
6. BUSINESS OVERVIEW

6.1. Market Opportunity and Industry Overview

The following industry overview was quoted from a number of sources as indicated herein.

6.1.1 Overview of the Economy and ICT Industry

For the year 2000, the Malaysian economy expanded by 8.5%, significantly higher than the earlier forecast of 7.5%. The stronger-than-expected growth was the result of strong demand from both the domestic and external sectors. The services sector, given its strong linkages with the other sectors in the economy, grew at a faster rate of 4.7% in 2000 (1999: 3.3%), in line with the overall strong expansion of the economy. Growth was broad-based, with both the final and intermediate services groups increasing at a faster pace than in 1999.

The increase in investment in the services sector from an estimated value of RM5.2 billion in 1999 to RM10.4 billion in 2000 was due mainly to higher capital outlay by an increasing number of companies in the telecommunications sector, the banking and finance industry as well as the business services sector in ICT activities. Investment in these areas rose in response to rising capacity utilisation, especially in the export-oriented manufacturing sector.

The performance of the Malaysian economy in 2001 has been adversely affected by the greater-than-expected slowdown in the world economy, particularly in the United States of America, as well as the continuing weak performance of the Japanese economy. Nevertheless, the prompt policy response across the globe in the aftermath of the 11 September 2001 terrorist attacks and the resolution of the West Asian conflict have aided in the recovery of consumer and business confidence. The stock markets have also recovered to contain loss in wealth. This revival in confidence has abated fears of further weakness in the external environment. The global electronics industry has also begun the recovery cycle as seen in the stronger pick-up in demand in the fourth quarter of 2001. These improvements in external conditions have been reinforced by positive developments on the domestic front. The cumulative effects of the series of fiscal measures announced both before and after 11 September 2001 as well as the accelerated disbursement process of Government expenditure have had a positive impact on both the corporate and household sectors.

In the light of the above, real Gross Domestic Product growth for 2001 has remained positive, expanding by 0.4%. Indications going forward are that the economy is in the early stages of recovery. The economy is expected to strengthen during the course of 2002 in tandem with sustained domestic demand and the improved global economic conditions.

(Sources of statistics: Bank Negara Malaysia Annual Report 2000 and Bank Negara Malaysia Quarterly Bulletin for the Fourth Quarter of 2001)

The period under the Seventh Malaysia Plan (1996-2000) saw a rapid growth in ICT utilisation. Investments in ICT expanded at a rate of 9.2% per annum from RM3.8 billion in 1995 to RM5.9 billion in 2000. This was largely due to increasing awareness of the importance of the production, diffusion and utilisation of knowledge and information for improving competitiveness and overall economic performance. Special incentives such as the abolition of sales tax on computers and components, and the granting of accelerated capital allowance for expenses on computers and other ICT equipment also assisted in increasing the usage of ICT.

The SCADA industry, being a sub-sector of the broad ICT industry, is closely linked to the sectors that make active use of the system in general. These would include, but may not be limited to, sectors such as government, oil and gas, utilities, telecommunications and transportation. The breakdown of ICT expenditure by the major industrial sectors, which can be used to gauge the level of activity in the SCADA industry, is as follows: -

ICT Expenditure by Sector, 1996-2000

Sector	1996-2000 (RM million)	%
Banking & Finance	3,723	15.0
Manufacturing	4,041	16.3
Government*	2,062	8.3
Telecommunications*	2,323	9.3
Distribution	2,586	10.4
Oil & Gas*	1,623	6.5
Utilities*	1,253	5.0
Professional ICT & Other Services	236	1.0
Healthcare	59	0.2
Education & Research	1,008	4.0
Transportation*	1,147	4.6
Home	2,004	8.0
Plantation & Mining	100	0.4
Others	2,736	11.0
Total	24,901	100.0
* SCADA Related Industries Total	8,408	33.8

Of those sectors that make use of SCADA, the telecommunications sector had recorded the highest investments in ICT amounting to RM2.3 billion or 9.3% of total ICT expenditure from 1996 to 2000, followed by the government sector with 8.3%. Collectively, the government, oil and gas, utilities, telecommunications and transportation sectors had ICT expenditures totaling RM8.4 billion, or 33.8% of the total 5-year ICT expenditure, indicating the potential in the SCADA market.

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

(Source of statistics: *The Eighth Malaysia Plan 2001-2005*)

6.1.2 SCADA Industry

SCADA systems are industrial measurement and control systems that permit users to monitor and control remote facilities from one or several control centres. The benefits conferred by SCADA systems on users include the following:-

- (a) Increase in operational efficiency;
- (b) Enhancement of system reliability;
- (c) Enhancement of operational safety and security;
- (d) Centralised control;
- (e) Reduced manpower requirements;
- (f) Provision of information vital for operations and planning; and
- (g) Reduction in operating and maintenance costs.

The SCADA industry is a niche market. It grows with energy production (oil and gas, electricity etc.) and population (waterworks, sewerage, communications, transport, etc.) and also with the rapidly increasing capabilities of computer and telecommunications technology. World demand as at 2001 is estimated at approximately US\$3.10 billion per year and the global market is expected to grow at a compound annual rate of 5.7% from 1996 through 2006 and reach US\$4.02 billion in revenues in 2006.

The industry is expected to experience strong growth in Asia in 2001 and 2002 as investments pour steadily into infrastructure and utility projects. However, growth rates are expected to dip in 2003 and 2004 before resuming an upward trend. The dip for the two (2) years is mainly due to the expected decrease in the demand for workstation-based systems. The following table sets out the revenue estimates and forecasts for the SCADA industry in Asia:-

Year	Revenue (US\$ Million)	Growth Rate (%)
2000	607.17	3.3
2001	650.85	7.2
2002	715.51	9.9
2003	748.87	4.7
2004	757.89	1.2
2005	821.51	8.4
2006	929.27	13.1

The drivers of growth in the SCADA market are:-

(i) Trend towards Process Automation

The global trend towards process automation is opening up new markets for SCADA systems. Factories have not historically required the supervisory control offered by SCADA systems, but some industries are now finding the prospects of uniform quality control and resource allocation decisions across multiple production facilities to be very attractive. In Asia, the lack of automation in both the infrastructure and industrial base is perceived to be a limiting factor for continued economic growth. Furthermore, the growing cost of labour should increase expenditures on SCADA and other industrial automation.

(ii) Commitment to Infrastructure Development

The developing countries are committing to infrastructure development as they strive to achieve economic independence and to entice international investment. As they invest in and upgrade their infrastructure, the need for SCADA systems will continue to grow. Highlighted below are the pending and awarded infrastructure development projects in a few selected countries in Asia in 1999:-

Country	Other	W&WW	Power	Oil & Gas
Malaysia	-	-	11	-
Singapore	1	1	-	-
Philippines	2	-	8	-
Indonesia	4	2	13	-
China	5	1	34	-
Taiwan	8	1	8	-
Korea	5	-	8	-
Japan	3	-	2	-

Key:-

Other = Transit and Telecommunications
W&WW = Water and Wastewater
Power = Energy and Electrical Utilities
Oil & Gas = Oil and Gas Pipelines etc.

(iii) Energy Ceiling in Asia

In Asia, rapid economic growth has put tremendous pressure on current infrastructures. The lack of additional energy production capacity is seen to be a limiting factor in continued economic growth. Thus, electric power production is at the top of all government priority lists throughout the region.

Motivations for SCADA systems are various and may include any of the following: to decrease power costs, reduce manpower requirements, increase operational efficiency, improve the level of service, avoid environmental incidents or have a fully integrated generation, transmission, distribution and billing system. The table below briefly highlights the industrial electrical generation capacity for countries around Asia with a forecast through to 2002:-

Electrical Generation Capacity in Billion KW (Asia), 1996-2002

Country	1996	1997	1998	1999	2000	2001	2002	CAGR %
Malaysia	48.1	51.7	55.8	60.4	65.6	71.3	77.5	8.5
Singapore	22.5	23.9	25.0	26.2	27.5	28.9	30.5	5.0
Philippines	27.3	29.0	30.8	32.7	35.0	37.4	40.2	6.9
Indonesia	66.7	72.4	76.7	81.5	86.8	92.8	99.2	6.6
China	1,004.4	1,135.0	1,239.4	1,357.2	1,490.2	1,639.2	1,885.1	11.1
Taiwan	124.9	133.6	141.6	151.2	161.8	173.3	186.0	7.0
South Korea	220.0	224.4	215.2	227.2	243.1	261.3	281.7	7.0
Japan	1,030.1	1,035.3	1,046.4	1,043.2	1,089.1	1,141.4	1,198.4	3.4

Key:-

CAGR = Compound Annual Growth Rate

(iv) Personal Computer Based Systems

The development of robust, reliable personal computer based systems is expected to significantly expand potential markets. Historically, SCADA systems have used minicomputers or workstations and cost millions to install. Cost-driven industries and developing nations cannot afford such investments. Today, personal computers are sufficiently powerful to handle most small applications, at a fraction of the price. The demand for such systems is also driven by the strong customer preference for Windows operating systems.

(v) The Middle Class in Developing Countries

The emerging middle classes in developing countries are demanding various amenities, including potable water, wastewater treatment, reliable electricity and central heating.

(vi) Expansion of Natural Gas

Natural gas companies are expanding into the worldwide electricity generation market. Clean, relatively cheap and abundant, natural gas is playing an increasingly larger role in the world energy market as gas companies are looking to enter the electricity generation market as a competitive fuel to petroleum and coal. This requires pipelines to reach end-users, and pipelines need SCADA monitoring for leaks, flow and routing.

(vii) Environmental Regulations

In the water and wastewater industries, increasingly stringent environmental regulations in developed nations and more effective governmental bodies in developing countries are projected to accelerate new SCADA system demand.

(viii) Urbanisation

The expansion of urbanisation and transportation in developing countries, coupled with the clogging of commuter arteries in metropolitan areas of developed countries, is expected to drive the demand for traffic flow control systems. As the number of projects in this area continues to increase, demand for SCADA systems that control power line status, traction power and traffic flow is anticipated to increase over the future years.

(ix) China Open for Business

The people of China will need energy for industrial growth, gas pipelines for home heating, water and wastewater facilities, telecommunications, and transit systems all across dozens of provinces with varying terrain.

(Source: Frost & Sullivan – World SCADA Systems and Software Markets #7248-12)

The SCADA industry has steadily evolved towards open standards, i.e. Open Database Connectivity databases, Windows-Intel personal computers, standard graphics systems and interconnectivity to mainstream computer systems. The critical needs of this market are for automated and remote-controlled systems that provide high reliability 24 hours a day throughout the year. System performance must provide timely reporting of remote problems, secure activation of selected controls, and flexibility and accuracy of operating reports. In recent times, there has been an increasing need for video monitoring of remote sites in addition to the monitoring of electrical signals which simulate physical events. This need is addressed by the Group, which aims to create a leading edge SCADA product with advanced features to meet the needs of discerning users. This is evident from *SysLink II*, which incorporates full motion video into the SCADA package to allow the customer to actually "see and believe".

6.2. Group Vision

The Group's vision is to be a world class SCADA solutions provider in Asia. To this end, the Group has undertaken significant amounts of design and development over the years, resulting in the development of its own SCADA software packages and hardware products. The Group is now an integrated solutions provider with capabilities in master station and systems software, RTUs, remote video surveillance systems, communications systems, custom engineering, training, and maintenance and after-sales support.

The Group believes that the best performers in this industry will be the ones who develop their own software and hardware and offer a one-stop-centre, providing technology, software and hardware in conjunction with customer care services.

6.3. Markets

(a) Singapore and Malaysia

The Group has established itself as a major SCADA solutions provider to the government and statutory bodies in Singapore and Malaysia. Its activities in these markets are primarily in the supply of systems to various utilities and niche applications such as lift monitoring, non-revenue-water monitoring and cable oil pressure monitoring. These markets are an important source of revenue for the Group through expansions and upgrades of existing systems and maintenance contracts.

(b) Asia

The Group has also ventured into regional markets in South East Asia and East Asia over the last fifteen (15) years, through the appointment of agents or partners in the various countries. The Group has successfully implemented SCADA solutions in various applications in Taiwan, Thailand, Indonesia, Hong Kong and the Philippines.

(c) Europe and Middle East

The Group has also recently pursued projects in the European and Middle Eastern markets. The Group's marketing efforts in Europe are undertaken in conjunction with its business partner Lee Dickens Ltd. of the United Kingdom.

The percentages of the Group's revenue derived from export markets (other than Singapore) for the financial period ended 31 December 2000 and the ten (10) months ended 31 October 2001, are as follows:-

Country	% Contribution to Group Revenue	
	Financial Period Ended 31.12.2000	10 Months Ended 31.10.2001
Hong Kong	-	-
Taiwan	1	-
Thailand	-	-
Indonesia	1	1
Philippines	2	-

The WMSC Group intends to continue to pursue projects in the above-mentioned markets. As at the date of this Prospectus, the Group is unable to project with accuracy the amount of revenue which will be derived from these markets or the time frame within which such revenue will be achieved, as this will depend on the prevailing conditions in these markets.

6.4. Growth Strategy

The Group's growth strategy as embodied in its Five-Year Business Development Plan has the following objectives:-

(a) Widening of Existing Customer Base

The Group plans to expand its marketing efforts to achieve a more balanced portfolio of clients. This is to ensure that its business activities are not too dependent on any particular market segments. Furthermore, the commercial potential of technologies developed by the Group's R & D has not been fully developed due to its hitherto limited resources in business development.

(b) Achievement of Growth Targets

The Group has set challenging growth targets for the next five (5) years, and identified the areas with growth potential as well as the steps required to be taken to achieve the targets.

The Group will take a four-pronged approach in achieving the above objectives. This approach will ensure that the Group capitalises on its existing strengths in its core business of SCADA solutions, as well as any businesses with good growth potential that are synergistic with the Group's core business. The following outlines the Group's approach:-

(i) Image and Brand Enhancement

In the last three (3) years, the Group has achieved significant milestones which have raised its profile:-

- (A) Accorded MSC status on 31 March 1998 by the MDC;
- (B) Awarded a grant of RM2.873 million under the Multimedia Super Corridor Research & Development Grant Scheme on 20 April 2000; and
- (C) Garnered the financial and management support of OSKVE, the venture capital arm of OSK Holdings Berhad, a company listed on the Main Board of the KLSE.

The Group's listing on the MESDAQ Market will further enhance its prestige. The Group plans to use its listed status as a platform to further build up the "Willowglen" brand name which is currently used on its SCADA systems, and its image as a reputable and dependable supplier of SCADA technology.

(ii) Development of New Markets

The Group plans to penetrate regional markets by setting up representative offices to spearhead its business development activities. Having a local representative office will increase the ability of the Group to identify business opportunities, have enhanced contact with potential clients, and provide support to clients. These attributes will increase the effectiveness of the Group's marketing efforts in regional markets as compared with working through an agent or partner.

The Group plans to focus initially on the more developed countries where there is a larger market for SCADA applications. The Group plans to open its first representative office in Hong Kong within six (6) months of its listing, following which similar offices will be opened in Taiwan, Thailand and Indonesia.

(iii) Marketing of New Products and Solutions

The Group is targeting the following SCADA applications:-

(A) Electrical Power Distribution Systems

The management believes that the electrical power sector is one of the largest markets for SCADA systems globally. The management further believes that SCADA systems for electrical power distribution hold a huge potential for growth. These systems are used to monitor and control electrical power transmission and distribution sub-stations and are becoming essential to the daily operations of electrical utility companies as they strive to improve their level of efficiency and service.

(B) Oil and Gas Production, Transmission and Distribution

The oil and gas industry is another significant user of SCADA systems. Solutions in this area include pipeline management systems, multi-product pipelines and tank-farm management systems.

Multi-product pipelines are used to deliver refined petroleum products such as petrol, diesel and jet fuel from refineries to main consumption centres. They are becoming very popular in replacing road tankers as they are much more efficient and cost effective in the long term. This has led to the need for more tank-farms to store the refined products prior to delivery. All these infrastructures require SCADA systems and provide a potential area of growth for the Group.

(C) Building Management Systems

As building management systems are installed in most commercial buildings, they represent a significant potential market for the Group. Within building management systems, there are various sub-systems such as building automation, services and security. The Group will specialise in building services and security, which encompass applications such as video monitoring, lift monitoring and alarm systems, as such applications would utilise the Group's core expertise.

(D) Streetlight Monitoring Systems

Streetlight monitoring applications are a very recent innovation in the SCADA industry. The system monitors and controls streetlights over a large geographical area from a single control centre. This application has a lot of potential in the more developed countries such as Singapore, Hong Kong and Malaysia where a higher level of service is expected from lighting utility companies.

(iv) Development of New Businesses in Synergistic Areas

The Group is looking into developing new businesses with strong growth potential in industries that it is familiar with. The Group has developed in-depth knowledge in some industries where it has been supplying systems over a number of years. These industries are water and sewerage treatment, oil and gas, electrical distribution, building management and bulk material handling.

6.5. Products and Services

The Group normally provides SCADA systems on a turnkey basis. The Group's existing products and services are as follows:-

6.5.1. Software

The Group markets its SCADA software under the *SysLink* brand name.

The initial version, *SysLink I*, was developed in 1993. It was developed for the Windows 3.1 and later the Windows NT systems running on personal computer technology. It closely integrates with commercially available databases and spreadsheet applications, hence providing a flexible and cost-effective solution for users.

The development of the enhanced version, *SysLink II*, began in 1995. *SysLink II* is currently the Group's primary SCADA package. *SysLink II* is a more powerful package than *SysLink I* and includes remote video monitoring features. It runs on both UNIX workstations and Windows based personal computer systems. Its architecture is capable of monitoring and controlling a very large number of remote devices, hence making it a highly scalable solution for projects of any size. *SysLink I* and *II* were fully and independently developed by the Group without any external input. The development of the next generation version, *SysLink III*, is currently nearing completion. *SysLink III* has been actively marketed from early 2002 onwards. It provides further enhanced features to meet today's demanding specifications.

6.5.2. Hardware

The Group has a wide range of modems, RTUs and communication controllers for different kinds of applications. Its hardware products, developed by its engineers, include the latest video compression, transmission and decompression capabilities. The Group's RTUs have been designed to be fully compatible with one another. This means that a Willowglen SCADA system can be implemented or upgraded with a combination of RTUs, giving customers a wide range of performance and cost possibilities.

6.5.3. Services

As an integrated solutions provider, the Group also provides its customers with services for custom engineering design (both hardware and software), training, maintenance and after-sales support.

The Group is committed towards quality as shown by its ISO 9001 accreditation. WG Spore was awarded the ISO 9001 accreditation on 9 June 1995.

6.6. Competition

The SCADA industry is a niche market which differentiates vendors by product innovations, experience in successful implementations, quality of service, and pricing. The Group therefore faces competition from different sources in different kinds of projects.

Four (4) types of SCADA competitors have been identified: traditional SCADA companies, large process control companies that occasionally consider SCADA projects, small systems suppliers that provide basic systems based on personal computers and/or programmable logic controllers, and systems integrators using off-the-shelf SCADA packages.

Direct competition comes from companies that have a complete SCADA system product line. The most effective competition comes from competitors who are of approximately the same size as the Group and who, like the Group, have both the financial and human resource flexibility to make quick and specific decisions about investment and sales strategies.

Indirect competition comes from suppliers in the process control industry who attempt to broaden their market by extending their product sales to SCADA applications. This has been sporadic and not seen as a significant threat to the Group.

In large tenders, competition comes from multinational companies such as Honeywell and ABB. An advantage that the Group has over these competitors is that the Group is focused on delivering SCADA solutions, whilst the large competitors are usually diversified groups with only a division providing SCADA solutions as a complement to their other businesses.

In small tenders, the Group faces competition from small local engineering companies. These companies usually import SCADA related software and hardware, and then repackage and sell them as solutions. The Group has a price/cost advantage over these competitors as it designs and produces its own SCADA software and hardware.

The directors believe that the Group's competitors include but are not limited to the following:-

- (a) Honeywell of the United States of America;
- (b) ABB of Switzerland;
- (c) Siemens of Germany;
- (d) Invensys of the United Kingdom;
- (e) Yokogawa of Japan;
- (f) Valmet Systems of Canada;
- (g) Dectra of Malaysia;
- (h) CSE Systems & Engineering of Singapore;
- (i) Johnson Controls of the United States of America; and
- (j) Cisco Technologies of Singapore.

The above-named competitors are also serving the Malaysian market, amongst others.

The Group's competitive strategy involves the following:-

(i) Lower Hardware Costs

The ability to control the cost of products through direct design and production is significant in comparison to buying or licensing foreign technology. It also allows direct control of the production schedule ensuring that customer schedules are met.

(ii) Localised Design

Being able to design hardware and software to meet the challenges of the local tropical climate is critical in being able to meet local customer demands. Examples include lightning protection and high humidity and temperature conditions.

(iii) Customisation

The ability to design special software or hardware for the customers' specifications is key in acquiring jobs.

(iv) Strong R & D Presence

The fact that the Group is strong in its R & D efforts plus the Group's long track record gives customers added security that the Group will endure for the long term with continued enhancements to its products.

(v) Local Market Presence and Support

The Group has a large local presence in Malaysia and Singapore to address the market. Whereas large foreign companies may only have a local sales office, the Group can give a high level of direct technical support rather than awaiting answers from a foreign head office many time zones away.

(vi) Coopetition

The Group employs a judicious mixture of competition and cooperation with suppliers, customers and firms producing complementary and related products, which leads to new business relationships and market expansion.

As the world market for SCADA is relatively small, there is a lack of industry statistics. As such, the Group is unable to provide its market share in Malaysia due to lack of information.

6.7. Premises

The Group currently operates from two (2) business premises. WG Spore occupies 13,300 square feet of office space in New Tech Park, Singapore. WG Msia and WMSC conduct their operations from Enterprise 4, Technology Park Malaysia, which forms part of the MSC, in premises of 12,438 square feet which are rented from Technology Park Malaysia.

6.8. Research and Development

The Group's policy on R & D is to innovate and create products which will give the Group a competitive advantage in the market. The Group's R & D programs have produced advanced yet competitive solutions that provide many value-added features to customers.

The Group conducts in-house R & D to ensure continuous product development and presently employs 30 professionals who are fully engaged in R & D in Technology Park Malaysia. WMSC is responsible for R & D within the Group and received a grant of RM2.873 million under the Multimedia Super Corridor Research & Development Grant Scheme.

The Group's current R & D program is divided into two (2) main parts which together make up the third generation SCADA system, *SysLink III*:-

- (a) Development of the third generation SCADA software package with multi-system and internet connectivity. The Group is of the view that the future of the industry lies in a highly integrated and open environment between many utilities and tasks which the customer may use. The Group intends to use the advancements in multimedia, network and internet technology in the development of *SysLink III* so as to be able to meet the requirements of the 21st century; and
- (b) Development of a series of highly advanced and modular field equipment products for capturing and processing field information as well as for video capture and storage. With the advancements in processor technology and miniaturisation, the units developed will be compact, powerful, reliable, versatile, intelligent and user-friendly. Additional work includes the development of interfacing products to allow the units to communicate with various protocols as well as graphical devices.

Existing customers of the Group can be upgraded to *SysLink III*, although this is much easier with *SysLink II* due to the similarity of the products. The Group is developing a tool which will enable the older system database and graphics to be converted to *SysLink III*. The cost of upgrading largely depends on the amount of customisation which was required for the original project i.e. interfacing to third party equipment, and how the customised portions can be converted across.

In conjunction with the development of the *SysLink III* SCADA package, an additional series of related software packages is being developed. Although some of these packages can be marketed directly on their own, several of these packages provide clients with additional functions for their SCADA systems as needed on a project basis. The packages being developed include:-

- (i) Interconnections to Geographic Information Systems and Management Information Systems;
- (ii) Internet connectivity;
- (iii) Maintenance management package;
- (iv) SCADA training simulator;
- (v) Video and audio capture and playback; and
- (vi) Graphical programming interface.

The development of internet connectivity will allow users of *SysLink III* to interact with the system from any location via a standard internet browser such as Microsoft Explorer or NetScape. This will enable system users to remotely access the system from any personal computer. Internet connectivity therefore provides SCADA users with an alternative channel for monitoring and controlling their operations. In addition, customers may wish to have selected information to be made available for public access over the internet.

In respect of field equipment, a highly complex processing section and input/output sections, as well as video-related features such as built-in motion detection, improved capturing, compression, enhancement and recording, will be developed. The Group's hardware development is moving towards high performance technologies which are industry-wide standards. SCADA systems based on open platforms and industry standards will be preferred as customers continue to look for highly scalable solutions which also allow them to integrate easily with the latest hardware.

The development of *SysLink III* is expected to be completed in the first half of 2002, with subsequent enhancements being developed thereafter. The Group has been continuously developing new SCADA products since 1993 and is aware of the importance of continuous R & D in order to stay ahead of the competition. As such, the Group is looking into diversifying the application of its technology for developments of a non-SCADA nature as a way to broaden its scope and capabilities. Possible areas of application include building automation and instrumentation.

6.9. Major Customers

The Group's major customers are mainly from the following sectors:-

- (a) Electrical power transmission and distribution;
- (b) Oil and gas production and distribution;
- (c) Water and sewerage treatment;
- (d) Urban control applications; and
- (e) Bulk material handling systems.

For the financial period ended 31 December 2000 and the ten (10) months ended 31 October 2001, there was only one (1) customer who contributed 10% or more to the Group's total revenue, namely the Housing Development Board of Singapore. This customer contributed approximately 64% and 68% to the Group's total revenue for the financial period ended 31 December 2000 and the ten (10) months ended 31 October 2001 respectively. The Group has built up its relationship with this customer over the last 15 years. All the other customers contributed less than 10% each to the Group's total revenue.

The contribution of the Housing Development Board's contracts to the Group's turnover for the financial years ended 30 June 1997 to 2000, the financial period ended 31 December 2000 and the ten (10) months ended 31 October 2001 is set out in the table below.

Financial Year / Period Ended	Contribution to Group Turnover	
	RM'000	%
30 June 1997	7,735	40
30 June 1998	14,333	52
30 June 1999	13,632	56
30 June 2000	12,468	54
31 December 2000	8,396	64
31 October 2001	16,086	68

6.10. Major Suppliers

For the financial period ended 31 December 2000, there was no supplier who individually supplied 10% or more of the Group's total purchases.

For the ten (10) months ended 31 October 2001, there were no suppliers who individually supplied 10% or more of the Group's total purchases, save as disclosed below:-

Name of Supplier	Materials Supplied	Length of Relationship (Years)
Besa Engineering Pte. Ltd., Singapore	Printed circuit boards	4

WG Spore was incorporated in 1986 as a marketing and technical support base in Singapore for Willowglen Systems Ltd. In 1992, Willowglen Systems Ltd. was sold to another company, which subsequently changed its name to Willowglen Systems Inc. In 1995, Willowglen Systems Inc. disposed of WG Spore to Crimson Land Berhad (formerly known as MCB Holdings Berhad).

Currently, Willowglen Systems Inc. is one of the suppliers of the Group as the RTUs for two (2) existing projects, being the Philippines Metropolitan Waterworks & Sewerage Services project and the Singapore PowerGas project ("PowerGas") are supplied by Willowglen Systems Inc. who will also support the PowerGas Master Software through the Group. Presently, the Group has no contractual obligation to Willowglen Systems Inc. However, as mentioned above, Willowglen Systems Inc. will support their installed systems through the Group.

Willowglen Systems Inc. has had a presence in Asia since 1997, but has abstained from competing with the WMSC Group in Singapore and Malaysia because the company knows of the Group's strong presence in these countries.

6.11. Employees

The Group has a flat organisational structure that keeps all levels of the organisation actively involved in projects in meeting the dynamic needs of the industry.

As at 11 March 2002, the Group had 146 full-time employees in the following categories:-

Category	No. of Employees	%	Average Length of Service (Years)
R & D	30	20	* 2.1
Business development	11	8	2.8
Engineering	51	35	3.2
Total knowledge workers	92	63	
Technicians	42	29	3.4
Administrative workers	12	8	4.9
Total	146	100	

* WMSC was incorporated in May 1998 and commenced actively recruiting R & D personnel in June 1999. These personnel were recruited in several batches.

The Group recognises the importance of its employees and updates them on the latest developments in the industry as well as increases their technical know-how by sending them to various courses throughout the year. The Group also intends to offer an Employees' Share Option Scheme subsequent to being listed on the MESDAQ Market.

The Group has ambitious plans for growth and with the higher profile achieved through the listing exercise, the ability of the Group to attract qualified knowledge workers in the future to cater for the anticipated growth will be enhanced.

The Group does not have any information of employees being members of labour unions and the employees enjoy cordial relationships with the management. There have not been any industrial disputes in the past between the employees and the management.

6.12. Technology, Intellectual Property and Licences

The Group does not have any registered intellectual property rights in the form of patents, trademarks, copyright or designs. It is also not a party to any licensing agreements.

6.13. Operating Licences

The Group's business activities do not presently require any special permit or licence from any authorities.

6.14. Approvals and Conditions

WMSC's proposed listing is subject to the approval of the following authorities:-

- KLSE (approval obtained on 14 March 2002)
- SC (approval obtained on 20 June 2001)

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

Based on the Register of Substantial Shareholders of WMSC as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders and Promoters in the issued share capital of the Company before and after the Issue are as follows:-

Shareholder	Nationality / Place of Incorporation	Before Issue			After Issue		
		Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
New Advent *	Malaysia	124,900,237	-	67.15	124,900,237	-	50.36
Dindings #	Malaysia	-	124,900,237	-	-	124,900,237	-
Wong Ah Chiew @	Malaysian	-	124,900,237	67.15	-	124,900,237	50.36
OSKVE	Malaysia	20,000,000	-	10.75	1,500,000	-	0.60
Michael Wayne Price *	Canadian	14,847,337	-	7.98	20,000,000	-	8.06
Diong King Ewu *	Malaysian	8,939,879	-	4.81	14,847,337	-	5.99
					9,114,879	-	3.68

Notes:-

* Promoters of WMSC

Deemed substantial interest through New Advent

@ Deemed substantial interest through Dindings

7.1.2. Background on Substantial Shareholders and Promoters

The Promoters of WMSC are New Advent, Michael Wayne Price and Diong King Ewu. Mr. Price and Mr. Diong are directors of WMSC and their profiles are set out in the section on "Board of Directors".

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

New Advent was incorporated in Malaysia on 30 December 1996 under the Companies Act, 1965 as a private limited company with the name of Rittal (M) Sdn. Bhd. It assumed its present name on 16 July 1999. It is an investment holding company, its sole asset being its shareholding in WMSC. Its issued and paid-up capital is RM20 comprising 20 ordinary shares of RM1.00 each. The directors of New Advent are Mr. Wong Ah Chiew and Ms. Ong Yee Ching. New Advent is a wholly owned subsidiary of Dindings.

Dindings was incorporated in Malaysia on 2 December 1968 under the Companies Act, 1965 as a private limited company with the name of Dindings Development & Finance Sdn. Bhd. It changed its name to Dindings Realty Development Sdn. Bhd. on 23 November 1979 and subsequently to Dindings Consolidated Sdn. Bhd. on 25 May 1984. Its principal activities are investment holding and property development. Its issued and paid-up capital is RM11,399,990 comprising 11,399,990 ordinary shares of RM1.00 each.

Mr. Wong Ah Chiew and Mdm. Khor Chai Moi, who are directors of WMSC, are also directors and substantial shareholders of Dindings. The profiles of Mr. Wong and Mdm. Khor are set out in the section on "Board of Directors".

OSKVE is the venture capital arm of OSK Holdings Berhad, a company listed on the Main Board of the KLSE. It is a wholly owned subsidiary of OSK Holdings Berhad. Its directors are Mr. Ong Leong Huat @ Wong Joo Hwa (the husband of Mdm. Khor Chai Moi) and Dato' Nik Mohamed bin Nik Yahya. Mr. Ong Leong Huat @ Wong Joo Hwa is also the Group Managing Director and Chief Executive Officer of OSK Holdings Berhad. Dato' Nik Mohamed bin Nik Yahya is an Executive Director of OSK Holdings Berhad.

7.1.3. Directorships in Other Public Corporations

None of the substantial shareholders or Promoters of WMSC has held directorships in any other public corporations for the past two (2) years ended 11 March 2002, save for Mr. Wong Ah Chiew whose directorships are shown in the section on "Directorships of Directors in Other Public Corporations".

7.1.4. Substantial Shareholdings in Other Public Corporations

None of the substantial shareholders or Promoters of WMSC has had substantial shareholdings, whether directly or indirectly, in any other public corporations for the past two (2) years ended 11 March 2002, save for Mr. Wong Ah Chiew whose substantial shareholdings are shown in the section on "Substantial Shareholdings of Directors in Other Public Corporations".

7.2. Changes in Substantial Shareholders

The changes in the registered substantial shareholders of WMSC and their shareholdings since incorporation up to the date of this Prospectus are as follows:-

Name	---As at 20.5.1998---		---As at 3.8.1998---		---As at 14.8.1998---		---As at 7.8.2000---		---As at 9.10.2000---	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wong Ah Chiew	1	50.00	-	-	-	-	-	-	-	-
Khor Chai Moi	1	50.00	-	-	-	-	-	-	-	-
WG Msia	-	-	2	100.00	100,000	100.00	# 1,000,000	100.00	-	-
Yuen Kai Mun	-	-	-	-	-	-	-	-	23,281,245	50.00
Salimah binti Mohamad	-	-	-	-	-	-	-	-	23,281,245	50.00
OSKVE	-	-	-	-	-	-	-	-	-	-
Michael Wayne Price	-	-	-	-	-	-	-	-	-	-
New Advent	-	-	-	-	-	-	-	-	-	-
Name	---As at 24.10.2000---	%	---As at 27.10.2000---	%	---As at 30.10.2000---	%	---As at 1.11.2000---	%	---As at 1.11.2000---	%
	No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares	
Wong Ah Chiew	-	-	-	-	-	-	-	-	-	-
Khor Chai Moi	-	-	-	-	-	-	-	-	-	-
WG Msia	-	-	-	-	-	-	-	-	-	-
Yuen Kai Mun	23,281,245	* 34.98	23,281,245	* 27.86	23,281,245	* 12.71	-	-	-	-
Salimah binti Mohamad	23,281,245	* 34.98	23,281,245	* 27.86	23,281,245	* 12.71	-	-	-	-
OSKVE	20,000,000	30.04	20,000,000	* 23.93	20,000,000	* 10.92	20,000,000	* 10.75	-	-
Michael Wayne Price	-	-	10,200,000	12.21	14,847,337	8.11	14,847,337	* 7.98	-	-
New Advent	-	-	-	-	75,486,169	41.22	124,900,237	67.15	-	-

Subdivision of shares of RM1.00 each into shares of RM0.10 each.
* Shareholding diluted due to increase in issued and paid-up capital.

7.3. Moratorium on Promoters' Shares

Pursuant to the Listing Requirements, Shares held by the Promoters amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market, are to be placed under moratorium. The Promoters whose Shares are subject to moratorium are as follows:-

Promoter	After Issue		Under Moratorium	
	No. of Shares	%	No. of Shares	%
New Advent	124,900,237	50.36	97,803,413	39.44
Mr. Michael Wayne Price	14,847,337	5.99	8,611,456	3.47
Mr. Diong King Ewu	9,114,879	3.68	5,185,131	2.09
	148,862,453	60.03	111,600,000	45.00

The moratorium has been fully accepted by the Promoters. They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of the MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under moratorium on a straight-line basis.

This restriction is specifically endorsed on the Share certificates of WMSC representing the respective shareholdings of the Promoters which are under moratorium to ensure that the Company's Registrars shall not register any transfer not in compliance with the moratorium restrictions.

In addition, Dindings and its controlling shareholders, who all have indirect interests in WMSC, have given undertakings that they will not sell, transfer or otherwise dispose of any part of their interest in New Advent and Dindings respectively until the expiry of three (3) years from the date of the Company's admission to the MESDAQ Market.

7.4. Board of Directors

Mr. Diong King Ewu, a Malaysian aged 52, is the Managing Director of WMSC. He holds a Bachelor's degree in Electrical Engineering from the University of Singapore. Mr. Diong began his career in 1975 in the Public Utilities Board of Singapore. He started as an engineer in the Electricity Department, where he was responsible for the installation, operation and maintenance of power distribution networks. In 1978, he was transferred to the Water Department, where he was responsible for the installation, operation and maintenance of large pumping plants and standby generator sets. In 1981, Mr. Diong moved to Colosseum Corporation Pte. Ltd. of Singapore as manager of the industrial control division, where he was responsible for the marketing, sales and technical support of Willowglen SCADA systems and industrial process control systems.

In 1985, Mr. Diong joined Willowglen Systems Ltd. as its regional marketing manager, responsible for the marketing and technical sales support of Willowglen SCADA systems in ASEAN countries. In 1986, Mr. Diong was appointed a director of WG Spore and in 1995, he was appointed Managing Director of WG Spore. In 2000, he was appointed Managing Director of WMSC. He is well-placed to lead the Group, with 20 years of experience in SCADA systems.

Mr. Michael Wayne Price, a Canadian citizen aged 36, is an Executive Director of WMSC and the General Manager of WMSC. He has been with the Group since 1989. Mr. Price holds a Bachelor's degree in Computer Science from the University of Calgary, Canada. He started his career in the Group as a software engineer, progressing to senior software engineer, project manager, R & D manager and subsequently to his current position. He is responsible for the design and delivery of new SCADA systems, the design and implementation of video capture and monitoring systems, the design of high performance embedded SCADA hardware, as well as the porting of real-time operating systems to the platforms.

Mr. Wong Ah Chiew, a Malaysian aged 54, is a Non-Executive Director of WMSC. He represents the interests of New Advent. Mr. Wong holds a Bachelor of Science in Electrical and Electronic Engineering from Strathclyde University of Scotland. He started his career in 1973 as Assistant District Engineer with Perak River Hydro Electric Power Company Sdn. Bhd., where he worked until 1982.

In 1982, Mr. Wong left the public service to join the Dindings Consolidated Group of Companies as a director where he managed the marketing and administrative aspects of the housing and commercial property projects undertaken by the group. Some of these projects included Taman Dindings, Ayer Tawar; Taman Desa Aman, Teluk Intan; Taman Sri Setapak, Kuala Lumpur; Taman Damai Jaya, Johor and Taman Sri Endah, Kuala Lumpur. Dindings represents the private investment vehicle of Mr. Wong and his family members. Mr. Wong has about 21 years of experience in property development.

In 1992, Mr. Wong was appointed the Managing Director of Crimson Land Berhad (formerly known as MCB Holdings Berhad), a company listed on the KLSE, and subsequently resigned in November 1997. He is currently the Managing Director of PJ Development Holdings Berhad, another company listed on the Main Board of the KLSE.

Mdm. Khor Chai Moi, a Malaysian aged 50, is a Non-Executive Director of WMSC. She also represents the interests of New Advent. Mdm. Khor holds a Bachelor of Business (major in Accounting) from the University of South Queensland, Australia, as well as a Master of Business Administration from the University of Hull, United Kingdom. Mdm. Khor has been the Managing Director of Dindings since 1992. She is also a director of several private limited companies. Mdm. Khor is currently an executive director of PJ Development Holdings Berhad.

Dr. Kamaruddin bin Mohd Said, a Malaysian aged 50, is an Independent Director of WMSC. He is currently the Head of the Anthropology and Sociology Program at Universiti Kebangsaan Malaysia. He received his Master of Arts and Ph.D. from the University of California at Berkeley. Prior to that, he gained his Bachelor of Arts with honours in anthropology and sociology and his Master of Arts in sociology from the University of Malaya. Dr. Kamaruddin is an Associate Professor and teaches anthropology and sociology at Universiti Kebangsaan Malaysia. He specialises in the sociology of industrial relations and economic anthropology and sociology, which place emphasis on and attention to economic behaviour in production, distribution, consumption, savings and investment.

Dr. Yap Chee Sing, a Malaysian aged 44, is an Independent Director of WMSC. He holds a First Class Honours degree in Mechanical Engineering from the Imperial College of Science and Technology, London, and a Ph.D. in Management Studies from the University of Cambridge. He currently holds the post of Chief Executive Officer of KDU College Sdn Bhd. Dr. Yap has previously worked as an engineer with the National Electricity Board, an Associate Professor at the National University of Singapore, a Visiting Scholar at the Hong Kong University of Science and Technology, and a Senior Manager at MDC. Dr. Yap is well known internationally in the field of information systems and sits on the editorial board of several international journals.

Shareholdings in WMSC

Based on the Register of Directors' Shareholdings of WMSC as at the date of this Prospectus, the direct and indirect interests of the directors in the issued and paid-up capital of the Company before and after the issue are as follows:-

Name of Director	Before Issue				After Issue			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Diong King Ewu	8,939,879	4.81	-	-	9,114,879	3.68	-	-
Michael Wayne Price	14,847,337	7.98	-	-	14,847,337	5.99	-	-
Wong Ah Chiew	-	-	* 124,900,237	67.15	1,500,000	0.60	* 124,900,237	50.36
Khor Chai Moi	-	-	-	-	750,000	0.30	-	-
Dr. Kamaruddin bin Mohd Said	-	-	-	-	-	-	-	-
Dr. Yap Chee Sing	-	-	-	-	100,000	0.04	-	-

* Deemed substantial interest through Dindings and New Advent

Directorships of Directors in Other Public Corporations

None of the directors of WMSC has held directorships in other public corporations during the last two (2) years except for the following:-

Name of Director	Name of Company	Date of Appointment
Wong Ah Chiew	PJ Development Holdings Berhad	19.09.2000
Khor Chai Moi	PJ Development Holdings Berhad	19.09.2000
Dr. Kamaruddin bin Mohd Said	OSK-UOB Unit Trust Management Berhad	26.09.2001

Substantial Shareholdings of Directors in Other Public Corporations

Save as disclosed below, none of the directors of WMSC has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years up to 11 March 2002.

Name of Director	Name of Company	Principal Activities	Shareholding			
			Direct No. of Shares	%	Indirect No. of Shares	%
Wong Ah Chiew	PJ Development Holdings Berhad	Investment holding and property investment	1,608,000	0.35	* 76,820,787	16.84
Wong Ah Chiew	OSK Holdings Berhad	Stockbroking	852,085	0.17	# 35,369,483	6.89
Khor Chai Moi	PJ Development Holdings Berhad	Investment holding and property investment	14,787,521	3.24	@ 25,254,005	5.54

* Deemed substantial interest through Dindings and nominee

Deemed substantial interest through Dindings and PJ Development Holdings Berhad

@ Deemed substantial interest through Ladang Setia Sdn. Bhd., family members and nominees

Directors' Remuneration

For the financial period ended 31 December 2000, a total sum of RM440,996 (based on an exchange rate of S\$1.00 = RM2.19, being the average exchange rate for the period) was paid to the directors of WMSC as remuneration for their service in all capacities to the Company and its subsidiaries. For the ten (10) months ended 31 October 2001, a total sum of RM811,512 (based on an exchange rate of S\$1.00 = RM2.13, being the average exchange rate for the period) was paid to the directors of WMSC. The directors fall within the following remuneration bands:-

Remuneration Band (RM)	Number of Directors	
	Period Ended 31.12.2000	10 Months Ended 31.10.2001
0 – 100,000	-	-
100,001 – 200,000	1	-
200,001 – 300,000	-	1
300,001 – 400,000	1	-
400,001 – 500,000	-	-
500,001 – 600,000	-	1

No remuneration was paid or is payable to four (4) of the directors of WMSC who are non-executive directors.

7.5. Audit Committee

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

Name	Designation	Directorship
Dr. Yap Chee Sing	Chairman	Independent Director
Dr. Kamaruddin bin Mohd Said	Member	Independent Director
Khor Chai Moi	Member	Non-Executive Director

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

7.6. Key Management and Technical Personnel

Ms. Ng Hui Lan, a Singaporean citizen aged 43, is the General Manager of WG Spore. She holds a Master's Degree in Business Administration from the University of Brunel, United Kingdom. Ms. Ng graduated with a Bachelor's Degree in Electrical Engineering from the National University of Singapore in 1982. She began her career as a Design and Development Engineer with the Microprocessor Applications Centre of Applied Research Corporation. During her 6 years with the Centre, she was responsible for the design and development of many microprocessor-based products and systems. She left in 1988 to join the Systems and Computer Organisation of the Ministry of Defence ("MINDEF"). She was in a team responsible for the design and implementation of systems and networks for the MINDEF complex in Bukit Gombak, Singapore.

In 1989, Ms. Ng joined IC Equipment Pte. Ltd. as an Electronics Engineering Manager. Her responsibilities included managing a team of engineers in the design and development of control systems (both hardware and software) for equipment and machines used in the production (assembly, testing and packaging) of integrated circuits. She left IC Equipment Pte. Ltd. in 1995 to join Benevision Pte. Ltd., a company dealing with personal computer-based video systems for security applications. Her responsibilities included engineering and sales and marketing of the company's products. In 1997, she was invited back to IC Equipment Pte. Ltd. as the Operations Director. During her 3 years with IC Equipment Pte. Ltd. as Operations Director, she managed the Engineering Design and Development Department, the Product Engineering Department, the Documentation Department, the Purchasing Department, the Manufacturing Department and the Customer Service and Support Department. Ms. Ng joined WG Spore in September 2000.

Mr. Lee Kok Hoong, a Malaysian citizen aged 32, is the Accountant of the WMSC Group. He is a member of the Malaysian Institute of Accountants, and a provisional member of the Malaysian Association of Certified Public Accountants. He graduated from Universiti Malaya in 1994 with a Bachelor of Accounting (Hons.) Mr. Lee began his career in 1994 as a Trainee Accountant with Angkasa Marketing Berhad, a member of the Lion Group of Companies. In mid-1996, he was transferred to Amsteel Securities (M) Sdn. Bhd., also a member of the Lion Group of Companies, as an Assistant Accountant. In 1999, he left to join WG Msia and since then, he has been actively involved in the financial and accounting matters of the Group.

Mr. Cheong Fong Hoon, a Singaporean citizen aged 49, is a Business Development Manager of WG Spore. He holds diplomas in electronic engineering and marketing management from Ngee Ann Technical College, Singapore, as well as a Diploma in Marketing from the Institute of Marketing in the United Kingdom. Mr. Cheong's career began with Singapore Telecom where he served as a Technical Officer from 1976 to 1982. He then moved to Anderson Digital Equipment in Singapore, where he served as a Customer Service Engineer from 1982 to 1983. In 1983, he moved again to Colosseum Corporation Pte. Ltd. as an Assistant Manager in the telecommunications division. Mr. Cheong joined WG Spore in 1988 as Manager of the Special Projects Division. His duties were to oversee the implementation and maintenance of SCADA systems for PowerGrid Ltd., PowerGas Ltd. and the Ministry of Environment, Singapore. In 2000, Mr. Cheong was promoted to his present position, in which he is responsible for developing and managing WG Spore's clientele base.

Mr. Stephen Fielding, a British citizen aged 44, is a Business Development Manager of WG Spore. He graduated from Lancashire University, England in 1981 with a degree in Electrical and Electronic Engineering. Mr. Fielding began his career as a Project Engineer with Transmitton Ltd., a company based in Leicestershire, England specialising in SCADA systems for the mining industry, water utilities and railways. He was promoted to Senior Project Engineer before he left Transmitton Ltd. in 1987 to join Spectra-Tek Ltd. as a Project Manager. Spectra-Tek Ltd., a company based in North Yorkshire, England, specialises in custody metering, terminal automation and pipeline control in the oil and gas industry. He was responsible for the development and execution of projects, and support and negotiation of maintenance contracts. He was subsequently promoted to Engineering Manager. In 1997, he left to join WG Spore as Project Manager with overall responsibility for the execution of SCADA projects. As part of WG Spore's ongoing expansion plan, Mr. Fielding was made a Business Development Manager in 2000 to promote the Group's products and services in the ASEAN region.

Mr. Ronald Toh Boon Haw, a Singaporean citizen aged 35, is Manager of the Projects Division of WG Spore. Mr. Toh holds a Diploma in Mechanical Engineering from Ngee Ann Polytechnic, Singapore and a Bachelor's degree in Mechanical Engineering (Computer Integration) from the University of Glasgow. Upon completing his degree, he joined IC Equipment Pte. Ltd. in Singapore as a Mechanical Engineer in 1995. Between 1995 and 2000, he was promoted several times within the company, eventually attaining the position of Section Manager where he was responsible for project management. Mr. Toh joined WG Spore in December 2000 as Manager of the Projects Division. He is responsible for managing all projects and ensuring that all projects are on schedule and within budget.

Mr. Koh Beng Boon, a Singaporean citizen aged 44, is the Hardware Support Manager of WG Spore. He holds a Diploma in Electronics Engineering from Ngee Ann Technical College of Singapore. Mr. Koh began his career in 1981 as a Technical Assistant with General Electric Consumer Pte. Ltd. He left in 1983 to join International Control System Pte. Ltd. as a Senior Customer Engineer, where he was responsible for the servicing and testing of a wide range of computer systems. In 1988, Mr. Koh joined WG Spore. As Hardware Support Manager, he is responsible for all hardware support related functions on projects undertaken by WG Spore. This includes planning, directing and controlling the entire procurement function of the company. Mr Koh is also responsible for the operations of WG Spore's in-house workshop.

Mr. Lee Beng Hong, a Singaporean citizen aged 43, is the Maintenance Manager of WG Spore. He holds a Diploma in Electronics and Telecommunications Engineering from the Singapore Polytechnic. Mr. Lee started his career in 1982 as a technician with Fairchild Pte. Ltd. in Singapore, responsible for the maintenance of computers and integrated circuit testing machines. He progressed to become a Technical Officer at the Public Works Department of Singapore, where he was responsible for fire alarm/halon systems and other electronics control systems. From there, in 1984 Mr. Lee moved on to Indeco Engineers Pte. Ltd. as an engineer supervising about 20 people in the maintenance of building automation systems and security systems in Changi Airport and various other large buildings. Mr. Lee joined WG Spore in 1989. In his current position, he is responsible for the entire maintenance operation of WG Spore and has about 30 people working under him.

Mr. Ong Choong Hwee, a Singaporean citizen aged 40, is a Software Manager at WG Spore. He holds a Bachelor's degree in Computer Science from the University College of Swansea, United Kingdom. Mr. Ong has about 13 years of experience in software design, development and implementation. He began his career in 1987 as a Systems Engineer with Singapore Computer Systems Pte. Ltd. After he joined WG Spore in 1989, Mr. Ong was sent to WG Spore's then parent company, Willowglen Systems Ltd. in Canada, for 18 months for software training. After returning to Singapore, he was responsible for the installation and maintenance of the SCADA master software. He is the key personnel in the implementation of Housing Development Board of Singapore expansion projects.

Mr. Long Tin Jui, a Malaysian citizen aged 36, is the Project Manager of WG Msia. He graduated from Tunku Abdul Rahman College in 1989 with a Diploma in Electronics Engineering. Mr. Long began his career in 1989 as a technician with Honeywell Engineering Malaysia in the company's Service Department, initially responsible for servicing Honeywell's range of mainframes and minicomputers, and later moving on to servicing building automation system products. His final move was to control systems products where, as a Service Engineer, he was involved in servicing, installing and commissioning control systems. He left the company in 1993 to join Foxboro (M) Sdn. Bhd. as a System Engineer. At Foxboro, he was involved in the design, programming and implementation of various projects, where he was also a team leader. After 2 years, he left to join Yokogawa Electric (Malaysia) Sdn. Bhd. in 1995 as a System Engineer, where he was subsequently promoted to Senior Project Engineer in 1998. During his 4 years with Yokogawa Electric, he was involved in various aspects of project lifecycle such as project management, designing, engineering and liaison. He joined WG Msia in 1999 as Project Manager. In his current position, he has overall responsibility for the execution of all SCADA projects implemented by WG Msia and has 10 people working under him.

The WMSC Group's management team comprises high calibre people who have vast experience and expertise in the SCADA industry. The team has an average of more than 10 years' experience in the industry. They are made up of two (2) distinct groups i.e. one who joined the Group in the late 1980s and the other in the 1990s. The former group has been loyal to the Group for the past 10 years and has also been associated with the Managing Director in their undertakings prior to joining the Group. The latter group was recruited for their expertise and experience in advanced technology. Barring any significant turnover, the management team is expected to competently meet the challenges of the future expansion.

Shareholdings in WMSC

Amongst the key management and technical personnel, the following persons hold Shares in WMSC:-

Name	Before Issue				After Issue			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Cheong Foon Hong	995,858	0.54	-	-	1,195,858	0.48	-	-
Lee Kok Hoong	1,800,000	0.97	-	-	2,037,000	0.82	-	-
Stephen Fielding	531,124	0.29	-	-	531,124	0.21	-	-
Lee Beng Hong	995,858	0.54	-	-	995,858	0.40	-	-
Long Tin Jul	-	-	-	-	250,000	0.10	-	-

None of the key management and technical personnel holds any options in respect of any Shares in WMSC.

Directorships in Other Public Corporations

None of the key management and technical personnel of the WMSC Group has held directorships in other public corporations during the last two (2) years.

Substantial Shareholdings in Other Public Corporations

None of the key management and technical personnel of the WMSC Group has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years.

7.7. Relationships and Associates

There are no family or business relationships amongst the substantial shareholders, Promoters, directors, key management and technical personnel of the Group save for the following relationships amongst the controlling shareholders of New Advent and Dindings:-

- (a) Mr. Wong Ah Chiew is the brother-in-law of Mdm. Khor Chai Moi who is married to his brother Mr. Ong Leong Hual @ Wong Joo Hwa; and
- (b) Mdm. Khor Chai Moi is the mother of Ms. Ong Yee Ching who is one of the directors of New Advent.

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

7.8. Service Agreements

Mr. Diong King Ewu and Mr. Michael Wayne Price are employed under ordinary letters of appointment with no special terms. All employees of the Group have standard employment contracts.

8. SUMMARY OF FIVE-YEAR BUSINESS DEVELOPMENT PLAN

The following is a summary of the Five-Year Business Development Plan dated 30 November 2000 prepared by WMSC for the purpose of inclusion in this Prospectus.

8.1. Background of the Group

The Group is an integrated provider of customised SCADA systems, being involved in all stages of the design, development, production, supply, installation and maintenance of such systems. It has a 15-year track record as a turnkey solutions provider in SCADA systems. There are three (3) companies in the Group i.e. WMSC, WG Spore and WG Msia.

8.2. Plans and Strategy

The Group plans to grow by widening its customer base and achieving the growth targets which it has set. It will take a four-pronged approach in achieving these objectives. Firstly, the Group plans to use its listed status as a platform to further build up the "Willowglen" brand name and its image as a reputable and dependable supplier of SCADA technology. Secondly, the Group plans to penetrate regional markets by setting up representative offices to spearhead its business development activities. Thirdly, the Group will target specific segments of the SCADA market with significant potential, namely electrical power distribution systems, oil and gas production, transmission and distribution, building management systems and streetlight monitoring systems. Fourthly, the Group will look into developing new businesses with strong growth potential in industries that it is familiar with.

In terms of product development, the Group's R & D program is focused on two (2) main areas which together make up the third generation SCADA system, *SysLink III*. The two (2) areas comprise the development of the third generation SCADA software package with multi-system and internet connectivity, and the development of a series of highly advanced and modular field equipment products for capturing and processing field information as well as for video capture and storage.

8.3. Human Resource Policy

The Group has a strong emphasis on hiring qualified technical and management personnel in view that its competitive edge will depend on the knowledge capital of its people. As a MSC status company, WMSC is also able to hire foreign knowledge workers. In recognition of the crucial importance of employees to its success, the Group plans to implement various incentives including a performance-oriented salary scheme and an employees' share option scheme. The employees' share option scheme will be implemented after the Group's listing on the MESDAQ Market, subject to shareholders' approval.

8.4. Conclusion

The Group is well positioned to take advantage of the anticipated growth of the Asian SCADA market with its technological know-how and past experience. The above represents the strategies and policies of the Group to achieve its vision of being a world class SCADA solutions provider in Asia.

9. STATUTORY INFORMATION

9.1. History of the Group

The history of the Group goes back to December 1986, with the incorporation of WG Spore as a marketing and technical support base for its then Canada-based parent company, Willowglen Systems Ltd. Since its incorporation, WG Spore has grown into an ISO 9001 certified company with businesses in the ASEAN region and Taiwan.

In April 1995, WG Spore was acquired by Crimson Land Berhad (formerly known as MCB Holdings Berhad), a public company listed on the KLSE. As part of its expansion, WG Msia was incorporated in July 1995 to establish a stronger presence in Malaysia. In 1996, WG Spore started to embark on R & D activities with the objective of having its own SCADA software and hardware so as to be technically independent of its former Canadian parent company. In September 1997, Crimson Land Berhad disposed of WG Spore and WG Msia to three (3) Malaysian professional entrepreneurs, Mr. Liew Tien How, Mr. Aik Siaw Kong and Mr. Tan Hoon Kai.

On 31 March 1998, WMSC was granted MSC status and was subsequently incorporated in May 1998. In March 1999, the R & D activities were relocated to WMSC in Malaysia with the transfer of the key R & D personnel from WG Spore.

Subsequently in June 1999, the three (3) entrepreneurs divested their interests in WG Spore to New Advent and various employees of the Group. Concurrently, WG Msia obtained a new investor, Malta Industri Sdn. Bhd., which later became its sole shareholder in January 2000. Subsequently in October 2000, Malta Industri Sdn. Bhd. disposed of its shares in WG Msia to Mr. Yuen Kai Mun and Puan Salimah binti Haji Mohamad who later disposed of their interests to New Advent.

In October 2000, all three (3) companies underwent a restructuring exercise whereby WMSC acquired WG Spore and WG Msia resulting in the current corporate structure.

9.2. Incorporation

WMSC was incorporated in Malaysia on 20 May 1998 under the Companies Act, 1965 as a private limited company with the name of Willowglen MSC Sdn. Bhd. Pursuant to its proposed listing, the Company was converted into a public limited company on 27 November 2000.

9.3. Share Capital and Changes in Share Capital

As at the date of this Prospectus, WMSC has an authorised capital of RM100,000,000 comprising 1,000,000,000 Shares and an issued and paid-up capital of RM18,600,000 comprising 186,000,000 Shares. Upon completion of the Issue, the enlarged issued and paid-up capital of WMSC will be RM24,800,000 comprising 248,000,000 Shares.

The details of the changes in the Company's issued and paid-up share capital since its date of incorporation are set out below:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
20.05.1998	2	1.00	Cash	2
14.08.1998	99,998	1.00	Cash	100,000
07.08.2000	-	0.10	Subdivision of shares of RM1.00 each into shares of RM0.10 each	100,000
09.10.2000	45,562,490	0.10	Acquisition of WG Msia *	4,656,249
24.10.2000	20,000,000	0.10	Cash	6,656,249
27.10.2000	17,000,000	0.10	Cash	8,356,249
30.10.2000	99,585,932	0.10	Acquisition of WG Spore #	18,314,842
01.11.2000	2,851,578	0.10	Cash	18,600,000

* *The acquisition of WG Msia was carried out via a Deed of Reorganisation dated 4 October 2000 amongst Yuen Kai Mun and Salimah binti Haji Mohamad ("Vendors"), WG Msia and WMSC. The acquisition was approved by the shareholders of WG Msia and WMSC, and completed on 9 October 2000. Brief details of the acquisition are as follows:-*

- (a) *WG Msia transferred 1,000,000 Shares comprising the entire issued and paid-up capital of WMSC to the Vendors for a cash consideration of RM100,000. The consideration was based on the issued and paid-up capital of WMSC at par value; and*
- (b) *The Vendors as beneficial owners of WG Msia transferred 3,600,000 ordinary shares of RM1.00 each comprising the entire issued and paid-up capital of WG Msia to WMSC for a total consideration of RM4,556,249 satisfied by the issuance of 45,562,490 Shares by WMSC to the Vendors. The consideration was based on the audited NTA of WG Msia as at 30 June 2000.*

The acquisition of WG Spore was carried out via a Shares Sale Agreement dated 30 October 2000 between all the shareholders of WG Spore ("Vendors") and WMSC. The acquisition was approved by the shareholders of WMSC and completed on 30 October 2000.

Pursuant to the Shares Sale Agreement, WMSC had acquired 1,500,002 ordinary shares of S\$1.00 each comprising the entire issued and paid-up capital of WG Spore from the Vendors for a total consideration of RM9,958,593.20 satisfied by the issuance of 99,585,932 Shares by WMSC to the Vendors. The consideration was based on the audited NTA of WG Spore as at 30 June 2000.

9.4. Share Options

As at the date of this Prospectus, no person has an option or is entitled to be given an option to subscribe for any Shares of the Company or its subsidiaries.

9.5. Listing Proposal

The initial offering by WMSC will involve an Issue of 62,000,000 new Shares at an Issue Price of RM0.20 per Share. Upon completion of the Issue, the issued and paid-up share capital of WMSC will be increased from RM18,600,000 comprising 186,000,000 Shares to RM24,800,000 comprising 248,000,000 Shares.

The Issue of a total of 62,000,000 Shares representing 25.00% of the enlarged issued and paid-up share capital of 248,000,000 Shares, is to be allocated in the following manner:-

- (a) 5,500,000 Shares representing 2.22% of the enlarged share capital of 248,000,000 Shares have been reserved for eligible directors and employees of the Group;
- (b) 52,000,000 Shares representing 20.97% of the enlarged share capital of 248,000,000 Shares will be made available for application under the private placement; and
- (c) 4,500,000 Shares representing 1.81% of the enlarged share capital of 248,000,000 Shares will be made available for application under the public offer.

All the Issue Shares have been fully underwritten by the Underwriters listed in Section 1. In the event of an under-subscription of the public offer, Shares may be transferred from the public offer tranche and allocated by way of private placement, and vice-versa. Any Shares in respect of paragraph (a) not subscribed for will be made available for application under the public offer and/or private placement.

All the Issue Shares to be issued pursuant to the Issue shall rank pari passu in all respects with the existing issued Shares of the Company including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

9.6. Statutory Information on Group Companies

Statutory information on WMSC and its subsidiaries is set out below.

9.6.1. Information on WMSC

(a) History and Business

WMSC was incorporated in Malaysia on 20 May 1998 under the Companies Act, 1965 as a private limited company with the name of Willowglen MSC Sdn. Bhd. and subsequently converted to a public limited company on 27 November 2000. The Company is principally involved in R & D activities pertaining to SCADA technology.

(b) Share Capital

The authorised and issued and paid-up capital of WMSC are as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	1,000,000,000	0.10	100,000,000
Issued and Paid-Up	186,000,000	0.10	18,600,000

Details of the changes in the issued and paid-up share capital of WMSC since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
20.05.1998	2	1.00	Cash	2
14.08.1998	99,998	1.00	Cash	100,000
07.08.2000	-	0.10	Subdivision of shares of RM1.00 each into shares of RM0.10 each	100,000
09.10.2000	45,562,490	0.10	Acquisition of WG Msia	4,656,249
24.10.2000	20,000,000	0.10	Cash	6,656,249
27.10.2000	17,000,000	0.10	Cash	8,356,249
30.10.2000	99,585,932	0.10	Acquisition of WG Spore	18,314,842
01.11.2000	2,851,578	0.10	Cash	18,600,000

(c) Substantial Shareholders

The direct and indirect interests of the substantial shareholders of WMSC before and after the Issue have been set out in Section 7.1.1 of this Prospectus.

(d) Subsidiary and Associated Companies

Details of the subsidiary companies of WMSC are as follows:-

Name of Company	Date and Place of Incorporation	Issued and Paid-Up Capital	Effective Equity Interest (%)	Principal Activities
Subsidiaries				
WG Msia	18.07.1995 Malaysia	RM3,600,000	100.00	Marketing, project implementation and maintenance of SCADA systems
WG Spore	16.12.1986 Singapore	S\$1,500,002	100.00	Marketing, project implementation and maintenance of SCADA systems

WMSC does not have any associated companies.

(e) Employees

As at 11 March 2002, WMSC had 31 employees.

9.6.2. Information on WG Msia**(a) History and Business**

WG Msia was incorporated in Malaysia on 18 July 1995 under the Companies Act, 1965 as a private limited company. WG Msia is principally involved in the marketing, project implementation and maintenance of SCADA systems.

(b) Share Capital

The authorised and issued and paid-up capital of WG Msia are as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and Paid-Up	3,600,000	1.00	3,600,000

Details of the changes in the issued and paid-up share capital of WG Msia since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
18.07.1995	2	1.00	Cash	2
08.04.1996	99,998	1.00	Cash	100,000
14.08.1998	100,000	1.00	Cash	200,000
30.06.1999	1,200,000	1.00	Acquisition of land and buildings	1,400,000
30.06.2000	2,200,000	1.00	Cash	3,600,000

(c) Substantial Shareholders

WG Msia is a wholly owned subsidiary of WMSC.

(d) Subsidiary and Associated Companies

WG Msia does not have any subsidiary or associated companies.

(e) Employees

As at 11 March 2002, WG Msia had 22 employees.

9.6.3. Information on WG Spore**(a) History and Business**

WG Spore was incorporated in Singapore on 16 December 1986 under the Companies Act Cap. 50 as a private limited company. WG Spore is principally involved in the marketing, project implementation and maintenance of SCADA systems.

(b) Share Capital

The authorised and issued and paid-up capital of WG Spore are as follows:-

	No. of Shares	Par Value (\$)	Amount (\$)
Authorised	5,000,000	1.00	5,000,000
Issued and Paid-Up	1,500,002	1.00	1,500,002

Details of the changes in the issued and paid-up share capital of WG Spore since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (\$)	Consideration	Total (\$)
16.12.1986	2	1.00	Cash	2
15.12.1992	500,000	1.00	Cash	500,002
16.04.1996	1,000,000	1.00	Bonus issue	1,500,002

(c) Substantial Shareholders

WG Spore is a wholly owned subsidiary of WMSC.

(d) Subsidiary and Associated Companies

WG Spore does not have any subsidiary or associated companies.

(e) Employees

As at 11 March 2002, WG Spore had 93 employees.

9.7. Summary of Landed Properties

The Group owns two (2) landed properties which are held by WG Msia at net book value as shown below.

Description of Property	Existing Use	Age of Building (Years)	Land / Built-Up Area	Tenure	Net Book Value as at 31.10.2001 (RM)
Pajakan Negeri 17630, Lot No. 35063 and Pajakan Negeri 17631, Lot No. 35064, Mukim Petaling, District and State of Wilayah Persekutuan, being two units of 3-storey terrace shop offices bearing the addresses of No. 1 & 3, Jalan 2/149B, Taman Sri Endah, Bandar Baru Sri Petaling, 57000 Kuala Lumpur	Rental	9	246 sq. m. / 674.64 sq. m.	93-year leasehold expiring on 19.02.2083	1,179,797

9.8. Related Companies with Similar Trade

None of the directors or substantial shareholders of the Company or its subsidiaries has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries.

9.9. Related-Party Transactions and Conflict of Interest

(a) Related-Party Transactions

None of the directors of the Company has any interest, direct or indirect, in the promotion of, or in any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to, the Company or its subsidiaries or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole, save as disclosed in the section on "Material Contracts and Agreements".

Save as disclosed below, there are no current and/or subsisting related-party transactions or arrangements between the Group and its shareholders and/or directors and/or key management and technical personnel:-

- (i) Pursuant to a letter dated 1 January 2002, WG Msia had entered into a contract with New Advent for the provision of secretarial and other general services by New Advent to WG Msia for a fee of RM5,400 per month with effect from 1 January 2002.

(b) Conflict of Interest

AMMB, KPMG and Cheang & Ariff believe there is no issue of conflict of interest in respect of their respective roles in the proposed listing of the Group.