienced in the operational aspects of the semiconductor backend manufacturing processes. This combination of capabilities has provided us with the thrusts to develop and market semiconductor test/backend equipments to the global ATE industry that can compete favourably in essential performance aspects such as superior productivity, functionality and flexibility.

Our office and production facility is located in Taman Perindustrian Malim Jaya, Melaka. We currently have thirty-seven (37) employees of which twenty (20) are engineers dedicated to R&D. In total we have close to 78% technical workers while the remaining are marketing and administration staff.

Our vision is to be the semiconductor industry's top choice for equipment solution provider through technical innovation, best-in-class performance, excellent service and support, cost effectiveness, environmental friendliness and partnership with customers, peers, suppliers and employees.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.2.1.1 Back-End Assembly, Test, Processing and Packing



Front-end Wafer Fabrication Processing

Wafer fabrication plant turns silicon into wafer in a series of mainly chemical and photo processes. The end result is a wafer with a number of electrically functional parts or chips. This process is done in a dust and static-free clean room that requires a high level of capital investment.

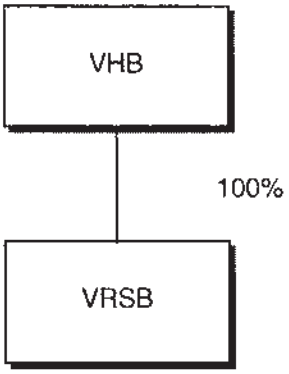
The finished wafers are then typically shipped to the assembly and test plant for further processing.

Back-end Assembly & Final Test/Pack Processing

There are two (2) major phases in back-end processing, i.e. assembly and final test/pack. During the assembly phase, the chips are electrically sorted (some manufacturers perform this in the wafer fabrication plant), diced, encapsulated, labelled and singulated. After assembly, all chips are subjected to a series of mechanical and/or electrical tests to ensure functionality in real life application condition. They are then inspected for cosmetic, material and dimensional conformity before being final packed. Final pack is highly critical in semiconductor manufacturing because it not only has to protect the parts from further tempering, but at the same time provide an effective packing medium that is very important for down stream automated manufacturing. TNR is the industry's standard in packing form factor and is recognised as the best handling medium between semiconductor industry and all the automated down stream industries.

4.2.2 Group Structure

An overview of our group structure is set out below: -



Details of our subsidiary are summarised below: -

Corporation	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
Our Subsidiary				
VRSB	4 December 2002/ Malaysia	2,000,000	100%	R&D, design, assembly and final set-up/tuning of test/backend semiconductor equipment

We do not have any associated company.

4.2.3 Types of Products and/or Services

Our main focus is in the provision of semiconductor equipment for test/backend semiconductor manufacturing processes, particularly in the area of test, vision inspection and TNR.

Our existing key products/services are as follows:

i) Gravity-Feed Electrical Test, Vision Inspection & Taping System ("G6")

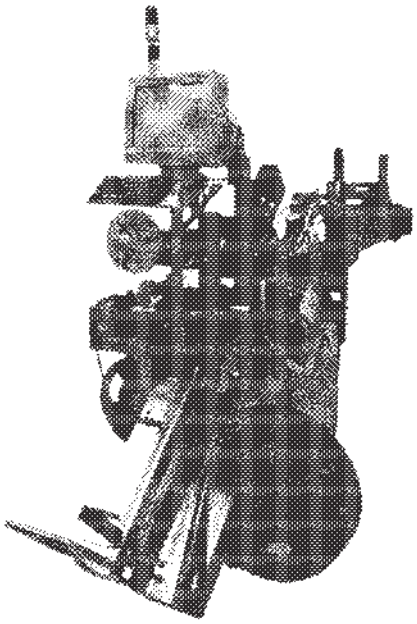
The G6 is a gravity-feed electrical test, vision inspection and TNR system for semiconductor manufacturers. Conventionally, test and TNR are done on separate machines that very often have conflicting requirement, and are normally designed and manufactured by different class of equipment suppliers.

We believe that we produce one of the few gravity feed machines in the industry that offers integrated test, vision inspection and TNR functionality in a single platform. The G6 offers the attributes of high-speed and flexibility in semiconductor device handling without compromising one attribute at the expense of the other. This combination is not commonly found in other products offered by competitors, whose products would have either one attribute or the other but seldom both.

The G6 performs automatic high-speed transfer of semiconductor devices from the tube format into the TNR format. The TNR format involves storing semiconductor devices in reels. The reel consists of plastic carrier tape with embossed pockets. Each pocket is to store a semiconductor device in it. The transfer involves flowing semiconductor device through an inclined track by assistance of compressed air and gravity force. It is then followed by transferring the device from the track into the reel by pick and place mechanism. The carrier tape will be sealed with cover tape to secure the parts in the reel.

During the high-speed transfer, visible quality (against cosmetic and dimensional defects) is to be inspected by our proprietary vision inspection system. Electrical test station can be added to further ensure the invisible internal quality of the parts. This is especially critical as G6 is operating at the last gate in the manufacturing of semiconductor devices.

The G6

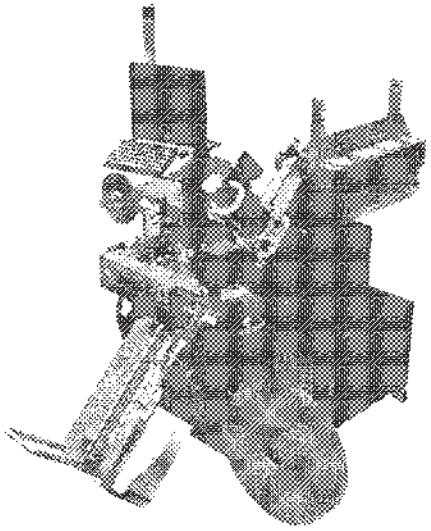


ii) **Rotary Gravity-Feed Electrical Test, Vision Inspection & Taping Hybrid System ("G6r")**

In response to the industry trend in vertical integration and various new package form factors, the existing G6 model was significantly enhanced to a derivative model called the G6r series. The G6r is able to incorporate more parallel functionalities onto the successful G6, while maintaining its speed, flexibility and scalability.

A rotator with multiple pick up heads is inserted into the inclined track of G6r. The IC that is being transferred along the track is rotated out of the track and back into the track again. While it is rotated out of the track, the IC is exposed to multiple tests or vision inspections as opposed to only one (1) test and one (1) vision inspection that are available along the track of G6. To augment the increase in availability of test and vision stations, vision inspection of newly found feature of five (5) side inspections is introduced. We have also equipped the G6r with full functional test handling capability in addition to open/short test handling.

The G6r



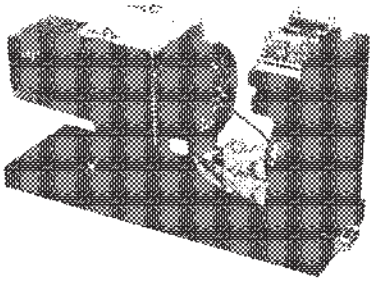
---

iii) Vision Inspection System

Vision inspection system is a combination of electronic hardware, software, lighting, optics and camera to analyse and inspect objects. The system utilises electronic camera(s) to capture images of the objects. The images from objects being scanned are digitised and processed in the software to extract their qualitative and quantitative information. Vision inspection system is used to detect visual-mechanical defects of semiconductor devices during semiconductor manufacturing processes.

Vision inspection generally performs the final inspection of semiconductor devices prior to their preparation for shipment to the end-user. Furthermore, the vision inspection system also provides statistical data to allow the semiconductor manufacturers to make timely corrective actions.

The Vision Inspection Kit



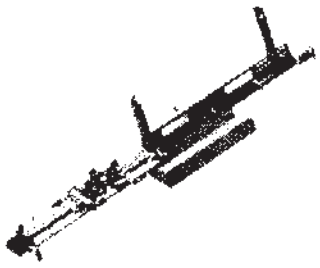
iv) Change Kit

The Change Kit is an innovative solution developed by us and offered as one of the major features of the G6 series. It is a 'Plug and Play' module which will enable the users of G6 and its derivative, the G6r to keep up with changes in semiconductor device form factors. With the Change Kit, the changeover speed for G6 and its derivative products ranges from 10 to 30 minutes.

Semiconductor packaging technology and trend are continuously changing, driven by increased functionality and miniaturisation of semiconductor devices. Following different packaging trend, ICs are packaged differently. Semiconductor handling equipment can be rendered obsolete quickly as different IC packaging will require quite different handling techniques.

The G6 and the G6r differentiate themselves and protects customers' capital investment in G6 and the G6r against such risk with the Change Kit. The G6 and G6r's base equipment will always remain relevant as far as TNR process is concerned, while its Change Kit will be able to adapt to cope with the semiconductor packaging trend.

The Change Kit



v) Equipment Upgrading Services

We undertake customised projects of upgrading customers' existing equipment (including those produced by competitors) in test, vision inspection and final packing of semiconductor devices for enhancement in functionality, device handling, operational features and operational speed.

We are readily able to customise and to retrofit our OEM vision inspection system onto customers' existing semiconductor component handling equipments which could otherwise become obsolete due to lack of automatic in-process inspection for quality assurance of components being handled.

vi) Supplementary Equipments

As our flagship G6 product is being continuously developed and improved, we are enriched with our own modular hardware and software design libraries. We have taken advantage of our design libraries to come up with supplementary product range within two (2) years after the introduction of the G6 that complements activities at the semiconductor backend manufacturing process. Briefly, the said product range that has been fully developed and are in our product offerings are as follows:

Product	Time of Introduction
M3 Manual TNR Machine	April 2003
G3 Mid Range TNR Machine	December 2003
PSA Peel Strength Analyser	May 2004
DT-3 De-Taper	October 2004

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.2.4 Technology

We have teams of mechanical, electrical design and software development engineers with a combined high level of experience and expertise in three core areas of technology, namely: mechatronics, control software and vision inspection.

4.2.4.1 Mechatronics

Mechatronics is a combined discipline of mechanical engineering, electronics engineering and software engineering to develop high efficiency automated system. The key challenges in mechatronics design are the control of the dynamics of the machine and the ability to handle the numerous package types of semiconductor devices. Our prior hands-on experience in semiconductor manufacturing processes is an invaluable input to the design of the automated system.

We have developed a master-referencing technology that enables the G6 to be an all-in-one machine. G6 is a modular machine with several sub-modules that the user can purchase when needed. Master referencing ensures that the sub-modules are interchangeable from one G6 machine to another in a true 'plug-and-play' sense. Emphasising master referencing technology, G6 enables the customers to handle numerous package types on a single platform hence reducing costs required for training, spares and maintenance.

4.2.4.2 Control Software

Control software is used to control the various operations of the machine. It stores relevant parameters that are needed to manoeuvre and manage the various functions of the machine for subsequent retrieval.

We have developed advanced software modules which are not easily replicated by our competitors. With in-depth knowledge of electronic components, innovation and proper software structure, our control software is designed to be modular which can be used in various models without much modification, scalable and able to perform multiple functions.

4.2.4.3 Vision Inspection

The vision inspection system (also known as machine vision) is a system that consists of a computer equipped with special vision processing software connected to a video camera. The camera is used to capture image of the subject being inspected and the image would be digitised. The subject under inspection will be illuminated with various lighting techniques that we have developed. The vision processing hardware and software is used to extract features from the digital image, verify the identity of the subject and inspect for features such as surface defects and dimensional measurements.

Vision technology comprises three components, namely: software, optics and illuminations as well as hardware. It provides solutions in measurements and/or image processing of the object being inspected.

We have developed our proprietary vision inspection software library and optics/illuminations technology. The hardware component encompasses the design of vision inspection station that incorporates lighting, optical lenses and third party cameras, usually mounted in the restricted space in equipments.

Measurements with high accuracy are derived from our library of extensive mathematical computation in 2D and 3D geometries. This technology enables exceptional repeatability/reproducibility and accuracy in semiconductor chips measurement as fine as 5 µm.

Advanced image processing involves pattern-matching method which is used to compare markings and cosmetic defects on the semiconductor device. A host of other imaging processing methods have also been fully developed including blobbing, edge detection, image segmentation, image transformation, noise reduction and statistical image analysis.

From the start, our machine vision engineers have put in a lot of effort to develop our own vision software library, the building blocks in all machine vision applications. This in the long term would reward us with unlimited scalability and enhancement opportunity, lower cost and flexibility in choosing vision hardware platform (the vision engine).

Our stand of developing our own image processing tools has not only reduced cost but also enabled us to customise our own software libraries which will enhance our technology level in years to come. Over the last two years, we have fine-tuned extensive mathematical routines and library tools by moving some of the processing bottlenecks into MMX and assembly codes to enhance speed of processing.

4.2.4.4 Combination of Enabling Technologies

The most important of all, is the convenience of combining all enabling technologies together. Each technology, be it mechatronics, control software and vision inspection has its own strengths and weaknesses when performing a certain function. We have a free hand to adopt the best approach by mixing and matching the technologies. None of the technologies here is able to perform to its best without complimentary help from the others.

4.2.5 Approvals, Major Licences and Permits Obtained

Approvals, major licences and permits that we have obtained for our activities are set out below:-

No	Authority	Description	Major Conditions Imposed	Status of Compliance
1	MITI	Pioneer Certificate Bil. 1948 dated 25 June 2004 issued pursuant to the Promotion of Investments Act 1986 with income tax exemption of 100% on statutory pioneer income for a period of five (5) years with effect from 1 June 2003.	1) VRSB to achieve at least 30% value added on its output,	Complied
			2) Management, Technical and Administration staffs of VRSB must constitute at least 15% of the total number of staffs in VRSB; and	Complied

No	Authority	Description	Major Conditions Imposed	Status of Compliance
			3) Extension of Pioneer Status with income tax exemption of 100% on statutory pioneer income for further period of five (5) years must be submitted on and before 30 May 2008.	To be complied
2	Kastam Diraja Malaysia	1) Warehouse License with serial no. 046113 dated 3 August 2005 issued pursuant to Section 65 of Customs Act 1967 (Act 235) effective from 1 August 2005 to 31 July 2006.	1) No dutiable goods, except for raw material/components and machines used directly in the production and finished goods approved by Director General of Kastam Negeri, can be stored in Licensed Manufacturing Warehouse,	Complied
		2) Manufacturing Warehouse License with serial no. 30155 dated 3 August 2005 issued pursuant to Section 65A of Customs Act 1967 (Act 235) effective from 1 August 2005 to 31 July 2006.	2) Total 80% of the finished goods (according to value) are for export and total 20% of the finished goods are for local. Any local sales will attract duties/taxes where applicable; and	Complied
			3) VRSB to provide General Bond totalling RM 50,000.00 (Ringgit Malaysia : Fifty thousand) only for the purpose of guarantee on the security to the duties / taxes on the raw material / components and finished goods stored in Licensed Manufacturing Warehouse and any movement of dutiable goods.	Complied
3	Majlis Bandaraya Melaka Bersejarah	Trading / Advertisement License with file no. L4.07359 issued pursuant to Akta 171, Akta Kerajaan Tempatan 1976 with expiry date on 31 December 2006.	None	Not applicable
4	MITI	Manufacturing license with serial no. 023670 and license no. A015328 dated 23 December 2005 issued pursuant to Industrial Co-ordination Act, 1975.	1) VRSB to inform MITI on any sales of the shares in VRSB, and	To be complied
			2) VRSB to inform MITI on any appointment and changes in the composition of the Board of Directors of VRSB.	To be complied

Note: The above licences from Kastam DiRaja Malaysia are subject to annual renewal and we have obtained the licences since August 2003

4.2.6 Brand Names, Patents, Trade Marks, Licences, Technical Assistance Agreements, Franchises And Other Intellectual Property Rights

Our intellectual property rights are protected by relevant statutes such as the Copyright Act, 1987 and the Patents Act, 1983 and at common law.

Our automation and vision inspection systems are mainly developed in-house using programming tools and technology available in the market. Such programming tools include various device drivers that come with control hardware (such as stepper motors, servo motors, cameras etc.) used in its system, Inventor CAD software from AutoDesk, Microsoft Visual C++ .Net compiler, Microsoft Office for documentation, data analysis and technical presentation. The common technology used in developing our systems includes material science in selection of parts, servo motor tuning techniques, dynamics of motion, digital image processing techniques, statistical analysis of noise in digital image and design of experiment.

These automation and vision inspection systems are owned by us and are accorded copyright protection pursuant to the relevant laws. No royalties are payable to any third party.

We have also submitted our applications to the relevant authorities for the following:

- Registration with the Registrar of Trademark in relation to our brand name "VisDynamics". Application for the brand name registration was made on 8 November 2004;

- Registration of patent with Perbadanan Harta Intelek Malaysia for our method for component inspection system (innovation in developing a method for component inspection system in which front and back illuminations are required whereby front illumination may interfere with back illuminated features and in which inspection is performed within a single image capture by a single camera). This application was made on 19 November 2004; and

- Registration of patent with Perbadanan Harta Intelek Malaysia for our method for component inspection system (innovation on inspecting marking on semiconductor packages wherein laser inscribing or marking may be made). This application was made on 17 June 2005.

All the above applications are still pending registration. Save as disclosed above, we do not own any other intellectual property rights.

4.2.7 Dependency On Patents, Licences, Commercial Or Financial Contracts

- Patents

  We are not dependent on any patents to operate.

- Licences

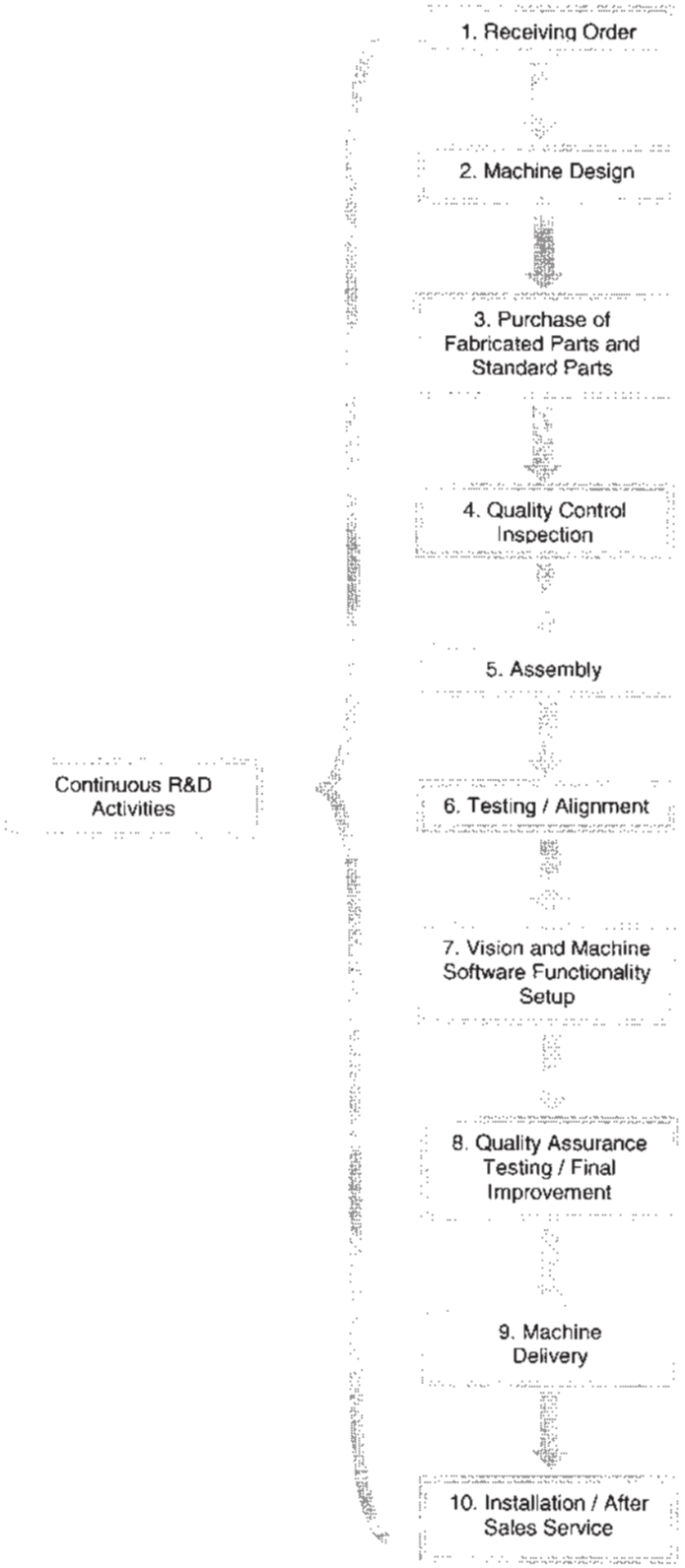
  We have procured the licences required for our operations as listed in Section 4.2.5.

- Commercial or financial contracts

  We are not dependent on any specific commercial or financial contracts to operate.

4.2.8 R&D, Design and Assembly Process

The business process used by us to produce an order for our test equipment is illustrated below and described in the ensuing paragraphs.



1. The respective sales representative and Sales and Marketing Division will approach current/prospective customers in getting the equipment specification and purchase order.

2. Upon the receipt of a specification from a customer, the Mechanical Design Department will conduct project evaluation and discussion to study the customer's requirement/specification and prepare project scheduling. If the proposal is accepted, design work will be commenced with the Mechanical Design Department responsible for the design of the mechanical functions and outlook of the machine with machine control wiring design. The Machine Software Department together with the Vision Software Department will undertake the design of machine control software design and vision software design concurrently.

3. Machine design drawings will dictate the machine parts and components required to build the entire machine. Approved drawings are used for procurement of standard and fabricated precision machine parts and components from either the suppliers or the contractors. The Equipment Assembly Department is responsible for the procurement of fabricated precision and standard machine parts and components either locally or overseas according to specification.

4. Tight quality assurance inspections are applied in order to ensure all the input raw material, either standard or contract, meet its quality and specification requirement.

5. With the procurement of the said machine parts and components, then the assembly works including wiring by the Equipment Assembly Department will begin on modular basis to complete the machine and equipment casing. Testing on the sub-modules will be carried out to predefined functionalities and specifications stated by the customers.

6. Once the machine is completely assembled, the Equipment Assembly Department will perform mechanical and electrical functionality test to ensure the machine conforms to the set of criteria laid down by the customers.

7. Vision system set up with the installation of vision inspection system will begin after the Equipment Assembly Department has performed necessary testing on the completely assembled machines. The installation of automation system and programme that conform to the requirements of the customers will be carried out on the machines either concurrently or after the installation of vision inspection system. In order to ensure successful implementation of automation system and programme that represents the brain of the whole machine, machine sequence test will be carried out to inspect the programming logic and synchronisation of the entire machine parts movement.

8. Upon completion of the main processes of assembly and testing above, the fully assembled machine will have to go through several in-house testing phases and quality control procedures. Initially, the machine will have to pass the total machine testing which will emphasise on the mechanical functionality testing, vision inspection functionality testing and automation and software functionality testing to provide a mean of assurance so as to conform to the total machine functionality requirements as requested by the customers.

Quality assurance will be carried out thereafter with the inspection check on the quality of the machines which mimics the processing environment by passing through samples of devices/packages that are to be run on the machine provided by the customers. Final improvement and fine tuning of the machine will be conducted prior to delivery to the customers.

9. The finished products will be crated carefully to avoid unnecessary damage done to the products during the journey to the customer's site.

10. Our responsibilities do not stop when the completed machine left its location. Service engineers will be appointed to attend to the machine at each site to ensure proper installation of the machine and to resolve any technical issues arising thereof.

4.2.9 Estimated Market Coverage, Position and Share

The global ATE market is a competitive market with no domination by any single company due to the nature of the semiconductor industry that is complex and characterised by rapid changes/evolution of technology.

Based on data from Gartner Dataquest, the ATE market is valued at USD3.021 billion in 2003, USD4.790 billion in 2004 and estimated to be USD3.780 billion in 2005.

(Source: Gartner Dataquest's "Semiconductor Capital Equipment Hot in 2004, but likely to Cool" 6 December 2004 and "Dataquest Alert: Semiconductor Capital Equipment Demand to Rise in 2006" 19 December 2005)

Our sales for FP 2003, FP 2004 and FYE 2005 are RM0.8 million, RM8.3 million and RM8.0 million respectively. Based on these figures, our sales represented approximately 0.01%, 0.05% and 0.06% of the global ATE market in 2003, 2004 and 2005 respectively.

4.2.10 New or Proposed Products

Within the next few years, we plan to launch the following products:-

i) Other G6 Derivatives

Apart from the introduction of the G6r, which is a significantly enhanced version of the successful G6 model, we also have plans for three (3) more derivatives from the G6 model: G5, a medium cost model with functions, performance and price which fills the gap in between the G6 and G3 models; G6-RR, a reel to reel transfer equipment; and G6-PS, an automatic high speed post seal in-tape vision inspection machine.

ii) High Speed Tray Transfer Equipment

Mirroring the success of G6, the tray equipment will adopt a one-model-for-all solution with options for full vision inspection capability. Being a new comer to this section of business, we have had the opportunity to research into the strengths and weaknesses of existing competing products in this field.

To-date, there are only a handful of known equipment manufacturers with true 3D inspection capability.

Consequently, we have formulated optimum product specifications to ensure our proposed tray equipment will be among the most competitive in the market in terms of price-performance.

Currently, we are constructing a prototype of high-speed tray transfer and vision inspection equipment, code named T8, utilising 3D vision inspection technology based on laser triangulation. T8 is designed and developed to handle ICs in tray format, which are typically of higher dollar value and higher input/output pin count (such as microprocessor, memory and PGA chips) as compared to ICs in tube format.

The high-speed tray transfer equipment is expected to be introduced in 2006.

iii) CSP/WLP Test Equipment

The next major equipment development is in the probing, vision inspection and transferring of ICs in the area of CSP/WLP. CSP/WLP is a packaging trend in semiconductor assembly process due to continuous miniaturisation of IC packages. The enabling technology and experience gathered from laser triangulation technique and advanced vision inspection for micro cracks will be further employed in this range of product.

The CSP/WLP test equipment is expected to be introduced in 2008.

iv) Estimated Timeline of Release of New or Proposed Products

FY Ending 31 October	2006		2007		2008	
	1H*	2H*	1H*	2H*	1H*	2H*
Product Name						
G5		√				
G6-RR			√			
G6-PS				√		
High Speed Tray Transfer Equipment		√				
CSP/WLP Test Equipment						√

** Indicates the first or second half of the financial year.*

4.2.11 Principal Markets for Products/Services

Our main products could be supplied to any global market with semiconductor assembly/test manufacturing plants. We have successfully penetrated Southeast Asia, North Asia and North America namely China, Malaysia, Philippines, Singapore and the USA, with the acceptance of the machines by major MNCs present in the respective countries.

We are geared to go into other countries in Southeast Asia, North Asia, North America and the European markets in the foreseeable future.

Our customers for FYE 2005 are shown in Section 4.5 of this Prospectus.

4.2.12 Types, Sources and Availability of Inputs

The main raw materials for the production of our products are standard parts and fabricated precision parts made from various metallic or non-metallic engineering material.

The main components used are as follows :

i) Motion control components such as servo motor, stepper motor, and AC current motor;

ii) Computer peripherals such as CPU, monitor, mouse, digital / analogue input output cards;

iii) Camera components such as CCD, lens, prism;

iv) Pneumatics parts such as cylinder, solenoid, valves and fittings;

v) Vision components such as frame grabber; and

vi Control and electrical parts such as sensors, switchers, power supply and wiring materials.

These raw materials are supplied by either local contractors/suppliers save for camera components which are imported from Singapore.

4.2.13 Quality Control Procedures

Capitalising on the past experience of founding members in qualifying equipment for the global market, we instil quality control right from the designing stage of all our products. The components also carry international safety standards such as the CE mark and SEMI standards and are constantly scrutinised at the design stage in areas of ergonomics, equipment operational safety /risk / hazard assessment and electrical / acoustic noise emissions. We have geared ourselves to officially certify our flagship products through recognised bodies to obtain internationally recognised quality standards in the near future.

We place stringent quality control on the raw materials used to ensure the highest and reliable performance of the equipment produced. The raw materials are broadly classified into two categories: standard parts and fabricated precision parts.

For fabricated precision materials, we work closely with the fabrication contractors/suppliers in selecting the most optimum base material and tolerance controls and the most cost effective and reliable fabrication processes. The contractors/suppliers are featured integrally in our continuous quality improvement of raw materials used.

All raw materials are inspected at the incoming for unconformity in functional, cosmetic and dimensional specifications. We have invested in precision measuring tools including calipers, target calibrator and profile projector.

First level in-process quality control is enforced at sub-module assembly process of the equipment. At this level, sub-modules are mechanically assembled and then functionally tested according to predefined test checklist. Where required, master reference jigs are used to align parts that require critical alignment. We develop master referencing technique in assembly to ensure that all sub-modules can be assembled standalone with high repeatability. When assembled into complete equipment, these sub-modules will click with one another seamlessly in a short turn around time.

We also market a module called Change Kit for our flagship G6 machine to accommodate each different IC package family. Subjecting each Change Kit to master referencing ensures it is compatible with any base G6 machine that has existed at any customer site with minimum alignment required.

Once the complete equipment has been assembled, final stage in-process quality control will take place, which is often referred to as final buyoff stage. At this stage, we will test the equipment repeatedly using the actual samples from the designated customers. Performance parameters for the equipment and vision inspection systems are set up and fine-tuned.

Mechanical alignment and design refinement is performed until all committed performance specifications are achieved.

Packing and shipping of equipment are conducted with the highest quality control to ensure maximum protection against harsh environment and handling during transportation.

We carry quality control beyond the perimeters of the factory to ensure full satisfaction for the customer. Once any equipment is 'pushed onto' the production floor at a customer's place, a project team comprising key engineers from both the customer and us will be established even as the equipment is being set up and commissioned at the customer place. Our project leader will document and track outstanding issues pertaining to the project, formulate and implement corrective actions pro-actively and the team as a whole will always strive to close all issues in the shortest time possible.

We adopt quality documentation in design. All mechanical drawings and software libraries and application releases are stringently version controlled for maintenance and back tracking.

We are proactively and continuously upgrading our approaches in the management, human resource, mechanical design, software development, manufacturing and on-site service to ensure continuous quality improvement in all aspects. We have also geared ourselves towards obtaining a full certification in a recognised quality system such as the ISO2000 in the near future.

4.2.14 Research and Development

(i) Overview

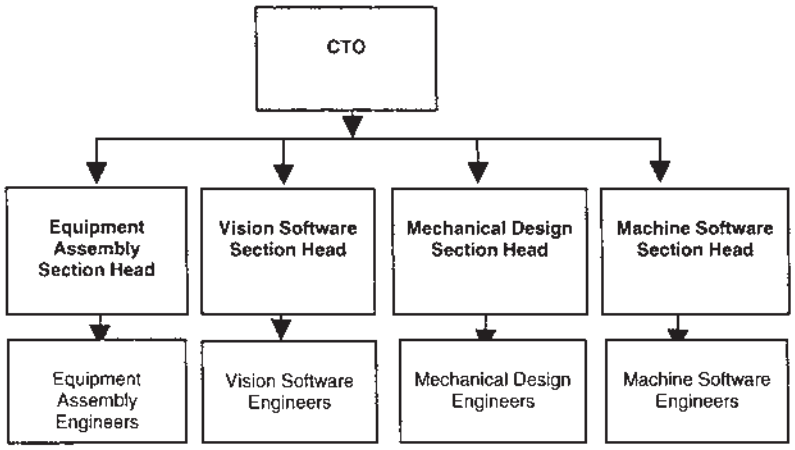
As a technology company, we rely on R&D to stay ahead of competitors and to create new business opportunity. Technology is critical in order to maintain and increase our competitive edge, maintain strong margins and build market presence. With substantial years of experience and possession of core technologies in mechatronics, control software and vision inspection, R&D activities will be continuously intensified to roll out new equipment.

(ii) R&D Facilities and Personnel

We have invested in essential development tools including measuring profile projector, latest workstations, software development tools CAD design software and C++ compilers. We have also set up a vision development laboratory equipped with various cameras, image grabbers, optical lenses, various types of illuminations, 3D profiling laser beam projector and camera.

There are a total of twenty (20) engineers and managers who are directly involved in R&D, spanning four (4) departmental sections, namely: Mechanical Design, Machine Software, Vision Software and Equipment Assembly.

The R&D team is led by Mr Lee Chong Leng who is our CTO. Mr Lee has overall responsibility for the R&D activities being undertaken by us and his profile is set out in Section 5.5.2 of this Prospectus. Our organisation of the R&D team is as follows:



The key members of the R&D team individually have between six (6) to seventeen (17) years of experience in the semiconductor assembly and semiconductor equipment industry.

We intend to use part of the proceeds from the IPO, to expand our present R&D center with the set-up of a more advanced R&D laboratory complete with necessary facilities and equipments. Along with the new set-up, the R&D team will also be strengthened by the recruitment of experienced and skilful personnel who specialises in their respective core technologies.

(iii) R&D Activities and Achievements

Through continuous R&D activities since our commencement, we have been able to deliver customer-driven product innovations based on performance and flexibility, with a competitive price range.

Technology is critical in order to increase our competitive edge, maintaining strong margins and building market dominance.

Our R&D efforts also resulted in the feature introduction of a test and vision inspection system within one year of the incorporation of VRSB in 2002.

We have, in our G6, a proven product in the market. The G6 is a major achievement in the ATE industry as it combines the capability of electrical testing, vision inspection and taping functions in one platform, which, to the best knowledge of our Directors, are not commonly available in other semiconductor back-end testing equipments.

We also develop our own proprietary vision inspection technology that uses mathematical computations in 2D and 3D laser based measurement techniques as well as advanced image-processing methods to measure micro semiconductor components. These solutions have been developed by the in-house R&D team and are currently being incorporated in our test and inspection products.

Our successful initiatives in R&D are a testament of our commitment to technology development and it is envisaged that our R&D capabilities will not only add value to us but will also introduce to the industry solutions that will increase efficiency within the semiconductor industry.

(iv) Future Development in R&D

In order to expand and build on our positioning in the competitive semiconductor equipment market, we have drawn out our future technology and product roadmap based on the present and emerging trend in package form factors for ICs. We are developing a prototype of high-speed tray transfer and vision inspection equipment, code named T8, utilising 3D vision inspection technology based on laser triangulation. In future, transfer equipment in CSP/WLP will be developed.

We have undertaken/intend to undertake the following R&D activities in the following technologies for incorporation into our future products:

Tray Inspection and Transfer Technology

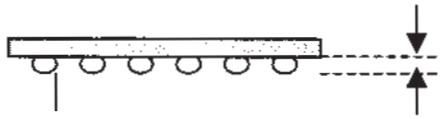
The tray transfer equipment performs automatic transfer of ICs from the tray into the tape format, incorporating sophisticated vision inspection system to detect visual and mechanical defects of the ICs as they are being transferred. The equipment could also be configured to perform ICs transfer from tray to tray, with vision inspection for automatic screening of defects.

The handling technology that will be developed include various stages of X,Y and Z-axis transfers, such as automatic stacking or un-stacking of trays, singulation of a tray from a stack of trays, pick-up of multiple ICs from the tray, fine-stepped pitching in between adjacent pick up, high speed transporter of pick-up over various stages of vision inspection stations, placement of good ICs into the tape and automatic sorting of rejects into reject trays. Vision inspection is to be on-the-fly and to include all essential cosmetic and dimensional inspection criteria; on-the-fly inspection has the advantage of minimal inspection over-head which is critical to maintain our product reputation in productivity leadership.

The tray transfer equipment is a natural progression for us as we are presently strong in the tube format transfer equipment, to cater for a large volume of ICs handled in tray format. ICs that are in tray format are typically of high dollar values and with high count of input / output pins (such as microprocessor, memory and PGA chips). The package types of ICs handled in tray formats include QFP, BGA and CSP.

Unlike ICs handled in tube format, ICs in tray format are characterised by pins populating one entire surface of the package or the four sides of the package. BGA package, for instance, has its input / output pins in the form of solder balls arranged on all over the bottom surface of the ICs while a QFP package has pins on all four sides of the package.

BGA package as viewed from one of its side



Only balls at the package edge are visible, balls at the inner rows are obstructed from view

The most challenging aspect to vision inspection system in tray format is the ability to view and to measure the height of all the pins or solder balls from the package surface (to resolution as fine as 5 µm, at very high throughput). To measure the height of the solder balls, the package has to be viewed from the side. Only balls nearest to the package edge are visible (not obstructed) and in sharp focus when viewed through the camera.

To overcome this technical barrier, we have developed an enabling technology in the use of laser triangulation for 3D profiling.

Laser Triangulation Technique for 3D Profiling

Using conventional optics arrangement involving a camera and suitable lightings to acquire image of an object of interest, one can only obtain image data of the object from a limited perspective angle. One is not able to extract height and shape information of the said objects from this image data.

Laser triangulation is a technique where a very thin laser line is projected across the object of interest. The camera is arranged slanting at a known angle from the laser line.

In one of possible implementation, the object of interest will be transported over the laser line and the camera will continuously capture image of the 3D profile of the objects as carved out by the laser line.

As a result, a complete collection of 3D profile image data will be gathered as the objects are moved across the laser line to enable a complete 3D profile of the objects to be plotted. Information such as heights, shapes and volume of the objects are mathematically retrievable from this collection of 3D profiles.

In practice, however, one will require enabling technology in availability of very high speed and sensitive camera and a very thin and homogeneous laser line, which consist of very high speed image acquisition hardware and powerful processing unit, to implement high precision production measurement tool as required by semiconductor industry.

A good grasp of this laser triangulation technology and experience with its system design and applications will open up a vast business opportunity to meet sophisticated vision inspection requirement where the features to be inspected can be of any shape and size.

CSP/WLP Inspection and Transfer Technology

Despite challenges in manufacturability, CSP/WLP packages are expected to be the most promising solution to ultimate miniaturisation of semiconductor devices.

Before going into TNR format, presently CSP's are handled in the manufacturing line in tray format or in a smaller version of a tray called waffle. Waffle handling technology, a close variant of tray handling technology, will need to be developed. Handling technology thus involves pick-and-place mechanism with X,Y and Z-axis transfers, transport over (on-the-fly inspection) various inspection stations, as in tray transfer technology.

For WLP however, all package assembly and test are performed on the wafer itself. Before going into the tape, each wafer will be mounted on an adhesive tape that is stretched all around and held in a fixture called wafer ring. The wafer will then be sawn to individual parts but the parts remain adhered in the wafer even after sawing.

WLP transfer technology is concerned with precise X-Y positioning of the wafer ring, pick up of ICs from the wafer, high-speed transporter of pick up over a host of vision inspection stations (on-the-fly inspection), placement of ICs into the tape and automatic sorting out of rejects into reject bins.

Unlike in the tray or waffle format where ICs are always in "circuit down" orientation, the ICs in the wafer may be in "circuit up" orientation which requires a full 180 degree flip over by a flipper module.

Wafers come in several sizes in diameter of 150mm, 200mm, 300mm or even the future 450mm and need to be handled correctly.

Vision inspection technology required for WLP ICs is mark inspection, measurement of bumps or solder balls (position and height), package defects and surface defects. Since wafer appears like a reflective glass, technique to reduce glaring noise from reflective surface must be developed.

Our laser triangulation technology which is under development can be extended to be used in CSP/WLP inspection.

(v) Future Plans for Implementation

Our future R&D activities include developing new and improved products, which we hope to bring on stream within the next three (3) years after admission to MESDAQ Market.

Our tray inspection and transfer technology as well as laser triangulation technology will be used in the development of high speed tray transfer equipment expected to be completed by 2006.

Meanwhile, the CSP/WLP inspection and transfer technology as well as laser triangulation technology will be incorporated in the CSP/WLP test equipment expected to be introduced in 2008.

Please refer to Section 4.2.10 of this Prospectus for further descriptions of our future products as well as the expected timeline for the roll-out.

(vi) Investments Made for Research and Development

We have incurred approximately the following amount in terms of staff costs and other expenses for R&D for the past three (3) financial periods/year:

	FP 2003 (Actual) (RM'000)	FP 2004 (Actual) (RM'000)	FYE 2005 (Actual) (RM'000)
Total R&D Spending	232.7	394.2	892.0
Turnover	814.5	8,309.3	8,035.9
% of Turnover	28.6%	4.7%	11.1%

4.2.15 Interruptions in Business for the Past Twelve (12) Months

There have not been any interruptions in the form of trade disputes or major operational breakdown involving us that had significantly impaired our business performance during the past twelve (12) months.

4.2.16 Employees

As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), we have thirty-seven (37) full-time employees. They are employed in the categories set out below:

	No. of Employees	Average Period in Service
Executive Directors	3	3 years and 1 month
Managerial and Professional	9	2 years and 5 months
Engineers and Technicians	21	1 year and 4 months
Executives and Clerks	4	1 year and 10 months
Total	**37**	

We recognise the importance of our employees and update them regularly on the latest developments in the industry including by sending them for courses to improve and update their knowledge in their areas of responsibility such as Enterprise Resource Planning solution training and CAD tool training. Training is also conducted in-house and on-the-job basis. Engineers and technical personnel are also encouraged to attend the latest international semiconductor trade show to update themselves with the latest information and technology in the industry.

We are a non-union company and our employees are not involved in any sort of union activities.

Our management is of the opinion that our dedicated, efficient and trained employees are instrumental to our success. Our management enjoy a good working relationship with the employees. As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), we have not been involved in any industrial disputes with any of our employees.

4.2.17 Key Achievements/Milestones

Our achievements/ milestones are as follows:

Date	Milestone
Dec 2002	Incorporation of VRSB
Feb 2003	Roll-out of G6 & Vision Inspection System
Apr 2003	• First delivery of G6 • Roll-out of M3
May 2003	First delivery of OEM Vision Inspection System
Jun 2003	Pioneer status granted by MITI
Aug 2003	LMW licence granted by Kastam Diraja Malaysia
Nov 2004	Successfully completed the development of the innovative of On-Track Mark & 3D inspection (patent pending)
Jun 2005	Successfully completed the development of the innovation on inspecting marking on semiconductor packages wherein laser inscribing or marking may be made (patent pending)
Aug 2005	Third place in the Golden Bull Award 2005
Sep 2005	First delivery of G6r
Dec 2005	Recipient of Small Medium Business Emerging Businesses Award 2005

4.2.18 Modes of Marketing/Distribution/Sales

We manage the sales and marketing activities centrally through our office in Melaka where the Sales and Marketing Division is located.

The Sales and Marketing Division carries out the functions of development of marketing plans, conducting market research and analysis, public relations, handling worldwide sales representatives/agents affairs, organising promotional activities globally, handling customers' orders and complaints, coordinating the delivery of machines to customers and arranging installation and after-sales services for customers.

The Sales and Marketing Division will service the present/prospective customers based in Malaysia and certain anchor global customers (the house accounts), while local sales representatives and distribution houses are used in the Southeast Asia, North Asia, and North America on commission basis. In addition to marketing activities, the sales representatives/agents also carry out technical and after-sales support to their customers with our assistance.

4.2.19 Location of Business

Our place of business is located at the following address:

No. 19, 21 and 23, Jalan IMJ2
Taman Industri Malim Jaya
75250 Melaka

This office houses our head office, R&D facility as well as the current assembly facility. Our assembly facility occupies approximately 3,000 sq. ft and has an annual capacity of approximately forty (40) units of G6 equivalent machine per annum. The capacity will vary according to the size and complexity of the machines produced.

4.2.20 Single Purpose Corporation

We are not a single purpose corporation.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.3 SUBSIDIARY AND ASSOCIATED CORPORATIONS

4.3.1 VRSB

(a) History and Business Overview

VRSB was incorporated in Malaysia under the Companies Act, 1965 on 4 December 2002 as a private limited company. VRSB commenced operations on 4 December 2002. The company is principally engaged in R&D, design, assembly and final set-up/tuning of test/backend semiconductor equipment.

(b) Share Capital

The authorised share capital of VRSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

The changes in VRSB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of shares allotted	Par value RM	Consideration	Cumulative issued and paid up share capital RM
04/12/ 2002	2	1.00	Subscribers' shares	2
27/03/2003	309,998	1.00	Cash	310,000
12/12/2003	190,000	1.00	Cash	500,000
06/01/2005	1,500,000	1.00	Bonus Issue*	2,000,000

* *The bonus issue of 1,500,000 ordinary shares of RM1.00 each in VRSB was on the basis of 3 new ordinary shares for every 1 existing share held.*

(c) Substantial Shareholder

VRSB is our wholly-owned subsidiary.

The substantial shareholders of VRSB are as follows:

Name	Direct Interest No. of Ordinary Shares of RM1.00 each	%	Indirect Interest No. of Ordinary Shares of RM1.00 each	%
VHB	2,000,000	100.00	-	-
Choy Ngee Hoe	-	-	2,000,000*	100.00

Note:-

* *Deemed interested by virtue of shareholding of not less than 15% in VHB pursuant to Section 6A of the Act.*

(d) Subsidiary/Associated Corporations

VRSB does not have any subsidiary or any associated corporation.

(e) Employees

As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), VRSB has thirty-four (34) employees.

4.3.2 Associated Corporations

We do not have any associated corporation.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.4 INDUSTRY OVERVIEW

4.4.1 Overview of the Global and Malaysian Economy

The year 2006 will face greater challenges arising from high oil prices, tightening monetary policies especially in the US, widening global imbalances as well as continued geo-political tensions and security concerns. Nevertheless, given the resilience of major economies, the global economy is expected to expand at 4.3%, supported by China and the US. Economic growth in China is forecast to continue, but at a slightly lower rate of 8.2%, providing the impetus for growth in Asia in general and the ASEAN region in particular, while the US is projected to register a growth of 3.3%. In Japan, growth is projected to be firm at 2% as deflation eases and domestic demand sustains.

Economic activity in the euro area is also expected to improve, although uneven across the region, at 1.8%. The expected improvement is on account of favourable financing conditions, rise in business confidence amid signs of recovery in the services and manufacturing sectors and a strong external sector. As for the UK, growth prospects are envisaged to improve by 2.2% with the services sector spurring growth, supported by a more accommodative monetary policy.

The Malaysian economy is expected to maintain its growth momentum in 2006 in line with sustained private sector activities, favourable external environment and Government's continuing efforts to further diversify the economy through new sources of growth. Growth is expected to be broad-based with expansion in all sectors, driven by private investment spending and strong activities in the services sector. Accordingly, real GDP growth is forecast to expand by 5.5% in 2006 and per capita income envisaged to rise further by 7.1% to RM18,995 (2005: 6.8%; RM17,741). In terms of purchasing power parity, per capita income will increase by 6.9% to USD11,030 (2005: 7.2%; USD10,323).

Following recovery in global electronics demand in the second half of 2005, growth of the manufacturing sector is anticipated to grow by 4.9% (2005: 4.8%). The landscape of the manufacturing sector is expected to change in tandem with new developments and the shift towards technology-driven manufacturing processes with more R&D activities. New developments include advanced technologies such as nanotechnology, biotechnology and advanced manufacturing practices, which encompass high knowledge-content processing technologies. These developments are expected to contribute positively to growth of the manufacturing sector.

(Source: Economic Report 2005/2006, Ministry of Finance Malaysia)

4.4.2 Overview of the Semiconductor Industry

Semiconductors industry, after a sharp downfall in 2001 caused by collapse of end-users electronics markets which was doubly impacted by September 11 terrorist attacks, has experienced a steady recovery in 2002 and 2003.

Despite persistent excess inventory concerns, the worldwide semiconductor industry delivered 23.4 percent growth in 2004, with revenue totalling USD 219.9 billion.

(Source: Gartner Dataquest's "Gartner's Final Semiconductor Vendor Market Share Results Shows Industry Grew 23 Percent in 2004" 23 March 2005)

Although macroeconomic factors, such as the rise in the price of oil, and devastating natural disasters, such as Hurricane Katrina, had no noticeable effect on the semiconductor market in 2005, the market is settling into a pattern of modest growth during the next few years.

Worldwide semiconductor revenue is forecast to reach USD235 billion in 2005, a 6.9 percent increase from 2004. This will be the first time that the semiconductor industry has surpassed the previous record-setting year in 2000 when revenue reached USD223 billion. In 2006, the market is forecast to grow 7.6 percent, before a mild slowdown in 2007 with growth of 5.1 percent.

(Source: Gartner Dataquest's "Forecast: Semiconductors, Worldwide, 2002-2010 (4Q05 Update)" 16 November 2005 and "Market Share: Semiconductor Revenue, Worldwide, 2005 (Preliminary Estimates)" 6 December 2005)

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.4.3 Performance and Future Growth of the ATE Industry

Based on data from Gartner Dataquest, the ATE market is valued at USD3.021 billion in 2003, USD4.790 billion in 2004 and estimated to be USD3.780 billion in 2005.

For the first half of 2005, revenue dropped significantly for many key ATE providers. However, ATE spending picked up in the second half of 2005. The details of the forecast for 2006 is as follows :

Global Semiconductor Capital and Equipment Spending Forecast (In USD Million)

	2006 (F)
Capital Equipments	36,413
ATE	4,875

(Source: Gartner Dataquest "Dataquest Alert: Semiconductor Capital Equipment Demand to Rise in 2006" 19 December 2005)

4.4.4 Players and Competition

The ATE industry is an intensely competitive and fragmented market. We compete with other suppliers of IC test equipment in the various geographical markets in which we operate.

We believe we have no local competitors but face competition from international companies such as ASTI, ICOS and IPT.

Significant competitive factors in the back-end semiconductor manufacturing include product performance, such as speed, accuracy and reliability, cost effectiveness, quality, price and flexibility in adapting products to customers' needs. Our Directors believe that we are able to be competitive with respect to these factors and will also continue to develop and design new and improved products in order to maintain our position.

4.4.5 Laws and Regulations

The semiconductor equipment production industry in Malaysia is generally governed by MITI, Industrial Coordination Act 1975, and other relevant laws and regulations.

We have applied and secured the licences required for our operations as set out in Section 4.2.5 of this Prospectus.

4.4.6 Demand and Supply

The demand for our products and for ATE in general depends on the performance of the overall semiconductor industry as described in Section 4.4.2 above.

Based on our observation, the supply of the IC test/backend equipment has experienced consolidation following the recent slowdown in the semiconductor industry.

We further believe that suppliers who are competitive will be able to take opportunity of the more cautious outlook in the industry. In this regard, we believe that we will be able to expand our market reach with our range of competitive products.

4.4.7 Substitute Products/Services

We believe that our products are not easily substituted due to their performance capabilities. However, there are products from direct competitors such as ASTI, ICOS and IPT with similar functions and features available (such as gravity-feed electrical test, vision inspection and TNR system) in the local and global markets. However, we believe that our products are superior as they have higher processing speed, occupy lesser floor space and offer more operational flexibilities compared to competitors' products.

4.4.8 Reliance on and Vulnerability to Import

A few of the main raw materials used for our product such as camera components, vision components and motion control components are imported from Singapore, as there are no local distributors for them. However, such reliance may not be viewed as critical as there are many available suppliers for these materials worldwide.

4.5 MAJOR CUSTOMERS

Our ten major customers for FYE 2005 are as follows: -

Customers	Country	Level of Sales (%)	Length of relationship (Years)
STATS ChipPAC Malaysia Sdn Bhd	Malaysia	28%	2 years
Unisem (M) Berhad	Malaysia	17%	1 year
ZMC Technologies Pte Ltd	Singapore	12%	2 ½ years
STATS ChipPAC Shanghai Co Ltd	China	11%	2 ½ years
Allegro Microsystems Philippines Inc	Philippines	9%	½ year
Cirtek Electronics Corporation	Philippines	6%	1 year
RF Micro Devices, Inc	USA	5%	½ year
Device Dynamics (Malaysia) Sdn Bhd	Malaysia	4%	1 year
Intotest Sdn Bhd	Malaysia	4%	2 ½ years
Omega Semiconductor Sdn Bhd	Malaysia	2%	1 ½ year

We have a diversified customer base in China, Malaysia, Philippines, Singapore and the USA. We intend to further diversify our customer base to include other IDMs and SCMs in Malaysia as well as overseas.

All the customers in the major customer list are IDMs and SCMs except for Intotest Sdn Bhd and ZMC Technologies Pte Ltd, which are our distributors.

4.6 MAJOR CONTRACTORS / SUPPLIERS

Our ten major contractors/suppliers for FYE 2005 are as follows:

Suppliers	Products/Services Purchased	Level of Purchases (%)	Length of relationship (Years)
Kinzoku Technology Sdn Bhd	Fabricated parts	15.34%	3 years
Flexible Automation System Sdn Bhd	Standard Components	9.74%	3 years
Datar Machining Manufacturers Sdn Bhd	Fabricated parts	9.38%	3 years
Loi Machinery	Fabricated parts	8.90%	3 years
HF Technology Sdn Bhd	Computer hardware and software	7.00%	3 years
S.M.C Pneumatics (S.E.A.) Sdn Bhd	Pneumatics parts	6.75%	3 years
NCS Sales and Services Sdn Bhd	Computer hardware	4.51%	3 years
MGLD Works	Fabricated parts	4.04%	3 years
Impressive Edge Precision Sdn Bhd	Fabricated parts	3.39%	3 years
Precision Optical System Singapore	Camera components	3.37%	3 years

We are not overly dependent on any single contractor / supplier and we will not face any difficulty in obtaining major raw materials and components as there is a wide network of contractors / suppliers.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.7 SUMMARY OF FIVE (5)-YEAR BUSINESS DEVELOPMENT PLAN

Our strategy is built around our vision to be the semiconductor industry's top choice of equipment solution provider through technical innovation, best-in-class performance, excellent service and support, cost effectiveness, environmental friendliness and partnership with customers, peers, suppliers and employees. We have identified the following strategic programs that are crucial towards the successful implementation of our vision:

i) Product Strategy

Common Platform Concept

A common platform design brings a lot of advantages to both our customers and to us. It reduces complexity across product range, eases maintenance and learning curve, minimises spares support and reduces R&D cost.

New Products Development

With substantial years of experience and in-house core technologies in mechatronics, control software and vision inspection, we will continuously intensify our R&D activities to roll out new equipments in the pipeline. Currently, we are constructing T8, which utilises 3D vision inspection technology based on laser triangulation. In the future, transfer equipment in CSP/WLP will be developed.

Segmentation of Products

A distinctive feature of our products is that there are no substitute products; there are only direct competitors' products. Our products compete on a global basis, with a majority of them exported. A common approach of new entrants into the industry is to introduce low to medium cost equipments to attract cost-conscious customers who are not too concerned about performance and functionality. To counter threats from these entrants, we also position ourselves with products in the low to medium cost market segment in the industry. Since we already have the G3 to serve the low cost market, we plan to introduce equipments for the medium cost market. The G5 test and inspection equipment, which will be launched to fill the gap between the G3 and G6, will cater for the medium cost market. Similar product line-up will be developed for the OEM vision inspection market.

ii) Growth Strategy

Product Differentiation and Branding

With our focus on core competencies in mechatronics, control software and vision inspection, our products are developed with the most advanced technology. These products have been sold to local semiconductor assembly houses and well-known semiconductor manufacturing MNCs with worldwide presence, with the support of aggressive sales and marketing efforts and effective distribution channels.

Our product differentiation and branding policy are structured to position us in the correct segment of the market in order to penetrate new markets based on our reputation.

New Markets Development

Traditionally, the vision inspection technology is widely used in the semiconductor industry although there exists vast market potential for application of vision technology in other non-semiconductor industries.

As a strategy to reduce our dependency on only one (1) industry, we will target other industries, which require mark and shape inspections, such as the printed circuits board assembly and pharmaceutical industries.

Growth by Acquisition

In order to strengthen our presence and secure greater market share in the ATE industry globally, where opportunity arises, we may acquire smaller size competitors with other core competencies, for example bare die handling technique, as part of our growth strategy.

iii) Sales and Marketing Strategy

To better serve our global customers, we intend to set up regional sales and distribution centre, complete with equipment demonstration and storage facilities in major locations in the world, for example Shanghai in China, San Jose in the USA and Hsinchu in Taiwan. With the localised sales and marketing functions and physical presence at our global customers' factory sites, we are able to understand more of their needs. Personal after-sales services can be provided more effectively and efficiently to these customers where important feedbacks will be obtained for future product and service enhancements.

In order to further enhance the after-sales services to our customers, we plan to set up divisions of service engineers in the respective sales representative offices. Consistent and up-to-date technical training of the service engineers will be held to ensure that they possess the necessary skills and knowledge to carry out their functions.

As we are relatively new to the market, we will embark on a brand building exercise for our range of products by leveraging on the substantial combined years of experience of our engineering team in the industry. We will promote the functionality and performance of our range of products by advertising in technical journals/magazines such as Semiconductor International®, Semiconductor Manufacturing and Vision System® Design, amongst others. Webpages will be set up with detailed write-up on our history, our engineering team, core technologies and technical capabilities of our range of products and services. We will participate in international semiconductor industry trade shows, for example Semicon West USA, Semicon Shanghai, Semicon Taiwan, Semicon Singapore etc. which allows us to demonstrate the equipments that we have designed and assembled.

iv) Technology Strategy

Besides developing and improving our own technology, we are constantly looking out for relevant prevalent enabling technology that will help us to move ahead faster in the industry.

Technical publications, new trends and latest image processing methods in related fields are regularly reviewed by our team of engineers to obtain better design and implementation ideas.

For our next generation of 3D inspection, laser triangulation technique using an ultra advanced and high-speed camera, which is capable of acquiring twenty thousand (20,000) 3D profiles per second, is currently under development. Once developed, this new technology can be applied to a wide range of shapes and sizes of objects to plot out their 3D profiles.

With the rapid evolvement of technology in today's environment, organic growth by way of in-house R&D activities alone is not sufficient to catch up with the pace of development of new technology. Where opportunity arises, we may acquire companies that possess their own core competencies in specialised technology to strengthen our technological standing in the market place. Strategic synergy will be obtained by the combination of our mechatronics, control software and vision inspection technologies with other leading technologies in the semiconductor industry.

4.8 INFORMATION ON LAND AND BUILDINGS

We do not own any landed property. However, as at 20 February 2006, we entered into a sale and purchase agreement to acquire two (2) pieces of land held under HSM 1600 and HSM 1603 (PT No. 3841 and 3844 respectively), with a land area of 36,005 square feet for each land in Mukim Bukit Baru, Melaka for a total consideration of RM963,488 of which we have paid a deposit RM96,349, which represents 10% of the total purchase consideration.

Details of the sale and purchase agreement are included in Section 12.4 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL

5.1 PROMOTERS

5.1.1 Particulars and Shareholdings

The details of our promoters and their shareholdings in our Group after the Public Issue are as follows: -

Name	Nationality	No. of Ordinary Shares Held After Public Issue ('000)				No. of Ordinary Shares Held Assuming Full Exercise of ESOS [1] ('000)			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Choy Ngee Hoe	Malaysian	22,562.3	33.83	-	-	22,562.3	30.75	-	-
Lee Chong Leng	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ong Hui Peng	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ch'ng Paed Wee	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Chan Heng Soon	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Jong Pit Fong	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Lim Yong Juay	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Teo Leong Khoon	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-

Note: -

(1) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

5.1.2 Profiles of Promoters

Mr. Choy Ngee Hoe, a Malaysian aged 43, is our CEO and one of the founder members of VRSB and the leader of the team of talented and experienced engineers in VRSB. He oversees our management team as well as in charge of formulating our corporate strategies and plans.

Mr. Choy graduated from University of Malaya with a Bachelor of Science Degree in Mechanical Engineering (Honours) in 1988. He started his career in the semiconductor industry in 1988 as a Process Engineer in a subsidiary of one of the well-known MNCs, National Semiconductors Corporation, in Melaka. He was exposed to manufacturing and process technologies covering molding, strip/laser marking, solder plating, trim and form, electrical tests, reliability test and all the way to final pack in various consumers, industrial and military/aerospace products. Other than process related responsibilities such as yield improvement, cost savings, upgrades, productivity enhancement, equipment qualification, product transfer etc, he was also actively involved in new product development that required him to work with the corporate R&D team. His last position was Equipment Manager.

In 1994, Mr Choy joined Telford as Operations Manager and helped form and head TQSSB. TQSSB is a TNR contract manufacturer. He was later promoted as Business Director in TQSSB where he was heavily involved in semiconductor equipment development.

In 1997, Telford acquired the backend equipment division of a major semiconductor IDM, Texas Instruments Incorporated, where he was a member of the acquisition team. Telford equipment division was then spun off to become the STI group of companies. Mr Choy was made President of STISB, which he helped form. In 1999, Telford and the STI group of companies were later combined under ASTI and listed on the SGX, Singapore. Mr Choy also held directorship and chairmanship in various international ASTI subsidiaries and helped ASTI with another major acquisition, the Reel Service Ltd group of companies, to make ASTI one of the world's largest TNR contract manufacturer. He no longer holds any of these positions as at 31 December 2002.

Mr. Lee Chong Leng, a Malaysian aged 42, is our CTO and one of the founder members of VRSB. Presently, as our CTO, he oversees our Vision Software, Mechanical Design, Machine Software and Equipment Assembly sections. Apart from that, he is our R&D project leader who is responsible for the overall R&D activities that we undertake. He also participates in the formulation of corporate strategies and implementation of the R&D policy thereof.

Mr. Lee graduated with both Bachelor of Science Degree in Computer Science and Bachelor of Engineering Degree (Honours) in Electrical Engineering from University of New South Wales in 1989.

Upon his graduation, he joined as a Test Engineer in the subsidiary of one of the well-known semiconductor MNCs, National Semiconductors Corporation, in Penang. From year 1990 to 1997, he acted as an R&D Engineer for Powermatic Sdn Bhd in Petaling Jaya, Selangor which specialised in the manufacturing of security system, time management system and computer peripherals. In 1997, he joined TQS Manufacturing Sdn Bhd, a subsidiary of ASTI, which specialised in the TNR solution for semiconductor back-end industry, as Engineering Manager for two (2) years. In 1999, he was assigned to STISB, a subsidiary of ASTI, where he held the post of Engineering Manager.

Mr. Lee resigned from ASTI and STISB on 15 November 2002 after which he and the rest of the promoters formed VRSB where he assumed his position as Engineering Manager and subsequently CTO. His vast experience and technical know-how throughout his seventeen (17) years of employment history has gained him reputable recognition from the industry. He is also one of the inventors of our proprietary on-track mark and 3D vision inspection which are pending patent registration.

Ms. Ong Hui Peng, a Malaysian aged 31, is one of the founder members of VRSB. Presently, she oversees our Machine Software section and is responsible for all of our machine software development projects. She also participates actively in R&D activities undertaken by us under the leadership of the CTO. Apart from that, she is participating in the formulation of R&D strategies and the implementation thereof.

Ms. Ong graduated from University of Malaya with a Bachelor's Degree (Honours) in Computer Science in 1999.

She started her career in the semiconductor industry in 1999 as a Software Engineer in STISB, a subsidiary of ASTI, specialising in machine software development, and later as a Section Head of Machine Software.

Ms. Ong resigned from STISB on 15 November 2002 after which she and the rest of the promoters formed VRSB where she assumed the post of Section Head of Machine Software Development. Her specialisation in the software development and experience during her career has been recognised by the industry.

Mr. Ch'ng Paed Wee, a Malaysian aged 28, is one of the founder members of VRSB. Presently, he is our Assembly Engineer in the Equipment Assembly section assisting the Section Head of Equipment Assembly in all of our equipment assembly projects and quality assurance activities. He also participates actively in R&D activities undertaken by us under the leadership of the CTO.

Mr. Ch'ng graduated from TAFE College in Seremban, Negeri Sembilan with a Diploma in Mechanical Engineering in 1999. In 2002, he obtained his Bachelor of Engineering in Mechanical Design and Technology from University of Northumbria in Newcastle, United Kingdom.

He started his career as Manufacturing Engineer in 1999 when he joined STISB, a subsidiary of ASTI. Mr. Ch'ng resigned from STISB on 15 November 2002 after which he and the rest of the promoters formed VRSB where he assumed the position of Assembly Engineer.

Mr. Chan Heng Soon, a Malaysian aged 31, is one of the founder members of VRSB. Presently, he oversees our Vision Software section and is responsible for all of our vision software development projects. He also participates actively in R&D activities undertaken by us under the leadership of the CTO. Apart from that, he participates in the formulation of R&D strategies and the implementation thereof.

Mr. Chan graduated from Universiti Teknologi Malaysia with a Bachelor's Degree in Electrical Engineering in 1998. In 1999, he obtained his Masters in Engineering Management from Universiti Teknologi Malaysia.

He started his career in the semiconductor industry in 1999 as a Software Engineer in STISB, a subsidiary of ASTI. He was promoted to Senior Software Engineer in year 2001. Mr. Chan resigned from STISB on 24 October 2002 after which he and the rest of the promoters formed VRSB where he was promoted to Section Head of Vision Software.

Mr. Jong Pit Fong, a Malaysian aged 33, is one of the founder members of VRSB. Presently, he oversees our Mechanical Design section and is responsible for all of our machine mechanical design projects. He is also actively participating in R&D activities undertaken by us under the leadership of the CTO. Apart from that, he also participates in the formulation of R&D strategies and the implementation thereof.

Mr. Jong graduated from University of Malaya with a Bachelor's Degree in Mechanical Engineering in 1997.

He started his career in the semiconductor industry in 1999 as a Mechanical Design Engineer in STISB, a subsidiary of ASTI, and later as a Section Head of the TNR division. During that employment, he was involved in the design of the taping module with 3D vision capability for test equipment.

In the later stage, he was assigned the responsibility for the transfer of several key equipments from STIPL and high-end vision systems from Dallas, USA for further development and assembly in Melaka.

Mr. Jong resigned from STISB on 16 October 2002 after which he and the rest of the promoters formed VRSB where he assumed the post of Section Head of Mechanical Design. He is also one of the inventors of our proprietary on-track mark and 3D vision inspection which are pending patent registration.

Mr. Lim Yong Juay, a Malaysian aged 55, is one of the founder members of VRSB. Presently, he oversees our Sales and Marketing Division and is responsible for the overall operation of sales and marketing as well as purchasing activities locally and co-ordination with sales representatives/ agents overseas. He also participates in the formulation of sales and marketing strategy and implementation of the policy thereof.

Mr. Lim obtained a Diploma in Automotive Technician from Federal Institute of Technology, Malaysia in 1972.

He started his sales and marketing career in the semiconductor industry in 1999, when he joined Haltech (M) Sdn Bhd in Melaka, a manufacturer of electronic products for commercial use in Malaysia, as Sales Manager with the primary responsibility of sales and marketing of electronic components, test and measuring instruments, turnkey project to electronics and semiconductor industries in Melaka. In 2002, he joined STISB, a subsidiary of ASTI, where he held the post of Sales Manager. Mr. Lim resigned from STISB on 24 October 2002 after which he and the rest of the promoters formed VRSB where he assumed the position as Sales and Marketing cum Purchasing Manager. Prior to his involvement in the semiconductor industry in 1999, Mr Lim was involved in sales and marketing with various companies and industries since 1985.

His vast experience and skills in sales and marketing for almost twenty (20) years has enabled him to contribute valuable ideas and suggestions to us.

Mr. Teo Leong Khoon, a Malaysian aged 34, is one of the founder members of VRSB. Presently, he oversees our Equipment Assembly section and is responsible for all of our equipment assembly projects and quality assurance activities. Apart from these, he also oversees the operation of store section. He also participates actively in R&D activities undertaken by us under the leadership of the CTO.

Mr. Teo graduated from Tunku Abdul Rahman College with a Certificate in Electronic Engineering in 1993. In 2001, he obtained his Bachelor of Engineering in Mechanical Design and Technology from University of Northumbria in Newcastle, United Kingdom.

He started his career as an Engineer in 1993 in Tripo Engineering. In 1994, he is assigned to Tripo Marketing & System as Sales and Service Manager where he spent the next five years. In 1999, he joined the subsidiary of one of the well-known semiconductor MNCs, National Semiconductors Corporation, in Melaka where he was appointed as an Engineer. In the same year, he joined STISB, a subsidiary of ASTI, as a Manufacturing Engineer. He was promoted as a Senior Manufacturing Engineer in 2001. Mr. Teo resigned from STISB on 15 November 2002 after which he and the rest of the promoters formed VRSB where he was promoted to Section Head of Equipment Assembly.

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings

The details of our substantial shareholders and their shareholdings in our Group after the Public Issue are as follows: -

Name	Nationality	No. of Ordinary Shares Held After Public Issue ('000)				No. of Ordinary Shares Held Assuming Full Exercise of ESOS [1] ('000)			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Choy Ngee Hoe	Malaysian	22,562.3	33.83	-	-	22,562.3	30.75	-	-
Lee Chong Leng	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ong Hui Peng	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ch'ng Paed Wee	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Chan Heng Soon	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Jong Pit Fong	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Lim Yong Juay	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Teo Leong Khoon	Malaysian	3,366.0	5.05	-	-	3,366.0	4.59	-	-

Note: -

(1) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

5.2.2 Profiles of Substantial Shareholders

The profiles of all the substantial shareholders are set out in Section 5.1.2.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings

The details of our directors and their shareholdings in our Group after the Public Issue are as follows: -

	Designation	No. of Ordinary Shares Held After Public Issue ('000)				No. of Ordinary Shares Held Assuming Full Exercise of ESOS [1] ('000)			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Khairil Anuar Abdullah	Chairman/ Non-Executive Non-Independent Director	765.5	1.15	-	-	765.5	1.04	-	-
Choy Ngee Hoe	Executive Director/ CEO	22,562.3	33.83	-	-	22,562.3	30.75	-	-
Lee Chong Leng	Executive Director / CTO	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ong Hui Peng	Executive Director / Machine Software Head	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Dato' Nordin Baharuddin	Non-Executive Independent Director	100.0	0.15^	-	-	100.0	0.14	-	-
Datuk Azzat Kamaludin	Non-Executive Independent Director	100.0	0.15^	-	-	100.0	0.14	-	-

Notes: -

^ Based on their respective entitlements for the pink form share allocation pursuant to the IPO

(1) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

5.3.2 Profiles of Directors

Save for the profiles of Khairil Anuar Abdullah, Dato' Nordin Baharuddin and Datuk Azzat Kamaludin, which are set out below, the profiles of Choy Ngee Hoe, Lee Chong Leng and Ong Hui Peng are set out in Section 5.1.2.

En. Khairil Anuar Abdullah, a Malaysian aged 55, graduated with a first degree in economics from the University of Malaya in 1972 and obtained his Master of Business Administration from Harvard Business School, USA in 1981. He is a Fellow of the Malaysian Institute of Banks.

His career spanned a diverse range of government and corporate experience in the Economic Planning Unit of the Prime Minister's Department from 1973 to 1982, the Guthrie Group of Companies from 1983 to 1987, Batu Lintang Rubber Company (re-listed on Bursa Securities as Advance Synergy Berhad) and Arthur D Little from 1988 to 1992. In 1993, he joined the Securities Commission at its inception as Director for Policy and Development. His portfolio included regulations and law reform, product development, economic research, information technology, the Securities Industry Development Centre, accounting standards and Islamic capital market development. He also served on the advisory committee of the Malaysian Central Depository, the Board of the Labuan Offshore Financial Services Authority and chaired a working group on the regulation of secondary markets of the Emerging Markets Committee of the International Organisation of Securities Commission ("IOSCO").

In 1996, he was a member of Bank of International Settlement / IOSCO Task Force on clearing and settlement.

He then went on to serve as Executive Chairman of Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (MESDAQ), Malaysia's securities exchange catering to high growth and technology companies in 1997 until it merged with Bursa Securities (then the Kuala Lumpur Stock Exchange) in 2002.

Currently, he is Chairman of The Media Shoppe Berhad and VisDynamics Holdings Berhad, and Vice Chairman of BCT Technology Berhad. He is also a Director of Symphony House Berhad, Kuwait Finance House (M) Berhad, Apollo Hospitals Enterprise Limited and Airocom Technology Berhad.

Dato' Nordin Baharuddin, a Malaysian aged 57, graduated from University of London, United Kingdom with a Bachelor of Science (Econs) (Hons) Degree in 1973.

Upon graduation, he joined Deloitte Haskins & Sells in London in 1973 to pursue Chartered Accountancy. Upon qualifying, he joined Petronas in 1979 as Manager in the Production Sharing Audit & Accounts Department.

In 1980, he joined Ernst & Young Malaysia as Manager and was soon promoted to Principal and Partner. In 1984, he was transferred to the Sarawak office of Ernst & Young to assist the Partner-in-Charge in developing the Ernst & Young offices in Sarawak. In 1990, he was appointed the Partner-in-charge of Sarawak. In 2004, he retired as Executive Chairman of Ernst & Young Malaysia after 35 years in the accounting and auditing sector in Malaysia and overseas.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Chartered Institute of Taxation, London. Currently, he is serving as Vice-President of the Malaysian Institute of Certified Public Accountants, Council Member and Chairman of the Accounting and Auditing Committee and Practice Review Committee in the Malaysian Institute of Accountants and Member of the Malaysian Financial Reporting Foundation. He is also a Member of the Mongolian Institute of Certified Public Accountants and has helped to develop the profession in Mongolia as well as provided professional advice to the corporate sector through his tenure as Partner in Charge of Ernst & Young Mongolia.

Presently, he serves on the boards of KUB Malaysia Berhad, Syarikat Prasarana Negara Berhad and Sarawak Enterprise Corporation Berhad.

Datuk Azzat Kamaludin, a Malaysian aged 61, a lawyer by training graduated from Queen's College, University of Cambridge, with a Degree of Bachelor of Arts in 1968 and a Degree of Bachelor of Law in International Law in 1969. He was admitted to the Honourable Society of the Middle Temple, London and called to the "Degree of the Utter Bar" in 1970.

Since 1979, he has been a partner of the legal firm, Messrs Azzat & Izzat Advocates and Solicitors. He was a member of the Securities Commission from 1993 to 1999.

Prior to that, from 1970 to 1979, he served as Administrative and Diplomatic Officer with the Ministry of Foreign Affairs during which time he was also Assistant Secretary of Association of Southeast Asian Nation (ASEAN) and Zone of Peace, Freedom and Neutrality (ZOPFAN) Divisions, Second Secretary at the Permanent Mission of Malaysia to the United Nations, Head of Chancery at the Malaysian Commission in Hong Kong and finally, Principal Assistant Secretary, Law of the Sea Division.

Presently, he serves on the boards of Boustead Holdings Berhad, Affin Holdings Berhad, KPJ Healthcare Berhad, Pulai Springs Berhad, Celcom (Malaysia) Berhad and PSC Industries Berhad.

5.3.3 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to our directors for services rendered in all capacities to us for the financial year ended 31 October 2005 and proposed for the current financial year ending 31 October 2006 are as follows: -

Remuneration Band	FYE 2005		FYE 2006	
RM	Aggregate Remuneration RM'000	Number of Directors	Aggregate Remuneration RM'000	Number of Directors
Up to 50,000	38.1	1	110.0	3
50,001 – 100,000	144.8	2	65.0	1
100,001 – 200,000	-	-	295.0	2
Total	182.9	3	470.0	6

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with our auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the quarterly results and financial statements, nomination of the auditors and to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of our group companies.

We have set up an Audit Committee on 9 February 2006 which comprise the following Board members: -

Name	Designation	Directorship
Dato' Nordin Baharuddin	Chairman of Audit Committee	Non-Executive Independent Director
Lee Chong Leng	Member of Audit Committee	Executive Director
Datuk Azzat Kamaludin	Member of Audit Committee	Non-Executive Independent Director

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.5 KEY PERSONNEL

5.5.1 Particulars and Shareholdings of the Key Personnel

The details of our key personnel and their shareholdings in our Group after the Public Issue are as follows: -

Name	Designation	No. of Ordinary Shares Held After Public Issue ('000)				No. of Ordinary Shares Held Assuming Full Exercise of ESOS [1] ('000)			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Choy Ngee Hoe	Executive Director/ CEO	22,562.3	33.83	-	-	22,562.3	30.75	-	-
Lee Chong Leng	Executive Director/ CTO	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Ong Hui Peng	Executive Director/ Machine Software Head	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Chan Heng Soon	Vision Software Head	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Jong Pit Fong	Mechanical Design Head	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Lim Yong Juay	Sales and Marketing Manager	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Teo Leong Khoon	Equipment Assembly Head	3,366.0	5.05	-	-	3,366.0	4.59	-	-
Pang Nam Ming	Finance Manager	0.2	#	-	-	100.2	0.14	-	-

Note: -

(1) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

 # Less than 0.01%

5.5.2 Profiles of the Key Personnel

Save for the profile of Pang Nam Ming, the respective profiles of Choy Ngee Hoe, Lee Chong Leng, Ong Hui Peng, Chan Heng Soon, Jong Pit Fong, Lim Yong Juay and Teo Leong Khoon are as disclosed in Section 5.1.2.

Mr. Pang Nam Ming, a Malaysian aged 33, oversees our finance and administration division. He is also responsible for our corporate finance affairs.

Mr. Pang graduated from Tunku Abdul Rahman College with a Certificate in Accounting with Business Computing in 1994. He obtained his professional qualification from Association of Chartered Certified Accountants in 1999. He is a member of Association of Chartered Certified Accountants and also a member of Malaysia Institute of Accountants.

He started his career as Accounts Officer in A'Famosa Resort Hotels Sdn Bhd in Melaka, in 1997 where he stayed for one (1) year. In 1999, he joined Infineon Technologies (M) Sdn Bhd, subsidiary of the semiconductor MNC, Infineon Technologies AG, as Accounts Executive. In 2001, he joined Farm's Best Berhad (formerly known as Sinmah Resources Berhad), a company listed on the Second Board of Bursa Securities, as Accountant. He was then promoted to Senior Accountant in 2002 and Assistant Group Accountant in 2003.

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY PERSONNEL IN OTHER BUSINESSES / CORPORATIONS

None of the Executive Directors/key personnel is involved in other businesses or corporations.

5.7 DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS IN OTHER PUBLIC CORPORATIONS FOR THE PAST TWO (2) YEARS BY OUR DIRECTORS AND CEO

Save as disclosed below, none of our Directors and CEO has either directorship or substantial shareholdings or both in other public corporations for the past two (2) years as at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus).

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Shareholdings (No. of Shares)	(%)	Principal Activities
Director ***Khairil Anuar Abdullah***	Symphony House Berhad	25/11/2002	85,000	0.01	Investment holding and provider of application software development, computer solutions and IT services. The company also provides corporate services such as share registration, issuing house services, secretarial services and accounting services
	The Media Shoppe Berhad	23/09/2004	-	-	R&D and marketing of computer software, the provision of system networking and information technology system integration services
	BCT Technology Berhad	11/10/2004	85,939	2.46	Design and market Application Specific Standard Product (ASP) series of integrated circuit products
	Kuwait Finance House (M) Berhad	10/12/2004	-	-	An international full-fledged Islamic bank covering retail, corporate and investment banking with products and services that fully comply with the Shariah principles
	Apollo Hospitals Enterprise Limited	25/11/2005	-	-	Owner and operator of hospitals in India. The company also runs a 24-hour pharmacy network across India and runs clinics and offer managed care and family health plans

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Shareholdings (No. of Shares)	(%)	Principal Activities
	Airocom Technology Berhad	27/01/2006	-	-	Software application developer and integrator, specialising in SMS application and communications solutions
Dato' Nordin Baharuddin	KUB Malaysia Berhad	19/05/2005	-	-	Investment holding and provider of education and training, information and communications technology, liquefied petroleum gas and food and beverages
	Syarikat Prasarana Negara Berhad	2/01/2005	-	-	Public company incorporated to facilitate, coordinate, undertake and expedite infrastructure projects approved by the Malaysian Government
	Sarawak Enterprise Corporation Berhad	5/09/2005	-	-	Power and energy provider, distributor and wholesaler
Datuk Azzat Kamaludin	MNI Holdings Berhad	02/09/1983 / (13/02/2006)	-	-	Investment holding company of a group of companies undertaking underwriting of conventional life and general insurance business, underwriting of General and Family Takaful business, offshore general reinsurance business and provision of bureau services to offshore reinsurers, offshore life insurance business, rental of properties and provision of management services
	Boustead Holdings Berhad	16/01/1991	-	-	Investment holding of a group of companies undertaking oil palm and rubber plantation, palm oil processing, property investment, hire purhase and lease financing, engineering equipment, distributor, car rental, plantation management service and travel and shipping agent
	Affins Holdings Berhad	25/04/1991	110,000	0.01	Investment holding company of a group of companies undertaking commercial banking, merchant banking, finance company business, stock broking, discount house services, money broking and asset management business

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Shareholdings (No. of Shares)	(%)	Principal Activities
	KPJ Healthcare Berhad	01/09/1994	20,000	0.01	Investment holding and provider of medical services, marketing and distribution of medical and pharmaceutical products and pathology and laboratory services
	Celcom (Malaysia) Berhad	18/08/2002	-	-	Provider of mobile communications, interactive services and multimedia solutions
	Pulai Springs Berhad	24/09/2002	833,938	0.9	Investment holding and operator of hotel and other sport and recreational facilities, and property development and investment
	PSC Industries Berhad	17/08/2005	-	-	Investment holding and involves in the heavy engineering construction, ship repair and shipbuilding

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.8 DECLARATION OF DIRECTORS AND KEY PERSONNEL

None of our Directors and key personnel is or was involved in the following events (whether within or outside Malaysia): -

(a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;

(b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or

(c) the subject of any order, judgement or ruling of any court of competent jurisdiction 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.

5.9 FAMILY RELATIONSHIPS

As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), there is no family relationship (as defined in Section 122A of the Act) or association between our substantial shareholders, promoters, directors and the key personnel.

5.10 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), there are no existing or proposed service agreements between us and our directors and key personnel.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.11 CHANGES IN PROMOTERS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS IN OUR COMPANY FOR THE PAST THREE (3) YEARS

Changes in promoters and substantial shareholders' shareholdings in our Company for the past three (3) years are as follows:-

Promoter / Substantial shareholder	Date		No of ordinary shares of RM0.10 each in VHB acquired/(disposed)	Balance	%*
	Acquired	Disposed			
Choy Ngee Hoe	13/01/2005	-	22,562,300	22,562,300	45.13
Lee Chong Leng	13/01/2005	-	3,366,000	3,366,000	6.73
Ong Hui Peng	13/01/2005	-	3,366,000	3,366,000	6.73
Ch'ng Paed Wee	13/01/2005	-	3,366,000	3,366,000	6.73
Chan Heng Soon	13/01/2005	-	3,366,000	3,366,000	6.73
Jong Pit Fong	13/01/2005	-	3,366,000	3,366,000	6.73
Lim Yong Juay	13/01/2005	-	3,366,000	3,366,000	6.73
Teo Leong Khoon	13/01/2005	-	3,366,000	3,366,000	6.73

* *Based on our issued and paid up share capital as at 6 March 2006 (being the latest practicable date prior to the printing of this Prospectus), comprising 50,000,000 ordinary shares of RM0.10 each.*