
14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT

Prepared for inclusion in this Prospectus.

I N T E R N A T I O N A L D A T A C O R P O R A T I O N

Date: 10 December 2004

The Board of Directors
Asdion Berhad
Wisma Selangor Dredging
6th Floor South Block
142-A Jalan Ampang
50450 Kuala Lumpur

Dear Sirs

This Executive Summary Report has been prepared for inclusion in the Prospectus to be dated **23 DEC 2004** pursuant to the proposed listing of ASDION Berhad on THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD).

This executive summary report has been prepared with the intention to provide an overview of the packaged software market size and forecast in ASEAN and China as well as the operations of the company within this industry. IDC Market Research (M) Sdn Bhd had conducted the research as an independent third party, basing its report on publicly available information and economic trends at the point in time when the report was prepared to indicate the future direction of the industry.

Yours faithfully,
For and on behalf of
IDC Market Research (M) Sdn Bhd


Selinna Chin
Managing Director
IDC Malaysia, Indonesia and Philippines

IDC Market Research (M) Sdn Bhd (392772-T)
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Analyze the Future

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

EXECUTIVE SUMMARY

Introduction: Company Background

ASDION Berhad and its subsidiaries ("AB" Group or "Group") specializes in the development, maintenance and marketing of back-office and operational management of information technology (IT) solutions for the services sector, particularly the Membership oriented organizations including Country Clubs, Associations, Franchising business, and Loyalty/Redemption programs. The Group's software also meets the needs of the Retail and Wholesale industry including Trading, Import/Export, and Food and Beverage as well as the Travel industry.

The Group perceives most business operations can be logically divided into both Front and Back Office operations. In IDC's Worldwide Software Taxonomy 2003, IDC categorizes the Group's Software into the Back-Office Application and Operations Management software markets.

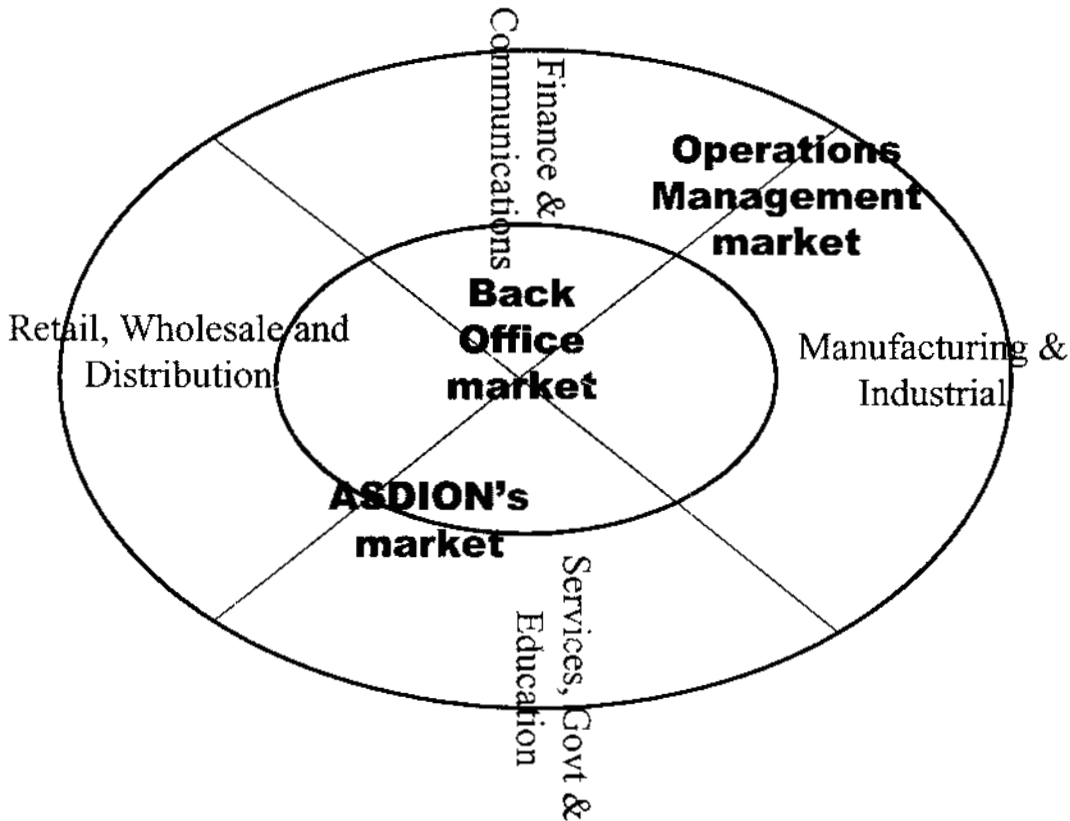
Figure 1 is a representation of where the Group's software products fall into (the industry focus as well as the software markets).

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14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

FIGURE 1

The Group's position in the back office and operations management market by vertical industry segmentation



Source: IDC, 2004

In this case, the type of the Group's products in the 2 software markets is:

- The Group's Back Office products are Accounting and Human Resources (HR).
- The Group's Operations Management products are Point of Sales (POS), Facility Booking Systems and Membership Management Systems.

The obvious advantage to developing both back office and operations management solutions is that these solutions can be integrated to provide real-time management accounting and reporting, which is becoming essential tools to compete in the services industry today.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

The Group's products are based on the Microsoft operating platform, which makes it cost effective platform for Small Medium Enterprises (SMEs) to adopt. This is particularly relevant in the China, Thailand, Malaysia and Singapore economies where the Group's market is primarily located.

The Group, being the intellectual property owner of the range of software it markets, is able to offer customization services to meet the client's requirements as well. This opens up further opportunities to enhance the software product as well as offer value added services such as IT consulting and custom application development.

Table 1 highlights the Group's revenues by its products and services in 2003 and in the 6 months ended 30 June 2004.

TABLE 1

The Group Financial Performance for 2003 and 6 months ended 30 June 2004

	2003 (S\$)	6 months ended 30 June 2004 (S\$)
The Group Business Software Solutions	763,000	317,000
IT Services	483,000	203,000
Turnkey Projects (Custom Development)	667,000	429,000
Total	1,913,000	949,000

Source: The Group & IDC, 2004.

Table 2 summarizes their business software solutions, which fall into the back office and operations management markets.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**TABLE 2****The Group Business Software Type**

	Products	Status	Application description
1	AccLink Version 4.2	Fully Developed	This consists of a user-friendly accounting system, integrating the functions of General Ledger, Accounts Receivable/Payable, Inventory Control, Job Costing and Reporting Tools. It operates in real-time offering advantages of real-time reporting and real-time interfacing with transactions from other operational systems.
2	Memberlink Version 2.0	Fully Developed	Memberlink is a piece of software tailored for members-centric type of industries. It offers online and offline membership management abilities such as a centralized membership database, member portfolio, etc. Integrates with other the Group's back-office applications.
3.	HrLink Version 2.0	Fully Developed	A human resource management system, HRLink is one of the Group's products, which is scalable to all industries. It is able to fulfill all fundamentals HR requirements of an employee, such as Employee Provident Fund (EPF), Bank GIRO, qualification, etc.
4.	TPosLink Version 2.0	Fully Developed	A Web-enabled Point-of-Sales system, TPosLink works on a variety of hardware peripherals such as touch screen, barcode, etc. Integration with Acclink allows customers to operate an end-to-end sales transaction.
5.	PosLink Version 1.0	Fully Developed	Similar to TPosLink, this product is more tailored for the Retail sectors, with barcode integration. It is also able to integrate with the Group's AccLink product.
6.	BookLink	Fully Developed	BookLink is an online facility booking system, which enables real-time reservation of various categories of facilities. Integrated with the Group's MemberLink and AccLink products, it provides a single booking transaction environment.

Source: The Group & IDC, 2003

Packaged software market size and forecast in ASEAN and China

In 2003, China's back-office enterprise applications market valued at US\$645.2 million is bigger than the five combined ASEAN markets. Malaysia was the largest

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14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

back-office enterprise applications market in the ASEAN region, totaled US\$121.5 million in 2003. Singapore was the second largest market in the region, valued at US\$95.1 million while Thailand generated US\$40.1 million revenue in 2003 to rank third.

Packaged software market size in ASEAN and China, 2003

The combined packaged software market for ASEAN and China was valued at US\$3.2 billion in 2003. China's packaged software market contributed more than 64.4% of the total above, generated US\$2 billion in revenue. In the ASEAN region, which consists of Singapore, Malaysia, Thailand, Philippines, and Indonesia, total packaged software market was valued at US\$1.1 billion. Singapore was the biggest packaged software market in the region, at US\$474.1 million, while Malaysia ranked second measured at US\$334.7 million. Thailand was the third largest country in ASEAN in terms of packaged software revenue, valued at US\$162.4 million.

Review by Primary Market

The packaged software market is made up of three primary markets, namely:

- Applications market (where the Group's products fall into),
- System Infrastructure Software market
- Application Development and Deployment Software market

In 2003, applications market was the biggest of the three primary markets in China as well as for most ASEAN countries except for Thailand. In Thailand, applications market was the second biggest primary market (US\$60.8 million), behind system infrastructure software market, valued at US\$63.8 million. This is due to the decrease in back-office enterprise applications market in 2002, where catastrophic events such as the global economy slowdown and the September 11 attack had a long and lasting post-effect on spending for the back office functionality investments in that country. Applications projects were suspended, where enterprises preferred to invest in tangible IT assets such as personal computers (PCs) and Systems.

In China, 47% of the country's packaged software market revenue came from the applications market. In Singapore, applications market was valued at US\$192.9 million, which makes up 41% of the country's packaged software market, while Malaysia's applications market totaled US\$175.7 million, which makes up 53% of the country's packaged software market.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**TABLE 3**

ASEAN and China Packaged Software Market Revenue by Primary Market, 2003 (US\$M)

Country	Applications	System Infrastructure Software	Application Development and Deployment	Total Packaged Software
ASEAN	503.9	355.9	284.9	1144.7
China	979.6	643.3	451.9	2074.8
Total	1483.5	999.1	736.8	3219.5

Source: IDC, v q2 2004

The applications market can be further broken down into 6 secondary software markets, namely Consumer Applications, Collaborative Applications, Content Applications, Back-Office Enterprise Applications, Engineering Enterprise Applications, and Customer Relationship Management Applications.

Back-Office enterprise applications

As a secondary market of the applications market, back-office enterprise applications are enterprise applications that automate and optimize business processes related to resources required to meet business or organizational objectives but are neither customer nor prospect facing, nor specialized to various types of engineering.

The resources automated include people, capital, materials, and facilities. The resulting applications track, route, analyze, and report on these resources. The market includes software that is specific to certain industries as well as software that is theoretically cross-industry (although it is IDC experience that all back-office enterprise applications are in some way specific to certain industries).

Relevant functional applications segments under the back-office enterprise applications are accounting, treasury management, inventory management, procurement/sales-order processing, human resource management, payroll, maintenance management, project management, contract management, logistics, operations management, business performance management, and other back-office.

The Group is positioned in the back-office enterprise applications market, providing accounting, human resource management, and payroll applications, via its AcLink, and HrLink products, while also offers operations management applications for retail and hospitality industry, via its MemberLink, and BookLink products.

In 2002, China's back-office enterprise applications market valued at US\$645.2 million is bigger than the five combined ASEAN markets. This is driven mainly by the fast growth in the adoption of hospital information systems (HIS) and picture archiving and communication systems (PACS) in the healthcare sector, as well as the launching of government projects in China.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

Malaysia was the largest back-office enterprise applications market in the ASEAN region, totaled US\$121.5 million in 2003. Singapore was the second largest market in the region, valued at US\$95.1 million while Thailand generated US\$40.1 million revenue in 2003 to rank third. In Malaysia, manufacturing maturity level in adopting business process applications is seen as the main reason Malaysia is ahead of Singapore in ASEAN. In Singapore, high technology adoption rate of the main verticals such as banking, insurance, healthcare, professional services, and telecommunications/utilities determined the market size of the back-office enterprise applications market. In Thailand, Indonesia, and Philippines, enterprises were still relying on legacy system to run their core business applications. Generally, packaged software maturity level in these markets is still low, and has much room for investment.

TABLE 4

ASEAN and China Back-Office Enterprise Applications Market Revenue, 2003
(US\$M)

Country	Back-Office Enterprise Applications	% to Total Applications Market
ASEAN	303.9	60.3%
China	645.2	65.9%
Total	949.0	64.0%

Source: IDC, v q2 2004

Market Trends and Further Market Segmentation

As identified in the previous section, the Group's product offerings fall under the back office market, where it also offers application integration and other vertical specific solutions. We now look into more granular detail of this market to understand the Group's position.

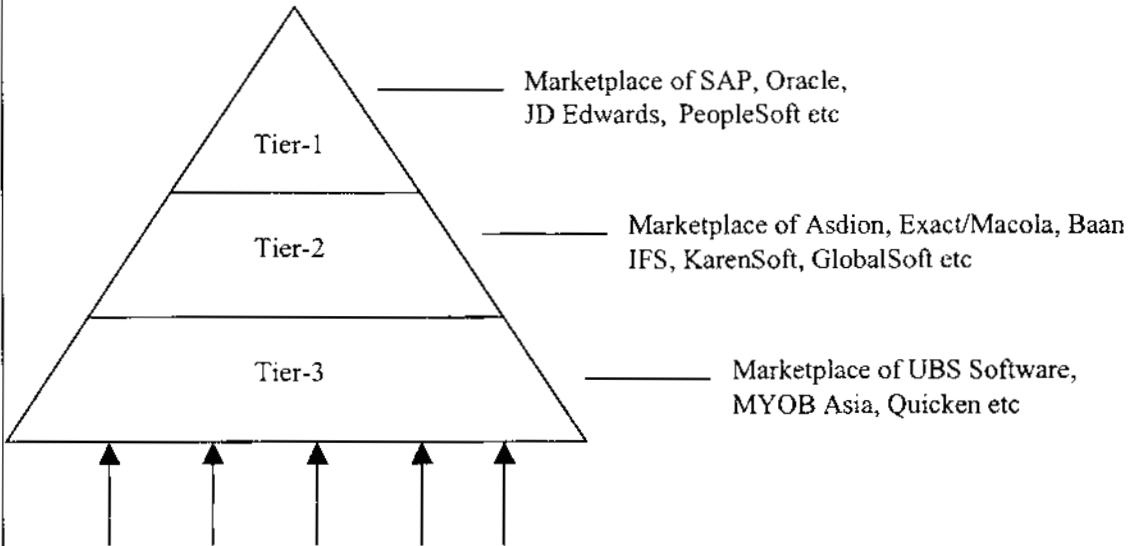
Major back office vendors are now offering their customers an enterprise application suite with all the back office functional modules integrated. However, this is more prevalent in the high-end of the market. The adoption rate of this integrated applications approach in large organizations has been positive, as it would eliminate the need in the future for integration between the various standalone applications.

On the other hand, the smaller and medium size enterprises prefer the single functionality implementation approach, as it would reduce the cost of initial capital investment for purchasing the system.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

FIGURE 2

Further Market Segmentation, Malaysia



Free Enterprise Applications such as Accounting Software

Source: IDC, 2003

Referring to the figure above, IDC has further segmented the Malaysia's back office applications into 3 tiers by taking into consideration the prices of an offered solution and its target customers in terms of employee size. The 3 tiers are used in differentiating vendors and sub-markets. The three segments are:

Tier-1 - A market where vendors like SAP, PeopleSoft, JD Edwards compete. This market consists of players who are able to provide a suite of back office applications to the medium and large organizations. Vendors in Tier-1 normally partner with solution integrators or third party consultants to complete a multi-million dollar project, which involve IT services such as software and hardware customization, IT consulting, training, and also application development.

Tier-2 - This tier involves traditional mid-market players like Exact/Macola, Baan, KarenSoft, IFS, Great Plains/Navision, and AccPac in the marketplace. Applications offered by the vendors in this market are normally less expensive and need less customization to integrate into the current operation of an organization. The market is also the most competitive market among the three tiers. Tier-1 players such as SAP, are offering competitive prices, while Tier-3 players such as UBS is trying to improve its product range, to grab a piece of the Tier-2 market share.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

Tier-3 – This market consists of players like UBS, Quicken, and MYOB offer off-the-shelf standalone applications targeting small and medium sized enterprises. Generally it is the smallest market among the three tiers. Applications available in this market are priced below RM2,499.

Free Accounting Software - Vendors are offering free standalone enterprise software to the market. Revenues are generated through training or sponsorship. Players in this marketplace are not limited by just new startups that want to create a brand reputation. Vendors such as AccPac are also competing here, with its Simply Accounting product, to provide brand recognition to the market. Players are using this as a platform to squeeze into the Tier-3 marketplace.

The Group is positioned in the Tier-2 market. Its software offering such as AccLink and HRLink are best-of-breed Enterprise Resource Management (ERM) applications, which are tailored for various industries. The Group offering of solution integration to other third party products means customers will have less customization on its existing applications. Both products are non-off-the-shelf software priced above RM2,499. These characteristics would categorize The Group as a Tier-2 market player competing against the likes of Exact/Macola, Baan, GreatPlains, IFS, etc. The Group also competes with Tier-1 players like SAP and JD Edwards, etc, when these players decide to tender for a deal in the Tier-2 marketplace, with a customized SME and vertical industry specific packaging. Gradually, the Group plans to inch up to the Tier-1 marketplace, where profit margin is higher, and more post sales services will be involved.

Packaged software market forecast in ASEAN and China, 2003-2008

During the next several years, both ASEAN and China applications markets will record a growth. ASEAN applications market is expected to reach US\$729.9 million in revenue, with a compounded annual growth rate (CAGR) of 7.7% from 2003 to 2008. Applications market in China totaled US\$979.6 million in 2003. Its applications market will increase at a CAGR of 23.9% bringing the applications market to US\$2.8 billion in 2008.

In 2008, Singapore is expected to be the biggest market within ASEAN at US\$269.7 million, with a CAGR of 6.9%, slightly below than the ASEAN region's growth, while Thailand's applications market is expected to have the highest CAGR in ASEAN at 14.1%, reaching US\$117.7 million in 2008. Malaysia's CAGR of 5.8% is the lowest in the whole region, even though the country is expected to remain as the second biggest applications market in 2008.

14. EXECUTIVE SUMMARY OF INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**TABLE 5****ASEAN and China Applications Market Forecast, 2003-2008 (US\$M)**

Country	2003	2008	CAGR 2003-2008
ASEAN	503.9	729.9	7.7%
China	979.6	2856.2	23.9%
Total	1483.5	3586.0	19.3%

Source: IDC, v q2 2004

Back-Office Enterprise Application Market Forecast, 2003-2008

As discussed in the previous section, back-office enterprise applications market is a secondary market under the applications umbrella. It is also the biggest market among the six secondary markets.

Back-office enterprise applications market in ASEAN and China totaled US\$949.0 million in 2003. The total market is expected to increase at a CAGR of 21.2% to reach US\$2.4 billion in 2008. With a CAGR of 26.4%, China's back-office enterprise applications market is expected to value at US\$2 billion in 2007. The immature state of adoption in the software of several countries in ASEAN, such as Thailand and Indonesia, offer opportunities to vendors to expand their footprints.

The less IT developed ASEAN countries, such as Thailand and the Philippines would be the key markets to drive the growth of back-office enterprise applications in this sub-region. Vendors will be competing aggressively in the SME market place, with AFTA approaching. The trend that is emerging is that organizations are engaging in smaller applications implementation, which promise quick return on investment, lower total cost of ownership, and fast implementation time. Organizations have been working on a tight IT budget, where justification is needed for every dollar spent on overall IT hardware, software and services.

TABLE 6**ASEAN and China Back-Office Enterprise Applications Market Forecast, 2003-2008 (US\$M)**

Country	2003	2008	CAGR 2003-2008
ASEAN	303.9	404.2	5.9%
China	645.2	2,080.4	26.4%
Total	949.0	2,484.6	21.2%

Source: IDC, v q2 2004

15. EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION

Prepared for inclusion in this Prospectus.



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EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION

(Prepared for inclusion in the Prospectus)

10 December 2004

The Board of Directors
Asdion Berhad
Wisma Selangor Dredging
6th Floor South Block
142-A Jalan Ampang
50450 Kuala Lumpur

Dear Sirs

1.0 INTRODUCTION

Ernst & Young Transaction Advisory Services has been appointed by Asdion Berhad ("AB" or the "Company") to comment on the fairness of the purchase consideration of the acquisition by AB of 100% of the entire equity interest in Techtron Integrated Systems (S) Pte Ltd ("TIS") comprising 600,000 ordinary shares of SGD1 each for a purchase consideration of SGD671,783, equivalent to RM1,453,134 (based on an exchange rate of SGD1 to RM2.1631) satisfied by the issuance of 14,529,980 new ordinary shares of RM0.10 each in the Company at an issue price of approximately RM0.10 per share ("Acquisition").

This report has been prepared for the purpose of inclusion in the Prospectus to be dated 23 DEC 2004 in connection with a public issue of 12,000,000 new ordinary shares of RM0.10 each in AB at an issue price of RM0.50 per ordinary share and the listing of the entire issued and paid-up share capital of AB on the MESDAQ Market of Bursa Malaysia Securities Berhad.

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15. EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION (Cont'd)

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2.0 GENERAL INFORMATION**2.1 Background Information****TIS and its Subsidiary Companies ("TIS Group")**

TIS was incorporated in Singapore on 28 October 1993 and its principal activities are those of software development, information communication technology and related activities. The authorised and issued and paid-up share capital of TIS as at 30 June 2004 are SGD1,000,000 comprising 1,000,000 ordinary shares of SGD1 each and SGD600,000 comprising 600,000 ordinary shares of SGD1 each respectively.

The 95% owned subsidiary company of TIS, Asdion Software Pte Ltd ("AS"), was incorporated in Singapore on 3 April 2000 and its principal activities are those of consultants and distributors of e-commerce and related products and services. The authorised and issued and paid-up share capital of AS as at 30 June 2004 are SGD500,000 comprising 500,000 ordinary shares of SGD1 each and SGD400,000 comprising 400,000 ordinary shares of SGD1 each respectively.

The wholly-owned subsidiary company of AS, Asdion Software (Shanghai) Ltd ("ASSL"), was established in the People's Republic of China on 18 September 2001 and its principal activities are research and development in software coding and the marketing and provision of computer hardware and software solutions. The registered and paid-in capital of ASSL as at 30 June 2004 is USD140,000.

2.2 Details of the Acquisition

On 28 September 2004, AB entered into a sale and purchase agreement with Consoplan Strategy Development Sdn Bhd, Yap Tai Tee, Daily Capital Management Sdn Bhd, Alan Chua Hock Kwang and All Muar Sdn Bhd, to acquire their respective equity interests totalling 100% of the equity interest in TIS for a total cash consideration of SGD671,783, equivalent to RM1,453,134 (based on an exchange rate of SGD1 to RM2.1631).

AB has informed us that in the formulation of the flotation scheme, the purchase consideration for the Acquisition was arrived at based on the audited net tangible assets ("NTA") of TIS Group as at 30 June 2003 adjusted for the issuance of 250,000 new ordinary shares of SGD1 each in TIS at an issue price of SGD1 per share subsequent to 30 June 2003.

The Acquisition was completed on 28 September 2004.

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15. EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION (Cont'd)

AF: 0039

3.0 OUR ASSESSMENT

Our engagement and the opinion expressed herein are for the benefit of AB's Board of Directors in connection with the Acquisition.

Our opinion is based on information made available to us and that the TIS Group is viewed as a going concern.

In rendering our opinion, we have relied on the historical audited financial statements of TIS Group as at 30 June 2003 and the latest audited financial statements available as at 30 June 2004, which were audited by another firm of auditors, together with the qualitative benefits accruing to AB arising from the Acquisition as represented to us by the management of AB.

We have assumed and relied upon the accuracy and completeness of all financial and other information supplied to us by AB's Board of Directors.

We have not conducted a physical inspection of any of the assets of the TIS Group, nor have we made any independent evaluation or appraisal of any such assets. We are not expressing any opinion regarding the value of any asset of the TIS Group or the value that would be realised upon its liquidation.

Acquisition

We are of the opinion that adjusted net tangible assets ("Adjusted NTA") of the TIS Group is an appropriate basis of valuation in respect of the Acquisition.

The purchase consideration is arrived at based on Adjusted NTA as follows:-

	←—TIS Group—→	
	SGD	RM
Audited NTA as at 30 June 2003	421,783	912,359
Increase in share capital on 1 November 2003	250,000	540,775
Adjusted NTA	671,783	1,453,134

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15. EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION (Cont'd)

AF: 0039

3.0 OUR ASSESSMENT (CONT'D.)

Based on the latest audited financial statements as at 30 June 2004, the audited NTA of the TIS Group amounts to SGD1,086,025, equivalent to RM2,349,181 (based on an exchange rate of SGD1 to RM2.1631).

The purchase consideration of SGD671,783 or RM1,453,134 in respect of the Acquisition represents a relatively significant discount of SGD414,242 or RM896,047 or 38% when compared with the audited NTA of the TIS Group as at 30 June 2004.

	← TIS Group →	
	SGD	RM
Purchase consideration	671,783	1,453,134
Audited NTA as at 30 June 2004	1,086,025	2,349,181
Discount on the audited NTA of TIS Group as at 30 June 2004 ("Discount on Acquisition")	<u>(414,242)</u>	<u>(896,047)</u>
Discount on Acquisition as percentage of audited NTA as at 30 June 2004	<u>38%</u>	<u>38%</u>

In arriving at a fairness opinion on the purchase consideration, we have also taken cognisance that the Acquisition will enable AB to achieve the following:-

- (i) immediate access into an established distribution network in Singapore, Malaysia and Thailand; and
- (ii) transfer of research and development activities to Malaysia, including product market research, product design, prototype development, programming and coding, and system testing, maintenance and enhancement.

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15. EXPERT'S REPORT ON FAIRNESS OF PURCHASE CONSIDERATION (Cont'd)



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4.0 OPINION

In conclusion, we are of the opinion that the purchase consideration for the Acquisition is fair and reasonable to AB.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ernst & Young'.

ERNST & YOUNG
AF: 0039
Chartered Accountants

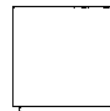
A handwritten signature in black ink, appearing to be 'Yeo Eng Seng'.

Yeo Eng Seng
1212/12/04(J)
Partner

Kuala Lumpur, Malaysia

16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS

Prepared for inclusion in this Prospectus.



YOONG & PARTNERS
Advocates & Solicitors

YOONG NIM CHOR
MOLLINA SENGUPTA

LYNNE NG SU-LING

YAK HUAY SHEAN

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Our Reference: YNC/NSL/030142Z

10 December 2004

The Board of Directors
Asdion Berhad
Wisma Selangor Dredging
6th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur

Dear Sirs

TECHTRON INTEGRATED SYSTEMS (S) PTE LTD ("TIS") AND ASDION SOFTWARE PTE LTD ("AS")

- (A) OWNERSHIP AND TITLE TO SECURITIES/ASSETS IN SINGAPORE**
- (B) ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS UNDER SINGAPORE LAWS**
- (C) DIVIDEND POLICIES**
- (D) POLICIES OF FOREIGN INVESTMENTS, IN PARTICULAR, THE REPATRIATION OF PROFITS AND THE TIMEFRAME FOR THE REPATRIATION OF PROFITS**

We are a law firm practising Singapore law. We are given to understand that Asdion Berhad, a company incorporated in Malaysia had entered into a sale and purchase agreement dated 28 September 2004 (the "Sale and Purchase Agreement") to acquire the entire issued share capital in TIS comprising 600,000 ordinary shares of SGD\$1.00 each for a consideration of RM1,453,134 to be satisfied by the issuance of 14,529,980 new ordinary shares of RM0.10 each in Asdion Berhad (the "Acquisition"). We are further given to understand that the Acquisition was completed on 28 September 2004.

AS is a 95% owned subsidiary of TIS. TIS and AS (hereinafter, collectively referred to as the "Companies") are both incorporated and operating in Singapore .

We have been requested by the Companies to advise on the following in relation to each of the Companies:

- (a) ownership of title to the securities/assets of the respective Companies in Singapore;
- (b) enforceability of agreements, representations and undertakings given by each of the respective Companies under Singapore laws;

YOONG & PARTNERS is a member firm of



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16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)

YOONG & PARTNERS

To: *Asdion Berhad*

10 December 2004

- (c) the dividend policies of the respective Companies; and
- (d) the current position in Singapore laws regarding foreign investment policies in Singapore, in particular the repatriation of profits from Singapore to Malaysia and the timeframe for the same.

This opinion has been prepared for the purposes of inclusion in the prospectus ("Prospectus") in connection with the listing of Asdion Berhad on the MESDAQ Market of Bursa Malaysia Securities Berhad.

1. INTRODUCTION

Our opinion herein is limited to matters of the laws of the Republic of Singapore as currently applied by the Singapore courts at the date of this opinion and we express no opinion with respect to the laws of any other jurisdiction. We have made no investigation of the laws of any country or jurisdiction other than the Republic of Singapore and do not express or imply any opinion thereof. This letter addresses exclusively the Acquisition and we express no view with respect to any other matter and are under no obligation to advise you of any matters that may occur after the date of this letter which could render the views expressed herein no longer applicable.

2. DOCUMENTS

For the purposes of rendering our opinion, we have been provided with and have reviewed the copies of the following:

- (a) minute books and statutory registers of TIS and AS;
- (b) the Sale and Purchase Agreement dated 28 September 2004 made between Asdion Berhad and Consoplan Strategy Sdn Bhd, Yap Tai Tee, Daily Capital Management Sdn Bhd, Alan Chua and All Muar Sdn Bhd (the "Vendors") in respect of the Acquisition;
- (c) the sale and purchase agreement dated 7 December 2001 between Sin Soon Lee Development Ltd and TIS in relation to, and a Land Register Search Printout on the property ("Property") bearing address no. 51, Bukit Batok Crescent, #05-23, Singapore 658077; and
- (d) certain other agreements executed and representations and warranties by TIS and AS.

Other than the documents ("Documents") referred to above which we have reviewed for the purpose of this opinion, we have not reviewed any other document and have not made any other enquiries or investigations in connection with the rendering of this opinion. Our opinion herein is accordingly subject to there not being anything contained in any document not reviewed by us that may require us to vary or amend this opinion.

L.

16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)

YOONG & PARTNERS

To: Asdion Berhad

10 December 2004

3. ASSUMPTIONS

In considering the Documents, we have assumed:

- (a) the authenticity of all seals, chops and signatures, duty stamp or marking, and the authenticity and completeness of each document submitted to us, that each signature on behalf of each party thereto is that of a person authorised to execute the same, the conformity with the relevant originals of all documents submitted to us as copies thereof and the authenticity and completeness of the documents from which such copies were taken and the correctness of all facts and information stated or given in all of such documents;
- (b) the minute books and statutory registers of TIS and AS submitted to us for examination are true and complete and the board resolutions and shareholders resolutions set out in the minute books of TIS and AS have not been rescinded or modified and they remain in full force and effect and that no other resolution or action has been taken which could affect the validity of the board resolutions or shareholders' resolutions; and
- (c) the representations and confirmation made by TIS and AS are true, accurate and complete.

The making of the above assumptions does not imply that we have made any enquiry to verify any assumption (other than as expressly stated in this opinion). No assumption specified above is limited by reference to any other assumption.

4. OPINION

Based upon and subject to the foregoing and to the reservations and qualifications set forth below it is our opinion that:

TIS

(a) Ownership and Title to Securities/Assets in Singapore

There are no restrictions in Singapore laws which would prohibit the transfer and ownership of shares in TIS to Asdion Berhad. The Acquisition does not infringe any governmental laws and regulations in Singapore and there are no provisions in the Memorandum and Articles of Association of TIS which prohibits the Acquisition. However, the Acquisition must comply with the Memorandum and Articles of Association of TIS concerning the transfer of its shares. It must also comply with the terms and conditions of the Mortgage (defined below) and the Charge over Cash Deposits dated 2 July 2004 in favour of Standard Chartered Bank (Singapore).

Save for the mortgage ("Mortgage") lodged on 27 January 2004 in favour of Standard Chartered Bank (Singapore), TIS is the only beneficial owner of the Property.

(b) Enforceability of Agreements, Representations and Undertakings

h.

16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)**YOONG & PARTNERS***To: Asdion Berhad**10 December 2004*

Agreements, representations and undertakings given by a Singapore company are generally enforceable in the Singapore courts in accordance with their terms unless:

- (i) the validity, performance and enforcement is limited by statutes of limitation, lapse of time, waiver and laws relating to bankruptcy, insolvency, reorganisation, liquidation, moratorium arrangements or similar laws affecting creditors' rights generally; and
- (ii) where the obligations are illegal or contrary policy.

(c) Dividend Policies

We are given to understand that that TIS does not have a fixed dividend policy. However, the Memorandum and Articles of Association of TIS provides for the declaration of dividends upon approval in general meeting and no dividend shall exceed the amount recommended by the directors. Further, the directors of TIS may also, from time to time pay to the shareholders, such interim dividends as appears to the directors to be justified by profits of the company. Under the laws of Singapore, dividends may only be paid out of profits.

AS**(a) Ownership and Title to Securities/Assets in Singapore**

AS is the proprietor of the Trademarks referred to in Section 6.7 of the Prospectus.

(b) Enforceability of Agreements, Representations and Undertakings

Agreements, representations and undertakings given by a Singapore company are generally enforceable in the Singapore courts in accordance with their terms unless:

- (i) the validity, performance and enforcement is limited by statutes of limitation, lapse of time, waiver and laws relating to bankruptcy, insolvency, reorganisation, liquidation, moratorium arrangements or similar laws affecting creditors' rights generally; and
- (ii) where the obligations are illegal or contrary policy.

(c) Dividend Policies

We are given to understand that that AS does not have a fixed dividend policy. However, the Memorandum and Articles of Association of AS provides for the declaration of dividends upon approval in general meeting and no dividend shall exceed the amount recommended by the directors. Further, the directors of AS may also, from time to time pay to the shareholders, such interim dividends as

16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)**YOONG & PARTNERS***To: Asdion Berhad**10 December 2004*

appears to the directors to be justified by profits of the company. Under the laws of Singapore, dividends may only be paid out of profits.

Subject to the settlement of the applicable taxes described in the following paragraph, Singapore places no restrictions nor time frame on the reinvestment or repatriation of earnings and capital, and maintains no significant restrictions on remittances, foreign exchange transactions and capital movements.

Companies which are controlled or managed in Singapore are regarded as residents in Singapore and are subject to Singapore income tax on income that is accrued in or derived from Singapore and foreign income received or deemed to be received in Singapore. The corporate tax rate in Singapore is 22% for the year of assessment 2003, with certain exemptions for the first S\$100,000 of chargeable income. Subject to any applicable tax treaty, non resident taxpayers are subject to withholding tax at the Singapore corporate tax rate on certain types of income derived from Singapore.

5. QUALIFICATIONS

Our opinion is subject to the following qualifications:

- (1) the term "enforceable" as used above means that the obligations assumed by TIS and AS under any agreement are of a type which the Singapore courts would generally enforce. It does not mean that the obligations under any agreement will necessary be enforced in accordance with their terms, in particular:-
 - (a) the validity, performance and enforcement of the agreement may be limited by statutes of limitation, lapse of time, waiver and by laws relating to bankruptcy, insolvency, reorganisation, liquidation, moratorium arrangements or similar laws affecting creditors' rights generally and claims may be or become subject to set off or counter claim;
 - (b) where obligations are to be performed in a jurisdiction outside Singapore, they may not be enforceable in Singapore to the extent that performance would be illegal or contrary to public policy under the laws of that jurisdiction;
 - (c) enforcement may be limited by general principles of equity – for example, equitable, equitable remedies such as injunction and specific performance, are discretionary and may not be available where damages are considered to be an adequate and appropriate remedy;
 - (d) enforcement proceedings are subject to the general jurisdiction of the court in regard to awards of costs, even as against a successful party;
 - (e) any provision in any of the agreement providing for the severance of any provision which is illegal, invalid or unenforceable may not be binding under the laws of Singapore as it depends on the nature of the illegality, invalidity or unenforceability in question which issue would be determined by a Singapore court at its discretion;



16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)

YOONG & PARTNERS

To: *Asdion Berhad*

10 December 2004

- (f) a Singapore court may refuse to give effect to clauses in any of the agreements in respect of the costs of unsuccessful litigation brought in a Singapore court or where the court itself made an order for costs;
 - (g) in appropriate circumstances and at the court's discretion, the courts of Singapore may render judgments in foreign currencies (such judgments may, however, have to be converted into local currencies for enforcement purposes);
 - (h) the courts of Singapore may refuse to accept jurisdiction or stay proceedings in certain circumstances (for example, if the matter concerned is *res judicata*, if litigation is pending in another forum on the same matter or if another forum is more convenient;
 - (i) where as party to any of the agreements is vested with a discretion or may determine a matter in its opinion, Singapore law may require such discretion to be exercised reasonably or that such an opinion is based upon reasonable grounds;
 - (j) an obligation to pay an amount may be unenforceable if the amount is held to constitute a penalty;
 - (k) we have assumed that the choice of the laws of Singapore in the respective agreements is *bona fide* and not in contravention of public policy. The choice of law governing any agreement will only be recognised and upheld by the Singapore courts provided that the same is *bona fide* and there being no reasons for avoiding it for reason of contravention of public policy. A choice of law clause may also not be upheld if it was made with the express purpose of avoiding the law of a jurisdiction with which the relevant agreement has the most substantial connection and which, if in the absence of the stated choice of law would have invalidated the relevant agreement or been inconsistent with it;
 - (l) failure to exercise a right may be held by a Singapore court to operate as a waiver of that right notwithstanding any provision to the contrary in any of the agreement;
 - (m) the effectiveness of any provisions exculpating a party from liability or duty otherwise owed may be limited by law; and
 - (n) the terms and conditions of the agreements may be amended, revised, varied and/or supplemented orally or by course of conduct notwithstanding any provisions to the contrary.
- (2) Save as expressly stated in this opinion, we express no opinion on the accuracy and completeness of any statements or warranties of fact set out in any agreement, which statements and warranties we have not independently verified.

16. EXPERT REPORT/LEGAL OPINION PERTAINING TO TIS AND AS (Cont'd)

YOONG & PARTNERS

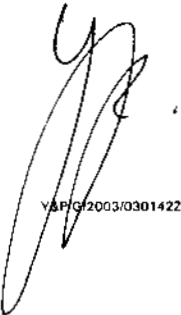
To: *Asdion Berhad*

10 December 2004

- (3) Save as expressly stated in this opinion, we express no opinion as to the ability of the relevant parties to any of the agreements to observe and comply with their respective obligations thereunder.

Kindly acknowledge receipt of this letter.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Y.P.', is written over the typed name 'YOONG & PARTNERS'.

Y&P/2003/0301422/Ltr-Asdion BHD- Expert Report TIS and AS-(Eng) 10Dec04

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL

Prepared for inclusion in this Prospectus.

源泰律师事务所

YUAN TAI LAW OFFICES

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The Board of Directors

Asdion Berhad

Wisma Selangor Dredging

6th Floor, South Block

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50450 Kuala Lumpur

Reports on the following:

- **Dividend policy**
- **The Ownership of Title to the Securities/Assets in People's Republic of China;**
- **Enforceability of Agreements, Representations and Undertakings Under the Laws of People's Republic of China; and**
- **Policies of Foreign Investment and Repatriation of Profits as well as the Time-Frame for Repatriation of Profits**

Dear Sirs,

We, as the duly qualified and licensed attorney in People's Republic of China ("PRC"), hereunder present the legal opinion under pertinent PRC law as to the general status of Asdion Software (Shanghai) Ltd (hereafter referred to as the "ASSL"). This report has been prepared for the purposes of inclusion in the Prospectus in connection with the listing of Asdion Berhad ("AB") on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)**Introduction**

In conjunction with and as an integral part of the listing of AB on the MESDAQ Market of Bursa Securities, AB has implemented a restructuring which involves, inter alia, the acquisition by AB of the entire 100% issued and paid-up share capital of Techtron Integrated Systems (S) Pte Ltd ("TIS") for a purchase consideration of RM1,453,134 satisfied by the issuance of 14,529,980 ordinary shares of RM1.00 each in AB ("Share") at an issue price of approximately 10 sen per Share ("Acquisition"). As at the date of the Acquisition and this Report, TIS owns 95% of the equity interest in Asdion Software Pte Ltd which in turn owns 100% of ASSL.

Documents -Inspected

For the purposes of providing our opinion, we have, other than the general due diligence investigation of the all the files, archives, documents and materials as provided by ASSL, we have also reviewed the following specific documents and materials upon the presentation of this Report, including but without the limitation to:

1. <Approval Certificate of Foreign Investment Enterprise of PRC> (*shangwaizihuzhangduzizi*[2001] No. 2068)
2. <Business License of Commercial Legal Entity> as accredited annually (Duplicate) (Registration Serial Number *qiduhupuzongfuzidi* No.314473 pudong)
3. <Tax Registration Certificate of Foreign Investment Enterprise> as accredited annually (Duplicate) (*guoshuihuzi* No.31011572947303X)
4. <Tax Registration Certificate of Foreign Investment Enterprise> as accredited annually (Duplicate) (*dishuihuzi* No.31011572947303X)
5. <Financial Registration Certificate of Foreign Investment Enterprise> as accredited annually (Duplicate) (*dengjizheng* No.31011572947303X)
6. Article of Association of ASSL
7. Letter produced by Zhong Lun Law Firm dated 15 December 2003

This Report is based on the following PRC laws and regulations:

1. The PRC Foreign Investment Law and its implementation rules
2. The PRC Company Law
3. The PRC Tax Administration Law
4. The PRC Contract Law

17. **EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)**

Assumptions

Upon reviewing of the aforesaid duplicates, we are on the assumption that:

1. All duplicates are identical and authenticated to its originals
2. all signatories affixing his name upon the documents are duly and legitimately authorized and competent to sign
3. all the signatures and stamps affixed and sealed of the documents or upon the documents are authenticated
4. All statements contained are correct, accurate and intact.

Qualifications and restrictions

This Report is subject to the following qualification and restriction:

This Report is merely presented in accordance with the facts occurred as well as the currently enforceable and effective laws and regulations as duly published and implemented in the PRC. It shall not be construed and deemed as any opinion presented in accordance with jurisdictions of other countries and areas.

Our opinion that an obligation or document is enforceable means that the obligation or documents are of a type and form which courts in PRC should enforce. It is not to be taken as meaning that the obligation or document can necessarily be enforced in accordance with its terms in all circumstances. In particular, the enforceability of an obligation may be affected by laws or regulations affecting the rights of creditors generally in the event of the insolvency, bankruptcy, reorganization or liquidation of any party to the transaction.

Conclusion

Based on the foregoing, we are of the opinion as follows:

1. All the permits, licenses and approvals relating to ASSL as issued by pertinent government authorities are legitimate and effective without any substantial alteration of its contents.
2. There are no ongoing litigation, arbitration processes, administrative penalties imposed upon the ASSL as well as potential and possible litigation, arbitration and administrative penalties.

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)**Opinions for specific legal issues**

Also, we have been requested by the Board of AB to provide our legal opinion for the following specific legal issues in the context of the laws and regulations of the PRC:

- 1. Dividend policy**
- 2. Ownership and title to securities/assets of ASSL in PRC**
- 3. Enforceability of agreements, representations and undertakings**
- 4. Policies of Foreign Investment and repatriation of profit as well as the time-frame for Repatriation of Profits**

Based upon all the available information and the qualification as specified in the aforesaid part of this Report, we are of the opinion that:

1. Dividend policy

ASSL informed us that it does not have a fixed dividend policy, as such, the dividends paid in the past, if any, may not be reflective of future dividend payments. Generally, the form, frequency and amount of future dividend payments on the company's capital contribution/investment in ASSL will depend upon its future earnings, capital requirements, cash flow, financial condition, as well as general business conditions and other factors which the directors of ASSL may consider appropriate. ASSL may declare dividends upon approval by an ordinary resolution at a general meeting as per the requirements and conditions of pertinent PRC laws. Dividends can only be paid out of profits under the PRC laws.

Specifically, the foreign capital invested enterprises shall reserve a fund from their profit after tax for the bonus as well as welfare fund for workers and staff members, which shall be withheld from the profit after payment of income tax in accordance with the provisions of the tax law in the PRC. The proportion of reserved funds to be withheld shall not be lower than 10% of the total amount of profits after payment of tax. The withholding of reserve funds may cease when the total cumulative reserve has reached 50% of the registered capital, that means the foreign capital invested enterprises can suspend the redistribution of its post-tax profit after the accumulated amount of the reserved funds exceeds 50% of the registered capital of the foreign capital invested enterprises. The proportion of bonus and welfare funds (which are the mandatory redistribution of post-tax profit paid in proportion to the base pay of all the employees to ensure their social activities as well as other awards, rewards and trophies, expenses for the organization of entertaining activities and relaxations, setup of trade unions, for workers and staff members) to be withdrawn shall be determined by the foreign capital invested enterprises of their own accord. Also in the event there is accumulated deficit of the previous fiscal years, they may not distribute

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)

the profit, while the undistributed profits of the current fiscal year must first be offset against the accumulated deficit.

2. Ownership and title to securities/assets in PRC

There are no restrictions in PRC laws which would prohibit the transfer and ownership of the shares as well as any portion of capital contributed or invested, securities and other tangible and intangible assets (hereinafter collectively referred as "assets") in a company unless such assets have been subject to the encumbrance of mortgage and guarantee, in such cases, the transfer of assets shall be subject to the consent of mortgagor. Also, transfer / assignment of real estate, security and specified items are subject to the government registration for its validation.

The acquisition or transfer of capital contributed or invested in ASSL and/or assets in ASSL will not violate any governmental laws and regulations in PRC and there are no provisions in the articles of association of ASSL which prohibit the acquisition. However, the said acquisition or transfer (where relevant) must comply with the provisions contained in the article of association of ASSL concerning the transfer of any portion of capital contributed or invested in the ASSL. It must also comply with terms and conditions of various agreements, contracts, commitments, deeds and other legally enforceable documents entered into by ASSL.

3. Enforceability of agreements, representations and undertakings

Agreements, representations and undertakings given by a company in PRC are generally enforceable in the PRC court in accordance with their terms unless:

- (1) the validity, performance and enforcement is limited by status of limitation, lapse of time, waiver and by laws relating to bankruptcy, insolvency, reorganization, deregistration, liquidation, moratorium arrangements or similar laws affecting creditors rights generally and
- (2) Whereby obligations are illegal or contrary to public policy and mandatory laws and regulations.

Also, it has been confirmed that

- (a) ASSL has taken all necessary corporate action to authorize the execution, delivery and performance of contract and agreements entered into by ASSL, in particular the Tenancy Agreement dated 15 September 2004 made between ASSL and Yap Tai Tee in relation to the lease of the office space bearing address Room 2007, Building 2, Kerry Everbright City, 218 Tianmu Xi Road, Shanghai ("Contracts") and that ASSL's representatives executing the said Contracts are fully authorized to do so;

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)

- (b) ASSL confirms that the Contracts continue to constitute the legal, valid and binding obligations of ASSL in accordance with its terms, and that the execution, delivery and performance of the Contracts and the payment of any amounts due thereunder (1) do not and will not violate any provision of law and other governmental directive having force of law, (2) do not and will not conflict with the constitutive documents of ASSL, and (3) do not and will not conflict with, or result in the breach of, or constitute a default or require any consent under, any agreement or instrument to which ASSL is a party or by which ASSL or any of the securities/assets of ASSL may be bound or affected;
- (c) no authorisation or approval or other action by, and no notice to or filing with any governmental authority, commission, board or regulatory body in the PRC is required for ASSL to enter into and perform the Contracts; and
- (d) The relevant courts of the PRC can be referred to for settlement of any disputes from the Contracts and give judgments in a currency other than Chinese Renminbi (RMB).]

4. Policies of Foreign Investment and repatriation of profit as well as the time-frame for Repatriation of Profits

PRC has developed a set of foreign investment law regimes which has been issued by national peoples congress, state council, National Development and Reform Commission as well as other pertinent government authorities and agencies. Basically, foreign investment is encouraged generally except the market accession restrictions in some specific industries set out in the <Foreign Investment Industry Catalogue> issued by National Development and Reform Commission. The specific incentive measures are:

- (1) Foreign investors can contribute the registered capital within certain period of time instead of make the full contribution upon the set up of legal entity
- (2) Foreign investment companies can be granted import/ export rights without any application and approval automatically upon its establishment
- (3) Foreign investment companies can enjoy the duty exemption for the equipments and self-used items within their applied total investment.
- (4) Foreign investment companies in certain industries can enjoy the tax concession treatment upon their operation period as well as their geographic locations for corporate income tax.
- (5) Foreign investment companies can enjoy the tax rebate upon its reinvestment from their profit generated in PRC operation for the first 5 years as of the years such profit is generated as well as upon its procurement of domestically manufactured products.
- (6) The pre-tax profit in the current year is permitted to be applied to offset the previous years' losses up to five years.

17. EXPERT REPORT/LEGAL OPINION PERTAINING TO ASSL (Cont'd)

On the other hand, the foreign investment companies shall be imposed by the following restrictions

- (1) It shall not invest in certain catalogue of industries
- (2) It shall be subject to certain special requirements for the remittance of its profit back to its investor's home country which will be addressed and elaborated in the following sections

The profit derived by ASSL is exempted from corporate income tax after the total corporate income tax as defined in PRC foreign tax law is paid, and may be remitted abroad in accordance with the provisions of PRC tax laws as well as foreign investment laws subject to the documentation process and approvals of PRC foreign exchange administration authorities. Basically, there shall not be major legal obstacles for the repatriation of profits generated for its business operation.

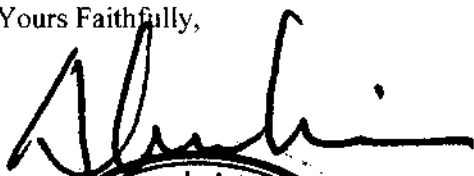
Basically the profits generated from the company's PRC operation is permitted to be repatriated to abroad on the condition that:

1. All the accumulated losses has been offset by the current year's profit;
2. All the levible taxes have been paid to pertinent government authorities;
3. All the mandatory reservations have been reserved per the regulated ration and amounts as mentioned in the previous section of this report; and
4. The request for the remittance has been appropriately processed by the foreign exchange administration authorities and currently there are no approval requirements for the repatriation of the profits except for some administrative and documenting processes.

But the specific timing for repatriation of profits shall be subject to the sole discretion of the company.

This Report can only be applied for referencing purpose of AB to any concerned parties. Any other party is strictly prohibited to apply or cite or make the reference of any and all contents of this report without the written and explicit consent of this Law Office.

Yours Faithfully,



Alan Lin

Attorney

Yuan Tai Law Offices



10 DEC 2004