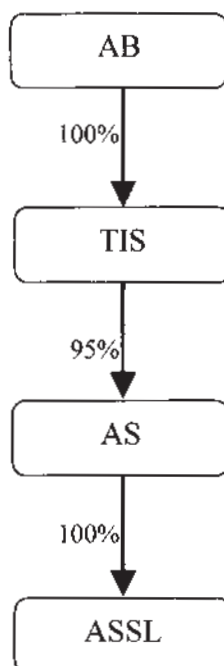


1. INFORMATION SUMMARY

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

1.1 HISTORY AND PRINCIPAL ACTIVITIES

AB was incorporated in Malaysia as a private limited company on 27 August 2002 under the Companies Act 1965 with the name of "Asdion Sdn Bhd". On 16 December 2003, AB converted into a public limited company and adopted its present name. The principal activities of AB are investment holding and engaging in software development and ICT-related activities. The AB Group's corporate structure is depicted as follows:



A summary of the details of AB's subsidiaries is as follows:

Subsidiary	Date & Place of Incorporation	Issued and Paid-Up Share Capital/ Registered Capital	% Effective Equity Interest Held	Principal Activities
TIS	28.10.1993 Singapore	SGD\$600,000	100	Software development and ICT-related activities
AS	03.04.2000 Singapore	SGD\$400,000	95	Consultants and distributors of e-commerce and related products and services
ASSL	18.09.2001 People's Republic of China	USD\$140,052	95	Research and development in software coding, and the marketing and provision of computer hardware and software solutions

1. INFORMATION SUMMARY (Cont'd)

TIS, the primary asset of the AB Group, was incorporated in 1993 in Singapore with its initial business focus in the marketing and distribution of TESA Electronic Access Control System (now Onity products) for the hospitality industry. With Yap Tai Tee at its helm and through its project involvement in the hospitality industry, TIS seized the opportunity to realise the potential of integrated software solutions for business operations, and moved into software development activities in 1995.

Further information on AB and its subsidiaries are disclosed in Section 4 of this Prospectus.

The AB Group now specialises in providing integrated operations software solutions and products for small to medium-size enterprises, with particular focus on business, management and accounting systems under the brand name "ASDION" which is an acronym for **A**pplication **S**olution **D**eveloped **I**n **O**bjects and **N**etwork.

AB was granted MSC status on 4 March 2004. Amongst the key MSC benefits it is likely to enjoy are five (5) years free of tax, renewable for another five (5) years and exclusion from the NDP requirements.

The Group adopts the modular concept on the basis of business nature. ASDION software solutions are designed following a development strategy known as ASDION INTEGRATION which interfaces ASDION products. Its primary product, AccLink, an enterprise accounting system, has been developed to serve as a back office module which is integrated seamlessly with front-office modules such as PosLink, MemberLink, BookLink and HrLink to achieve a cost-effective, flexible and practical solution for varied businesses ranging from clubs to hotel industry.

An overview of the business of the AB Group is disclosed in Section 6 of this Prospectus.

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.

To achieve its vision, the AB Group intends to apply the following key strategies in the future:

- (i) *Business development strategy*: the development of ASDION core software solutions through R&D, to identify and align ASDION solutions with other platforms and to create market alliances with other front office market leaders;
- (ii) *Market development strategy*: to adopt a segment centric penetration approach in identifying target markets and to enhance distribution through alliance marketing and solution partner networks; and
- (iii) *Product development strategy*: to develop new products to be deployed to the market.

During the next several years, both ASEAN and China applications markets will record a growth. ASEAN applications market is expected to reach US\$729.9 million in revenue, with a CAGR of 7.7% from 2003 to 2008. For back-office enterprise applications in which the Group is specialised in, the market in ASEAN and China totalled US\$949.0 million in 2003 and is expected to increase at a CAGR of 21.2% to reach US\$2.4 billion in 2008 (*Source: IDC Report*).

In addition, with the increasing importance of the service sector in the ASEAN region, the demand for IT applications is expected to grow. The Board believes that the AB Group, with its specialisation in software solutions for the service sector, is able to capitalise on the market growth. Being the intellectual property owner of the range of software it markets, the Group is also able to offer customisation services to meet the client's requirements as well. This presents further opportunities to enhance the Group's products as well as offers value added services such as IT consulting and custom application development.

1. INFORMATION SUMMARY (Cont'd)

Further, the Group has completed Phase I and has commenced Phase II of the transfer of R&D activities 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 relocation of R&D activities to Malaysia will allow centralisation of R&D activities and effective implementation of control mechanism to achieve better product competitiveness in terms of cost and delivery time to market.

In view of the above, the Board is of the opinion that the prospects of the AB Group is favourable as it envisages that the Group will be in a stronger position after the Listing to implement its business development plan to strive to be a performance leader in the Asia Pacific market in the development, marketing and distribution of applications integrating business solutions.

Further information on the industry in which the AB Group operates and the key business strategies of the AB Group are disclosed in Sections 7, 8 and 14 of this Prospectus.

1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

The direct and indirect shareholdings of the Promoters, substantial shareholders, Directors and key management of AB upon the Listing will be as follows:

Promoters	Designation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held
Yap Tai Tee	Group Managing Director/ Chief Executive Officer	17,248,562	43.12	-	-
CSD	-	2,800,000	7.00	-	-
AMSB	-	3,199,600	8.00	-	-
DCM	-	2,800,000	7.00	-	-
Alan Chua	Executive Director	2,025,200	5.06	3,199,600 ¹	8.00
Ong Yang Teng	-	-	-	2,800,000 ²	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 her shareholding in DCM.

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1. INFORMATION SUMMARY (Cont'd)

Substantial Shareholders	Designation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held
Yap Tai Tee	Group Managing Director/ Chief Executive Officer	17,248,562	43.12	-	-
CSD	-	2,800,000	7.00	-	-
AMSB	-	3,199,600	8.00	-	-
DCM	-	2,800,000	7.00	-	-
Alan Chua	Executive Director	2,025,200	5.06	3,199,600 ¹	8.00
Gooi Seng Cheong	-	-	-	3,199,600 ¹	8.00
Yap Long Fei @ Yap Long Fee	-	-	-	2,800,000 ²	7.00
Ong Yang Teng	-	-	-	2,800,000 ³	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.

Directors	Designation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held
Yap Tai Tee	Group Managing Director/ Chief Executive Officer	17,248,562	43.12	-	-
Alan Chua	Executive Director	2,025,200	5.06	3,199,600 ¹	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	-	-
Dr. Onn Keet Peng	Independent Non-Executive Director	81,200	0.20	-	-
Cheong How Soon	Independent Non-Executive Director	25,200	0.06	-	-

Notes:

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

1. INFORMATION SUMMARY (Cont'd)

Key Management & Technical Personnel	Designation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held
Karen Lee Fong Khai	Market Development Specialist	180,200	0.45	-	-
Adam Lim Chan Chung	Business Development Manager	57,200	0.14	-	-
James Loh Kwok Yuen	Regional Marketing & Account Manager	105,200	0.26	-	-
Yap Wei Ling	Software Engineer/ Non-Executive Director	94,400	0.24	-	-

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

Further details of the Promoters, the substantial shareholders, the Directors and the key management and key technical personnel of AB, and their direct and indirect interests in the issued and paid-up share capital of AB are set forth in Section 5 of this Prospectus.

1.3 TECHNOLOGY AND INTELLECTUAL PROPERTY

ASDION software is written in Powerbuilder and Visual Basic programming languages. They are based on the Microsoft® Windows® operating platform, which makes it cost effective for SMEs to adopt ASDION products.

The AB Group regards its intellectual property rights as critical to its continued success and has taken steps, which it believes to be necessary and customary in its industry, to protect its rights to that intellectual property. The AB Group’s intellectual property includes copyright in relation to the proprietary software which the AB Group has designed and developed. The brand name “ASDION” has been registered as a trademark with the Registrar of Trademarks, Singapore, since 10 March 1995. The brand names of existing ASDION suite of products are similarly protected by trademark registrations.

The AB Group relies on a combination of trademark registrations and common law copyright protection and contractual restrictions to protect its intellectual property rights.

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

1.4 R&D CAPABILITIES

The AB 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.

The AB Group has a strong and committed team of research and development engineers to develop new software to enhance and complement the existing ASDION suite of products.

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

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

The following table sets out a summary of the proforma consolidated income statement of AB for the past five (5) financial years ended 31 December 2003 and the six (6)-months financial period ended 30 June 2004 prepared based on the assumption that the current structure of the AB Group has been in existence throughout the financial years and period under review. The following table is presented for illustrative purposes only and has been extracted from the Accountants' Report set out in Section 12 of this Prospectus and should be read in conjunction with the notes and assumptions thereto. Further details on the proforma consolidated income statement of AB are also set out in Section 11.1 of this Prospectus.

	← Financial years ended 31 December →					Six (6) months ended 30 June 2004
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	RM'000
Revenue	1,664	2,435	2,540	3,717	4,138	2,054
Profit/(Loss) before depreciation and interest expense	171	160	(313)	833	1,107	410
Interest Expense	-	-	(7)	(30)	(49)	(53)
Depreciation	(44)	(51)	(55)	(39)	(79)	(43)
PBT/(LBT)	127	109	(375)	764	979	314
Taxation	-	-	(5)	(148)	(199)	(55)
PAT/(LAT) before MI	127	109	(380)	616	780	259
MI	-	-	2	12	21	10
PAT/(LAT) after MI	127	109	(378)	628	801	269
No. of AB Shares assumed in issue ('000)*	28,000	28,000	28,000	28,000	28,000	28,000
Gross EPS/(loss per share) (sen) ⁽¹⁾	0.46	0.39	(1.34)	2.73	3.50	2.24 ⁽⁴⁾
Net EPS/(loss per share) (sen) ⁽²⁾	0.46	0.39	(1.35)	2.24	2.86	1.92 ⁽⁴⁾

(1) The gross EPS is calculated by dividing PBT by the number of AB Shares in issue after the Acquisition and Rights Issue but before the Public Issue.

(2) The net EPS is calculated by dividing PAT after MI by the number of AB Shares in issue after the Acquisition and Rights Issue but before the Public Issue.

(3) There were no share of profits and losses of associated companies and joint ventures, extraordinary items or exceptional items during the financial years/period under review.

(4) Annualised for illustration purposes. The gross and net EPS for the financial period ended 30 June 2004 are 1.12 sen and 0.96 sen respectively.

* Based on the issued and paid-up share capital after the Acquisition and Rights Issue but before the Public Issue.

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

The following table sets out the summary of the Proforma Consolidated Balance Sheets of AB as at 30 June 2004, for illustrative purposes only, to show the effects of the Acquisition, the Rights Issue and the Public Issue on the assumption that the Listing will be completed as at that date and should be read with the notes and assumptions to the proforma consolidated balance sheets of AB as set forth in Section 11.6 of this Prospectus.

	COMPANY	← PROFORMA GROUP →		
		Proforma I	Proforma II	Proforma III
	Audited As at 30.6.2004 RM	After Acquisition RM	After Proforma I and Rights Issue RM	After Proforma II and Public Issue RM
PROPERTY, PLANT AND EQUIPMENT	-	1,103,908	1,103,908	4,503,908
CURRENT ASSETS				
Inventories	-	331,411	331,411	331,411
Trade receivables	-	1,481,829	1,481,829	1,481,829
Other receivables	-	739,670	739,670	739,670
Fixed deposit with bank	-	356,092	1,703,092	3,103,092
Cash and bank balances	6,932	93,623	93,623	93,623
	6,932	3,002,625	4,349,625	5,749,625
CURRENT LIABILITIES				
Trade payables	-	555,715	555,715	555,715
Other payables	2,000	114,133	114,133	114,133
Amounts due to directors	8,830	19,596	19,596	19,596
Provision for taxation	-	238,123	238,123	238,123
Bank term loan	-	43,262	43,262	43,262
Bank overdraft	-	186,544	186,544	186,544
	10,830	1,157,373	1,157,373	1,157,373
NET CURRENT (LIABILITIES) / ASSETS	(3,898)	1,845,252	3,192,252	4,592,252
	(3,898)	2,949,160	4,296,160	9,096,160
SHARE CAPITAL	2	1,453,000	2,800,000	4,000,000
RESERVES	(3,900)	892,283	892,283	4,492,283
	(3,898)	2,345,283	3,692,283	8,492,283
MINORITY INTERESTS	-	26,563	26,563	26,563
LONG TERM LIABILITIES	-	577,314	577,314	577,314
	(3,898)	2,949,160	4,296,160	9,096,160
NO. OF ORDINARY SHARES OF RM0.10 EACH IN ISSUE	20	14,530,000	28,000,000	40,000,000
NET TANGIBLE (LIABILITIES) / ASSETS PER ORDINARY SHARE (SEN)	(19,490)	16	13	21

1. INFORMATION SUMMARY (Cont'd)

1.5.3 Qualifications to Financial Statements

Save as set out below, the audited financial statements of AB and its subsidiaries for the past five (5) financial years have not been subjected to any audit qualification.

The audited financial statements for TIS were reported without qualification in respect of the financial years ended 31 December 1999, 2000, 2002, 2003 and the six (6)-months financial period ended 30 June 2004 but carried qualification notes for the financial year ended 31 December 2001.

For the financial year ended 31 December 2001, the audited financial statements of TIS carried qualification notes in respect of non-compliance with the requirements of the Singapore Companies Act (Cap. 50) where AS' financial statements (being that of a subsidiary) are required to be attached with the financial statements of TIS and in respect of non-compliance with the Singaporean Statement of Accounting Standard No. 26 regarding the preparation of a single set of consolidated financial statements for TIS.

1.6 RISK FACTORS

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

- (i) changes to general economic, political, legislative, business and/or credit conditions;
- (ii) no prior market for the AB Shares and possible volatility of share price;
- (iii) operating risks;
- (iv) competition;
- (v) brand awareness;
- (vi) rapid technological change in the ICT industry;
- (vii) shortage of labour and dependence on key management personnel;
- (viii) technological risks;
- (ix) protection of the AB Group's proprietary technology and intellectual property rights;
- (x) delays in research and development;
- (xi) future capital injections;
- (xii) investment risks;
- (xiii) control by certain shareholders;
- (xiv) foreign exchange risks;
- (xv) change in MSC status;
- (xvi) risks in foreign operations;
- (xvii) risks in new geographical markets;
- (xviii) ability in managing future growth;
- (xix) risks of inadequacy of insurance;
- (xx) delay in or failure of the Listing;
- (xxi) risks associated with dependence on contracts with customers;
- (xxii) risks associated with bank borrowings and restrictive covenants under facility agreements;
- (xxiii) dependence on existing distributors; and
- (xxiv) forward-looking statements.

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

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

1.7.1 Share Capital

	RM
Authorised share capital 50,000,000 Shares	5,000,000
Issued and fully-paid up share capital (prior to the Public Issue) 28,000,000 Shares	2,800,000
To be issued pursuant to the Public Issue 12,000,000 Shares	1,200,000
Enlarged share capital upon the Listing 40,000,000 Shares	4,000,000

1.7.2 Issue Price

The Issue Price for each Public Issue Share (sen)	50
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1.7.3 Proforma Consolidated NTA

Proforma consolidated NTA (after the Public Issue and deducting the total estimated listing expenses of RM1,200,000) (RM'000)	8,492
Proforma consolidated NTA per share (based on the enlarged issued and paid-up share capital of 40,000,000 Shares) (sen)	21

1.7.4 Classes of Shares and Ranking

There is only one class of shares in AB, being ordinary shares of 10 sen each. The Public Issue Shares, when issued, shall rank *pari passu* in all respects with the other existing ordinary shares of 10 sen each in AB, including voting rights and rights to all dividends and distribution that may be declared, paid or made subsequent to the date of this Prospectus.

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

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

1. INFORMATION SUMMARY (Cont'd)**1.8 PROCEEDS OF THE PUBLIC ISSUE AND UTILISATION**

Based on the Issue Price of 50 sen per Public Issue Share, AB expects the gross proceeds of the Public Issue to be RM6,000,000. These proceeds together with the proceeds from the Rights Issue will total RM7,347,000 and are expected to be utilised as follows:

	Amount RM'000	To be utilised by FYE 31 December
Capital Expenditure	1,200	2005
R&D Expenditure	2,200	2006
Working Capital	2,747	2005
Estimated Listing Expenses*	1,200	2005
	<u>7,347</u>	

Notes:

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

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

1.9 MATERIAL LITIGATION

The Board confirms that as at 30 November 2004, neither AB nor any of its subsidiaries is engaged in any litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial positions of AB or its subsidiaries, and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial positions or businesses of AB and/or its subsidiaries.

1.10 CONTINGENT LIABILITIES

The Board confirms that it is not aware of any contingent liabilities as at 30 November 2004 which, upon becoming enforceable, may have a material effect on the financial position of the Group.

1.11 CAPITAL COMMITMENTS

The Board confirms that, as at 30 November 2004, the AB Group has not contracted for any capital commitment which, upon becoming enforceable, may have a material impact on the financial position of the AB Group.

1.12 WORKING CAPITAL

The Board is of the opinion that, after taking into account the cashflow position, banking facilities available and the proceeds from the Public Issue, the AB Group will have adequate working capital for a period of twelve (12)-months from the date of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.13 BORROWINGS**

The Board confirms that, save as disclosed below, as of 30 November 2004, the AB Group does not have any outstanding borrowing, any other loan capital outstanding, loan capital created but unissued, or mortgage or charge outstanding.

TIS has obtained a term loan of SGD\$279,892 from Standard Chartered Bank (Singapore) to finance the purchase of the property referred to in Section 9.2 of this Prospectus together with an overdraft facility of SGD\$300,000 and trade facilities of SGD\$500,000, which banking facilities are collectively secured by an assignment of the said property and joint and several guarantees of Yap Tai Tee and Yap Tai Yeong.

Further details of the Group's outstanding bank borrowings as at 30 November 2004 are as follows:

Outstanding borrowings	SGD\$'000	RM' 000*
Long term borrowings (Payable after 12 months)		
Interest bearing	253	547
Non-interest bearing	-	-
Short term borrowings (Payable within 12 months)		
Interest bearing	310	670
Non-interest bearing	-	-
Total	563	1,217

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

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2. DETAILS OF THE PUBLIC ISSUE

2.1 INTRODUCTION

This Prospectus is dated 23 December 2004.

A copy of this Prospectus has been registered by the SC. A copy of this Prospectus together with the Application Form has been lodged with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed AB as a Prescribed Security. In consequence thereof, the Public Issue Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.

Approval from the SC has been obtained in respect of the Public Issue on 7 September 2004. Approval has also been obtained from Bursa Securities on 8 September 2004 for the Listing of AB, admission to the Official List of the MESDAQ Market and for permission to deal in and for the listing and quotation of the entire issued and paid up share capital of AB, including the Public Issue Shares which are the subject of this Prospectus, on the MESDAQ Market. These AB Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company and its subsidiaries or of its Shares.

Pursuant to the Listing Requirements, the Company needs to have at least 25% but not more than 49% of the total number of shares for which listing is sought in the hands of a minimum of 200 public shareholders holding not less than 100 shares each, upon admission to the MESDAQ Market. The Company is expected to achieve this at the point of Listing. However, in the event that the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

An applicant must have a CDS Account when applying for the Public Issue Shares.

In the case of an application by way of Application Form, an applicant should state his/her CDS Account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application and the applicant shall furnish his/her CDS Account number to the Participating Financial Institution by way of keying in his/her CDS Account number on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by AB. Neither the delivery of this Prospectus nor any Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company or any of its subsidiaries, or of the Group, since the date hereof.

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

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

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

2.2 OPENING AND CLOSING OF APPLICATIONS

Applications will be accepted from 10.00 a.m. on 23 December 2004 and will close at 5.00 pm on 31 December 2004 or such later date or dates as the Directors of AB and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted. Should the closing date of the application be extended, the dates for the balloting, despatch of notice of allotment and listing of and quotation for the entire issued and paid-up share capital of AB on the MESDAQ Market will be extended accordingly. Any extension of the closing date will be notified to the public via an advertisement in a daily Bahasa Malaysia and English newspapers.

The indicative timing of events leading up to the Listing is as follows:

Event	Tentative Date
Opening of applications	23 December 2004
Closing of applications	31 December 2004
Balloting of applications	4 January 2005
Allotment of shares	7 January 2005
Despatch of notice of allotment to successful applicants	11 January 2005
Listing of AB's entire enlarged issued and paid-up share capital on the MESDAQ Market	12 January 2005

2.3 DETAILS OF THE PUBLIC ISSUE

The Public Issue of 12,000,000 new AB Shares is an invitation by the Company to eligible Directors and employees of the AB Group and the Malaysian public to apply for the Public Issue Shares at the issue price of 50 sen per Public Issue Share, payable in full on application and upon such terms and conditions as set out in this Prospectus.

The 12,000,000 Public Issue Shares will be allocated in the following manner:

- (i) 1,000,000 new Shares representing 2.5% of the enlarged issued and paid-up share capital of AB to be reserved for eligible Directors and employees of the AB Group.

The Board of Directors of AB is given the discretion to determine the allocation of AB Shares to the eligible Directors and employees of the AB Group. The criteria for allocation of AB Shares to the eligible Directors and employees of the AB Group include length of service, position in the Group and contribution to the success of the Group. As at 30 November 2004, a total of 12 employees and 7 Directors will be eligible for allocation of the 1,000,000 new Shares, of which 485,300 shares will be individually allocated to the Directors as follows:

No.	Name of Director	Designation	Number of Shares Allocated
1.	Yap Tai Tee	Group Managing Director/ Chief Executive Officer	48,200
2.	Alan Chua	Executive Director	25,200

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

No.	Name of Director	Designation	Number of Shares Allocated
3.	Yap Tai Yeong	Non-Executive Director	105,900
4.	Yap Tai Hien	Non-Executive Director	105,200
5.	Yap Wei Ling	Non-Executive Director	94,400
6.	Dr. Onn Keet Peng	Independent Non-Executive Director	81,200
7.	Cheong How Soon	Independent Non-Executive Director	25,200

There is no limit on the allocation that can be made to each eligible Director and employee of the AB Group as long as the total number of AB Shares allocated under “pink form” does not exceed 2.5% of the enlarged issued capital of AB.

- (ii) 9,000,000 new Shares representing 22.5% of the enlarged issued and paid-up share capital to be placed with identified Malaysian institutional investors and/or individual investors by the Placement Agent; and
- (iii) 2,000,000 new Shares representing 5% of the enlarged issued and paid-up share capital of AB to be made available for application by the Malaysian Public.

The 3,000,000 Public Issue Shares available for application by the eligible Directors and employees of the AB Group and the Malaysian Public as set out under Sections 2.3(i) and 2.3(iii) above are fully underwritten by the Underwriter. The Placement Agent has received irrevocable undertakings from the identified investors to take up the Public Issue Shares available for application under Section 2.3(ii) above. Any Public Issue Shares not taken up by the eligible Directors and employees of the AB Group as stated under Section 2.3(i) above will be made available for application by members of the Malaysian investing public.

2.4 SHARE CAPITAL AND RIGHTS ATTACHING TO SHARES

	RM
Authorised share capital 50,000,000 Shares	5,000,000
Issued and fully-paid up share capital (prior to the Public Issue) 28,000,000 Shares	2,800,000
To be issued pursuant to the Public Issue 12,000,000 Shares	1,200,000
Enlarged share capital upon the Listing 40,000,000 Shares	4,000,000

Class of shares and ranking

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

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

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

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

2.5 BASIS OF ARRIVING AT THE ISSUE PRICE

Prior to the Public Issue, there has been no public market for the AB Shares. The issue price of 50 sen per Public Issue Share was determined and agreed upon by AB and Hwang-DBS, as the Adviser and Underwriter, after taking into consideration the following factors:

- (i) the prospects, future plans and strategies of the AB Group as described in Sections 6, 7, 8 and 14 of this Prospectus;
- (ii) the AB Group's operating and financial history and conditions as described in Sections 11 and 12 of this Prospectus;
- (iii) the industry review and prevailing market conditions;
- (iv) the earnings potential of the AB Group; and
- (v) the proforma consolidated NTA per share of AB of 21 sen as at 30 June 2004.

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

2.6 PURPOSE OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:

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

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2. DETAILS OF THE PUBLIC ISSUE (Cont'd)**2.7 PROCEEDS FROM THE PUBLIC ISSUE AND UTILISATION****2.7.1 Utilisation**

Based on the Issue Price of 50 sen per Public Issue Share, AB expects the gross proceeds of the Public Issue to be RM6,000,000. These proceeds together with the proceeds from the Rights Issue will total RM7,347,000 and are expected to be utilised as follows:

Utilisation	Note	Amount RM'000	To be utilised by FYE 31 December
Capital Expenditure	(1)	1,200	2005
R&D Expenditure	(2)	2,200	2006
Working Capital	(3)	2,747	2005
Estimated Listing Expenses*		1,200	2005
		7,347	

Notes:

- * *The proceeds to be utilised for working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from their estimated amount.*
- (1) *The AB Group will allocate a total of RM1,200,000 for capital expenditure. This total amount of capital expenditure is estimated to include renovation costs amounting to RM100,000, purchase of office equipment amounting to RM80,000, purchase of motor vehicles amounting to RM770,000 for commercial purposes, part-finance of purchase of leasehold property amounting to RM100,000, and the purchase of furniture and fittings amounting to RM150,000 for setting-up of new operations in Malaysia as part of the Group's business expansion plan.*
- (2) *The AB Group will allocate RM2,200,000 for R&D expenditure which will include acquisition of technology hardware amounting to RM1,560,000, software amounting to RM440,000 and development of prototypes amounting to RM200,000.*
- (3) *With the planned business expansion, the Group expects to require additional working capital to fund its operations. The Group plans to set aside RM2,747,000 of the proceeds for day-to-day working capital requirements.*

The net proceeds raised from the Rights Issue and Public Issue are proposed to be utilised to fund the Group's capital expenditure, R&D expenditure and working capital. The Rights Issue and Public Issue are expected to result in interest savings per annum of approximately RM0.38 million compared to financing the Group's capital expenditure, R&D expenditure and working capital with borrowings based on the Group's average interest rate of 6.25% per annum. In addition, equity financing will strengthen the capital base and reduce the financial risks of AB as compared to obtaining additional bank borrowings.

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

2.7.2 Estimated Listing Expenses

The expenses of the Listing are estimated at approximately RM1,200,000, with the following estimated breakdown:

	RM'000
Professional fees	500
Fees to the authorities	48
Fees to Issuing House	60
Underwriting, brokerage, management and placement fees	150
Printing and advertising	200
Miscellaneous	242
	1,200

2.8 BROKERAGE AND UNDERWRITING AND PLACEMENT EXPENSES**2.8.1 Brokerage**

Brokerage is payable by AB at the rate of 1% of the Issue Price of 50 sen per Public Issue Share in respect of successful applications which bear the stamps of either Adviser, a participating organisation of Bursa Securities, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIH.

2.8.2 Underwriting

Hwang-DBS, as the Underwriter, had on 2 December 2004 agreed to underwrite 3,000,000 Public Issue Shares. Underwriting commission is payable by AB at the rate of 2% of the Issue Price of 50 sen per Public Issue Share.

2.8.3 Placement

The Placement Agent had on 23 November 2004 agreed to place out 9,000,000 Public Issue Shares which are reserved for the identified investors. Placement fee shall be payable by the Company to the Placement Agent at a rate of 2% of the Issue Price of 50 sen per Public Issue Share to be placed out.

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement dated 2 December 2004, 3,000,000 Public Issue Shares are underwritten by the Underwriter. Underwriting commission payable by AB for the 3,000,000 Public Issue Shares shall be at the rate of 2% of the Issue Price of 50 sen per Public Issue Shares, the total of which is RM30,000.

The Underwriting Agreement includes the following salient terms which allow the Underwriter to withdraw from its obligations thereunder:

- (i) The obligations of the Underwriter are conditional upon:
 - (a) the listing of and quotation for the entire enlarged issued and paid up capital of AB on the MESDAQ Market having been approved in principle by Bursa Securities;
 - (b) the Public Issue having been approved by SC and/or any other relevant authority or authorities, on or prior to the closing date of the application for the Public Issue Shares;

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

- (c) there not having been, on or prior to the closing date of the application for the Public Issue Shares, any adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue, nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representation or warranty contained in the Underwriting Agreement and in the Prospectus as though they has been given or made on such date;
 - (d) the registration with the SC and the lodgement with the ROC of the Prospectus in accordance with the requirements of the Securities Commission Act 1993;
 - (e) the offering of the Public Issue Shares in accordance with the provisions hereof not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (f) the Underwriting Agreement having been duly executed by all parties and stamped;
 - (g) all necessary approvals and consents required in relation to the Public Issue (including but not limited to shareholders' and governmental approvals) having been obtained and being in full force and effect;
 - (h) the Underwriter having been satisfied that adequate arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 6 of the Underwriting Agreement;
 - (i) the Underwriter having been satisfied that the Company has complied and that the Public Issue is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto;
 - (j) the delivery to the Underwriter prior to the date of issuance of the Prospectus of a certified true copy by an authorised officer of the Company of all the resolutions of the directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorizing the execution of this Agreement and the issuance of the Prospectus; and
 - (k) the Composite Index of Bursa Securities is at no less than 600 points on or prior to 5.00 p.m. on the last day of application for the Public Issue Shares under the Public Issue.
- (ii) If any of the above conditions are not satisfied, the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing given to the Company, and in that event (except for the liability of the Company for the payment of the expenses as provided in Clause 7 as provided in the Underwriting Agreement, and any right and/or liability of the Company and/or the Underwriter under Clauses 4 or 5 as provided in the Underwriting Agreement), the parties to the Underwriting Agreement shall be released and discharged from their respective obligations under the Underwriting Agreement, provided that the Underwriter may at its discretion waive compliance with any provision of this Clause of the Underwriting Agreement (in which case any condition so waived shall be deemed to have been satisfied in relation to it).
- (iii) Notwithstanding anything herein contained, if in the reasonable opinion of the Underwriter:
- (a) any change or any development involving a prospective change in national or international monetary, financial (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriter prejudice materially the success of the Public Issue Shares and its distribution or sale (whether in the primary or in respect of dealings on the secondary market);

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

- (b) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reason of Force Majeure which would have, or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the success of the Public Issue, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms. In this paragraph, "Force Majeure" means an event or cause which is unpredictable and beyond the reasonable control of the party claiming the same, and which could not have been avoided or prevented by reasonable foresight, planning and/or implementation, and includes (without limitation) war, hostilities, riot, uprising, flood, fire, storm, epidemic, explosion, disease, earthquake, hijacking, sabotage, crimes, and acts of God;
- (c) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities;
- (d) any change in any law, regulation, directive, policy or ruling in any jurisdiction;
- (e) any government requisition or occurrence of any nature;
- (f) the Company has committed a breach of any of the representations, warranties, undertakings, covenants or other provisions of the Underwriting Agreement, the breach of which is either incapable of remedy or if capable of remedy, the Company has failed to remedy such breach within a period of fourteen (14) days from the date of a notice in writing by the Underwriter notifying the Company of such breach and requiring the Company to remedy the same;
- (g) there is a failure on the part of the Company to perform any of its obligations herein contained;
- (h) there is withholding of information of a material nature from Hwang-DBS which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of Hwang-DBS, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company, the success of the Public Issue, or the distribution or sale of the Public Issue Shares;
- (i) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company; or
- (j) if the Composite Index of Bursa Securities drops below 600 points for three (3) consecutive market days,

which would prejudice materially the success of the Public Issue, then the Underwriter shall be entitled by notice in writing to the Company terminate the Underwriting Agreement, and thereupon the parties to the Underwriting Agreement shall (except for the liability of the Company for the payment of costs and expenses referred to in Clause 7 as provided in the Underwriting Agreement incurred prior to and/or in connection with such termination) be released and discharged from their respective obligations under the Underwriting Agreement.

In the event of any termination, revocation or rescission of the Underwriting Agreement by the Underwriter pursuant to its rights under the Underwriting Agreement, or in the event of any termination of the Underwriting Agreement by the Company, the Company shall pay or return to the Underwriter all moneys paid by them, if any, under or as a result of the Underwriting Agreement together with interest thereon, which shall be at the prevailing Malayan Banking Berhad base lending rate calculated from (and including) the date on which it was paid to the Company up till (and including) the date on which it is paid to the Underwriter.

2. DETAILS OF THE PUBLIC ISSUE (Cont'd)**2.10 EXCLUSION OF PROFIT FORECAST**

No future financials (including profit forecast or estimates) are included in this Prospectus as they are difficult to forecast due to the uncertain nature and inherent risks of the business of the AB Group. The financial position of the AB Group are affected by a complexity of factors, including intense competition, operating risks, risks associated with the penetration of new geographical markets, uncertainty of its Business Development Plan and its dependence on customers and the securing of new contracts. Please refer to Section 3 for further details.

2.11 APPROVALS AND CONDITIONS**2.11.1 Conditions of Approvals**

The Public Issue was approved by the SC (under the Securities Commission Act 1993 and the guidelines of FIC) and Bursa Securities on 7 September 2004 and 8 September 2004 respectively, subject to the following terms:

Authority	Details of conditions imposed	Status of compliance
SC	AB should disclose the status of utilisation of proceeds to be raised from the rights and public issue in its periodic and annual reports until the proceeds are fully utilised.	To be complied with.
	AB should make full disclosure in the listing prospectus with regards to details of the legal suit and complaint with the Disciplinary Board of the Bar Council against Alan Chua.	Complied. Please refer to Section 5.5.9 of this Prospectus.
Bursa Securities	AB to disclose in the prospectus:	
	• The risk associated with the AB Group's participation in the highly competitive software market and mitigating factors/actions taken/to be taken by the AB Group	Complied. Please refer to Section 3.4 of this Prospectus.
	• The risk associated with the AB Group's business activities which relies on contracts with customers, and mitigating factors taken/to be taken by the AB Group	Complied. Please refer to Section 3.21 of this Prospectus.
	• The impact on the AB Group's future financial performance in the event that the AB Group fails to secure future contracts	Complied. Please refer to Section 3.21 of this Prospectus.
	• Efforts made to increase the AB Group's customer base; and	Complied. Please refer to Section 3.21 of this Prospectus.
	• All new secured contracts as at the most applicable date.	Complied. Please refer to Section 3.21 of this Prospectus.

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

Authority	Details of conditions imposed	Status of compliance
	AB is to enter into a rental/tenancy agreement/conditional agreement with Yap Tai Tee with respect to the ASSL's premises and disclose details of the same in the public offer prospectus, including a confirmation that the rental rate is no more favourable to the related party than the prevailing market rate.	Complied. Please refer to Section 10.1(i) of this Prospectus.
	The AB Group to replace Major Crest Management Consultancy Sdn Bhd where the same acts as company secretary to companies within the AB Group, with an independent party.	Complied
	AB to disclose in detail the AB Group's proposed plan to transfer R&D activities to Malaysia and to implement the first phase of its plans prior to issuance of prospectus.	Complied. Please refer to Sections 6.6 and 6.8.3 of this Prospectus.
	AB to inform Bursa Securities on the appointment of independent directors and to provide confirmation that they qualify as independent directors under the Listing Requirements of Bursa Securities for the MESDAQ Market.	Complied
	AB to include a negative statement in its prospectus on the exclusion of a profit forecast from the prospectus and the reasons thereof.	Complied. Please refer to Section 2.10 of this Prospectus.

2.11.2 Moratorium on Sale of Shares

Pursuant to the Listing Requirements, Shares held by the promoters of AB amounting to 45% of the issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market are to be placed under moratorium.

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

Promoters	Shares under moratorium upon Listing	
	No. of Shares	Percentage of the enlarged issued and paid-up capital
Yap Tai Tee	12,500,000	31.2%
CSD	2,000,000	5.0
Alan Chua	1,500,000	3.8
DCM	2,000,000	5.0
AMSB	-	-
	18,000,000	45.0

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

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

The restriction is specifically endorsed on the share certificates representing the respective shareholdings of the substantial shareholders/promoters which are under moratorium to ensure that the Company's Share Registrar shall not register any transfer not in compliance with the aforesaid restriction. The public is deemed to have notice of this restriction.

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3. RISK FACTORS

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

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

3.1 Changes to General Economic, Political, Legislative, Business and/or Credit Conditions

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

Additionally, the AB Group's business is subject to the overall economic, political, legislative, business and/or credit condition both domestically and internationally, particularly in Malaysia, Singapore and People's Republic of China where its operations are located. Amongst these economic, political, legislative, business and credit conditions which may affect the AB Group are changes in methods of taxation, currency controls, trade barriers, policies on repatriation of profits and changes to legal framework for enforcement of rights and remedies.

Whilst the AB Group will continually monitor the possibility of these changes and strive to take effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that the AB Group's performance or financial condition will not be affected by any adverse change to the economic, political and legal factors in these countries.

3.2 No Prior Market for AB Shares and Possible Volatility of Share Price

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

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

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

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3. RISK FACTORS (Cont'd)

3.3 Operating Risks

TIS, which carries out the core revenue-generating business of the AB Group, has been profitable during the last financial year. However, there is no assurance that the Group will continue to be profitable in future years, or that it will achieve increasing or consistent levels of profitability.

The Group's revenue and operating results could be adversely affected by many factors. These may include, amongst others, debt collection problems, customer order deferrals, the ability of the AB Group to control unforeseen costs, unforeseen changes to the Group's operating expenses, the availability of human resources to meet market demand, reliance on performance of other industries, competition, the ability of the Group to develop and market, on a timely basis, new products, market acceptance of new products or services, and other business risks common to going concerns.

Apart from the revenue generated from the Group's core products and services, the Group continuously procures and is in the process of procuring sales leads. These sale leads include on-going discussions with potential marketing alliances to integrate their established solutions with ASDION applications to tap into their marketing network, which the Directors of AB believe are promising and which, if successfully completed, will contribute positively to the Group's revenue. It is expected that these sales leads should materialise in the next twelve (12) to twenty-four (24) months.

Moreover, the AB Group has been able to operate its business through the challenging economic conditions since 2000 in spite of limited resources and lack of market presence then. The Group continues to focus on cash flow management, effective and result-oriented market penetration efforts, developing business alliances and controlling costs.

3.4 Competition

The sector in which the AB Group operates is the most competitive in the applications software market. The Group has experienced and expects to continue to experience competition from current and future competitors. The Group believes that its ability to compete depends on many factors within and outside its control, such as (but not limited to) timing and market acceptances of new products, services, and enhancements developed by the Group and its competitors, product functionality, ease of use, performance and reliability, pricing, value for money, customer service and support, sales and marketing efforts, product distribution channels and the resources of competitors.

Generally, the barriers to entry for the software industry is high because of the high financial investment involved in research and development. Notwithstanding this, the threat of new entrants is high, especially from vendors offering free standalone enterprise software in attempts to gain brand recognition. In addition, existing competitors such as SAP continue to offer competitive prices whilst other players such as UBS, Quicken and MYOB continue to improve their product range to gain market share in the sector which the AB Group operates.

However, the AB Group believes that it has a competitive advantage in the nature, quality and cost of its products and services, coupled with the efficiency of its product and service delivery and deployment. The Group believes that it has a strong domain knowledge of customer and market requirements, and is able to develop its products and services to meet their demands and budgets. In addition, the Group believes that as the proprietor of the intellectual property over its suite of software, it is in a position to develop significant industry-oriented knowledge and expertise, in the travel, leisure and hospitality and logistic industries. Its offering of AccLink and HrLink has been applied in these industries, and is capable of being tailored to suit other industries. This may help enhance the Group's competitiveness as compared with other software solutions providers in these industries. The Group also believes that ASDION products are marketable both as stand-alone solutions or as integrated ones. As the Group adopts a modular application development approach, a less complex modelling process is usually required in any project implementation. As such, the ability to market ASDION software solutions as standalone applications will not only encourage better market adoption towards its products but also provide the Group with more opportunities in the enterprise applications market.

3. RISK FACTORS (Cont'd)

The Group also believes customer requirements in respect of the type of products offered by the Group can be selective and specialised, and the Group's products can be substantially differentiated from its competitors. Such features can result in higher barriers to entry as the demand for specific core competency becomes critical to the delivery of solutions that meet customers' complex requirements.

As part of the efforts to differentiate the AB Group from other players in the market, AB Group has allocated a reasonable portion of the proceeds from the Public Issue to investment in R&D to develop new and innovative products. With more R&D and in view of its expansion plans in the coming years, AB Group is confident that it will be able to provide total solutions to its customers setting it apart from its competitors. Whilst the AB Group will take reasonable measures to maintain its competitive advantages through R&D, cost reduction and expansion programmes, there is no assurance that any changes to factors affecting the competitive environment of applications software market will not have a material adverse impact on the AB Group.

3.5 Brand Awareness

The AB Group's products have yet to be commercialised on a major scale, while other products have yet to be marketed extensively, both locally and abroad, primarily due to resource limitations for marketing and promotion. Brand awareness of the AB Group's products is also dependent upon the Group being able to successfully market and create brand recognition and acceptance of the AB Group's products. While the Group will make all reasonable efforts to do so through comprehensive marketing strategies, there is no assurance that such recognition as well as acceptance will be successfully achieved.

However, the AB Group's products have to date been well-received by its customers, and the AB Group plans to further enhance market recognition and acceptance of its products by increasing marketing and promotional efforts, continued good customer service and by improving its products and services. In line with this, the AB Group intends, over the next three (3) financial years ending 31 December 2005 to 2007, to build brand awareness and for marketing purposes, including advertising expenditure, and the hiring of sales and marketing personnel.

3.6 Rapid Technological Change in the ICT Industry

The market for the AB Group's products and services faces rapid technological changes, evolving industry standards, swift changes in customer requirements, computer operating environments, software and hardware applications, and frequent new product introductions and enhancements. The AB Group's products may become obsolete due to changes in technology used in ICT and in developing the software. The AB Group's future depends substantially upon its ability to address the increasingly sophisticated needs of its customers. The AB Group's business, operating results and financial position can be affected by competing products and services which better address customer requirements or for any reason is preferred by customers and the market over the AB Group's.

In this regard, the AB Group constantly endeavours to develop its products using the latest appropriate technology in order to deliver new products or enhancements which adequately meet the requirements of customers and the market.

The AB Group is also actively continuing its on-going research and development programme to mitigate against this risk.

3.7 Shortage of Labour and Dependence on Key Management Personnel

The ICT industry is dependent on the availability of a broad range of labour. Some of these include hardware specialists, ICT infrastructure specialists, software specialists/programmers, networking specialists and others. Due to the accelerated growth of the ICT industry and the broad range of skills required, the demand for labour far exceeds the supply. This has caused the industry to experience personnel shortages and high turnover rates, especially for technical skills. The Malaysian government has called for organisations to be more involved in training and re-training of ICT personnel. Industries are encouraged to link their training programmes with institutions of high learning and to join forces in R&D to encourage the sharing of expertise and facilities.

3. RISK FACTORS (Cont'd)

The AB Group's future performance will depend to a certain extent on the continued efforts and abilities of its Directors and key management and technical personnel, and networking abilities of its sales personnel. The loss of the services of any of these individuals may have a material and adverse effect on the AB Group. As such, the AB Group has made continuous efforts to groom younger management personnel to ensure a smooth transition in the management team. Such steps shall mitigate any major disruptions to the AB Group's operations in the event of loss of any key personnel. The AB Group also depends on its ability to attract and retain sufficiently skilled employees.

The AB Group currently enjoys cordial relationships with its employees, and these employees do not belong to any trade union. The employees are also sent to various courses from time to time to further upgrade their knowledge and skills.

In addition, Yap Tai Tee has been the main architect of the ASDION suite of software. The loss of his valued leadership may impact on the future performance of the AB Group. However, the moratorium on his shareholding together with his substantial interest in the AB Group will mitigate against the risk of his exit from the AB Group.

3.8 Technological Risks

The AB Group operates in an environment where its operations are exposed to risks of computer viruses, industrial espionage, theft, hacking and fraud.

In response to this, the AB Group makes all reasonable efforts to minimise potential security breaches by the use of appropriate security systems, and to date, there has not been any material disruption or damage to the AB Group's computer systems.

3.9 Protection of the AB Group's Proprietary Technology and Intellectual Property Rights

One of the principal threats to the ICT industry is infringement of copyright and illegal copying of proprietary software. The AB Group relies on a combination of trademark applications and common law copyright protection and contractual restrictions to protect its intellectual property rights. The AB Group's success is dependent upon its ability to protect its intellectual property rights. Accordingly, there can be no assurance that the AB Group will be able to continue to protect its proprietary rights against infringement, unauthorised third-party copying, use or exploitation, any of which may have a material and adverse impact on the AB Group's business, operating results and financial condition.

Another limitation to the protection of the AB Group's intellectual property rights relates to its operations in the People's Republic of China. Although intellectual property law in the People's Republic of China is developing rapidly, enforcement of the same may not be effective should the AB Group need to enforce against infringement of its intellectual property rights. As the judicial process in the People's Republic of China may also be complicated and time consuming, there can be no assurance that the AB Group may effectively protect its intellectual property rights in the People's Republic of China.

However, the AB Group's products typically requires a level of proprietary customisation and industry know-how input, and has a certain degree of uniqueness in the final product that is supplied to a customer. Thus, the AB Group's products may be less affected by risks of widespread unauthorised use, copying and exploitation.

The AB Group's employees have also entered into agreements with the AB Group to limit the possibility of unauthorised copying and exploitation by employees who leave the AB Group's employ. The AB Group's customers are also bound by end-user license agreements which prohibit them from the same. The brand name "ASDION" as well as those of its products are protected by trademark registrations in Singapore. The Directors of AB will pursue trademark registrations in other countries where its products are sold.

3. RISK FACTORS (Cont'd)

3.10 Delays in Research and Development

The AB Group has on-going research and development programmes with the purpose of developing products that are on the front edge of the market to meet the dynamic requirements and expectations of the market. There can, however, be no assurance that these research and development programmes can be successfully completed on time so as to enable the roll-out of new or enhanced products on a timely basis vis-à-vis market requirements and expectations.

However, the AB Group believes that its current range of products and services are stable based on the response of its customers and have been well-accepted by its customers, and as such the effects of any material delay in the roll-out of new or enhanced products are mitigated by continued availability of the AB Group's existing range of products.

3.11 Future Capital Injections

The Directors of AB believe that the net proceeds from the Public Issue together with cash flow generated from the AB Group's operations will be sufficient to meet the projected working capital and other cash requirements. However, there is no assurance that future events may not cause the AB Group to seek additional capital.

Where additional capital is required, one of the avenues available to AB is to consider the issuance of additional equity or convertible securities. The issuance of additional equity or other convertible securities by AB may result in the dilution of the interests of the shareholders of AB.

The AB Group may also seek borrowings to meet its working capital requirements. Where it is obtained, there can be no assurance that it will be on terms satisfactory or favourable to the AB Group, as well as to the ability of the AB Group to meet its obligations.

3.12 Investment Risks

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

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

The AB Group may also from time to time invest in new ventures and products. These investments may not be successful, or may have a delayed gestation period. In this event, the AB Group may not be able, or may be slow, to recover its investments and/or achieve satisfactory returns. However, any venture or investment of such nature will be carefully considered by the Directors of the AB Group.

3.13 Control by Certain Shareholders

AB is controlled by the Promoters, namely Yap Tai Tee, CSD, Alan Chua, Ong Yang Teng, DCM and AMSB, who together control 70% of AB's issued and paid-up share capital upon the Listing. Consequently, the aforesaid shareholders, if acting in concert, may be able to influence the outcome of certain matters such as the appointment of directors as well as the approval of business and investments requiring the vote of AB's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

Nonetheless, the existence of the Audit Committee which includes the appointment of two (2) independent non-executive Directors should effectively help to promote good corporate governance and therefore, represent the interest of the minority shareholders and general public at large.

3. RISK FACTORS *(Cont'd)*

3.14 Foreign Exchange Risks

The Group sells its products to various countries and has operations in Singapore and People's Republic of China. It also distributes its products to other overseas market. The sales in these markets are often transacted in USD\$, SGD\$, RMB and RM, where relevant. Hence, the Group is exposed to foreign exchange fluctuations. The risk of foreign exchange fluctuation has been mitigated by the exchange control rules implemented since 1 September 1998 which effectively pegged the RM against USD at the fixed rate of RM3.80 to USD1.00. However, should the Ringgit peg be removed, any downward adjustment of RM against USD will have adverse financial impact on the Group's financial performance and vice versa.

No assurance can be given that the peg will be maintained in the future and that if the peg is removed or revised, it will not have an adverse material effect on the performance of the Group.

Currently, the Group does not use any financial instruments to hedge against transactions denominated in foreign currencies. However, the Group will continue to assess the need to utilise hedging techniques to mitigate this risk. If a decision is made to use hedging techniques, there is no assurance that this will prevent the Group from incurring foreign exchange losses.

3.15 Change in MSC Status

AB was granted MSC status in accordance with MDC's procedures on 4 March 2004. With its MSC status, AB will enjoy financial and non-financial incentives. At present, these incentives include:

- (i) a five (5) year exemption from Malaysian income tax (only on income derived from MSC-related activities) commencing from the date when the company starts generating income, renewable for up to ten (10) years (renewal will depend on AB's performance in transferring technology or knowledge to Malaysia), or a 100% investment tax allowance on new investments made in designated MSC cyber-cities, commencing from the date on which the first qualifying capital expenditure is incurred;
- (ii) duty-free importation of multimedia equipment, provided that the equipment is used by the company in the operation of its business, and not for direct sale and trading or use as components in manufactured items;
- (iii) research and development grants for MSC small and medium enterprises that are at least 51% Malaysian-owned; and
- (iv) non-financial incentives such as:
 - (a) unrestricted employment of foreign knowledge workers;
 - (b) freedom of ownership; and
 - (c) freedom to source capital for MSC infrastructure globally, and the right to borrow funds globally, in which regard all MSC status companies will be given exemptions by the Controller of Foreign Exchange from exchange control requirements which will allow them to execute transactions in any currency in Malaysia or elsewhere, borrow any amount from financial institutions, associate companies or non-residents, hedge foreign exchange exposure, remit funds globally and open foreign currency accounts in Malaysia or abroad with no limits on balances.

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

3. RISK FACTORS (Cont'd)**3.16 Risks in Foreign Operations**

Presently, AB has three (3) subsidiaries, TIS, AS and ASSL. TIS and AS are both operating in Singapore whilst ASSL is operating in Shanghai, People's Republic of China. Like any other foreign investments, the investment of AB in TIS, AS and ASSL will be subject to the foreign investment policies of the Singapore Government and the People's Republic of China.

ASSL has been granted an Enterprise Legal Person Business License to operate in Shanghai, People's Republic of China for a term of thirty (30) years, expiring on 17 September 2031. ASSL is categorised as a foreign investment company and subject to various preferential treatment and incentive measures, such as exemption from corporate income tax. Whilst these incentives are made available currently, there is no assurance that such favourable policies will continue in the future.

In addition, the ability of AB to repatriate profits arising from its investments in TIS, AS and ASSL will largely depend on the relevant legislation governing repatriation of profits prevailing at the point of repatriation. There can be no assurance that any change to the policies of either Singapore, the People's Republic of China and/or the Malaysian Government with respect to foreign investment and repatriation of profits will not materially and adversely affect the rights and/or performance of AB with respect to investments in TIS, AS and ASSL.

Further, the operations in Singapore and the People's Republic of China are also subject to certain risks which include but are not limited to the general conditions of the economy, political stability and changes in legal and tax legislation affecting the industry in which the AB Group operates, fluctuations in exchange rates and fluctuations in costs of production. The Group endeavours to limit these uncertainties through internal feasibility studies, careful project planning and the appointment of experienced personnel. However, there can be no assurance that the foreign operations will be able to achieve operational targets and the planned financial contribution.

3.17 Risks in New Geographical Markets

ASDION products are sold in the ASEAN region as well as in People's Republic of China, and there are risks associated with the penetration of the applications software market in these regions.

In the ASEAN region, consolidation in the industry especially in the telecommunications and banking sectors in the region would restrict the opportunity in the market and also competition would be more intense with the reduced market size. In addition, although improving, knowledge and implementation of back-office enterprise applications in SMEs in ASEAN is still nascent. Opportunities are abundant in this market category but time and effort would be required to nurture the urgency of implementing back-office software that would essentially benefit the companies.

In People's Republic of China, strong price war and intense competition can lower margins for vendors of software applications. Due to lower margins, it will reduce the vendors' time and effort allocated to the project resulting in the increase of the probability of the applications failing. Furthermore, although many vendors exist in the China market, there is still lack of excellent and mature applications. Unqualified products confused end users and also prohibit the healthy development of China's applications market.

Please refer to Section 14 for further information on these markets.

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3. RISK FACTORS (Cont'd)

If AB is not successful in penetrating new geographical markets, it may suffer revenue shortfalls and an increase in operating costs. Substantial management resources would have been devoted to launch its products and grow its operations in targeted markets. It cannot guarantee that these sales and marketing efforts will be successful or generate significant revenue. The Group will be subject to further risks when it operates in foreign countries that could affect its financial conditions and operating results, including:

- (i) local regulatory requirements;
- (ii) costs and risks in internationalising software solutions for foreign markets;
- (iii) fluctuations in currency exchange rates;
- (iv) an imposition of currency exchange controls;
- (v) unexpected change in regulatory requirements; and
- (vi) poor market acceptance.

However, detailed analyses of new target markets will be conducted and evaluated prior to making these decisions. The Group seeks to minimise risks in new markets by engaging experienced personnel and developing products which are easily adaptable to local requirements.

3.18 Ability in Managing Future Growth

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

3.19 Risks of Inadequacy of Insurance

The Group is aware of the adverse consequences arising from inadequate insurance coverage that could cripple its business operation. Whilst there could be a lack of adequate insurance coverage to protect the Group's assets at the present time, the Group will take the necessary measures to ensure that its assets are eventually adequately covered by insurance. Where such insurance are maintained, there can be no assurance that the insurance will be adequate for replacement cost of the assets of the Group or consequential loss arising from damage or loss of the assets.

3.20 Delay in or Failure of Listing

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

- (i) the Underwriting Agreement is terminated based on its terms;
- (ii) the Underwriter fails to honour its obligations under the Underwriting Agreement; and
- (iii) AB is unable to meet public spread requirements, that is, at least 25%, but not more than 49% of the total number of AB Shares for which listing is sought must be held by a minimum of 200 "public" shareholders.

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

3. RISK FACTORS (Cont'd)

3.21 Risks Associated with Dependence on Contracts with Customers

Contracts for the supply of the AB Group's products to its clients are generally short term or on a project basis. As such, the AB Group is not dependent on any single customer, but on its ability to secure new contracts and projects.

Arising from this, revenue of the AB Group may fluctuate significantly depending on the value and size of each contract and the number of contracts secured by the AB Group. Furthermore, contracts with clients on a project basis may be affected by factors such as cost overruns, cancellation of contracts due to unforeseen circumstances, delays in completion of the projects and failure to fulfil contracts satisfactorily. As such, the revenue and profits of the AB Group may be difficult to estimate, and can vary materially from budgets and expectations.

To ensure a steady stream of income, the AB Group relies on its ability to secure new contracts and projects from its customers, and to implement them satisfactorily. The failure of the AB Group to secure new contracts or projects will have a material adverse financial impact on the AB Group.

The new contracts secured by the AB Group in the financial year ending 31 December 2004 and its on-going secured contracts amount to approximately RM5.4 million, of which RM3.5 million has been completed as at 7 December 2004. The Board estimates that the remaining RM1.9 million secured contracts will be undertaken in the coming months and the financial year ending 31 December 2005. A breakdown of the said secured contracts by countries as at 7 December 2004 is set out below:

Country	No. of Contracts	Value RM'000	Outstanding Value to be undertaken RM'000
Malaysia	29	2,776	1,150
Singapore	38	1,745	363
Thailand	2	926	367
Total		<u>5,447</u>	<u>1,880</u>

In addition to tapping into the network of existing clients and solution partners of the AB Group, the AB Group's strategy includes targeting the overseas market for its products. As part of its 5-year Business Development Plan, the AB Group intends to build up its marketing team to expand its customer base to sustain growth for the AB Group. The strategies that the AB Group plans to undertake to increase its customer base include the establishment of both marketing and business development departments in the financial year ending 31 December 2005 to carry out, *inter alia*, the marketing of ASDION products extensively to new and existing segment markets. The AB Group also plans to establish strategic market alliances commencing from the financial year ending 31 December 2005 in order to develop complete products for where the respective expertise complements each other, thus leading to speedier market penetration through the market alliances' established business relationships. The Board is of the opinion that the AB Group's business is expected to grow in tandem with the business expansion of the market alliances which are more likely to adopt the jointly integrated solutions and it envisages that the Group will be in a better position to undertake larger projects in a shorter period with the combined expertise of the Group and the market alliances as well as to capitalise on their marketing network.

Notwithstanding such efforts, there can be no assurance against events which may prevent the AB Group from securing new contracts or projects. In such event, the Group's financial position including profitability and cash flow may be adversely affected. In order to mitigate this risk, the Group intends to, *inter alia*, move into subscription-based or fee-based contract models, whereby payments from new and existing customers will be made on a regular and structured basis. Particularly, the Group intends to commence sale of its iTour products using the subscription-based or fee-based models in the financial year ending 31 December 2005.

3. RISK FACTORS (Cont'd)**3.22 Risks Associated with Bank Borrowings and Restrictive Covenants under Facility Agreements**

The AB Group finances some of its working capital requirements through borrowings and internally generated funds. The Group's total borrowings as at 30 November 2004 amounted to approximately SGD\$563,000 (equivalent to approximately RM1,217,000 based on an exchange rate of RM2.1631 for every SGD\$1) comprising short and long-term bank borrowings. As such, any additional borrowings or increase in interest rates may result in an increase in interest expense and affect the performance of the Group. There can be no assurance that the interest rates will be maintained in the future and/or that any increase in the Group's borrowings will not have a material effect on the performance of the Group.

The Group has entered into various credit facility agreements with financial institutions to finance its operations and business activities. These agreements contain, inter alia, covenants that may limit the AB Group's operating and financial flexibility. Any act by the Group falling within the ambit or scope of such covenants will require the consent of the relevant banks and financial institutions. Breach of such covenants may give rise to a right by the bank or financial institution to terminate the relevant credit facility and/or enforce any securities granted in relation to that credit facility, and this may in turn cause a cross default of other credit facility agreements. The Board are aware of such covenants and will take all precautions necessary to obtain the consent of the relevant banks or financial institutions when the need arises. However, there can be no assurance that such consent will be obtained and if it is not obtained, that it will not materially affect the performance of the Group.

3.23 Dependence on Existing Distributors

Tesatech is a principal distributor of ASDION products in Malaysia and had 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. 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.

There is a risk that the AB Group's revenue may be affected as a result of this decline of dealings with Tesatech in the future. However, the Board is of the opinion that the AB Group's revenue will not be materially affected, as the Group itself will be taking on the role of distributor of ASDION products in Malaysia, and will also be sourcing for its own projects directly in Malaysia. In addition, Tesatech will remain as one of AB's solution partners to continue market the ASDION products.

3.24 Forward-Looking Statements

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

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4. INFORMATION ON THE AB GROUP

4.1 INFORMATION ON AB

4.1.1 Background

AB was incorporated in Malaysia as a private limited company on 27 August 2002 under the Companies Act 1965 under the name of "Asdion Sdn Bhd". On 16 December 2003, AB converted into a public limited company and adopted its present name. The principal activities of AB are investment holding and engaging in software development and ICT-related activities.

TIS is principally involved in software development and ICT-related activities. The principal activities of AS are that of a consultant and distributor of e-commerce and related products and services and AS is also the investment holding company of ASSL. ASSL is principally involved in research and development in software coding and the marketing and provision of computer hardware and software solution.

AB traces its history through TIS, the primary asset of the AB Group. TIS was incorporated in 1993 in Singapore with its initial business focus in the marketing and distribution of TESA Electronic Access Control System (now Onity products) for the hospitality industry. With Yap Tai Tee at its helm and through its project involvement in the hospitality industry, TIS seized the opportunity to realise the potential of integrated software solutions for business operations, and moved into software development activities in 1995.

The AB Group now specialises in providing integrated operations software solutions and products for small to medium-size enterprises, with particular focus on business, management and accounting systems under the brand name "ASDION", an acronym for **Application Solution Developed In Objects and Network**.

The Group adopts the modular concept on the basis of business nature. ASDION software solutions are designed following a development strategy known as ASDION INTEGRATION which interfaces ASDION products. Its primary product, AccLink, an enterprise accounting system, has been developed to serve as a back office module which is integrated seamlessly with front-office modules such as PosLink, MemberLink, BookLink and HrLink to achieve a cost-effective, flexible and practical solution for varied businesses ranging from country clubs to hotel industry.

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.

4.1.2 Restructuring and Listing Exercise

As an integral part of and in conjunction with the Listing, the Company implemented a restructuring and listing exercise which was approved by the following authorities:

- (i) SC (under the Securities Commission Act 1993 and the guidelines of FIC) vide its letter dated 7 September 2004; and
- (ii) Bursa Securities vide its letter dated 8 September 2004.

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

The restructuring and listing scheme entails the following:

(a) Acquisition

On 28 September 2004, AB entered into a Sale and Purchase Agreement with the Vendors to acquire all of the issued and paid-up share capital of TIS comprising 600,000 ordinary shares of nominal value SGD\$1.00 each for a consideration of SGD\$671,783 equivalent to RM1,453,134 (based on an exchange rate of RM2.1631 for every SGD\$1), which was satisfied by the issuance by AB of 14,529,980 new Shares at an issue price of approximately 10 sen per Share. These new Shares issued rank pari passu in all respects with the existing Shares in the capital of the Company. The consideration was arrived at based on the adjusted consolidated NTA of RM1,453,134, taking into consideration the audited consolidated NTA of TIS as at 30 June 2003 of RM912,359 adjusted for the issuance of 250,000 new ordinary shares of SGD\$1 each in TIS at an issue price of SGD\$1 per share subsequent to 30 June 2003 (based on an exchange rate of RM2.1631 for every SGD\$1). This acquisition was completed on 28 September 2004. Upon completion of the Acquisition, the issued and paid up share capital of AB increased from RM2 to RM1,453,000.

The new AB Shares issued pursuant to the Acquisition has been allotted to the Vendors in the following manner as agreed:

Vendors of TIS	No of shares held in TIS	Purchase Consideration RM	No. of new AB Shares issued as consideration
Yap Tai Tee	368,580	892,659	8,925,759
CSD	60,000	145,314	1,453,000
AMSB	68,563	166,052	1,660,364
DCM	60,000	145,314	1,453,000
Alan Chua	42,857	103,795	1,037,857
	<u>600,000</u>	<u>1,453,134</u>	<u>14,529,980</u>

(b) Rights Issue

On 21 October 2004, AB completed the Rights Issue of 13,470,000 new Shares at an issue price of 10 sen per share, paid in full upon acceptance, on the basis of approximately 0.927 rights share for every one (1) existing Share held. These new Shares issued rank pari passu in all respects with the existing Shares in the capital of the Company. Upon completion of the Rights Issue, the issued and paid up share capital of AB increased from RM1,453,000 to RM2,800,000.

(c) Public Issue

Following the completion of the Acquisition and the Rights Issue and in conjunction with the listing of AB on the MESDAQ Market, the Company is implementing a public issue of 12,000,000 new Shares at an issue price of 50 sen each. Upon completion of the Public Issue, the issued and paid up capital of AB will be increased from RM2,800,000 to RM4,000,000 comprising 40,000,000 Shares.

4. INFORMATION ON THE AB GROUP *(Cont'd)*

The Public Issue of a total of 12,000,000 new Shares representing 30% of the enlarged issued and paid up share capital are to be issued to the following parties:

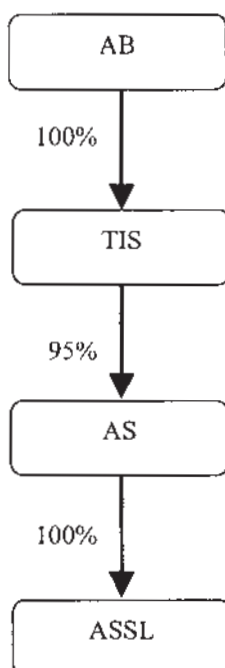
- 1,000,000 new Shares, representing 2.5% of the enlarged issued and paid up share capital of AB reserved for eligible Directors and employees of the AB Group;
- 9,000,000 new Shares, representing 22.5% of the enlarged issued and paid-up share capital to be placed with Malaysian institutional investors and/or individual investors by the Placement Agent; and
- 2,000,000 new Shares, representing 5.0% of the enlarged issued and paid up share capital of AB reserved for application by the Malaysian Public.

The Public Issue Shares will rank *pari passu* in all respects with the existing Shares in the capital of the Company.

Approval has been obtained from Bursa Securities on 8 September 2004 for the admission to the Official List of the MESDAQ Market of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of AB of RM4,000,000 comprising 40,000,000 AB Shares on the MESDAQ Market will be sought.

4.1.3 The Group Structure

The AB Group's corporate structure as of the date of this Prospectus is depicted as follows:



Whilst TIS is wholly-owned by AB, it owns 95% of the equity interest in AS which in turn owns 100% of ASSL.

AB was granted MSC status in accordance with MDC's procedures on 4 March 2004. Amongst the key MSC benefits it is likely to enjoy are five (5) years free of tax, renewable for another five (5) years and exclusion from the NDP requirements.

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

The AB Group will maintain its head office and an operations office in Kuala Lumpur, Malaysia. While its research and development centre is presently based in its office in International Business Park, Singapore, the Group is in the process of moving 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.

TIS' focus will be on sales and marketing functions for the AB Group. Whilst ASSL plans to start market development activities in China from year 2005 onwards, it is expected to continue software coding works, especially for localisation purposes, which it has carried on since its inception. AS plans to continue as the investment holding company of ASSL.

4.1.4 Share Capital and Changes in Share Capital

As at the date of this Prospectus, AB has an authorised share capital of RM5,000,000 comprising of 50,000,000 ordinary shares of 10 sen each, of which 28,000,000 AB Shares have been issued and fully paid-up giving rise to RM2,800,000 issued and paid-up share capital.

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

Date of Allotment	No. of Ordinary Shares	Par Value Sen	Consideration	Cumulative and Paid-Up Share Capital RM
27.08.2002	2	100	Subscribers' shares	2
19.11.2003	20	10	Subdivision of shares on the basis of one (1) ordinary share of RM1.00 each into ten (10) ordinary shares of 10 sen each	2
28.09.2004	14,529,980	10	Shares issued pursuant to the Acquisition by AB at an issue price of approximately 10 sen per share	1,453,000
21.10.2004	13,470,000	10	Rights issue on the basis of approximately 0.927 new share for one (1) existing share held at an issue price of 10 sen per share	2,800,000

Upon completion of the Public Issue, the enlarged issued and paid-up share capital of AB shall be RM4,000,000 comprising 40,000,000 ordinary shares of 10 sen each.

4.1.5 Subsidiaries and Associated Companies

AB has three (3) subsidiaries and their principal activities are as follows:

Subsidiaries	Date / Place of Incorporation	% Effective Equity Interest	Issued & Paid-Up Capital / Registered Capital	Principal Activities
TIS	28.10.1993 Singapore	100	SGD\$600,000	Software development and ICT-related activities

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

Subsidiaries	Date / Place of Incorporation	% Effective Equity Interest	Issued & Paid-Up Capital / Registered Capital	Principal Activities
<i>Subsidiary of TIS</i>				
AS	03.04.2000 Singapore	95	SGD\$400,000	Consultants and distributors of e-commerce and related products and services
<i>Subsidiary of AS</i>				
ASSL	18.09.2001 People's Republic of China	95	USD\$140,052	Research and development in software coding, and the marketing and provision of computer hardware and software solutions

AB does not have any associated company.

4.2 INFORMATION ON TIS

4.2.1 History and Business

TIS was incorporated as private limited company in Singapore under the Singapore Companies Act (Chapter 50) on 28 October 1993 as Techtron-Tesa Integrated Systems (S) Pte Ltd. It changed to its present name on 24 May 1994. It commenced its business on 28 October 1993.

TIS is principally engaged in software development and ICT-related activities.

4.2.2 Share Capital

The present issued and paid-up share capital of TIS are as follows:

	SGD\$
Authorised	
Ordinary shares of SGD\$1.00 each	1,000,000
Issued and paid-up share capital	
Ordinary shares of SGD\$1.00 each	600,000

4.2.3 Changes in Share Capital

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

Date of allotment	No. of Ordinary Shares of SGD\$1.00 each	Consideration	Cumulative Paid-Up Share Capital SGD\$
28.10.1993	1	Subscriber share	1

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

Date of allotment	No. of Ordinary Shares of SGD\$1.00 each	Consideration	Cumulative Paid-Up Share Capital SGDS
28.10.1993	1	Subscriber share	2
12.11.1993	50,000	Cash	50,002
12.11.1993	12,999	Cash	63,001
12.11.1993	9,999	Cash	73,000
12.11.1993	10,000	Cash	83,000
12.11.1993	10,000	Cash	93,000
12.11.1993	7,000	Cash	100,000
29.05.1999	125,000	Cash	225,000
29.05.1999	50,000	Cash	275,000
29.05.1999	37,500	Cash	312,500
29.05.1999	12,500	Cash	325,000
29.05.1999	12,500	Cash	337,500
29.05.1999	12,500	Cash	350,000
01.11.2003	250,000	Cash	600,000

As at the date of this Prospectus, TIS does not have any outstanding options or convertible securities.

4.2.4 Profit and Dividend Record

Please refer to Section 12 of this Prospectus.

4.2.5 Substantial Shareholder

As at the date of this Prospectus, TIS is wholly-owned by AB.

4.2.6 Subsidiary and Associated Companies

As at the date of this Prospectus, TIS owns 95% of the equity interest in AS which in turn owns 100% of ASSL. TIS does not have any associated company.

4.3 INFORMATION ON AS

4.3.1 History and Business

AS was incorporated as private limited company on 3 April 2000 in Singapore under the Singapore Companies Act (Chapter 50), and commenced its business on 3 April 2000.

The principal activities of AS are that of a consultant and distributor of e-commerce and related products and services as well as an investment holding company.

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

4.3.2 Share Capital

The present issued and paid-up share capital of AS are as follows:

	SGDS
Authorised	
Ordinary shares of SGD\$1.00 each	500,000
Issued and paid-up share capital	
Ordinary shares of SGD\$1.00 each	400,000

4.3.3 Changes in Share Capital

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

Date of Allotment	No. of Ordinary Shares of SGD\$1.00 each	Consideration	Cumulative Paid-Up Share Capital SGD\$
03.04.2000	1	Subscriber share	1
03.04.2000	1	Subscriber share	2
08.02.2001	300,000	Other than cash	300,002
10.02.2001	79,998	Cash	380,000
12.02.2001	20,000	Cash	400,000

As at the date of this Prospectus, AS does not have any outstanding options or convertible securities.

4.3.4 Profit and Dividend Record

Please refer to Section 12 of this Prospectus.

4.3.5 Substantial Shareholder

As at the date of this Prospectus, the following are the substantial shareholders of AS:

Substantial Shareholder	No. of shares held in AS	Percentage of Shareholding in AS %
TIS	379,998	95
Chow Chai Fook	20,000	5

Yap Tai Tee and Yap Tai Yeong each hold one (1) ordinary share of SGD\$1.00 each in AS, being the remainder of the shares in AS.

4.3.6 Subsidiary and Associated Companies

As at the date of this Prospectus, AS owns 100% of ASSL. AS does not have any associated company.

4. INFORMATION ON THE AB GROUP (Cont'd)**4.4 INFORMATION ON ASSL****4.4.1 History and Business**

ASSL was incorporated as a limited liability company, having been given its Approval Certificate of Foreign Invested Enterprise by the Ministry of Foreign Trade and Economic Cooperation, People's Republic of China on 13 September 2001. With its Enterprise Legal Person Business Licence having been obtained, it commenced its business on 18 September 2001.

ASSL is principally engaged in research and development in software coding and the marketing and provision of computer hardware and software solutions.

4.4.2 Share Capital

The present registered capital of ASSL is USD\$140,052 based on the register of paid-in capital.

4.4.3 Changes in Registered Capital

The details of the changes in the registered capital of ASSL since incorporation based on the register of paid-in capital are as follows:

Date	Registered Capital USD\$	Consideration	Cumulative Registered Capital USD\$
7.12.2001	20,984	Cash	20,984
21.01.2002	13,984	Cash	34,968
24.01.2002	6,984	Cash	41,952
25.04.2002	7,000	Cash	48,952
26.06.2002	7,000	Cash	55,952
30.07.2002	3,500	Cash	59,452
05.09.2002	31,500	Cash	90,952
25.10.2002	49,000	Cash	139,952
31.10.2002	100	Cash	140,052

As at the date of this Prospectus, ASSL does not have any outstanding options or convertible securities.

4.4.4 Profit and Dividend Record

Please refer to Section 12 of this Prospectus.

4.4.5 Substantial Shareholder

As at the date of this Prospectus, ASSL is wholly-owned by AS.

4.4.6 Subsidiary and Associated Companies

As at the date of this Prospectus, ASSL does not have any subsidiary or associated company.

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