

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT****5.1 PROMOTERS**

The promoters of AB and their shareholdings in AB as at 30 November 2004 before and after the Public Issue are as follows:

Promoter	Nationality/Place of Incorporation	Designations	After Acquisition and Rights Issue but before Public Issue			After Public Issue		
			Direct	Indirect	No. of Shares	Direct	Indirect	No. of Shares
Yap Tai Tee	Malaysian	Group Managing Director/Chief Executive Officer	17,200,362	61.43	-	17,248,562	43.12	-
CSD	Malaysia	-	2,800,000	10.00	-	2,800,000	7.00	-
AMSB	Malaysia	-	3,199,600	11.43	-	3,199,600	8.00	-
DCM	Malaysia	-	2,800,000	10.00	-	2,800,000	7.00	-
Alan Chua	Malaysian	Executive Director	2,000,000	7.14	3,199,600 <sup>1</sup>	2,025,200	5.06	3,199,600 <sup>1</sup>
Ong Yang Teng	Malaysian	-	-	-	2,800,000 <sup>2</sup>	-	-	2,800,000 <sup>2</sup>

*Notes:*

1. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in AMSB.
2. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of her shareholding in DCM.

The above shareholdings include the "pink form" allocation of the Public Issue Shares reserved for eligible Directors and employees of the AB Group.

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

### 5.2 INFORMATION ON PROMOTERS

#### 5.2.1 Background

**Yap Tai Tee** is a promoter, substantial shareholder and Director of AB. His profile is set forth in Section 5.5.1 of this Prospectus.

**Alan Chua** is a promoter, substantial shareholder and Director of AB. His profile is set forth in Section 5.5.1 of this Prospectus.

**Ong Yang Teng** is a promoter and substantial shareholder of AB. Her profile is set forth in Section 5.4.1 of this Prospectus.

A brief background on CSD, AMSB and DCM are as follows:

#### (i) CSD

##### *History and principal activities*

CSD was incorporated on 2 October 1993 in Malaysia under the Companies Act 1965 as a private limited company. As at 30 November 2004, it has an authorised share capital of RM5,000,000 comprising of 5,000,000 ordinary shares of RM1.00 each, 1,020,000 of which have been issued and fully paid up.

CSD is principally an investment holding company.

##### *Board of Directors*

The Board of Directors of CSD and their respective shareholding therein as at 30 November 2004 are as follows:

Director	<-----Direct interest----->		<---Indirect interest--->	
	No. of shares	% held	No of shares	% held
Yap Long Fei @ Yap Long Fee	765,000	75	-	-
Lee Kuiek Kee	81,600	8	-	-
Yap Tai Tee	61,200	6	-	-
Yap Tai Yeong	51,000	5	-	-
Yap Tai Teong	30,600	3	-	-
Yap Tai Hien	30,600	3	-	-

##### *Directorships in other public corporations for the past two (2) years*

None of the Directors of CSD holds any directorship in other public corporations for the past two (2) years preceding 30 November 2004.

##### *Substantial shareholdings in other public corporation for the past two (2) years*

None of the Directors of CSD has substantial shareholdings, whether directly or indirectly, in any public corporations for the past two (2) years preceding 30 November 2004.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**
***Substantial shareholders (5% or more of the issued and paid-up share capital)***

According to its Register of Members, the substantial shareholders of CSD and their respective shareholding therein as at 30 November 2004 are as follows:

Substantial shareholder	<-----Direct interest----->		<---Indirect interest--->	
	No. of shares	% held	No. of shares	% held
Yap Long Fei @ Yap Long Fee	765,000	75	-	-
Lee Kuiek Kee	81,600	8	-	-
Yap Tai Tee	61,200	6	-	-
Yap Tai Yeong	51,000	5	-	-

**(ii) AMSB**
***History and principal activities***

AMSB was incorporated on 15 January 2003 in Malaysia under the Companies Act 1965 as a private limited company. As at 30 November 2004, it has an authorised share capital of RM100,000 comprising of 100,000 ordinary shares of RM1.00 each, of which 10 ordinary shares of RM1.00 each have been issued and fully paid up.

AMSB is principally an investment holding company.

***Board of Directors***

The Board of Directors of AMSB and their respective shareholding therein as at 30 November 2004 are as follows:

Director	<-----Direct interest----->		<---Indirect interest--->	
	No. of shares	% held	No of shares	% held
Alan Chua	6	60	-	-
Gooi Seng Cheong	4	40	-	-

***Directorships in other public corporations for the past two (2) years***

None of the Directors of AMSB holds any directorship in other public corporations for the past two (2) years preceding 30 November 2004.

***Substantial shareholdings in other public corporation for the past two (2) years***

None of the Directors of AMSB has substantial shareholdings, whether directly or indirectly, in any public corporations for the past two (2) years preceding 30 November 2004.

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**
***Substantial shareholders (5% or more of the issued and paid-up share capital)***

According to its Register of Members, the substantial shareholders of AMSB and their respective shareholding therein as at 30 November 2004 are as follows:

Substantial shareholder	<-----Direct interest----->		<---Indirect interest--->	
	No. of shares	% held	No. of shares	% held
Alan Chua	6	60	-	-
Gooi Seng Cheong	4	40	-	-

**(iii) DCM**
***History and principal activities***

DCM was incorporated on 12 October 2001 in Malaysia under the Companies Act 1965 as a private limited company. As at 30 November 2004, it has an authorised share capital of RM500,000 comprising of 500,000 ordinary shares of RM1.00 each, of which 500,000 ordinary shares of RM1.00 each have been issued and fully paid up.

DCM is principally an investment holding company.

***Board of Directors***

The Board of Directors of DCM and their respective shareholding therein as at 30 November 2004 are as follows:

Director	<-----Direct interest----->		<---Indirect interest--->	
	No. of shares	% held	No of shares	% held
Ong Yang Teng	490,000	98	-	-
Lim Kee Hing	10,000	2	-	-
Tan Yoke Day	-	-	-	-

***Directorships in other public corporations for the past two (2) years***

None of the Directors of DCM holds any directorship in other public corporations for the past two (2) years preceding 30 November 2004.

***Substantial shareholdings in other public corporation for the past two (2) years***

None of the Directors of DCM has substantial shareholdings, whether directly or indirectly, in any public corporations for the past two (2) years preceding 30 November 2004.

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

*Substantial shareholders (5% or more of the issued and paid-up share capital)*

According to its Register of Members, the substantial shareholders of DCM and their respective shareholding therein as at 30 November 2004 are as follows:

Substantial shareholder	<----Direct interest---->		<---Indirect interest--->	
	No. of shares	% held	No. of shares	% held
Ong Yang Teng	490,000	98	-	-

**5.2.2 Directorships in Other Public Corporations in the Last Two (2) Years**

None of the Promoters of AB who are individuals was a director of any other public corporations in the two (2) years preceding 30 November 2004.

**5.2.3 Substantial Shareholdings in Other Public Corporations in the Last Two (2) Years**

None of the Promoters of AB had or is having any substantial shareholding in any other public corporations in the two (2) years preceding 30 November 2004.

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

## 5.2.4 Changes in the Promoters' Shareholdings in AB

The changes in the Promoters' shareholdings in AB since the date of incorporation of AB up till 30 November 2004 are as follows:

Promoter	As at incorporation on 27 August 2002			After Acquisition but before Rights Issue			After Rights Issue but before Public Issue		
	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
Yap Tai Tee	-	-	-	8,925,759	-	61.43	17,200,362	-	61.43
CSD	-	-	-	1,453,000	-	10.00	2,800,000	-	10.00
AMSB	-	-	-	1,660,364	-	11.43	3,199,600	-	11.43
DCM	-	-	-	1,453,000	-	10.00	2,800,000	-	10.00
Alan Chua	-	-	-	1,037,857	1,660,364 <sup>1</sup>	7.14	2,000,000	3,199,600 <sup>1</sup>	11.43
Ong Yang Teng	-	-	-	-	1,453,000 <sup>2</sup>	-	-	2,800,000 <sup>2</sup>	10.00

## Notes:

1. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in AMSB.
2. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of her shareholding in DCM.

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

### 5.3 SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of AB and their shareholdings in AB as at 30 November 2004 before and after the Public Issue are as follows:

Substantial Shareholder	Nationality/Place of Incorporation	Designations	After Acquisition and Rights Issue but before Public Issue				After Public Issue			
			Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Yap Tai Tee	Malaysian	Group Managing Director/Chief Executive Officer	17,200,362	61.43	-	-	17,248,562	43.12	-	-
CSD	Malaysia	-	2,800,000	10.00	-	-	2,800,000	7.00	-	-
AMSB	Malaysia	-	3,199,600	11.43	-	-	3,199,600	8.00	-	-
DCM	Malaysia	-	2,800,000	10.00	-	-	2,800,000	7.00	-	-
Alan Chua	Malaysian	Executive Director	2,000,000	7.14	3,199,600 <sup>1</sup>	11.43	2,025,200	5.06	3,199,600 <sup>1</sup>	8.00
Yap Long Fei @ Yap Long Fee	Malaysian	-	-	-	2,800,00 <sup>2</sup>	10.00	-	-	2,800,000 <sup>2</sup>	7.00
Gooi Seng Cheong	Malaysian	-	-	-	3,199,600 <sup>1</sup>	11.43	-	-	3,199,600 <sup>1</sup>	8.00
Ong Yang Teng	Malaysian	-	-	-	2,800,000 <sup>3</sup>	10.00	-	-	2,800,000 <sup>3</sup>	7.00

Notes:

1. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in AMSB.
2. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in CSD.
3. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of her shareholding in DCM.

The above shareholdings include the "pink form" allocation of the Public Issue Shares reserved for eligible Directors and employees of the AB Group.



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

**5.4 INFORMATION ON SUBSTANTIAL SHAREHOLDERS**

**5.4.1 Background**

The profiles of Yap Tai Tee and Alan Chua are as set forth in Section 5.5.1 of this Prospectus.

The information on CSD, AMSB and DCM are as set forth in Section 5.2.1 of this Prospectus.

**Yap Long Fei @ Yap Long Fee**, 64, is a substantial shareholder of AB by virtue of his shareholding in CSD. He started his career in 1961 as factory manager in a brickworks company, and was promoted to general manager shortly thereafter, a position he held for 28 years. He is presently the Chairman of CSD and Tesatech, a company dealing in the supply of mechanical and electronic lock systems. Tesatech is also one of the distributors of ASDION products.

**Gooi Seng Cheong**, 50, is a substantial shareholder of AB by virtue of his shareholding in AMSB. He is a businessman active in real estates and invests in high potential growth companies. He is currently both a director and shareholder of AMSB.

**Ong Yang Teng**, 37, is a substantial shareholder of AB by virtue of her shareholding in DCM. She is currently both a shareholder and director of DCM. She is also a shareholder and director of Dynasty Restaurant Inc, the owner of a Chinese restaurant in New York, US.

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

None of the substantial shareholders of AB who are individuals was or is a director of any other public corporations in the two (2) years preceding 30 November 2004.

**5.4.3 Substantial Shareholdings in Other Public Companies in the Last Two (2) Years**

None of the substantial shareholders of AB had or is having any substantial shareholding in any other public corporations in the two (2) years preceding 30 November 2004.

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

### 5.4.4 Changes in the Substantial Shareholders' Shareholdings in AB

The changes in the substantial shareholders' shareholdings in AB since the date of incorporation of AB up till 30 November 2004 are as follows:

Substantial Shareholder	As at incorporation on 27 August 2002			After Acquisition but before Rights Issue			After Rights Issue but before Public Issue		
	Direct	Indirect	%	Direct	Indirect	%	Direct	Indirect	%
Yap Tai Tee	-	-	-	8,925,759	-	61.43	17,200,362	-	61.43
GSD	-	-	-	1,453,000	-	10.00	2,800,000	-	10.00
AMSB	-	-	-	1,660,364	-	11.43	3,199,600	-	11.43
DCM	-	-	-	1,453,000	-	10.00	2,800,000	-	10.00
Alan Chua	-	-	-	1,037,857	1,660,364 <sup>1</sup>	7.14	2,000,000	3,199,600 <sup>1</sup>	11.43
Yap Long Fci @ Yap Long Fee	-	-	-	-	1,453,000 <sup>2</sup>	10.0	-	2,800,000 <sup>2</sup>	10.00
Gooi Seng Cheong	-	-	-	-	1,660,364 <sup>1</sup>	11.43	-	3,199,600 <sup>1</sup>	11.43
Ong Yang Teng	-	-	-	-	1,453,000 <sup>3</sup>	10.00	-	2,800,000 <sup>3</sup>	10.00

Notes:

1. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in AMSB.
2. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in CSD.
3. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of her shareholding in DCM.

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

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**5.5 DIRECTORS****5.5.1 Profiles**

The profiles of the Directors of AB are as follows.

**Yap Tai Tee**, 38, a Malaysian, is a Promoter, substantial shareholder and the Group Managing Director/Chief Executive Officer of AB. He was appointed to the Board on 30 September 2004. In 1987, he was conferred a Diploma in Electrical Engineering from the Singapore Polytechnic, Singapore. Subsequently, he graduated from Lancaster University, United Kingdom, in 1989 with a Bachelor of Science (Honours) in Information Engineering with First Class Honours. He is currently the General Manager of TIS, a position he has held since 1995. In this position, he is *inter alia* in charge of overseeing and managing the entire operations of TIS. Prior to founding TIS in 1993 as the Marketing Manager, he was a research associate with Koeman Capital Management Pte Ltd.

Recognising the potential of electronic access control for the hotel industry in the early 1990s, TIS distributed TESA Electronic Access Control System (now Onity products) to penetrate into this niche market, and made headway in this virtually unknown market then. Yap Tai Tee's exposure to hotel operations helped him realise the strong demand and potential in business software applications, leading to software development at TIS. Under the leadership of Yap Tai Tee and with his vision, ASDION products now comprise of advance and progressive integrated software solutions which have been successfully deployed to operations in various service industries.

**Alan Chua**, 37, a Malaysian, is a lawyer by profession and a Promoter, substantial shareholder and an Executive Director of AB. He was appointed to the Board on 30 September 2004. He graduated from Lancaster University, United Kingdom in 1991 with a Bachelors of Law (Honours), and was called to the Bar of England and Wales at Lincoln's Inn in the same year. He was called to the Malaysian Bar in 1993 and is presently a partner in the legal firm of Messrs. Alan Chua & Co.

**Yap Tai Yeong**, 36, a Malaysian, is a non-executive Director of AB. He was appointed to the Board on 30 September 2004. He is presently the Technical Manager of Onity Pty Ltd (Hong Kong representative office), and he is presently a director of CSD and Tesatech. He is also a director of TIS. He commenced his tertiary education at Ngee Ann Polytechnic in Singapore, and was conferred a Diploma in Electronic Engineering in 1988. He then graduated with a Bachelor of Science in Computer Science from Lancaster University, United Kingdom in 1992. After graduation, he joined Sonica Inc as an Engineering Assistant in 1988 until 1990. Later, he joined Tesatech as an Operations Manager from 1993 to 1998. In 1998, he took up a new post as Operations Manager – System with TIS until 2001.

**Yap Tai Hien**, 32, a Malaysian, is a non-executive Director of AB. He was appointed to the Board on 30 September 2004. He finished his secondary school in 1990 with the Sijil Pelajaran Malaysia. In 1993, he took up his position as a Marketing Executive with Tesatech, a post he held for five (5) years. In 1998, he was appointed as the Marketing Manager of Tesatech, a position he has held until the present time. He is also presently a director of Tesatech.

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

**Yap Wei Ling**, 31, a Malaysian, is a non-executive Director of AB. She was appointed to the Board on 30 September 2004. She is presently a Software Engineer with TIS, a position she has held since 2000. She graduated with a Bachelor of Science in Computing (Information Systems) from Monash University, Australia in 1996. After graduation, she joined Ultradata (M) Sdn Bhd as a systems consultant/applications analyst in 1997 before taking up her present post in 2000 at TIS.

**Dr. Onn Keet Peng**, 38, a Malaysian, is an independent non-executive Director of AB. He was appointed to the Board on 17 November 2004. He graduated from Lancaster University, United Kingdom in 1989 with a Bachelors of Science in Management Science with First Class Honours and continued to pursue his studies thereat attaining his Doctorate in Management Science in 1995. He is currently a member of the Institute of Direct Marketing, United Kingdom. After being conferred his PhD, he worked as the Manager – Direct Marketing for AXA Direct in United Kingdom from 1995 to 1999. He returned to Singapore in 1999 to take up position as Head of Analytics with Wunderman, Singapore. Thereafter, he took up position as Director of Analytics with Intellidyn in New York, USA, in 2001. In 2002, he joined Premier Line Insurance UK as a Director of R&D, a position he holds till today.

**Cheong How Soon**, 49, a Malaysian, is an independent non-executive Director of AB. He was appointed to the Board on 30 September 2004. He graduated from Tunku Abdul Rahman College, Kuala Lumpur in 1979 with a Diploma in Commerce (Financial Accounting), before going on to become a Fellow Member of the Association of Certified Accountants (UK) and Chartered Accountant (Malaysia). He has more than 20 years working experience in the areas of accounting, finance, corporate planning and administration across various industries. He served Supreme Corporation (now known as Lion Land Berhad from 1981 to 1988, his last position being Group Chief Accountant. In August 1988, he joined Goh Ban Huat Berhad, a listed company with trading and manufacturing activities as the Group Financial Controller before assuming his present position as Group Financial Controller of the Ekovest Berhad Group in 1991.

### 5.5.2 Shareholding of Directors

The shareholding of the Directors of AB as at 30 November 2004 before and after the Public Issue are as follows.

Director	After Acquisition and Rights Issue but before Public Issue				After Public Issue			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Yap Tai Tee (Group Managing Director/ Chief Executive Officer)	17,200,362	61.43	-	-	17,248,562	43.12	-	-
Alan Chua (Executive Director)	2,000,000	7.14	3,199,600 <sup>1</sup>	11.43	2,025,200	5.06	3,199,600 <sup>1</sup>	8.00
Yap Tai Yeong (Non-Executive Director)	-	-	-	-	105,900	0.26	-	-
Yap Tai Hien (Non-Executive Director)	-	-	-	-	105,200	0.26	-	-
Yap Wei Ling (Non-Executive Director)	-	-	-	-	94,400	0.24	-	-

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

	After Acquisition and Rights Issue but before Public Issue				After Public Issue			
	Direct		Indirect		Direct		Indirect	
Director	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr. Onn Keet Peng <i>(Independent Non-Executive Director)</i>	-	-	-	-	81,200	0.20	-	-
Cheong How Soon <i>(Independent Non-Executive Director)</i>	-	-	-	-	25,200	0.06	-	-

**Note:**

1. Deemed interest pursuant to Section 6A of the Companies Act 1965 by virtue of his shareholding in AMSB.

The above shareholdings include the "pink form" allocation of the Public Issue Shares reserved for eligible Directors and employees of the AB Group.

**5.5.3 Directorships in Other Public Corporations in the Last Two (2) Years**

None of the Directors of AB was or is a director of any other public corporations in the two (2) years preceding 30 November 2004.

**5.5.4 Substantial Shareholdings in Other Public Companies in the Last Two (2) Years**

None of the Directors of AB had or is having any substantial shareholding in any other public corporations in the two (2) years preceding 30 November 2004.

**5.5.5 Audit Committee**

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Cheong How Soon	Chairman of Committee	Independent Non-Executive Director
Dr. Onn Keet Peng	Member of Committee	Independent Non-Executive Director
Alan Chua	Member of Committee	Non-Independent Executive Director

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

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

### 5.5.6 Directors' Remuneration And Benefits

The aggregate remuneration and benefits paid by the AB Group to the Directors of AB was SGD\$101,000 (equivalent to RM240,104 based on an exchange rate of RM2.1631 for every SGD\$1) in the financial year ended 31 December 2003. It is estimated that the aggregate remuneration and benefits (excluding performance bonus) proposed for the Directors of the AB Group by way of emoluments for the financial year ending 31 December 2004 is RM237,000<sup>^</sup>. The Directors of AB fall within the following remuneration bands:

Remuneration Band (RM)	Number of Directors	
	Financial year ended 31 December 2003	Financial year ending 31 December 2004
0 – 50,000	-	5
50,001 – 100,000	-	-
Above 100,000	1	1

Note:

<sup>^</sup> Includes SGD\$78,000 equivalent to RM168,722 (based on an exchange rate of RM2.1631 for every SGD\$1) payable to Directors of the Group in SGD\$.

### 5.5.7 Directors' Service Agreements

None of the Directors has entered into or proposes to enter into any service agreement with the AB Group, save for Yap Tai Tee and Alan Chua who are Executive Directors of AB.

The salient features of the service agreements dated 1 October 2004 entered into between AB and Yap Tai Tee and Alan Chua respectively, both effective 1 November 2004, are as follows:

- (i) the Director and his lawful spouse are granted annual leave passage on a receipted basis in each year;
- (ii) the Director is entitled to a 5% increase of his salary upon expiry of the first six (6) months of the service agreement and a yearly increase of 5% thereafter;
- (iii) the Company will contribute a sum equivalent of 15% of his monthly salary to the Employees' Provident Fund;
- (iv) the Director is entitled to a contractual bonus of three (3) months per annum, but all other incentive payments is at the Company's sole and absolute discretion;
- (v) the Director is entitled to twenty one (21) days of annual leave for each calendar year of service;
- (vi) Yap Tai Tee and Alan Chua may not be involved in other businesses, services or occupation in competition with the AB Group;
- (vii) the Company will employ the director, and the director will serve the Company, for a term of three (3) years unless extended or terminated earlier; and
- (viii) either party may terminate the service agreement by giving not less than three (3) month's notice in writing or pay in lieu of notice subject always that six (6) month's notice in writing is required if the party is intending to terminate the service agreement within the first twelve (12) months of the service agreement.

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

### 5.5.8 Involvements in Other Businesses and Companies

Save as disclosed below, none of the Executive Directors of AB is currently involved in the activities or operations of any other business or company.

	Average Time Allocated to Other Business and Companies per week %
Alan Chua	60

Alan Chua is a partner in the legal firm, Messrs. Alan Chua & Co.

### 5.5.9 Declaration

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

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

However, Alan Chua, as the former sole proprietor of and a current partner in Messrs Alan Chua & Co., was previously involved in two civil suits, the facts of which are as follows:

In the first suit (being a suit in Shah Alam High Court under Originating Summons No. 24-1297-2003), an action was brought against Alan Chua, practising as Messrs Alan Chua & Co. ("the Firm"). The Plaintiffs to the said suit were Liew Hock Seng and Loh Sau Lan ("First and Second Plaintiffs") and Precise Avenue (M) Sdn Bhd ("Third Plaintiff"). The First and Second Plaintiffs are the previous shareholders of the Third Plaintiff, a company in which the Firm was acting as a stakeholder for in a particular transaction involving the Firm's client ("Client"), namely Unisensa Sdn Bhd, and the Third Plaintiff. The said transaction involved certain obligations placed on the parties via a management agreement between the Client and the Third Plaintiff ("Management Agreement"). Under the Management Agreement, the Firm undertook to deliver the Issue Documents of Title in relation to a piece of land ("Title") to the Third Plaintiff.

A dispute arose between the First and Second Plaintiffs and the Client as to the completion of the Management Agreement, and arising therefrom, the First and Second Plaintiffs' demanded that the Firm hand over the said Title. The Firm refused to accede to such demands on the ground that the Firm is only legally obliged to hand over the Title to the Third Plaintiff, as the Third Plaintiff is a separate entity from the First and Second Plaintiffs. Subsequently, the Third Plaintiff had passed a resolution authorising the Firm to hold on to the Title as stakeholders to maintain the status quo amongst the parties.

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

The Third Plaintiff had not given consent to be made as a plaintiff in the said suit. Nevertheless, the First and Second Plaintiffs proceeded to file the said suit in the court against the Firm to hand over the Title. The Firm then filed an application to strike out the said suit on the ground that the First and Second Plaintiffs had no locus standi to file the action. Furthermore, the Firm maintained that its role is only as a stakeholder performing its obligation under the Management Agreement. The Court struck out the said suit on 8 March 2004.

Consequently, the same First and Second Plaintiffs in the first suit had filed on 14 June 2004 a new suit in Shah Alam High Court under Writ No. MT1-22-468-2004 against, *inter alia*, the Firm ("Writ Action"). Under the said Writ Action, it was sought, *inter alia*, that the Firm was to specifically hand over the Title to the First and Second Plaintiffs. On 27 August 2004, a settlement order was reached between the parties ("Order"). *Inter alia*, the Order stipulated that the Client will cause the Title to be handed over by the Firm to the First and Second Plaintiffs.

In compliance with the Order, the Firm has handed over the Title to its Client, which was subsequently handed over to the solicitors of the First and Second Plaintiffs, thus effectively ending the Firm's responsibility as stakeholder in this matter.

Arising from the same events, a complaint dated 26 February 2004 was lodged by Lee Lim Huat of Messrs. LH Lee & Co, the solicitors of the First and Second Plaintiffs, with the Disciplinary Board of the Bar Council against the Firm and Alan Chua ("DB Complaint"), the substance of which was that the Firm had refused to accept service of process notwithstanding that it had represented to the said solicitors that they will accept service of process on behalf of the Client. The Client subsequently appointed another firm of solicitors who had accepted service and as such, the First and Second Plaintiffs were not prejudiced. A reply to the DB Complaint has been made to the Disciplinary Board explaining the above matters ("Reply"). The Investigating Tribunal (which is the preliminary level of Bar Council's disciplinary process) has written to Alan Chua for additional clarifications, if any, in relation to the Reply. Alan Chua had on 30 November 2004 clarified further to the Investigating Tribunal. As at 7 December 2004, no decision has been made by the Disciplinary Board as to the merit of the DB Complaint.

### 5.6 KEY MANAGEMENT AND TECHNICAL PERSONNEL

#### 5.6.1 Profiles of Key Management and Technical Personnel

The profiles of the key management and technical personnel of the AB Group are as follows.

**Karen Lee Fong Khai**, 37, is the Market Development Specialist of TIS. In 1988, she started work with Degussa Electronics Pte Ltd in Singapore as a technician, assisting in the design and modification of circuit board panels before deciding to pursue her studies. After graduating in 1991 with a Bachelor of Arts in Mass Communications from Universiti Sains Malaysia, she joined TIS in 1993. She is now responsible for marketing, training and support of the AB Group's products and services.

**Adam Lim Chan Chung**, 41, is the Business Development Manager of TIS. Adam Lim holds a Bachelor of Science in Computer Science and an MBA from the University of San Francisco, USA. Adam Lim has over 10 years of experience in the computer industry. His primary function is to identify, evaluate and develop new businesses segment for the AB Group, covering areas such as CRM, Smart Card solution and Small Office Systems. Prior to joining TIS, Adam was involved in expanding Hewlett Packard ("HP") line of storage products across Asia Pacific, and was awarded HP's high achievers award in 2000. He has 5 years of experience in the USA developing and supporting mini systems and networks. He was later involved in the setting up of paid financial subscription services for fund managers when he returned to Singapore.

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

**James Loh Kwok Yuen**, 31, is the Regional Marketing & Account Manager of TIS. James Loh graduated with a Bachelor of Arts in Accounting & Business Law and Master of Finance from Curtin University, Australia in 1997 and 2001 respectively. A chartered public accountant by profession, James Loh is also a member of Australian Society of CPAs (ASCPA) and Institute of Certified Practising Accountants Singapore. James Loh's present job at TIS as the regional marketing manager focuses primarily on the travel division. His responsibilities include managing and spearheading the sales and marketing drives for the ASDION suite of travel ERP solutions on the regional basis. His other job scopes include developing regional marketing strategies, mapping travel agency clients' business flow process and to coordinate with the development team to ensure the software enhancements are developed in line with marketing directions and travel agencies' needs on a timely basis.

A key technical personnel of the AB Group is **Yap Wei Ling**, a non-Executive Director of AB who is also the software engineer at TIS. Her profile is as set out in Section 5.5.1 of this Prospectus.

### 5.6.2 Shareholding of Key Management and Technical Personnel

The shareholding of key management and technical personnel of AB as at 30 November 2004 before and after the Public Issue are as follows.

Key Management & Technical Personnel	Nationality	After Acquisition and Rights Issue but before Public Issue				After Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Karen Lee Fong Khai	Malaysian	-	-	-	-	180,200	0.45	-	-
Adam Lim Chan Chung	Singaporean	-	-	-	-	57,200	0.14	-	-
James Loh Kwok Yuen	Singaporean	-	-	-	-	105,200	0.26	-	-
Yap Wei Ling	Malaysian	-	-	-	-	94,400	0.24	-	-

The above shareholdings include the "pink form" allocation of the Public Issue Shares reserved for eligible Directors and employees of the AB Group.

### 5.6.3 Directorships in Other Public Corporations in the Last Two (2) Years

None of the key management and technical personnel of the AB Group was or is a director of any other public corporations in the two (2) years preceding 30 November 2004.

### 5.6.4 Substantial Shareholdings in Other Public Corporations in the Last Two (2) Years

None of the key management and technical personnel of the AB Group had or is having any substantial shareholding in any other public corporations in the two (2) years preceding 30 November 2004.

### 5.6.5 Service Agreements

None of the key management and technical personnel of the AB Group has entered into any service agreement with AB.

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

**5.6.6 Declaration**

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

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

**5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS**

Save as disclosed below, there are no family relationship or association between the Promoters, substantial shareholders, Directors and key management and technical personnel of the AB Group.

- (i) Yap Tai Tee, Yap Tai Yeong, Yap Tai Hien and Yap Wei Ling are siblings;
- (ii) Yap Long Fei @ Yap Long Fee is the father to Yap Tai Tee, Yap Tai Yeong, Yap Tai Hien and Yap Wei Ling, and
- (iii) CSD is a company controlled by Yap Long Fei @ Yap Long Fee and which shareholders comprise of his children.

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## 6. BUSINESS OVERVIEW

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### 6.1 THE AB GROUP'S PRODUCTS, SERVICES AND OPERATIONS

The products and services of the AB Group are targeted at offering clients a matrix of value-added process applications that extend their business processes through multi-touch points to their customers, partners and suppliers seamlessly in communicating, presenting and executing mission-critical data across the business chain.

The focus of the AB Group's range of products is in the provision of integrated software solutions. The strength and core competency of the AB Group is in the provision of customer-centric applications designed to operate on open generic systems for fast turnaround time while ensuring flexibility to migrate to other technological platforms and scalability.

ASDION software is a versatile suite of software solutions developed since 1995 to provide a complete end-to-end business process cycle for the SMEs, especially businesses in service industries, trading, import/export, retail, food and beverage, and membership oriented organisations including country clubs, associations, franchises, loyalty or point redemption programmes and such like.

ASDION software solutions adopts a simple but practical and proven concept of providing front and back office integration solution under one umbrella, i.e. ASDION INTEGRATION. In today's fast moving pace of business, it is critical that any front end deployment should integrate seamlessly with sound and reliable back office system. Under ASDION INTEGRATION, the Financial System (AccLink) will perform the role of back office to be integrated with front office applications.

The AB Group's existing product range may be summarised and generally classified as follows:

#### (i) Back End Applications

##### *AccLink*

AB's primary product, ASDION AccLink, takes accounting systems to a higher level for it integrates traditional accounting systems to various front end business operations to achieve a complete front and back office solution. ASDION AccLink integrates fundamental accounting functions such as general ledger, accounts receivables, accounts payables, inventory control, job costing, reporting and other tools together to function as a real time system. It is packaged as one single integrated user-friendly efficient back office core accounting system which is then linked to interface with external front office modules companion systems to provide each transactional data flow from origin to process completely in single entry and electronically. The ASDION AccLink development direction follows the belief that any operations is dynamic and subject to change. It is designed to allow the user to define basic items to suit its own transaction recording requirement. AccLink's latest version, Version 4.2, has grown from its original form to become a progressive back-office system to meet continuous changing demands of the market and technology. The mobile application version of AccLink, that is, Pocket AccLink, features built-in barcode handling warehouse to stock queries.

##### *MemberLink*

ASDION MemberLink is a membership management system designed with the capability to accommodate a wide scope of membership operations. This membership management system covers all membership related activities from enrolment, renewal, absence, conversion of status to instalment schedules and card personalisation. It integrates with AccLink for credit control solutions, while it is combined with front-office components of ASDION products to achieve efficient, real time and accurate operating environment. For example, it can be combined with PosLink for CRM solutions. MemberLink can also be deployed as a front-end application for point redemption and loyalty programmes.

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**6. BUSINESS OVERVIEW (Cont'd)**


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**(ii) Front End Applications*****BookLink***

ASDION BookLink is a versatile and user-friendly on-line club facility booking system. It covers the wide range of facilities of a club operator including sports and recreational facilities booking, holiday apartment reservations, booking amendments and cancellation. It further supports concurrent real time booking via the Internet apart from conventional booking methods. It works together with ASDION MemberLink allowing real-time posting of all booking transactions to the relevant member's folio and with ASDION AccLink giving the club management accurate and up-to-date financial statistics. This is made possible through the provision of powerful facility coding modules which allows most criteria for setting up facility bookings user-definable.

***HrLink***

Another ASDION family product is ASDION HrLink. It is a comprehensive system for human resource management. It maintains all fundamental information of the employees of an organisation, including their data on qualifications, job history as well as personal data. ASDION HrLink also covers payroll process, staff attendance and leave tracking whilst information for salary transfers and deductions such as Bank GIRO, provident funds and inland revenue can be either prepared in disk form or transferred on-line. HrLink can be configured as back-end host where required in ERP deployment.

***TPosLink***

ASDION TPosLink is a front-office touch screen point of sale system for food and beverage outlets in hotels and restaurants covering not merely single outlets but multiple outlets with multiple terminals including remote ones. It works with ASDION AccLink to provide complete front and back end office scalable solutions enabling daily activities to be managed centrally. TPosLink has also extended its functionality to mobile application with Pocket PosLink allowing users to take orders wirelessly and electronically

***PosLink***

Similar to TPosLink in terms of structure with the exception of GUI, PosLink is more tailored to the retail sector. Pocket PosLink allows for wireless stock take and queries.

The AB Group's range of services may be summarised as follows.

**(i) IT Services*****Consultancy***

Providing consultancy services in the following activities, namely, user requirement analysis, functional specification, solution implementation & deployment, user training and solution support.

***Maintenance Services***

Maintenance Services (including provision of consumable materials, peripheral upgrades and electronic parts) on a contractual or ad-hoc basis.

**(ii) System Projects*****System Integration***

One stop centre for system Integration providing services ranging from system infrastructure including servers, LAN, switches, communication routers to network security including firewall, VPN and remote access.

***Electronic Solutions For Hotels***

Including Front Desk Card Issuing facilities, guestroom access control, room safes, room energy control and software integration with PMS.

**6. BUSINESS OVERVIEW (Cont'd)**

The following highlights the AB Group's revenues by its products and services for the financial year ended 31 December 2003 and for the six (6)-months financial period ended 30 June 2004:

	Financial year ended 31 December 2003		6 months ended 30 June 2004	
	SGD\$'000	RM'000*	SGD\$'000	RM'000*
ASDION Business Software Solutions	763	1,650	317	685
IT Services	483	1,045	203	440
System Projects	667	1,443	429	929
Total	1,913	4,138	949	2,054

\* Based on exchange rate of RM2.1631 for every SGD\$1

**6.2 COMPETITIVE ADVANTAGES**

The applications software solutions arena is competitive. The Group competes with both local companies as well as multi-national corporations. The following are the major competitors of the Group:

Competitors*	Brief Information
Exact/Macola	Exact provides software for accounting, HRM, CRM, e-business and ERP with its product lines include e-Synergy, an Enterprise Relationship Management solution that integrates traditional front-office applications into one; and the Macola ES, which is a back-office solution software.
Baan	Baan is a portfolio of applications that span the entire value chain. It includes products for ERP, CRM, supply chain management and product lifecycle management.
IFS	IFS develops and supplies component-based business applications for medium and large enterprises. One of its product lines is IFS Applications, which is based on web and portal technology.
GreatPlains	Microsoft Business Solutions–Great Plains®, which offers customisable business management, CRM, analytics, financial, and accounting software solutions.
Karensoft	Karensoft is an enterprise solutions provider. One of its product lines is the Karensoft ERP2, which provides a complete e-Business solution comprising of seven (7) key integrated functional cycles.

\* The list of competitors are examples cited from the IDC Report

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**6. BUSINESS OVERVIEW (Cont'd)**

However, the AB Group believes that it has the following competitive advantages:

- (i) The AB Group's primary target market are SMEs in service-oriented industry. With its range of ASDION products offering end-to-end business process solutions for service-oriented industry all under one roof, the AB Group will be able to tap the SME market, especially those seeking to enhance CRM;
- (ii) As the AB Group is focused on being a regional player, it offers localisation and customer support for its products. Furthermore, as the AB Group is the owner of the copyright to its range of software, its products can be easily customised and adapted to meet its clients' requirements without the rigidity which software licences can create. The implication of this is that the AB Group is not only able to enhance its software products without interference and to provide value-added services to its customers, but can also be flexible on its pricing;
- (iii) The availability of the suite of ASDION applications also means that a business can expand their value chain with their requirements accommodated by ASDION products. A business could start with an ASDION software solution from the first outlet with one terminal and expand rapidly to multiple outlets including overseas, and will find the AB Group continuing to scale up and remain as their synergy partner without the worry of re-investing the entire business process. For example, a wholesaler deploying AccLink financial system who diversifies their business into retail business would simply add on PosLink, and later expand to include MemberLink for customers retention program. Similarly, a travel agency expanding their services from air-ticket booking to hotel booking, car hire, cruise and package tour including in-bound and out-bound tourist will be comfortable that operation revamp is not necessary with ASDION software solutions. With a comprehensive back office software solution like AccLink, there is growth potential for front office software that fits the unique business processes of the AB Group's target market in specific services industries such as membership, hospitality and travel and tourism; and
- (iv) ASDION products are marketable both as stand-alone solutions or as integrated ones. As the AB Group adopts a modular application development approach, a less complex modelling process is usually required in any project implementation. For example, AccLink is the only application module required for the deployment of logistic outsourcing business, PosLink with ticketing function combining with AccLink can be mapped into tourism sector requiring admission control. While the AB Group is not a pioneer in modular application development, the Board is of the opinion that the ownership of a wide array of module application with high scalability and remodelling capability to map the requirements of clients from different industries is certainly a competitive advantage. The ability to market ASDION software solutions as standalone application will not only encourage a better market adoption towards ERP direction but also provide the AB Group with serious opportunity in Tier-3 back-office enterprise applications market. Please refer to Section 14 of this Prospectus for further details of the applications market segmentation.

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**6. BUSINESS OVERVIEW (Cont'd)****6.3 MODES OF MARKETING*****Principal Markets***

Presently, the principal markets for ASDION products are in Malaysia and Singapore, although ASDION products have been distributed to Thailand, Hong Kong, Indonesia and Cambodia. For the six (6)-months financial period ended 30 June 2004, 41% of the AB Group's revenues are derived from markets outside Malaysia. The following highlights the principal markets for ASDION products based on revenue for the financial year ended 31 December 2003 and for the six (6)-months financial period ended 30 June 2004:

Markets	<-----Financial year ended-----> 31 December 2003			<-----6 months ended-----> 30 June 2004		
	SGD\$'000	RM'000*	% of Revenue	SGD\$'000	RM'000*	% of Revenue
Malaysia	545	1,178	28.48	559	1,210	58.93
Singapore	959	2,075	50.14	329	712	34.67
Thailand	382	827	19.98	53	115	5.60
Others	27	58	1.40	8	17	0.80
Total	1,913	4,138	100.00	949	2,054	100.00

\* Based on exchange rate of RM2.1631 for every SGD\$1

***Modes of Marketing***

The AB Group's current clients are typically small to medium-sized enterprises from the service industry. Currently, ASDION products are sold through its distributors based in three (3) countries, namely in Malaysia, Singapore and Thailand, as well as through direct sales and marketing from its regional offices in Singapore and Shanghai. AB is expected to take over sales and marketing functions for Malaysia after the Listing.

Tesatech, a company controlled by CSD, is a distributor of ASDION products in Malaysia. Please refer to Section 10.1 of this Prospectus on related party transactions.

The following are the distributors of the AB Group for the financial year ended 31 December 2003 and the six (6)-months financial period ended 30 June 2004:

Distributors	Financial year ended 31 December 2003 % of Revenue	6 months ended 30 June 2004 % of Revenue	Length of Relationship No. of Years
Tesatech	28.81	38.32	10
IT Supplies Co Ltd (Thailand)	18.58	5.59	6

Tesatech contributed to 28.81% and 38.32% of the AB Group's revenue for the financial year ended 31 December 2003 and six (6)-months financial period ended 30 June 2004 respectively, as it is the principal distributor of ASDION products outside Singapore. Nevertheless, the Board expects the dealings with Tesatech to decline once AB sets up its operations in Kuala Lumpur, Malaysia, and commences its sales and marketing functions from Kuala Lumpur, Malaysia, and thus, the Group's dependence on Tesatech for the distribution of ASDION products in Malaysia will reduce accordingly.



**6. BUSINESS OVERVIEW (Cont'd)****6.4 MAJOR CUSTOMERS**

The business of the AB Group is on project basis, and it varies in value from time to time. Hence, the AB Group does not rely on any single major customer.

The following are the AB Group's top ten customers for the eighteen (18) months ended 30 June 2004 and their respective contribution to the Group's revenue for the financial year ended 31 December 2003 and the six (6)-months financial period ended 30 June 2004. These customers are all direct customers of the AB Group:

<b>Top Ten Customers</b>	<b>Financial year ended 31 December 2003 % of Revenue</b>	<b>6 months ended 30 June 2004 % of Revenue</b>	<b>Length of Relationship No. of Years</b>
Grand Hyatt Singapore	16.45	2.59	2
F.T. Industrial Supplies (Pte) Ltd	4.70	6.87	3
The Legend Hotel Kuala Lumpur	-	12.70	1
Digital Scanning Corporation Pte Ltd	4.80	2.66	2
Shangri-La Hotel Singapore	2.66	2.71	8
Enterprise Promotion Centre	1.91	-	3
Common Machinery Co. Pte Ltd	1.33	0.84	11
Grand Copthorne Waterfront Singapore	1.25	-	5
Winsor Learning Centre Pte Ltd	-	2.69	1
Fresenius Medical Care Singapore Pte Ltd	0.99	-	5

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**6. BUSINESS OVERVIEW (Cont'd)****6.5 MAJOR SUPPLIERS**

As the AB Group is a software solutions and services provider which business is on project basis, the AB Group does not rely on any single major supplier for software. The AB Group also does not have any fixed long term contractual arrangements with its suppliers.

In respect of its purchases of hardware and peripherals for onward supply as part of the integrated solutions to its customers, the following are the AB Group's top ten suppliers for the eighteen (18) months ended 30 June 2004 and their respective proportion of the Group's purchases for the financial year ended 31 December 2003 and the six (6)-months financial period ended 30 June 2004:

<b>Top Ten Suppliers</b>	<b>Financial year ended 31 December 2003 % of Purchases</b>	<b>6 months ended 30 June 2004 % of Purchases</b>	<b>Length of Relationship No. of Years</b>
Onity Pty Ltd	39.70	44.93	10
Tesatech	28.25	15.53	10
Jiangsu Huaxin Plastic Developing Co., Ltd	9.05	13.17	2
Tech Pacific (Singapore) Pte Ltd	1.38	9.24	5
ALC Technologies Pte Ltd	3.31	2.59	3
Nanjing Easthouse Electrical Co., Ltd	4.23	-	3
Digiland International Pte Ltd	2.29	-	5
Ricoh Company Ltd	-	4.73	1
Digital Imaging Asia Pacific Pte Ltd	-	2.26	1
Advantech Peripherals Singapore Pte Ltd	0.81	-	5

Tesatech is a company controlled by CSD. Please refer to Section 10.1 of this Prospectus on related party transactions.

Notwithstanding the above, the AB Group is not dependent on the supplies of hardware from the above suppliers as the hardware involved in its projects are generally homogenous and can be easily sourced.

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**6. BUSINESS OVERVIEW (Cont'd)****6.6 LOCATIONS OF OPERATIONS**

The AB Group will maintain its head office and marketing and sales operations in Kuala Lumpur, Malaysia. The R&D activities of the AB Group are presently located at its Singapore office in International Business Park. However, the AB Group plans to reallocate its R&D activities to Malaysia where Phase 1 of the transfer of its R&D activities to Malaysia has been completed in November 2004.

The implementation of the said Phase 1 includes the setting up of its headquarters in Malaysia within the MSC-approved limits, transferring its R&D personnel to Malaysia as well as recruitment of additional R&D personnel and establishment of the Asdion Consultancy Group in Malaysia. The subsequent transfer of R&D activities, which commenced in December 2004, includes the transfer of product market research, product design, prototype development, programming and coding as well as system testing to Malaysia. The Board expects Phase II of the transfer of R&D activities to Malaysia will be completed by the end of the financial year ending 31 December 2005.

The following premises are currently rented or licensed for occupation by the AB Group:

<b>Location</b>	<b>Address</b>	<b>Size (Sq M)</b>	<b>Rented/Licensed for Occupation</b>
Singapore	No 1 International Business Park #03-01B The Synergy Singapore	Approx~ 119	Rented
Shanghai, People's Republic of China	Unit 2007, 20 <sup>th</sup> Floor Kerry Bright City Tower II, 218 Tian Mu Xi Road, Shanghai 200070 People's Republic of China	Approx~ 50	Rented
	Software Garden B-292 498 Guo Shou Jin Road Pudong New Area Shanghai People's Republic of China	Approx~ 50	Rented
Malaysia (Corporate HQ)	Level 45, Tower 2 Petronas Twin Towers Kuala Lumpur City Centre 50088 Kuala Lumpur	Approx~ 169	Licensed for occupation

**6.7 TECHNOLOGY, INTELLECTUAL PROPERTY AND LICENCES**

ASDION software products are developed using PowerBuilder and Visual Basic®, and run on the Microsoft® Windows® operating platform, which makes it cost effective for small to medium enterprises to adopt them.

Apart from the software developed by the AB Group, the AB Group does not own any other intellectual property right, proprietary right, patent or licence. The AB Group's intellectual property includes the following:

- copyright in relation to the proprietary software which the AB Group designed and developed; and
- trademark registrations over the brand names of ASDION products.

The AB Group relies on its existing copyright and trademark registrations for the brand names of ASDION products to safeguard its interests.

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**6. BUSINESS OVERVIEW (Cont'd)**

The following table sets out the details of trademarks owned by the AB Group as at 15 November 2004:

<b>Authority</b>	<b>Division</b>	<b>Registration No.</b>	<b>Description of Trademark</b>	<b>Date</b>
Intellectual Property Office of Singapore	Registry of Trademarks	T95/02120Z	ASDION in respect of computer hardware and computer software 	10.3.1995
Intellectual Property Office of Singapore	Registry of Trademarks	T00/13437J	HrLink in respect of computer software for application in human resource work 	2.8.2000
Intellectual Property Office of Singapore	Registry of Trademarks	T00/13436B	AccLink in respect of financial software 	2.8.2000
Intellectual Property Office of Singapore	Registry of Trademarks	T00/13435D	PosLink in respect of point of sales software 	2.8.2000
Intellectual Property Office of Singapore	Registry of Trademarks	T00/13439G	MemberLink in respect of membership software 	2.8.2000
Intellectual Property Office of Singapore	Registry of Trademarks	T00/13438I	BookLink in respect of computer software (recorded) for the booking of facilities 	2.8.2000
Intellectual Property Office of Singapore	Registry of Trademarks	T01/14450G	ServiceLink in respect of computer software for servicing industry 	15.9.2001
Intellectual Property Office of Singapore	Registry of Trademarks	T03/20805G	iTour in respect of computer software for the travel industry 	31.12.2003
Intellectual Property Office of Singapore	Registry of Trademarks	T04/02601G	Columbus TMS in respect of computer software for travel industry 	27.2.2004

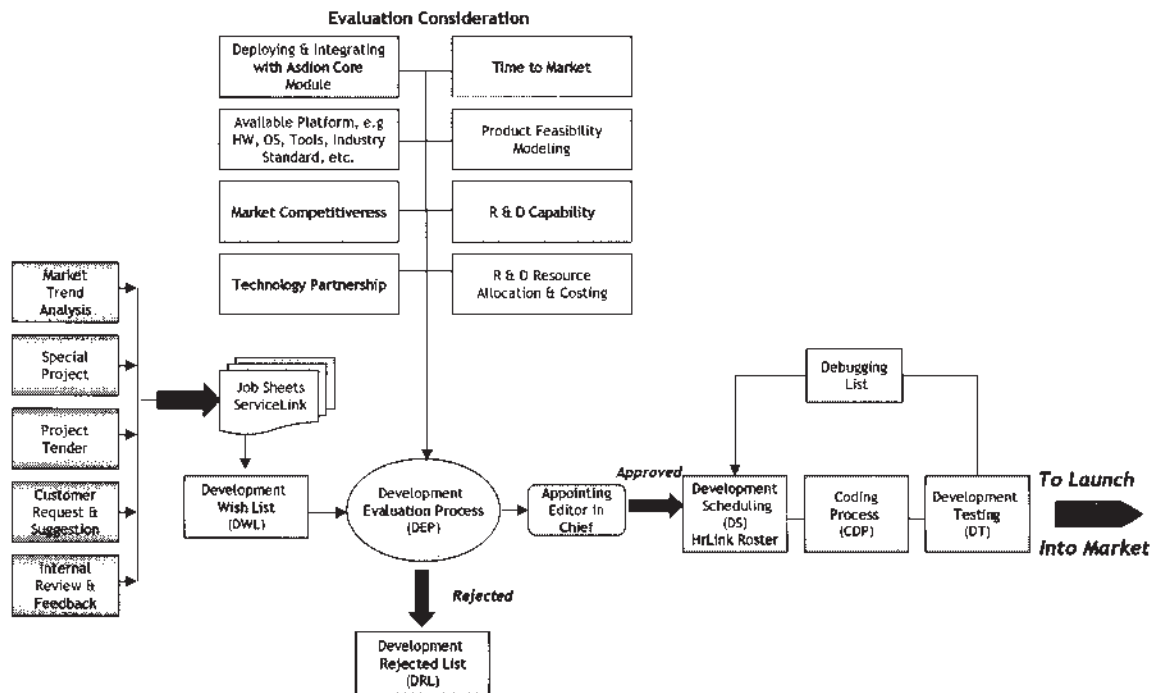
The Group's business activities do not presently require any special or business-specific permit or licence from any authorities. Please refer to Section 9.1 of this Prospectus for the material licences and permits required by the Group for conducting its business.

## 6. BUSINESS OVERVIEW (Cont'd)

### 6.8 RESEARCH AND DEVELOPMENT

#### 6.8.1 R&D Policy

The Group believes that continuous R&D is crucial not merely to enhance but also to complement the existing ASDION suite of software so as to enable them to compete effectively. The AB Group is constantly looking into areas of improvement in the software development process to improve its skills, productivity and product competitiveness. With such policy in mind, the AB Group adopts the following workflow process in its software development activities.



Innovative ideas and suggestions for the enhancement of ASDION solutions are highly encouraged either from internal or external sources as can be seen from the diagram that multiple channels are established to log in any views and ideas and include into the Development Wish List (DWL) pending for Development Evaluation Process (DEP). Some factors considered during the evaluation process include but are not limited to the following:

- (i) Deploying and integrating with ASDION core module;
- (ii) Available platform;
- (iii) Market competitiveness;
- (iv) Technology partnership;
- (v) Time to market;
- (vi) Product feasibility modelling;
- (vii) R&D capability; and
- (viii) R&D resource and costing.

Upon approval, an “editor-in-chief” for that application is appointed. The editor-in-chief is the main author responsible for the development from specification, scheduling, coding to testing. Other resources such as programmers are also assigned to the editor to form a team for large applications. Upon completion, the marketing and business development team will take over to launch the products to the market. The original editor-in-chief will remain in the enhancement and upgrading process.

## 6. BUSINESS OVERVIEW (Cont'd)

As part of its R&D process, quality control procedures have also been incorporated to ensure that the Group's products meet the clients' requirements. The quality control procedures involve both behavioural and structural test methods applied for each product. Behavioural test focuses on testing functional requirements where explicit knowledge of internal structure is not required. Validations of test data under the behavioural are more towards confirmation of process logic. Structural test is usually associated with unit test where knowledge of internal design structure is a necessity to ensure good scope of test data validation. Such tests are expected to enable the R&D team to identify and rectify the weaknesses prior to the implementation and launches of the products to the market.

### 6.8.2 Achievements in R&D

The AB Group has established a strong and committed team of R&D engineers to develop advanced innovations in the existing product range. Please refer to Section 6.1 for the existing ASDION suite of software.

### 6.8.3 Present Status of R&D

The AB Group has also established R&D programmes in respect of:

- (i) **ServiceLink:** A comprehensive and sophisticated module to support operations in the equipment servicing industry such as photocopy machine, security system or any maintenance contract oriented services. The first complete sample was completed at the end of the first quarter 2004, whilst its commercial version is expected to be released in the first quarter of 2005.
- (ii) **CampusLink:** A campus management system incorporating student administration, program unit, exam unit, lecturer management unit and other related operations providing an integrated solution for educational establishments. The first complete sample was completed at the end of first quarter 2004, whilst its commercial version is expected to be released in the second quarter of 2005.
- (iii) **iTour:** A travel management system to manage operational processes of travel agencies with the capability of interfacing with major air ticket central reservation systems. The product is expected to be launched to the market by the first quarter of 2005.
- (iv) **iTAS:** A time attendant management system to complement existing human resource management systems. The first complete sample was completed at the end of first quarter 2004. More integration work with MemberLink is in the pipeline. iTAS is expected to be launched in the second quarter of 2005.
- (v) **LoyaltyLink:** A software solution for managing loyalty programs in a customer-friendly and more efficient manner. The first complete sample was completed at the end of second quarter 2004. Integration with MemberLink as an advanced feature offering has been planned. The commercial version is expected to be released in the third quarter of 2005.

The R&D facilities of the Group are currently housed in the Company's headquarters in Kuala Lumpur. In line with the implementation of Phase 1 of the transfer of the Group's R&D activities to Malaysia which was completed in November 2004, most of the knowledge based employees and management stationed in Singapore have been relocated to Malaysia to spearhead the Group's R&D activities and operations in the country. In addition, the implementation of the said Phase 1 includes the setting up of its headquarters in Malaysia, within the MSC-approved limits, recruitment of additional R&D personnel and establishment of the Asdion Consultancy Group in Malaysia. The subsequent transfer of R&D activities, which commenced in December 2004, includes the transfer of product market research, product design, prototype development, programming and coding as well as system testing. The Board expects Phase II of the transfer of R&D activities to Malaysia will be completed by the end of the financial year ending 31 December 2005.

**6. BUSINESS OVERVIEW (Cont'd)**

In Shanghai, two (2) R&D personnel are employed to research and undertake software coding works.

The Group's estimated investment in R&D activities during the three (3) financial years ended 31 December 2001 to 2003 are as follows:

<b>Financial Year Ended</b>	<b>Amount*</b> <b>RM'000</b>	<b>% of revenue</b> <b>%</b>
31 December 2001	345	13.56
31 December 2002	356	9.59
31 December 2003	423	10.23

\* Based on an exchange rate of RM2.1631 for every SGD\$1

As at the date of this Prospectus, the Group has yet to apply for any R&D incentives granted to MSC-status companies.

**6.8.4 R&D Personnel**

As at 30 November 2004, the Group employed collectively sixteen (16) professionals to conduct R&D, based in Singapore, Malaysia and Shanghai. In Malaysia and Singapore, there are ten (10) and four (4) R&D personnel respectively who have been set to task. The key R&D personnel of the AB Group (other than Yap Tai Tee and Yap Wei Ling) as at 30 November 2004 are as follows:

<b>Key R&amp;D Personnel</b>	<b>Nationality</b>
Karen Lee Fong Khai <i>(Market Development Specialist)</i>	Malaysian
James Loh Kwok Yuen <i>(Regional Marketing and Account Manager)</i>	Singaporean
Arnie Marquez <i>(Editor in Chief)</i>	Filipino
Alan Bek <i>(Editor in Chief)</i>	Singaporean
Chia Lee Kim <i>(Analyst Programmer)</i>	Malaysian
Wu Li <i>(Team Leader (China))</i>	Chinese

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**6. BUSINESS OVERVIEW (Cont'd)****6.9 EMPLOYEES**

As at 30 November 2004, the AB Group has a total of 30 full-time employees in the following categories:

Category	Total employees		Average Number of Years of Service
	No. of employees	%	
Management/Business Development	5	16.67	5.0
Finance, Administration & Operations	5	16.67	1.4
Technical/R&D	20	66.66	1.2
<b>Total</b>	<b>30</b>	<b>100.00</b>	

The AB Group recognises the importance of its employees and continuously takes steps to update them on the latest developments in the ICT industry. These employees also attend training courses from time to time in order for them to update their technical knowledge.

It is also the intention of the AB Group to recruit additional employees, particularly for business development and R&D activities in line with its business expansion.

The employees of the AB Group are not members of any trade union, and the management of the AB Group enjoys cordial relations with these employees. There has not been any material dispute to date between management and these employees.

**6.10 INTERRUPTIONS TO BUSINESS DURING THE PAST TWELVE MONTHS**

There has not been any material interruption to the businesses of the AB Group in the twelve (12) months preceding the date of this Prospectus.

**6.11 DEVELOPMENT MILESTONES**

The significant milestones for the Group are as described below:

Year	Achievements
1993	TIS was incorporated with the initial main business focus to distribute and support Onity products (formerly TESA ESI) Electronic keycard system for hotels.
1994	TIS secured and successfully implemented the first electronic keycard access control project for Sea View Hotel Singapore
1995	Established a new software division at TIS with a vision to develop a scalable business solution to support end-to-end workflow process.
1996	Secured project to upgrade the electronic keycard access control at Shangri-la hotels in Singapore
1997	Completed the first version of AccLink and commenced some beta customer sites
1998	Launched MemberLink and secured project for the prestigious Singapore Chinese Swimming Club.
1999	Completed PosLink to enable offering of ERP solution for service sector

**6. BUSINESS OVERVIEW (Cont'd)**

<b>Year</b>	<b>Achievements</b>
	entirely under ASDION suite of applications as well as launched HrLink and BookLink.
	Launched AccLink 3.1SQL version in Microsoft Tech.Ed 1999.
<b>2000</b>	Launched PosLink
<b>2001</b>	Incorporated AS and ASSL as subsidiaries.
<b>2002</b>	Successfully modelled ASDION suite of applications in sectors such as logistic and transport with regional deployment, point of sales system with ticketing function and event management for tourism industry. ASSL started operations as development centre.
<b>2003</b>	Completed the first prototype of iTour Travel Management System, interfacing the module with major Global Distribution System.
<b>2004</b>	Obtained MSC status, and commenced relocation of R&D activities from Singapore to Malaysia.

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## 7. INDUSTRY OVERVIEW

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### 7.1 THE MALAYSIAN ECONOMY

The Malaysian economy's growth momentum continues into 2004 after recording a strong growth in 2003. Unlike in 2003, when the global economy was affected by the war in Iraq and SARS, the external environment in 2004 has improved substantially. The economy is supported by the upswing in the global electronics demand as well as the commodity prices. The manufacturing sector registered a more solid growth of 12.3% during the first half 2004 while the service sector expanded strongly by 6.8%. The Malaysian economy is set to surpass its earlier estimate of 6.0-6.5% and post a stronger growth of 7.0% in 2004 compared to 5.3% in 2003.

The sturdy domestic demand, led by the private sector contributes significantly to the overall economic growth in 2004. The encouraging performance of the private sector is due, in part, to the Government's deliberate efforts over the years to stimulate a more vibrant and dynamic private sector by providing a better conducive business and investment environment for private initiatives to flourish. Private sector expenditure is expected to expand at a greater pace of 10.3%, the highest since 2001, propelled by both consumption and investment spending. Private sector expenditure will contribute 5.8% to GDP growth (2003:3.1%). Higher disposable income arising from firm commodity prices, stronger export earnings as well as better employment prospects and positive wealth effects from favourable stock market conditions, are the major contributing factors to the strong growth of 9.3% in private consumption (2003:6.6%).

The outlook for 2005 will generally remain favourable although global growth is expected to be moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that become apparent in the second half of 2004 and are expected to continue into 2005, will have a large impact on growth next year.

*(Source: Economic Report 2004/2005)*

While events in the first half of 2003 had an impact on growth, the mutually reinforcing combination of strong economic fundamentals, supportive monetary and financial policies and Government action provided the platform for growth to accelerate in the second half. For 2003, real GDP expanded by 5.2% (2002: 4.1%), exceeding the official forecast of 4.5%.

Growth in 2003 was broad based and balanced across sectors. The manufacturing sector grew by 8.2% on the back of strong production growth, both in the export-oriented and domestic-oriented industries. Export-oriented industries, particularly the electronics and chemicals industries, benefited from the recovery in the global electronics sector as investment demand picked-up in most major economies. This growth was also seen in the strong expansion in manufactured exports (8.2%) and capacity utilisation levels that exceeded 80%. In certain industries, the 90% utilisation level was breached in 2003, prompting an increase in capital expenditure.

The Malaysian economy is expected to strengthen further in 2004, building on the strong growth momentum in the second half of 2003 and brighter prospects for global growth in 2004. Real GDP is expected to expand by 6-6.5% (2003: 5.2%), underpinned by stronger domestic demand and reinforced by more favourable external demand. Growth will mainly be private sector-driven, while the public sector gradually consolidates. The growing consumer and business confidence since the second quarter of 2003, strengthened economic fundamentals and the positive impact of pro-growth fiscal and monetary measures are expected to mutually reinforce robust consumer spending and the upturn in private investment activities.

*(Source: Bank Negara Malaysia Annual Report 2003)*

## 7. INDUSTRY OVERVIEW (*Cont'd*)

### 7.2 THE ICT INDUSTRY IN MALAYSIA

In Malaysia, the future thrust of the Government will be to shift the growth strategy from input-driven to one that is knowledge-driven. Efforts will be made to further enhance the development of the ICT sector and position Malaysia as a major global ICT and multimedia hub. ICT 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. Efforts to create a stable and supportive environment for e-commerce will also be a priority. The Government will undertake measures to build trust and confidence in e-commerce by introducing a legal framework on personal data protection, and infrastructure and logistical support, which encompass networks, payment systems and logistics, will also be provided to enhance the development of e-commerce.

*(Source: The Eighth Malaysia Plan 2000-2005)*

The Government will continue to develop the ICT sector and the MSC. The MSC International Advisory Panel that met on 2 and 3 September 2004 has recognised the performance of the MSC, which is into the second phase of development 2004-2010. ICT is capable of generating economic growth and will be expanded. The MSC will be strengthened with the roll-out to Bayan Lepas, Pulau Pinang and Kulim High-Technology Park, Kedah. New sources of growth will be developed, particularly in the shared services and outsourcing industry where Malaysia has been ranked as the third best location in the world. The target is to create an additional 100,000 high value-added jobs to the existing 20,000 in the MSC. Various measures will be implemented to develop new sources of growth in the ICT sector, including training skilled manpower, developing technopreneurs, increasing international promotions and providing specific incentives to investors.

*(Source: Budget 2005)*

The Government has committed to a ten (10)-point Bill of Guarantees to MSC status companies, including matters such as the provision of competitive fiscal incentives (such as tax holidays), no duties on imports of multimedia equipment, freedom to source capital globally, and unrestricted employment of local and foreign knowledge workers. The Government has also committed to MSC status companies in one of the ten (10)-point Bill of Guarantees that it would provide a comprehensive regulatory framework of intellectual property protection and cyberlaws to facilitate and assist in the development of a truly ICT and multimedia environment.

*(Source: [www.msc.com.my](http://www.msc.com.my), 17 November 2004)*

### 7.3 GOVERNMENT LEGISLATION, POLICIES AND INCENTIVES

MSC status is one of the key initiatives of the Government to facilitate ICT growth in Malaysia and to spearhead Malaysia's Vision 2020. MSC physically occupies a 15 kilometres by 15 kilometres garden corridor located close to the region's largest international airport, Kuala Lumpur International Airport, the administrative capital of Malaysia, Putrajaya and a world-class intelligent city, Cyberjaya. It is also an integrated logistics hub with express rail links to Kuala Lumpur. The MSC is also supported by a world-class high-capacity global telecommunications and logistics network built on a 2.5 – 10 gigabits digital fibre optic backbone.

In order to drive the development and growth of the MSC, seven (7) MSC Flagship Applications were launched, namely, e-Government, multipurpose card, smart schools, tele-health, R&D cluster, e-business and technopreneur development. Together, these Flagship Applications will push ahead the development of MSC and will provide business opportunities for ICT companies, the ultimate effect of which will be to transform the Malaysian society into a knowledge society.

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**7. INDUSTRY OVERVIEW (Cont'd)**


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To attract participants to the MSC, it has offered a ten (10) point Bill of Guarantee, that is:

- (i) Provide a world-class physical and information infrastructure;
- (ii) Allow unrestricted employment of local and foreign knowledge workers;
- (iii) Ensure freedom of ownership by exempting companies with MSC Status from local ownership requirements;
- (iv) Give the freedom to source capital globally for MSC infrastructure, and the right to borrow funds globally;
- (v) Provide competitive financial incentives, including no income tax for up to ten (10) years or an investment, tax allowance, and no duties on import of multimedia equipment;
- (vi) Become a regional leader in intellectual property protection and cyberlaws;
- (vii) Ensure no Internet censorship;
- (viii) Provide globally competitive telecommunications tariffs;
- (ix) Tender key MSC infrastructure contracts to leading companies willing to use the MSC as their regional hub; and
- (x) Provide an effective one-stop agency - MDC.

In fulfilling its commitment, the MSC is now governed by innovative cyberlaws, policies and practices that enable operating companies to harness the full potential of ICT. A brief description of some of the key Malaysian legislation for intellectual property protection and the ICT industry is as follows:

- (i) The Trade Marks Act 1976. This piece of legislation provides for a registration system for marks (for example, logos, brands, signs) used in relation to goods and services. The registration of a mark in relation to specified goods or services is valid for ten (10) years from the date of filing and is renewable for subsequent periods of ten (10) years each. The registered proprietor is entitled to commence infringement action against others who use his mark without consent or lodge a complaint under the Trade Description Act 1972.
- (ii) The Patents Act 1983, provides for a system for registration of patents and utility innovations. Upon grant, a patent is valid for twenty (20) years from the date of application. The owner of a patent has the exclusive rights to exploit the patentable invention, assign or transmit the patent and to conclude licence contracts, and to make claims where there is an infringement of its rights.
- (iii) The Copyright Act 1987, gives the exclusive right to the owner of a copyright for a specific period. There is no system of registration for copyright in Malaysia. Literary works, musical works, artistic works, films, sound recordings, broadcasts and derivative works is protected automatically if sufficient effort has been expended to make the work original in character; the work has been written down, recorded or otherwise reduced to a material form. The Copyright Act 1987 also specifies the circumstances amounting to and remedies for infringements and offences. The Copyright (Amendment) Act 1997 which amended the Copyright Act 1987 provides for unauthorised transmission of copyright works over the Internet as an infringement of copyright. It is also an infringement of copyright to circumvent any effective technological measures aimed at restricting access to copyright works.

**7. INDUSTRY OVERVIEW (Cont'd)**

- (iv) The Industrial Designs Act 1996, implements a system for the registration of an “industrial design” in Malaysia, which are “the features of shape, configuration, pattern or ornament applied to an article by any industrial process” being features which in the finished article, appeal to and are judged by the eye. The registration is valid for five (5) years and is renewable for two (2) further periods of five (5) years each. The Industrial Designs Act 1996 further specifies the extent of rights granted to the owner and what amounts to infringement.
- (v) The Layout Designs of Integrated Circuits Act 2000 sets out the criteria for the protection of the layout design of integrated circuits and the extent of protection conferred upon the right holder. A layout design is valid for ten (10) years from the date it is first commercially exploited.
- (vi) The Digital Signature Act 1997. This is an enabling legislation which allows for the development of, amongst others, e-commerce by providing a method for secure on-line transactions through the use of digital signatures.
- (vii) The Communications and Multimedia Act 1998, provides a regulatory framework to cater for the convergence of the telecommunications, broadcasting and computing industries in Malaysia. It includes the formation of The Malaysian Communications and Multimedia Commission as the sole regulator of the new regulatory regime.
- (viii) The Computer Crimes Act 1997, creates several offences relating to the misuse of computers, such as unauthorised access to computer material, unauthorised access with intent to commit other offences and unauthorised modification of computer contents.
- (ix) The Telemedicine Act 1997, provides a framework to enable licensed medical practitioners to practice medicine using audio, visual and data communications. However, the Telemedicine Act 1997 is not yet in force.

In addition, Malaysia is a member of the World Intellectual Property Organisation (WIPO), Paris Convention, Berne Convention and signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

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## **8. SUMMARY OF THE 5-YEAR BUSINESS PLAN**

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### **8.1 BUSINESS OBJECTIVES**

The AB Group seeks to position itself as a performance leader in the Asia Pacific market in the development, marketing and distribution of applications integrated business solutions. Its vision is to develop superior and reliable software products to meet challenging demands in the market place. The AB Group's focus is to assist SMEs to automate their operations with the industry specific software and to enhance the ASDION line of software available in the market today.

In achieving this mission, the AB Group will strive to:

- develop superior software products to meet the ever challenging demand in the market-place;
- provide reliable high quality products and services;
- create a brand image for its products;
- establish a network of end-users for its products and to develop strategic marketing alliances with other solution providers;
- develop a highly trained technical staff force to ensure continuous back-up and technical support for its products;
- provide a safe, healthy and socially responsible workplace and exercising social responsibility in the wider community;
- continually seek new opportunities for growth in related technologies; and
- ensure it is a reliable, service and quality driven organisation responsive to customers and shareholders.

### **8.2 KEY BUSINESS STRATEGIES**

#### **8.2.1 Business Development**

The Group's business development strategy for the next five (5) years comprises a 3-tier strategy as follows:

- (i) the development of ASDION core software solutions, through R&D covering from back-office applications to various front-end modules enabling a complete end-to-end solutions for varied businesses;
- (ii) technology partnership, by continuously identifying and aligning ASDION solutions with and deploying them on platforms offered by world leading technology providers; and
- (iii) to create market alliances, by forming alliance with other established front office market leaders with proven integrated solutions to drive business to success.

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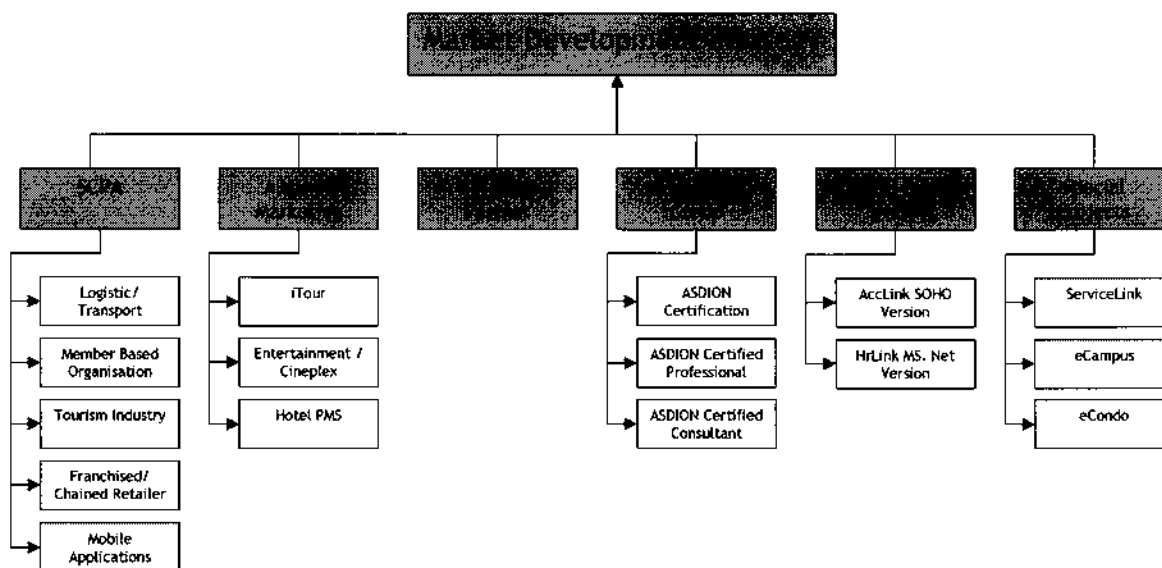
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## 8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)

### 8.2.2 Market Development

The market development strategy adopted by the AB Group can be summarised in the following chart:



#### (i) Segment Centric Penetration Approach

Solution models developed and fine-tuned to a specific sector can ensure good operation coverage, shorter deployment period and most importantly, develop market recognition and maximize marketing returns due to multiplication effects contributed by shorter deployment period as similar solution models are applied in the same industry. For example, the first franchised retail outlet may take up to six (6) months in the implementation but a much shorter duration is needed for subsequent projects as industry model are template and re-applicable. Some of the sectors identified by the AB Group for market development are:

- (a) logistic outsourcing services sector, where SMEs in the logistic industry forming part of the supply chain management of large corporations, especially foreign manufacturers, will require the use of ERP solutions such as AccLink;
- (b) membership oriented organisations, with potential for customer retention programs ranging from simple membership discounts and loyalty point scheme to more comprehensive member prepaid packages, will be offered MemberLink as their business solution;
- (c) tourism industry with focus on tourist attractions management, where TPosLink equipped with ticketing function and event management feature will be ideal for efficient management and control of booking arrangements;
- (d) franchises or chained retailers, which require complete business flow control from centralised procurement, warehousing, logistic and distribution, retail point of sales, to back-office financial accounting;
- (e) sales force automation through mobile applications, to meet emerging trend of PDA and mobile phones. ASDION products today deployed on some mobile applications such as Microsoft Pocket PC, such as Pocket AccLink and Pocket PosLink, can extend their functionalities to the front-end for the convenience of the users.

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**8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)**


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## (ii) Software Alliance Marketing

The design flexibility of ASDION core software has allowed the market development division to adopt alliance strategy with other established front office systems to achieve faster growth rate. Some of these other established front systems targeted by the AB Group are set out below:

- (a) alliance with Voyager, an established front office ticketing system in travel agency sector, will create a mutually beneficial situation as AccLink will function as back office program to satisfy the accounting needs;
- (b) alliance with CTS (Cineplex Ticketing System); and
- (c) alliance with hotel PMS system.

## (iii) Solution Partner Network

To recruit, develop and certify solution partners to undertake ASDION projects to avoid incurring constant overheads but giving rise to more business leads, more project opportunities that will provide strong on-going sales activities and general market growth. It is anticipated that a dedicate business development manager will be employed to identify and recruit the potential solution partners. All the potential solution partners must obtain ASDION certification by going through sufficient training which will be conducted by in-house consultants.

## (iv) Consulting Group

Creating a consulting group which will bridge ASDION solution with customers to ensure successful solution implementation and customer satisfaction. The consulting group can be divided into two (2) primary services, namely,

- (a) consulting services offering requirement analysis, functional specification, implementation, training and support; and
- (b) outsourcing services offering outsourcing services such as human resource management, IT services, loyalty programme management and application support, though a web-hosting centre infrastructure with reliable, efficient and secured Internet connection. Under this scheme, customers host their ASDION solutions at the hosting centre enabling them to access data globally at anytime.

## (v) e-SHOP

To identify and package certain light ASDION software in the DIY (Do-It-Yourself) direction for sales on-line to target global markets. At the same time, the AB Group will construct and operate ASDION e-SHOP to distribute on-line ASDION suite of software applications and services.

## (vi) Special Projects - Vertical and Horizontal Market Development

- (a) Horizontal Market Expansion – To continuously identify potential market by Industry Sector such as member based organisations, F&B, franchised business, etc.
- (b) Vertical Enhancement – To consistently improve and integrate ASDION software solutions to provide efficient and complete business solutions with end-to-end process cycle for the target industry.

## 8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)

### (vii) IT Services

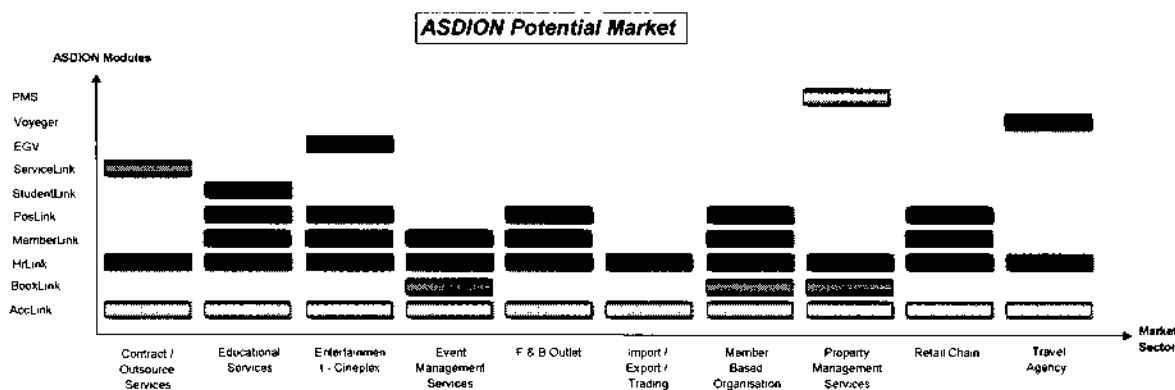
To offer maintenance services as it is an important recurring source of revenue. Maintenance services can either be on a contractual or ad hoc basis. Consumables materials, peripherals upgrades, electronic parts and etc will be sold and covered under maintenance services.

### (viii) System Projects

(a) To undertake system integration projects to serve customers as a one-stop total solution shop. The scope system integration will range from system infra-structure including servers, LAN, switches, communication routers to network security including firewall, VPN, remote access, etc.

(b) To offer electronic solutions for hotels, including front desk card issuing facilities, guestroom access control, room safes, room energy control, software integration with PMS.

Hence, the market sectors which are targeted by the AB Group as its mainstay will be:



### 8.2.3 Product Development Strategy

ASDION adopts the modular concept on the basis of business nature. To consolidate such development strategy, all ASDION family products are designed with excellent capability to interface with their companions. ASDION provides front and back office integration solutions under one umbrella, i.e. ASDION INTEGRATION. The concept of integration has been expanded to include other operation areas such as club memberships and loyalty programs.

To support its market development strategy, the AB Group proposes to introduce the following products for the years 2005 through to 2009.

## 8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)

Market Sector	Products/Services Development	Estimated Launch Date of Products and Enhancement					
		2005	2006	2007	2008	2009	
<b>Segment Centric Penetration Approach</b> Solution models developed and fine-tuned to a specific sector to help widen operation coverage and accelerate market penetration	<b>Logistic/Transport</b> Rosctant Linux CRM interface Microsoft .net version	√					
	<b>Member Based Organisation</b> Loyalty Host (Standalone version) Microsoft .net version	√					
	<b>Tourism Industry</b> Linux CRM Interface Prepaid ePurse Visitor Management System	√					
	<b>Franchised/Chained Retailers</b> Integrated Loyalty Scheme in POS ePayment Gateway Microsoft .net version	√					
	<b>Mobile Applications</b> Pocket AccLink Pocket PosLink Pocket MemberLink	√					
	<b>Alliance Marketing</b> Alliance with established front-end system such as Voyager system for travel agencies, Entertainment/Cineplex Ticketing System, Hotel Property Management System to accelerate market penetration	<b>iTour</b> CRS Interface (Abacus, Amadeus, etc) Multi-Language CRM interface Linux Total Travel Management System	√				
	<b>Entertainment/Cineplex</b> Re-writable Loyalty System	√					
	<b>Hotel PMS</b> AccLink Backoffice	√					
	<b>ASDION Consulting Group</b> Consulting Group can be divided into 2 services: - <b>Consulting Services</b> Requirement Analysis, Functional Specification, Implementation, Training, Support & Certification - <b>Outsourcing Services</b> HR Management, IT Administration, Loyalty Management, Application Support, etc.	<b>ASDION Certification Program</b> ASDION Certified Professional ASDION Certified Consultant	√	√	√	√	√
	<b>ASDION eShop</b> ASDION applications fine-tuned for DIY applications for on-line purchase via internet	AccLink SOHO version HrLink Microsoft .Net version	√				
	<b>Special Projects</b> On-going identification and evaluation of potential vertical market as well as development of suitable solution models that can later be transferred to SCPA, such as colleges, pre-schools, event management services and property management services	ServiceLink eCampus	√	√	√	√	√

However, the above product development direction and schedule is subject to re-alignment from time to time in view of the fast changing nature of IT industry to ensure the AB Group stays on the right technology path.

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**8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)**

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Some of the major considerations on the AB Group's product development and direction will include the following:

(i) **RosettaNet System**

RosettaNet is a consortium of major information technology, electronic components, semiconductor manufacturing and telecommunications companies working together to create and implement industry-wide and open e-business process standards. These standards form a common e-business language, aligning processes between supply chain partners on a global basis.

RosettaNet is one of the high-tech industry's most ambitious standards implementation efforts, reaching the United States, Asia and Europe. RosettaNet includes multinationals partners from around the world and is driven by Supply Chain and Solution Provider Boards that are global in scope. The AB Group plans to join and adopt RosettaNet in related ASDION products to support the development of standardised e-business process.

(ii) **Linux**

Linux is a free Unix-type operating system originally created by Linus Torvalds with the assistance of developers around the world. Developed under the GNU General Public License, the source code for Linux is freely available to everyone. Due to the very nature of Linux's functionality and availability, it has become quite popular worldwide. The Board believes Linux is not going to take over the desktop space anytime soon, but is making significant headway in vertical markets especially in many developing countries where IT budget is never sufficient even to meet the endless operating system upgrading costs. Linux is often considered an excellent, low-cost alternative to other more expensive operating systems. The AB Group is planning to port some of the modules that form the fundamental blocks of applications targeting in countries and markets where Linux is experiencing fast growth and penetration.

(iii) **Microsoft .net Direction**

Microsoft® .NET is a set of software technologies for connecting information, people, system and devices. The foundation of .NET is Web Services: small, reusable applications written in Extensible Markup Language (XML) that allow users to connect with applications and data over a network. The Microsoft® .NET Framework is an important new component of the Microsoft Windows® family of operating systems. It is the foundation of the next generation of Windows-based applications that are easier to build, deploy, and integrate with other networked systems. ASDION suite of business software applications has been mainly developed for Windows platform and will continue to build solutions with .NET technology for businesses that required greater reliability and integration.

(iv) **CRM Interface**

CRM software enables a business to retain valuable information and then use that information to help increase sales, handle specific customer service issues, and create databases of information that reflect the specific consumer traits of its public. The right CRM solution enables data to flow easily and quickly within an organisation, and in most cases includes the entire organisation. The net result is higher sales and more satisfied customers that are expected to help translate into and a much-improved bottom line. The AB Group has no plans at this juncture to develop its own CRM module and would rather look into developing interfacing template with some of the established CRM solutions available in the market.

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**8. SUMMARY OF THE 5-YEAR BUSINESS PLAN (Cont'd)**

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**8.2.4 Human Resources**

The AB Group plans for human resources improvement include:

- (i) To establish a Marketing Department, to develop and operate marketing related functions;
- (ii) To establish a Business Development Department to manage the growth of its market development strategies. There will be a business development manager for each critical target sector who will report to the General Manager.
- (iii) To establish a Consulting Group to ensure smooth customer service from inception to implementation but also to support continuous penetration of ASDION solutions.

In terms of human resource requirements, the AB Group is anticipating a workforce of approximately 50 headcount in 2005, with a large proportion employees for AB and ASSL. The employees are necessary to spin off the operations for AB and ASSL. Most employees for the Group will be skilled employees. Any increase in recruitment will be mainly to focus on the business development, project implementation and after sales support staff.

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## 9. OTHER INFORMATION ON AB GROUP

### 9.1 MATERIAL LICENCES AND PERMITS

The material licences and permits held by the Group as at 30 November 2004 required for the purpose of conducting its business are listed below:

Licences	Authority	Approval Period	Company	Status of Compliance
Registration of trade under the Singapore Registration of Imports and Exports Regulations	Singapore Trade Development Board	Expires on 15.02.2005	AS	In compliance
Enterprise Legal Person Business Licence	State Administration of Industry and Commerce, Shanghai Pudong, People's Republic of China	Expires on 17.09.2031	ASSL	In compliance

### 9.2 LANDED PROPERTY

The Group has only one (1) landed property as at 30 November 2004, the details of which are as follows:

Beneficial Owner/Location	Description/Encumbrance	Land/Built-Up Area in square meters	Net Book Value as at 30 June 2004 RM
TIS/ No.51, Bukit Batok Crescent, #05-23, Singapore 658077 (being a unit forming part of a building known as Unity Centre built on part of the land in the District of Pandan in the Republic of Singapore, being part of Government Resurvey Lot 6881P of Mukim 5 (URA Land Parcel 518), and forming part of the leasehold land comprised in a Singapore State Lease No. 22761 and Certificate of Title Volume 490 Folio 193	A 60-year leasehold flatted industrial lot. Certificate of Statutory Completion was obtained on 30 September 2003.  The purchase of this property is financed by banking facilities from, and is presently assigned to, Standard Chartered Bank (Singapore).	197	910,617*

The Bukit Batok Property is presently leased out by TIS.

Notes:

\* Based on an exchange rate of RM2.1631 for every SGD\$1.

## 10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

### 10.1 RELATED PARTY TRANSACTIONS

Save as disclosed below and in paragraph (a) of Section 4.1.2 of this Prospectus, there are no existing or potential related party transaction and conflicts of interest between the AB Group and its Directors, substantial shareholders and/or persons connected with such Directors and substantial shareholders as defined under Section 122A of the Companies Act, 1965.

- (i) Yap Tai Tee is presently the owner of the office space of ASSL in Shanghai bearing address Room 2007, Building 2, Kerry Everbright City, 218 Tianmu Xi Road, Shanghai, China. On 15 September 2004, ASSL entered into a tenancy agreement with Yap Tai Tee to lease the said premises from him free of rent for a period of fifteen (15) months commencing 1 October 2004 and expiring on 31 December 2005, with an option to renew the same for a further period of one (1) year for a rent payable at prevailing market rate.

As the said premises are presently leased free of rent, the Board is of the opinion that the terms of the tenancy agreement are fair and reasonable to ASSL, and will ensure that any rent payable in the future will be no more favourable to Yap Tai Tee, as compared to the prevailing market rate. Further, the Board is of the opinion that this tenancy will not give rise to any situations of conflict of interest, as it is presently governed by contractual arrangements which are made on an arms-length basis and favourable to the AB Group.

- (ii) Tesatech is a non-exclusive distributor of ASDION products in Malaysia. In addition, Tesatech is also one of the AB Group's suppliers. As at 30 November 2004, Tesatech is a 50% subsidiary of CSD whilst 40% of the shareholding in CSD are held by certain substantial shareholders and/or Directors of AB. The balance 10% shareholding in Tesatech is held by another family member. The shareholding structure of Tesatech is as follows:

	No. of shares in Tesatech	Percentage of Shareholding %
CSD	500,000	50
Yap Tai Tee	130,000	13
Yap Long Fei @ Yap Long Fee	7,000	7
Yap Tai Yeong	100,000	10
Yap Tai Hien	100,000	10
<b>Sub-Total</b>	<b>900,000</b>	<b>90</b>
Yap Tai Teong	100,000	10
<b>Total</b>	<b>1,000,000</b>	<b>100</b>

The Board confirms that all transactions with Tesatech are undertaken in the ordinary course of business at market price, on arms-length basis and on commercial terms which are not disadvantageous to the AB Group. Although Tesatech is a non-exclusive distributor of ASDION products in Malaysia, it is not carrying on business in competition with the AB Group, but is complementary to the AB Group.

The Board confirms that the transactions with Tesatech do not give rise to any situations of conflict of interest, and will continue to ensure that situations of conflicts of interest will not arise in the future.

In any event, all future related party transactions (whether recurrent or otherwise) will be monitored by the Audit Committee, where deviations from any reviewed transactions will be reported to the Board.

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**10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)**

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**10.2 TRANSACTIONS OF UNUSUAL NATURE**

The Board confirms that there is no transaction that is unusual in its nature or condition, involving goods, services, or tangible or intangible assets, to which AB or any of its subsidiaries was a party in respect of the financial year ended 31 December 2003, and in the subsequent six (6)-months financial period ended 30 June 2004.

**10.3 OUTSTANDING LOANS TO DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

There is no amount of outstanding loan (including guarantees of any kind) that has been made by AB or any of its subsidiaries to or for the benefit of any Director, substantial shareholder or person connected with such Director or substantial shareholder, as at the date of this Prospectus.

**10.4 INTERESTS IN SIMILAR BUSINESS**

None of the Directors and substantial shareholders of AB and its subsidiaries has any interest, direct or indirect, in any other business or company which is carrying on a business similar to that as AB and/or its subsidiaries.

**10.5 INTERESTS IN MATERIAL ASSETS ACQUIRED, DISPOSED OF OR LEASED**

Save as disclosed below and in paragraph (a) of Section 4.1.2 of this Prospectus, none of the Directors and substantial shareholders of AB and its subsidiaries has any interest, direct or indirect, in any promotion of, or in, any material asset, within the two (2) years preceding the date of this Prospectus, acquired or disposed of by, or leased to AB or any of its subsidiaries, or is proposed to be acquired or disposed of by or leased to AB or any of its subsidiaries.

Yap Tai Tee is presently the owner of the office space of ASSL in Shanghai bearing address Room 2007, Building 2, Kerry Everbright City, 218 Tianmu Xi Road, Shanghai, China. On 15 September 2004, ASSL entered into a tenancy agreement with Yap Tai Tee to lease the said premises from him free of rent for a period of fifteen (15) months commencing 1 October 2004 and expiring on 31 December 2005, with an option to renew the same for a further period of one (1) year for a rent payable at prevailing market rate.

**10.6 DECLARATIONS OF NO CONFLICT BY ADVISERS**

Hwang-DBS confirms that there is no existing or potential conflict of interest in its capacity as the Adviser and Underwriter for the Public Issue and Sponsor for the Listing.

K&N Kenanga Berhad confirms that there is no existing or potential conflict of interest in its capacity as the Placement Agent for the Public Issue.

Messrs. Ernst & Young confirms that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants for the Public Issue, Auditors of AB and the Expert on Fairness of Purchase Consideration for the Public Issue.

Messrs. Zain & Co. confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for the Listing.

IDC confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Research Consultant.

Messrs. Yoong & Partners confirms that there is no existing or potential conflict of interest in its capacity as the Expert for the Expert Report/Legal Opinion pertaining to TIS and AS.

Messrs. Yuan Tai Law Offices confirms that there is no existing or potential conflict of interest in its capacity as the Expert for the Expert Report/Legal Opinion pertaining to ASSL.