

---

**7. BUSINESS OVERVIEW**

---

**7.1 OVERVIEW OF THE MALAYSIAN ECONOMY**

The Malaysian economy accelerated its growth momentum in the first half of 2004, after a strong take off in 2003, and is expected to surpass earlier expectations with higher growth of 7% for the whole year. Positive signs of a firm economic recovery at the global front, particularly in the first six months as well as higher commodity prices, reinforced the 'feel-good' factor that contributed to further improvement in consumer and consumer sentiments. Growth has become more broad based with all sectors registering positive growth. Domestic demand, particularly private consumption, continued to sustain growth for five consecutive years, while private investment, which picked up in 2003, became more entrenched, resulting in a private sector-led growth.

The outlook for 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that became apparent in the second half of 2004 and are expected to continue into 2005, will have a larger impact on growth next year. Global economic growth is projected to moderate to 4.4% in 2005 from 4.6% in 2004. The stronger macroeconomic fundamentals and resilience, backed by sturdy domestic demand and broad-based growth, will however, continue to support Malaysia's GDP growth, forecast at 6% in 2005.

*(Source: Economic Report 2004/2005)*

**7.2 OVERVIEW AND PROSPECTS OF THE IT INDUSTRY**

In Malaysia, the period from 1996 to 2000 saw rapid growth in Information Communication Technology ("ICT") utilisation with investments in ICT expanding at a rate of 9.2% per annum from RM3.8 billion in 1995 to RM5.9 billion in 2000. This was largely due to the increasing local awareness of the importance of production, diffusion and utilisation of knowledge and information for improving competitive and overall economic performance. Special incentives such as the abolition of sales tax on computers and components, and the granting of accelerated capital allowance for expenses on computers and other ICT equipment also assisted in increasing the usage of ICT.

Significant progress has already been made in fostering the development of ICT and multimedia. During the Eighth Malaysia Plan, concerted efforts will be made to further enhance the development of the sector and position Malaysia as a global ICT and multimedia hub. Focus will be made towards achieving world class performance, in terms of services availability, affordability and productivity. As part of the effort to move towards world class performance, the Government will implement a new policy framework for the ICT and multimedia sector that is based on rapid transition to full competition.

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

---

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

---

Within the services sector, ICT and tourism related industries continue to generate significant growth, both in terms of output and foreign exchange earnings. In the ICT industry, the MDC gained further ground in its endeavour to make the MSC a global ICT hub. As at end August 2004, there were 1,099 MSC status companies, comprising 768 Malaysian owned, 302 foreign owned and 29 joint venture companies. The number of jobs created increased by 17.3%, from about 19,100 jobs in 2003 to 22,300 jobs in 2004, out of which 88% constitute knowledge workers in the fields of software development and programming as well as managerial and technical support in sales, finance and marketing. Currently there are 65 international world class companies operating in the MSC. In 2004, total sales from MSC activities is expected to reach RM6.8 billion, of which RM5.3 billion are exports while RM1.5 billion are local sales.

In terms of R&D, MSC companies have had significant success. R&D expenditure of MSC companies is anticipated to increase significantly by 21.2% to RM657 million in 2004 (2003: RM542 million). The research activities focused on areas such as communications, software solutions, micro systems and integrated circuit designs. Arising from the R&D efforts, a total of 151 patents, 41 industrial designs and 188 trademarks were registered, signifying the achievements of the 590 R&D personnel working in the MSC. Development of the local ICT industry, shared services and business process outsourcing has been identified as new sources of high growth. Specific measures have been implemented to facilitate development of this sector, including attracting ICT talents through brain-gain programmes and enhancing ICT infrastructure, especially in wider broadband connectivity. Concerted efforts are ongoing in promoting strategic alliances and synergistic partnerships in areas of business process outsourcing and shared services. Arising from these measures, homegrown IT companies, now provide services to one of the world's leading telecommunications companies in customer support operations and manage regional supply chain activities and logistics for a major electrical and electronics company in the Asia Pacific region. As for business outsourcing, the MSC has already pulled in Global 500 companies. Investment in business process outsourcing also increased with foreign affiliated companies in banking, insurance and courier services as well as automotive industries, have established centres in the MSC. Consequently, Malaysia has emerged as an attractive destination for shared services and outsourcing activities, third only behind India and China, as indicated in a survey by A.T. Kearney, released in March 2004. Outsourcing is expected to generate investment of over RM1 billion and create more than 8,000 jobs by the end of 2004.

*(Source: Economic Report 2004/2005)*

7. BUSINESS OVERVIEW (Cont'd)

7.3 EXECUTIVE SUMMARY FROM SYNOVATE

*Prepared for the inclusion in this Prospectus*

Synovate Sdn Bhd (554979-T)      Tel: +603 2282 2244  
18<sup>th</sup> Floor Menara IGD      Fax: +603 2282 9944  
No 2 The Boulevard      www.synovate.com  
Mid Valley City  
Jln PJ 1/14 Sved Putra  
59200 Kuala Lumpur  
Malaysia



Date: **12 APR 2005**

The Board of Directors  
CWorks Systems Berhad  
No.23-1, Jalan Sri Hartamas 7  
Sri Hartamas  
50480 Kuala Lumpur

Dear Sirs,

This Executive Summary is extracted from our Market Research Report dated 16 August 2004 and has been prepared for inclusion in the Prospectus to be dated 19 April 2005 pursuant to the listing exercise of CWorks Systems Berhad on the MESDAQ Market of Bursa Malaysia Securities Berhad. The said summary has been prepared with the intention to provide an overview of the Computerised Management Maintenance Systems market in Malaysia.

Yours faithfully,  
For and on behalf of  
Synovate Sdn Bhd



Chooi Ching Fu  
Project Manager

7. BUSINESS OVERVIEW (Cont'd)

Synovate Sdn Bhd (Incorporated in Malaysia)  
18<sup>th</sup> Floor Menara KID  
No 2 The Boulevard  
Mid Valley City  
Lingkaran Sved Putra  
59200 Kuala Lumpur  
Malaysia

Tel : 603 2282 2244  
Fax : 603 2282 9934  
www.synovate.com



**Executive Summary of the Market Research Report**

The CMMS market, estimated at RM33.6 million in 2003, is a nascent industry in Malaysia with a growth rate of about 5.6% in 2003. The market is still in the introductory stage of growth and awareness of CMMS is not high. However, the market is expected to expand faster and is forecasted to grow at 9.0% compounded annual growth rate ("CAGR") for the next four years to reach RM51.1 million in 2008. Main factors driving growth are the growing awareness, availability of more affordable CMMS, and the government's drive to increase ICT usage amongst government organizations.

The main customers of CMMS are utilities and oil and gas companies, followed by manufacturing and transportation companies. While the utilities, oil and gas industry will remain the largest customer segment in the near term, the manufacturing sector is expected to drive future growth. As awareness grows within the manufacturing sector, and whilst the CMMS potential for the utilities, oil and gas sector saturates, the CMMS market will experience high growth once the manufacturing sector adopts CMMS on a large-scale basis. CMMS players who target the Tier 3 (as defined under Section 7.3.4) market with entry-level CMMS at affordable prices are well positioned to take advantage of the future growth potential in the manufacturing sector.

The top 2 players control 66% of the CMMS market in Malaysia in 2003. Maximo, one of the first CMMS players in Malaysia, has the largest market share with 45.2% due to its large existing customer base followed by Datastream with 20.8% and IFS with 9.8%. SAP is the 4<sup>th</sup> largest player with 8.9% of the market share. Other players include Mainsaver, CWorks, Digital Aura, and CAMP Systems. Most CMMS players are foreign companies. Within the group of local players, CWorks stands out as the leading CMMS provider. Since it was incorporated two years ago, CWorks have gained 2.1% of the market share. The company operates on a unique business model offering free software and source code for its basic system. This has worked well to gain access into the Tier 3 market where awareness is low.

## 7. BUSINESS OVERVIEW (Cont'd)

Synovate Sdn Bhd (subsidiary) Tel: 603 2282 2244  
 18<sup>th</sup> Floor Menara IGB Fax: 603 2282 9944  
 No 2, The Boulevard www.synovate.com  
 Mid Valley City  
 Lingkaran Syed Putra  
 59200 Kuala Lumpur  
 Malaysia

**Executive Summary of the Market Research Report (Cont'd)**

The CMMS market in Malaysia can be divided into 3 tiers. The Tier 1 market, consisting of large multinational companies, is dominated by 2-3 key foreign brands such as Maximo, Datastream and SAP. The Tier 2 market, consisting of large local and medium-sized foreign corporations, has more players competing in the marketplace. The Tier 3 market is fragmented and includes foreign players selling basic CMMS packages online. These companies are usually not represented locally and their sales and marketing activities specifically for Malaysia are sporadic or non-existent. The key player for Tier 3 market is local software house CWS which is very active in the market.

Summary of the CMMS market in Malaysia:

Parameter	Market characteristics
Product life cycle	Introduction to Growth stage
Estimated market size	RM33.6 million
Historical growth rate (2003)	5.6%
Forecast growth rate (CAGR 2004-2008)	9.0%
Market structure	Tier 1 dominated by 2-3 key players Tier 2 and 3 are fragmented
Market concentration (market share controlled by top two players)	Top 2 players control 66% of the market
Degree of competition Tier 1 Tier 2 Tier 3	High High Low
Customer segments	Utilities, oil & gas (40%) Manufacturing (23%) Transportation (21%) Facilities (11%) Others (5%)

---

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

---

**7.4 OVERVIEW AND OUTLOOK OF THE CMMS INDUSTRY**

This section is extracted from the Market Research Report dated 16 August 2004 by Synovate. Investors should take note of the following limitations in connection with the contents of this sub section:

- *Specific information of the size of the CMMS market in Malaysia is not available from secondary sources;*
- *Market size estimates presented in the report are obtained from interviews and are bench-marked with desk research information;*
- *A significant portion of the quantitative information is obtained through interviews, which could be subjective opinions of interviewees. A cross-checking and control mechanism is put in place to ensure objectivity and data integrity;*
- *Market size estimates and projections are based only on current and available knowledge of the market and its suppliers, therefore changes to the market dynamics in the future is plausible if new plans are unveiled by suppliers or unexpected changes to regulations take place;*
- *The report is not a consumer survey; therefore a significant amount of data originates from supply-side sources. The findings do not represent consumer perceptions and needs, but rather, a well-rounded account of market trends and expert insights; and*
- *Synovate takes no responsibility for any incorrect information supplied to Synovate by interviewees.*

**7.4.1 Global CMMS Market**

The global CMMS market size is estimated to be about USD2.2 billion in 2003, representing an increase of 5.2% from 2002. Growth in the global CMMS market is not as robust as seen in the late 1990s during the internet boom. However, growth is expected to rise to 5.6% in 2004 in line with the recovery in the global IT sector before dipping slightly. The market is expected to grow at 5.4% CAGR to reach USD2.8 billion in 2008.

North America constitutes the largest segment in the global CMMS market with approximately 48.6% or USD1.1 billion. Europe, Middle East and Africa ("EMEA") market is valued at USD715 million or 33.2% of the global CMMS market while the Asia Pacific market is valued at USD328 million or 15.2% of the total market. Latin America has the smallest CMMS market valued at USD65 million, accounting for 3% of the global CMMS market.

The CMMS market in North America is comparatively more developed and advanced compared to other regions in the world. IT literacy and awareness are high and the governments set high standards on production and operational processes of industries such as pharmaceutical, utilities and transportation to ensure standardisation, safety and quality control. However, the CMMS market in North America is reaching maturity level with a CAGR of 4.9% forecasted for 2004-2008. Most players are looking towards other regions such as Asia-Pacific for future growth.

---

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

---

EMEA enjoys the highest growth in the global CMMS market as it enters growth stage and is forecasted to grow at 6.1% CAGR over the next four years.

Growth in the Asia Pacific CMMS market is expected rise year-on-year at a CAGR of 6% over the next four years as growing awareness drives adoption of CMMS. Growth is driven mainly by emerging markets such as China, India, Malaysia, Thailand as well as more matured markets such as South Korea.

The Latin America CMMS market is forecasted grow at 5.5% CAGR. The market is still largely undeveloped and the higher growth rate compared to Asia Pacific is due to its low market base.

**7.4.2 Malaysian CMMS market**

The Malaysian CMMS market can be divided into 3 tiers:

- Tier 1 Large multinational companies ("MNC") and large utilities, oil and gas companies
- Tier 2 Large local corporations and mid-sized foreign corporations
- Tier 3 Small to medium sized enterprises

The CMMS market in Malaysia is a nascent market compared to its more matured counterparts in the USA and the United Kingdom. The Malaysian CMMS market is still in the introductory stage of its product life cycle. The market is estimated to be about 10 years behind the USA and 5-7 years behind the Australian market. Traditionally, companies, especially those in Tier 2 and 3, are reluctant to invest on maintenance systems as they focus more on expanding sales rather than improving profitability.

However, with growing globalisation and increasing competitive intensity, there is increased awareness on the benefits on CMMS to increase efficiency and manage cost. Companies are slowly realising the importance of effective maintenance management where it pays to invest in CMMS to maintain equipment and plant efficiently to increase productivity, reduce downtime, and lower inventory cost. There is also gradual realisation that CMMS can lead to quick returns on investment by helping corporations manage inventory more efficiently and thus, resulting in cost savings.

There are few players which control the Tier 1 market as this market demands for advanced CMMS that only the major foreign players are able to provide. The Tier 1 market is lucrative but competitive as the number of customers are limited.

In the Tier 2 and 3 markets, there are a large number of players and distributors offering various brands. Some of these companies are overseas players with little or non-existent local representation. These companies sell mainly through the internet targeting Tier 3 companies. The customer base in Tier 2 and 3 markets are large but awareness is low. The market is big enough for these players but lots of investment is needed to cultivate awareness.

7. BUSINESS OVERVIEW (Cont'd)

7.4.3 Competitive Overview

The following table depicts the Malaysia CMMS share by tier for 2003:

Tier	Share of Market in 2003	Expected Share of Market in 2008	CAGR 2004-2008
Tier 1	50.0%	41.7%	4.2%
Tier 2	40.6%	45.5%	10.7%
Tier 3	9.4%	12.8%	15.4%

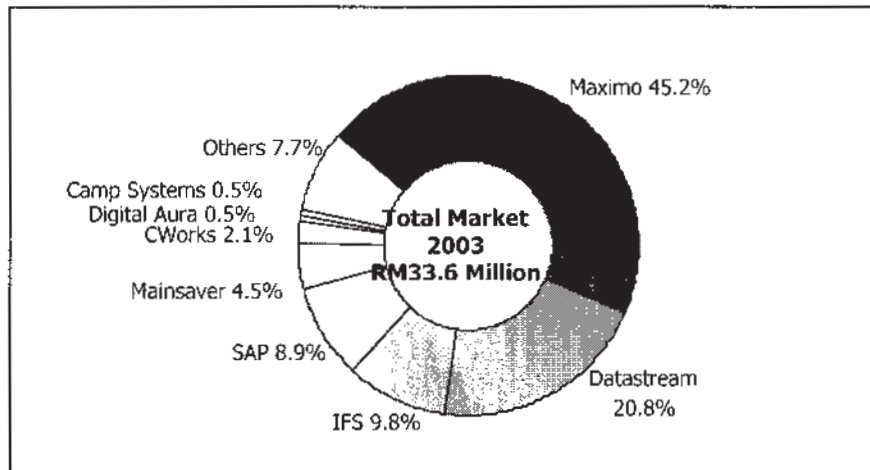
Tier 1 is the largest segment accounting for 50% of the CMMS market. The number of companies in this segment is few but they are high in terms of revenue and operation size. These companies usually comprise of large MNCs which use CMMS in their home country. Inline with their global operations, these companies will usually implement a similar system for the local unit. Tier 1 companies invest significantly in IT systems to improve productivity and reduce cost so they are one of the pioneers driving adoption of CMMS in the country. The contribution of this segment is projected to decline from 50% in 2003 to 41.7% by 2008 as this segment becomes saturated.

Tier 2 is the second largest segment accounting for 40.6% of the CMMS market. It is growing at 10.7% CAGR and is expected to overtake the Tier 1 market to become the largest segment by 2008.

Tier 3 market is the fastest growing segment with 15.4% CAGR. Although this segment has the largest number of companies, it comprises only 9.4% of the total CMMS market as the adoption rate is low. Awareness is low and priority IT investments for these companies are geared towards basic Enterprise Resource Planning, Customer Relationship Management and Supply Chain Management systems. Nonetheless, as awareness increases, this segment will expand quickly to represent 12.8% of the total CMMS market in 2008.

The Malaysian CMMS market is dominated mainly by foreign brands such as Maximo, Datastream, IFS and SAP. These players target mainly high-end Tier 1 companies. Local players such as CWS, Camp Systems and Digital Aura target mainly the Tier 2 and 3 markets.

The chart below depicts the market share breakdown by CMMS players in Malaysia for year 2003:

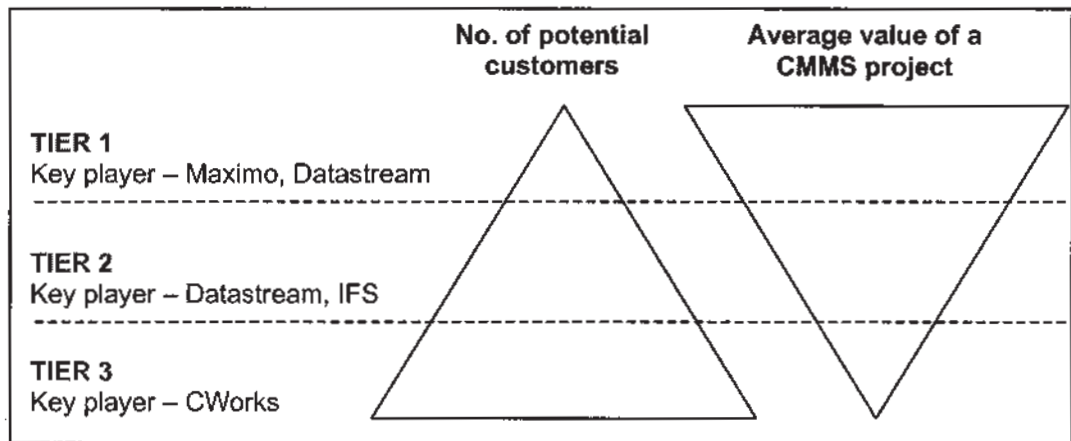




7. BUSINESS OVERVIEW (Cont'd)

Top local CMMS player, CWS, has positioned itself to tap into this previously unreached segment by offering open source CMMS at entry-level prices and even for free. Its customer base is expected to double by the end of 2004. Most customers in this segment do not require the complex and sophisticated features offered by top of the range CMMS brands and are reluctant to invest large sums for CMMS. CWS has managed to cater to this segment by offering mid-range level of functionality at low prices. Through this unique strategy, CWS has established itself as the leading player in the Tier 3 CMMS market where it has a large customer share.

The chart below shows the market positioning in terms of target customer segment and number of clients 2003:

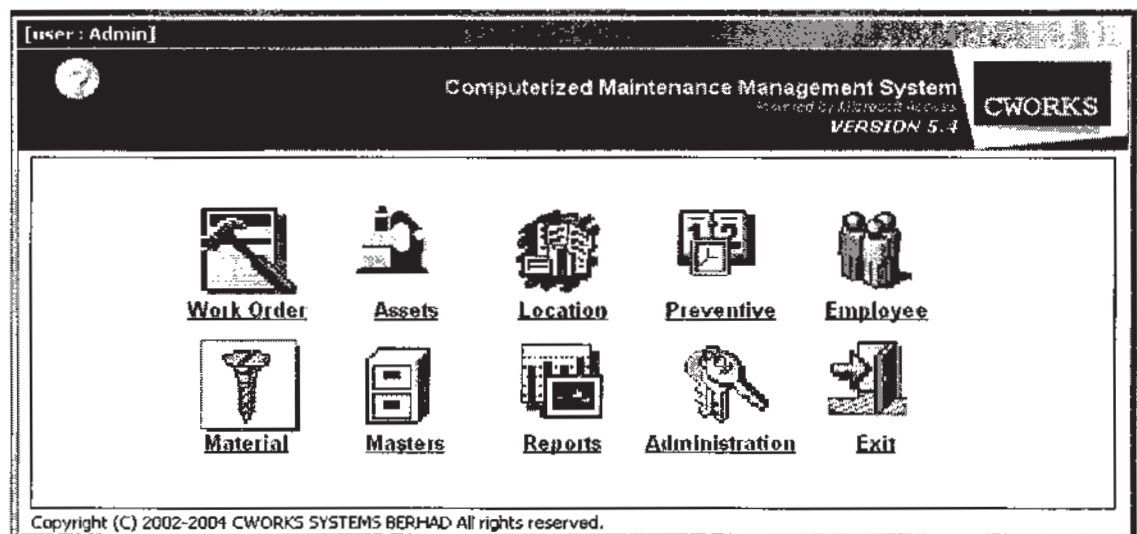


7.5 COMPANY'S MISSION STATEMENT

It is the mission of CWS to be the global provider of choice for CMMS and scheduling solutions. To achieve this goal, the Company will continuously apply R&D to develop better solutions and strengthen its marketing capabilities.

7.6 PRODUCTS AND SERVICES

CWS CMMS



---

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

---

CWS's unique and proprietary technology lies in the DSA. The DSA is the core around which CWS's various solutions are built. It is the engine which works out the scheduling of multiple sequences of tasks to be organised without conflict and in compliance with a number of pre-set rules such as automatic and semi-automatic scheduling and rescheduling of scheduled tasks with time, date, meter or resource based conflicts. The engine is then applied to perform the basic functionalities of the Company's range of products such as scheduling, recording, tracking and reporting of repair and scheduled maintenance work orders, asset registers and material records. Such scheduled planning cannot be effectively and efficiently be carried out manually especially when the number of rules is large and the occurrence of random events cannot be accurately forecasted.

CWS develops and markets its own brand of software applications under the *CWorks* brand name. The *CWorks* application packages are wholly designed and supported by CWS. The products combine four different management disciplines namely work management, material management, service management and asset management into one discipline called maintenance management. They are available with full source code which enables for self-customisation.

The main features and functionalities of *CWorks* include;

- 1) Scheduling preventive maintenance based on:
  - metered triggers – incremental (such as machine run hours) or threshold (upper & lower limit) type meters;
  - timed based events – fixed time based (e.g. every 28 days), fixed day and week (e.g., second Tuesday of every month) and fixed date (e.g., on the 15<sup>th</sup> of every month) type events;
  - sequencing of multiple preventive maintenance tasks for consolidation of multiple tasks to one preventive maintenance master schedule.
- 2) Statistical analysis of assets/equipment performance and reliability, and providing a variety of reports from static and dynamic sources. Typical statistical reports include Work Status Reports, Equipment Failure Trends, Equipment Downtime, Mean Time Between Failure, Mean Time To Repair and Preventive Maintenance Work Order Compliance Reports;
- 3) Maintaining an asset registry and repair parts database (i.e. nomenclature, hierarchy structure, where used, historical trends, support descriptions, etc.);
- 4) Ensuring availability of repair and spare parts;
- 5) Suggesting and originating the purchase of required repair parts;
- 6) Equipment/asset warranty tracking;
- 7) Ensuring availability of manpower resources with required skills and training;
- 8) Tracking costs of maintaining individual pieces of equipment;
- 9) Differentiation and appropriate management of fixed, mobile and continuous assets; and

---

7. BUSINESS OVERVIEW (Cont'd)

---

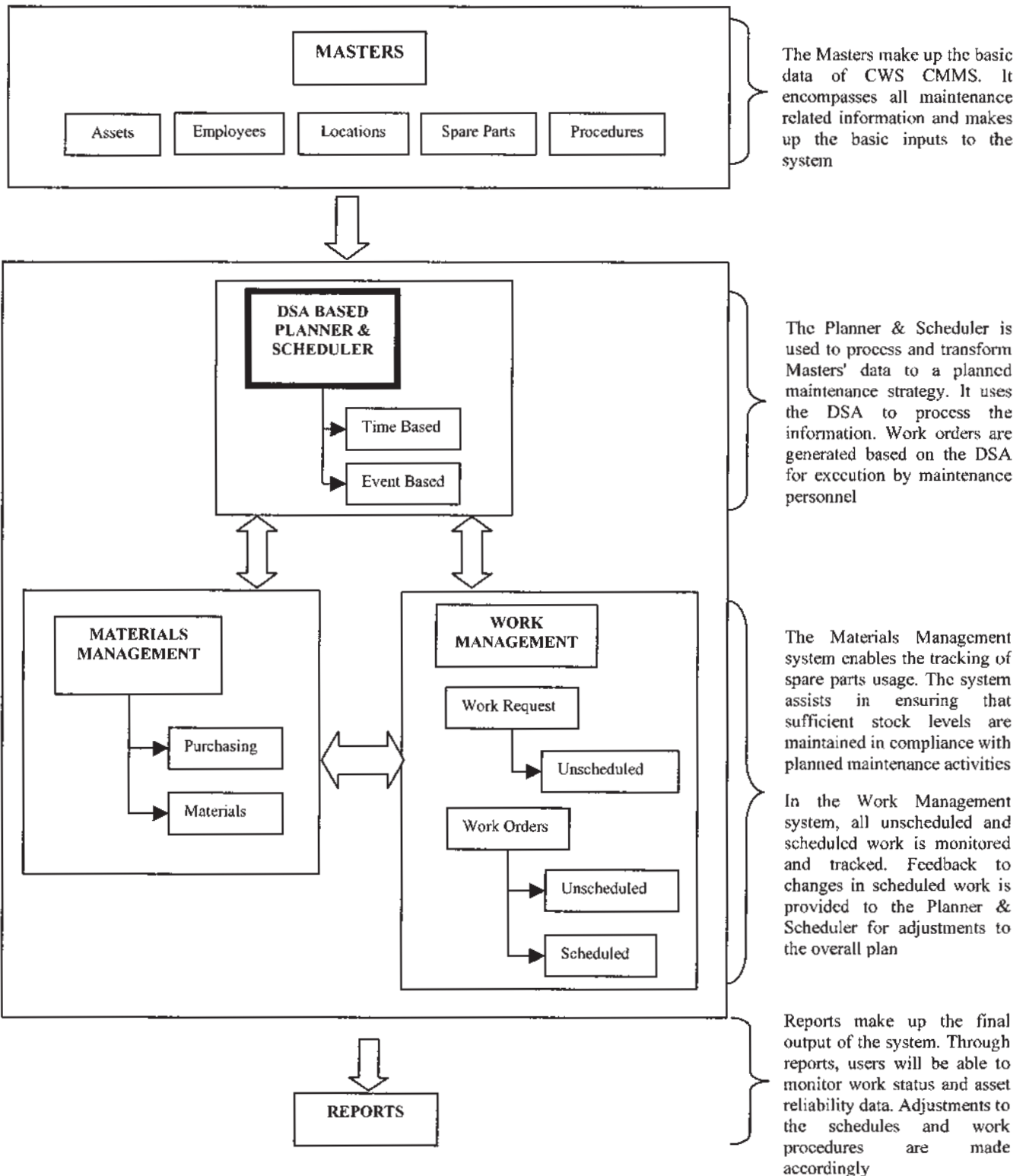
- 10) Recording unexpected events for further analysis.

The main need of maintenance management practitioners is to ensure the reliability of assets and equipment under their care. In order to achieve optimum reliability, proactive tasks need to be developed, scheduled and executed. *CWorks* proactive maintenance scheduling engines with its DSA covering requirements for time, meter or consumption based events coupled with algorithm-based predictive prompts ensures optimum compliance to schedule without conflict. The scheduling algorithm is flexible and allows schedules to be created and resources prepared using various industry work scheduling practices. It allows for scheduling of different task intervals based on time and usage. Scheduling and resource allocation conflicts are avoided using the DSA and reduce operating cost even upon occurrence of unexpected events such as low manpower availability or random breakdown of equipment.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

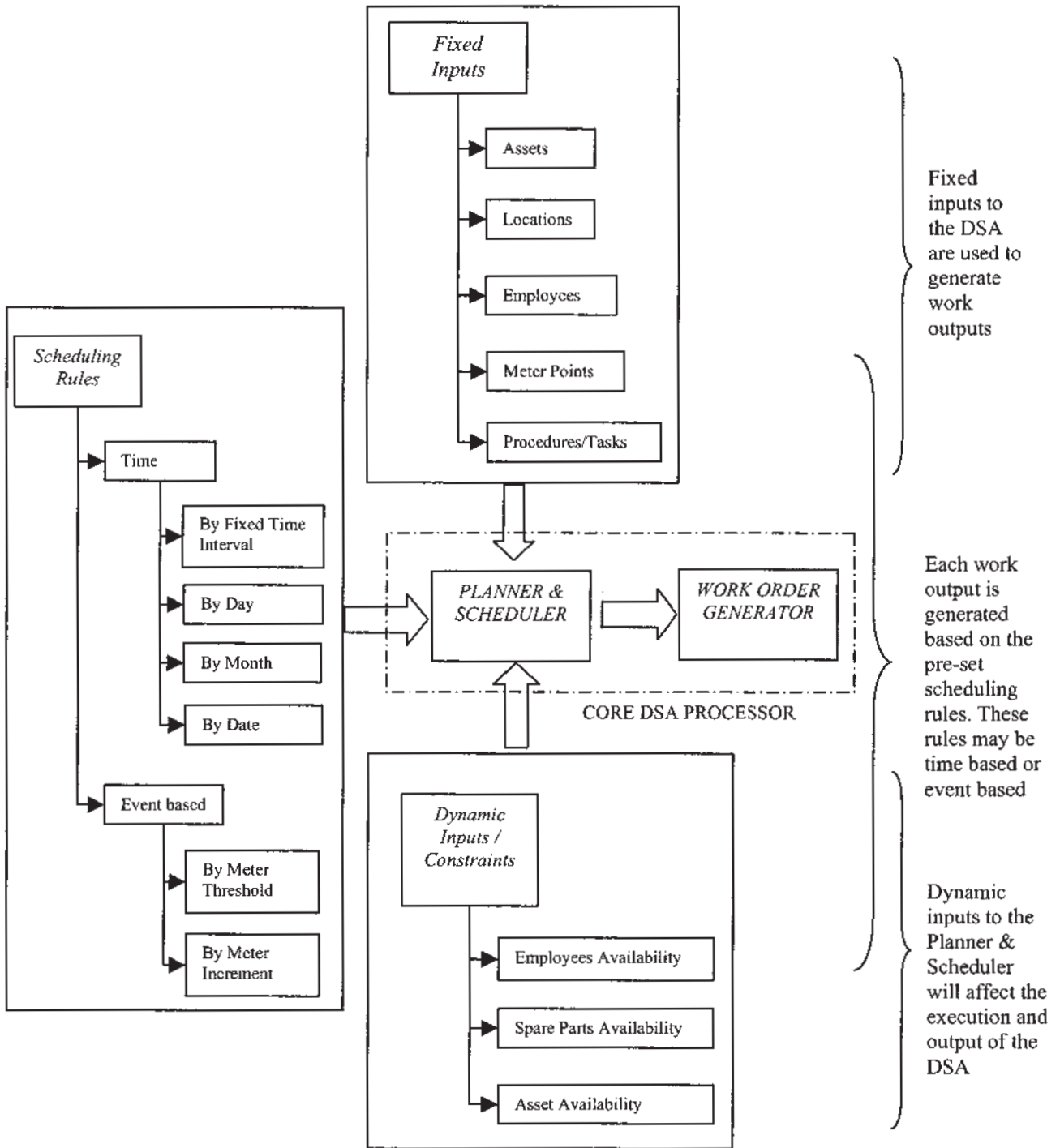
7. BUSINESS OVERVIEW (Cont'd)

The diagram below depicts the basic functionalities of CWS CMMS :-



7. BUSINESS OVERVIEW (Cont'd)

A diagrammatic overview of the DSA is as follows:-

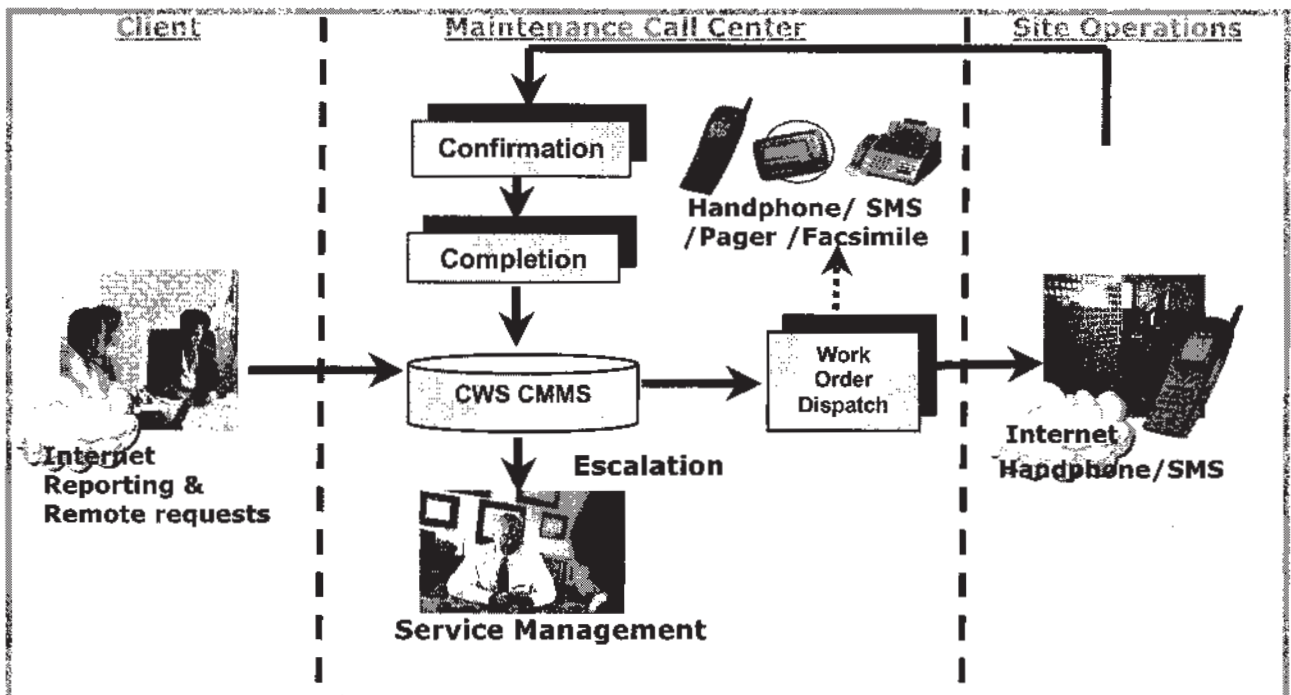


## 7. BUSINESS OVERVIEW (Cont'd)

To ensure that *CWorks* meets functionality requirements, it uses relational database technologies to accept work, asset and resources data inputs which are then transformed into service life, uptime and budget strategies. Data modelling algorithms are used in *CWorks* to generate and identify data relationships and hierarchies such as the relationships between a piece of equipment and its sub-equipments and location for proper roll-up of maintenance reports across systems and sub-systems.

The algorithms for effective data searching and analysis make up a critical part of the *CWorks* applications. Data searching is done via dedicated screens with user friendly interfaces for "wild card" and code based searches. Analysis of data is done via reports which are generated using *SQL* scripts and report writers.

To ensure execution of schedule, work flow monitoring is accomplished through a variety of technologies. End-to-end request management is accomplished using automated intelligent request handling and despatching technologies such as SMS, fax and e-mail. Escalation algorithms are integrated with the despatching technologies for effective work flow monitoring, feedback and management. A typical request and work flow which utilises these technologies is illustrated in the diagram below.



CWS has also developed competencies in providing customised add-ons including the use of mobile devices for sending out SMS based work requests, despatching and job escalations.

CWS developed *CWorks* based on *Microsoft* technologies development platforms in order for users to be able to easily extract data into familiar word processing and data management solutions such as *Microsoft Word*, *Microsoft Excel*, *Notepad* etc. This empowerment frees users from complicated and cost prohibitive reporting solutions and makes *CWorks* one of the easiest solutions to use in its class.

CWS offers both customised CMMS solutions and off-the-shelf products in addition to CMMS related services.

## 7. BUSINESS OVERVIEW (Cont'd)

An overview of the Company's products and services is as follows:

**Products**

- i) Basic solutions
  - *CWorks PRO / SRM*;
  - *CWorks PLUS*; and
  - *CWorks FREE*
- ii) Enterprise solutions
  - *CWorks SQL*; and
  - *CWorks ONLINE*

**Services**

- i) Customisation;
- ii) Managed CMMS centre; and
- iii) Other services

**Products****i) Basic solutions**

The Company's basic solutions are targeted at small to medium users and mass-marketed through the internet.

Realising a growing number of users for affordable quality products of less complexity, CWS markets the following shrink-wrapped software products which can be installed and implemented with minimal or no support. *CWorks PRO / SRM* and *CWorks PLUS* allow for self-customisation by users and are sold off-the-shelf.

***CWorks PRO / SRM***

The first version of *CWorks PRO* was released in 2002 and is the first commercialised product from CWS. This CMMS is designed to meet the needs of small and medium size maintenance operations with functionalities such as asset management, work management, preventive maintenance management and material management. *CWorks PRO* has been the foundation to the development of various niche industry requirements such as the asset management system – asset record, tracking and movement; plant asset management system – maintenance and management of production line assets; and integrated facility management system – request management; response time and service level management. The Company had on September 2004 introduced *CWorks SRM* which has the same features with *CWorks PRO* but with an additional module that enables service/work request recording through an enterprise's LAN.

*CWorks PRO / SRM* is distributed as a file server application. It utilises *Microsoft Jet* as its file server database and was developed using *VBA*. *CWorks PRO / SRM* can be installed and operated on a single desktop computer or networked in a LAN set-up.

***CWorks PLUS***

Released in 2004, *CWorks PLUS* is an upgraded version of *CWorks PRO / SRM* with more features such as purchasing and service request management modules and additional reports. *CWorks PLUS* is targeted at small and middle size plant wide operations where interactions with asset users are extensive and critical with users accessing their own request tracking system via the LAN. Material management is further enhanced with tracking of orders, purchases and receipts.

---

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

---

*CWorks PLUS* is distributed as a file server application. It utilises *Microsoft Jet* as its file server database and was developed using *VBA*. *CWorks PLUS* can be installed and operated on a single desktop computer or networked in a LAN set-up.

*CWorks PRO / SRM* and *CWorks PLUS* have been sold through the internet since September 2002 and August 2004 respectively. The users of *CWorks PRO / SRM* and *CWorks PLUS* normally do not require after-sales support from the Company.

#### ***CWorks FREE***

Released in 2002, *CWorks FREE* is a downgraded version of *CWorks PRO* without the material management module and certain key features. *CWorks FREE* was developed to allow users to appraise CWS's CMMS capabilities and is distributed freely on the internet as a marketing tool. Since it was first made available on the internet in September 2002 until December 2004, approximately 30,000 copies of *CWorks FREE* have been downloaded.

*CWorks FREE* is distributed as a file server application.

It utilises *Microsoft Jet* as its file server database and was developed using *VBA*. *CWorks FREE* can be installed and operated on a single desktop or networked in a LAN set-up.

#### **ii) Enterprise solutions**

The Company's enterprise solutions cater for large base users who require robustness, complexity and completeness and are individually marketed through conventional channels via the Company's marketing personnel and its distributors/resellers.

#### ***CWorks SQL***

First version released in 2003, *CWorks SQL* is capable of storing and processing large volumes of data including photos and engineering drawings. Built on a client server configuration using *Microsoft SQL* as its database, this software is meant for enterprises with a large number of users and is equipped with all the functionalities of *CWorks PRO / SRM* in addition to capturing and reporting data across multi departments and sites. *CWorks SQL* features are also enhanced with asset movement databases, a planning & scheduling module, rotating equipment functionality and alarm tracking.

*CWorks SQL* was developed using *VBA*. It can be installed and operated on a single desktop or networked via a database application server in a LAN or WAN set-up.

#### ***CWorks ONLINE***

Released in 2004, *CWorks ONLINE* offers web-based architecture CMMS solutions to meet requirements of borderless operations with multiple sites and large maintenance teams. *CWorks ONLINE* was developed on a pure web-based platform with *MySQL* databases. It is also built to cater to those users who require anywhere, anytime access to the application. With the same functionalities as *CWorks PRO / SRM*, *CWorks ONLINE* is considered to be CWS's state of the art flagship product. To ensure that the cost of *CWorks ONLINE* is not an impediment to usage, the Company has been marketing *CWorks ONLINE* on a subscription basis.



## 7. BUSINESS OVERVIEW (Cont'd)

*CWorks ONLINE* was developed using *Active Server Pages*. It can be installed and operated on a single desktop or networked via a database application server in a LAN or WAN set-up.

#### Product Add-ons for Basic and Enterprise Solutions

The following are add-ons to the *CWorks* range of products compatible to both basic and enterprise solutions of the Company which were developed in-house by CWS under the following brand names:

Add-ons	Brief Description
<i>CWorks Web Requests</i>	<p><i>CWorks Web Requests</i> was developed in response to the overwhelming need by users for a remote web-based request application which is compatible to the entire <i>CWorks</i> range of products.</p> <p><i>CWorks Web Requests</i> is now marketed as an add-on for <i>CWorks</i> products and is used to provide users with simplified screens for logging work requests using a web browser such as <i>Microsoft Internet Explorer</i> through a LAN or via the internet. These work requests are picked-up by the maintenance department and work orders are generated from them. Remote users are given access to view the status of their requests via this system.</p> <p><i>CWorks Web Requests</i> was developed using <i>Active Server Pages</i> and is compatible with all <i>CWorks</i> products and databases.</p>
<i>CWorks Despatching</i>	<p><i>CWorks Despatching</i> allows users of <i>CWorks</i> products to despatch work orders to technicians or engineers at remote locations via fax or SMS. It is primarily used by organisations which operate help desks, data processing centres and call centres which are geographically isolated from the maintenance operations site.</p> <p><i>CWorks Despatching</i> add-on was developed using <i>Microsoft Visual Basic</i> and is compatible with all <i>CWorks</i> products and databases.</p>
<i>CWorks Escalations</i>	<p><i>CWorks Escalations</i> was developed to address the problem of managing response times in a service response critical industry. These industries include outsourced facility management/maintenance services.</p> <p><i>CWorks Escalations</i> works by ensuring that despatched work orders are responded to within a preset time frame. If no response is received within this preset time frame, the system escalates the work order via SMS to the next level as defined in the escalation rules database.</p> <p><i>CWorks Escalation</i> was developed using <i>Microsoft Visual Basic</i> and is compatible with all <i>CWorks</i> products and databases.</p>

---

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

---

**Services****(i) Customisation**

CWS's solutions can be customised to meet varying working operations and maintenance models of different industries. To date, the Company has customised *CWorks* to meet the needs of hospitals, automotive, chemical processing plants and other general office facilities. These customisations may involve specific report configurations or specific input screens for different workflows.

**(ii) Managed CMMS services**

The Company provides business process outsourcing for maintenance management, otherwise known as managed CMMS.

Managed CMMS not only relieves customers from maintaining the IT portion of running CMMS, but are also provided with operational support. The managed CMMS is provided as a service with service level agreement and can either be run on-site or remotely by CWS. Using data received from clients, the Company organises the data into information content based on agreed processes and procedures, creates appropriate reports and provides usage consultancy to clients. Thus customers get what they need in a value environment with minimal implementation issues.

The prominent local users of the Company's managed CMMS services include Hospital Sungai Buloh, Universiti Utara Malaysia and Putrajaya Precinct 8,10 &11.

**(iii) Other services**

Other services provided by the Company revolve around its core CMMS products marketed under the *CWorks* brand. The services include:

- Training and installation
- Usage consultancy
- Product support
- Initial implementation services (data collection, collation, analysis and entry)

---

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


---

**7.7 R&D**

CWS recognises the importance of R&D activities in order for it to achieve its objective of becoming the global CMMS of choice. To reach this goal, the Company has formulated its future R&D plans along 3 development paths, namely:

- (a) Enhancement of existing CMMS products;
  - (b) Development of an Automated Planning & Scheduling System; and
  - (c) Development of new products.
- (a) Enhancement of existing CMMS products

Existing CMMS products have been customised to meet the needs of hospitals, automotive manufacturing plants, chemical processing plants, other general office facilities. Efforts will be made to enhance the said customised products to provide for the rapid changing working environment and processes of clients as well as to cater for other targeted markets such as property management, healthcare maintenance, oil and gas industries, IT industries and fleet maintenance. Such products will allow the Company to focus beyond the general mass market to niche markets where specific applications are required. To expedite this process, CWS has started collaboration efforts with various strategic organisations. Shared knowledge and experience from both parties would allow for better and enhanced products.

Furthermore, the Company has been working on integrating *CWorks* with hardware technologies such as mobile devices, RFID, bar code and SCADA systems. Such integration work will greatly boost the field work capability and keep *CWorks* level of technology in tandem with the market.

Development on language localisation will also be made to convert *CWorks* products for use in non-English speaking countries. Currently, together with its strategic partner in Mexico, the Company has completed the development of *CWorks PRO* for the Spanish-speaking market. Other language versions such as Mandarin and Bahasa Malaysia will be pursued. These multilingual capabilities will facilitate the Company's effort to position itself as a global CMMS of choice.

To facilitate distribution of *CWorks* through the global market via the internet, the Company will continue developing its basic solutions to be easily installable by users with little or no support.

- (b) Development of an Automated Planning & Scheduling System

Efficient resource planning, scheduling and allocation are essential for maintenance planners who want to improve equipment reliability and planning efficiency, particularly when cost is a primary factor. Similar products already in the market offer a semi-automated method of planning and scheduling work and resources. These systems generally provide users with forecasts of user defined plans but do not make decisions. The effectiveness of the maintenance plan is still highly dependant on the planners' skill and work experience.

---

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

---

The R&D efforts of CWS will be to develop software applications for planning and scheduling which minimise human intervention in the system. It will be accomplished by applying mathematical optimisations algorithms which will automate the decision-making process. Application of mathematical processes will enable better work planning and more efficient utilisation of resources. This in turn will enable customers to optimise their inventory and labour utilisation.

The automated system will be based on a combination of interactive 2D visualisation and programmed optimisation:-

○ Visualisation and editing

The first decision-support tool the user encounters in resource planning and scheduling and allocation will be a dynamic, interactive graphical user interface ("GUI"). Scheduling GUIs will provide a business-oriented view of plans and schedules such as Gantt charts or space-time diagrams to enable planners to fully visualise and modify resource schedules. The GUIs will allow planners to evaluate a schedule, and quickly see the impact of changes.

○ Automatic construction and updating

Automated scheduling can provide decision support by computing or suggesting new or updated scenarios which are feasible and legal. Such systems will allow operators to quickly adapt schedules, and re-allocate resources to meet short-term, last-minute changes. Built-in rules and conditions will ensure that schedules will be executed with minimum tweaking and human intervention.

○ Optimisation

With high-performance optimisation and scheduling algorithms built into the system, schedules that match criteria such as cost, employee skills, employee man-hour availability, work loading and equipment availability can be generated with minimal delay. The system will fully model an operation by using algorithms to quickly find the best or most feasible solution to a planning and scheduling problem based on the available resources and constraints.

In the development of such a system, efficient algorithms available for information-propagation between pre-defined constraints will be utilised to solve planning and scheduling problems. These algorithms include:

- Finite-capacity scheduling algorithms;
- Edge-finder algorithms for resource constraints;
- Timetabling algorithms for the maximal and minimal capacity constraints and state-resource constraints; and
- Sequencing algorithms for sequence constraints.

## 7. BUSINESS OVERVIEW (Cont'd)

CWS's Automated Planning & Scheduling System will be unique in that it will provide the full range of software technologies needed to implement an automated planning & scheduling system in a maintenance environment. Automation in planning & scheduling will minimise the need for human intervention, therefore reducing the system operating cost and ensure full optimisation of available resources. By capturing and implementing vast numbers of operational, legal and work rules, the system will give users an edge over users of conventional planning & scheduling systems.

## (c) Development of new products

Further R&D efforts will be focused on expanding the application of its proprietary DSA in different environments. The following is a list of potential new products where the DSA can be utilised due to their core similarities:

○ Crew/staff management system

Efficient staff planning (such as crew or driver assignment), rostering and allocation are essential for transportation operators. Good scheduling helps operators improve service quality and increase reactivity. Scheduling is more than just assigning people to tasks at certain times. It is also about controlling costs while ensuring that feasible schedules respect safety, work and business policies and regulations. The tremendous complexity of this type of scheduling makes it almost impossible to master without advanced decision-support solutions. The crew/staff management system is expected to be commercialised in 2009.

○ Fleet management system

Logistic operators need to assign the right resources such as trucks, aircraft, trains, buses or ships to the right places at the right times while complying with pertinent rules and regulations. Automated planning and scheduling solutions will help them to be more reactive, minimising operational costs and ensuring that schedules are legal and feasible. The fleet management system is expected to be commercialised in 2009.

CWS R&D team consists of 10 full-time staff as at 5 April 2005. The Company has also allocated RM2.6 million of the proceeds raised from the Listing for R&D over the next 24 months. The amount of capitalised R&D expenditure of CWS since the date of its incorporation (i.e 1 August 2001) to 31 December 2004 is set out below:

	<b>Period from 1 August 2001 to 31 December 2002</b>	<b>Year Ended 31 December 2003</b>	<b>Year Ended 31 December 2004</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Capitalised R&D expenditure	-	221,536	314,308
% of capitalised R&D expenditure over turnover	-	27	17

7. BUSINESS OVERVIEW (Cont'd)

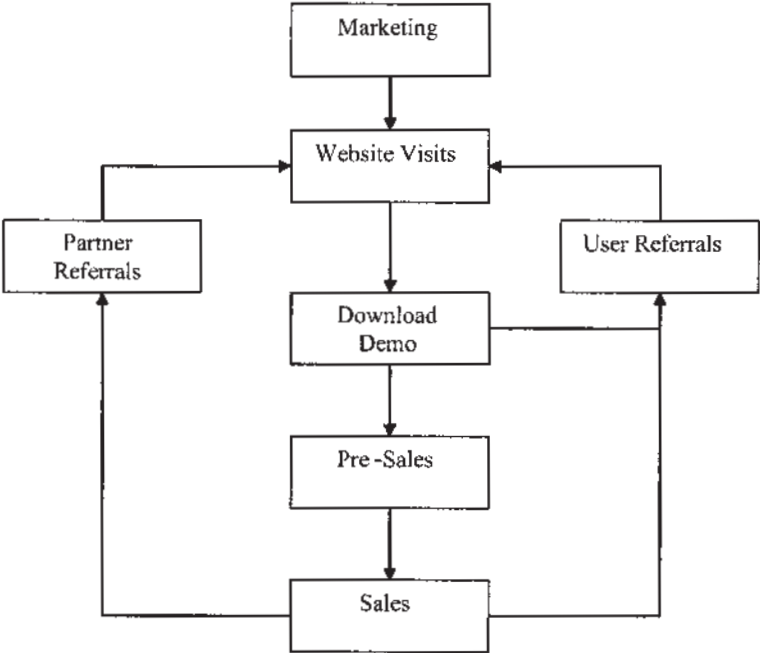
7.8 MARKETING STRATEGY

The Company's basic solutions are mass-marketed through the internet whilst its enterprise solutions are individually marketed through its marketing personnel and distributors/resellers.

The Company's strategy has been to develop its basic solutions to be installable by users with little or no support from the Company. The Company structures its marketing strategy around this feature so that in future a larger proportion of its total sales will come either through the internet and distributors/resellers. Such strategy allows *CWorks* range of products to be sold to a wider pool of potential markets globally.

The Company has been able use the internet as an effective and efficient sales and marketing channel. CWS's website [www.cworks.com.my](http://www.cworks.com.my) has gained prominence at search engines such as *Google* and *Yahoo* through search engine optimisations and cost-per-click strategies. This website is considered the backbone of the Company's marketing and sales efforts. The main reason for this is that historically most of the Company's clients rely extensively on the internet to do preliminary research for CMMS products prior to their purchase. The Company believes that there exists a large potential pool of CMMS users currently 'trawling' the internet, waiting for the right product to purchase. To entice these potential CMMS users, the Company offers freeware CMMS for download at its website. Approximately 1,650 copies of *CWorks FREE* were downloaded by visitors to the website every month during the financial year ended 31 December 2004. This is intended to allow potential users to test and get used to the Company's system and functionalities in the hope that they will eventually get accustomed to using its CMMS and demand for more features and customisations thereby generating revenue for the Company in the future.

By leveraging on the internet, CWS has been able to secure customers from over 35 countries including the USA, United Kingdom, Canada, South Africa, Taiwan, Ireland, Saudi Arabia and United Arab Emirates since it first launched its products through the internet. For the financial year ended 31 December 2004, the export sales amounts to approximately 23% of the total revenue of the Company. The flow chart below illustrated the Company's sales and marketing process:



---

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

---

The Company is also exploring the appointments of credible distributors/resellers for different markets around the world.

CWS's marketing plan is strategically planned based on the 4Ps of marketing i.e. product, price, placement and promotion:-

**(1) Product**

As more CMMS developers are eager to develop much complex, comprehensive, fully integrated and advanced CMMS solutions for advanced and highly technical usage, CWS strategically focuses on undeveloped CMMS markets, such as new users and new CMMS implementers, which are interested for enhanced maintenance operation but not prepared to invest highly for such solutions. It is believed that this market is severely underserved and competing in this market would create commercial sense due to:

- (a) There is ready market for simple and cheaper solutions for new users of CMMS products. CWS's market strategy to give away *CWorks FREE* has attracted more potential customers to download and appraise its product. This has generated good leads by inviting more participants into the CMMS environment. CWS has been able to maintain an increasing number of referrals through this channel; and
- (b) Potential to grow with the new small/medium users with higher end products and low cost solutions. Easy implementation and faster return on investment, resulting from a much faster realisation of the CMMS implementation.

The basic solutions developed by the Company are designed to be easily customised due to its modular nature and thus "grow-able" through customisation services. These customisations if deemed popular will then be included permanently into the products.

**(2) Price**

CWS competes as a price leader and its products are very affordable. The Company decided on the price leader concept because:

- (a) CWS wants its products to be easily distributable through the internet to create volume; and
- (b) With affordable prices, a higher and faster penetration rate into under served CMMS markets, such as small and medium industries can be achieved.

CWS is able to bring down the product cost through usage of low cost skills in Malaysia and extremely low direct marketing costs that leverage on the internet.

**(3) Placement**

The placement strategy of the Company is to place the Company's products on the internet which gives the Company the widest and most cost effective market footprint available.

---

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

---

CWS also continuously collaborates with maintenance service providers to market its products. In the past, the Company has successfully worked with AW Facility Management Sdn Bhd and Johnson Controls Inc. to provide total facilities solutions to sites such as Putrajaya, the IBM building and The Weld. The Company expects such collaboration efforts to continue in future.

The Company is also exploring the appointments of credible distributors/resellers for different markets around the world. At the moment, CWS is developing business relationships with partners in USA, United Kingdom, Canada, Mexico, Netherland Antilles, Jordan and United Arab Emirates. With each of these partners, efforts are currently on going to secure projects in the respective areas.

**(4) Promotion**

The main promotion avenue for the Company is the internet search engines such as *Google* and *Yahoo*. Search engine optimisation efforts and procurement of low cost-per-click advertisement on the various internet search engines have enabled the Company's website [www.cworks.com.my](http://www.cworks.com.my) to gain prominence among visitors searching for significant keywords such as CMMS, maintenance, asset management, work order and facilities management.

Traditional promotional advertising campaigns have also been pursued which are currently focused on the local Malaysian market. Among the campaigns are industrial trade exhibition participations, seminar sponsorships, newspaper advertising and direct mail marketing, to increase market presence and visibility for CWS and its products.

The Company will also try to create awareness of the benefits of implementing CMMS as opposed to the traditional manual maintenance systems through various advertisements and advertorials through the media, trade publications, trade association publications and directory listings.

The Company's CMMS solution is also being promoted to students at the local universities. Such early exposure imprints upon these students, who are potential maintenance practitioners, the Company's products and brand.

**7.9 SALES AND MARKETING CHANNELS**

The Company has two sales channels:-

- (a) Internet – *CWorks PRO / SRM* and *CWorks PLUS* can be purchased through the internet.
- (b) Personalised direct marketing - this channel is normally for the Company's enterprise solutions and other services whereby customisation, implementation and training services are required from the Company.

From the year ended 31 December 2003 and 31 December 2004, approximately 15% and 23% respectively of its total revenue came from sale through the internet.



---

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

---

Such high contribution from the internet sales is only possible due to the simplified installation procedures of *CWorks PRO / SRM* and *CWorks PLUS*. Such ease of installation means that the number of installations is scaled up quickly, thereby enhancing the revenue generation capacity of the Company, in a cost effective manner. This ease of installation also allows the Company to appoint distributors/resellers who can install the products with minimal help from CWS. Further, the Company need not employ a large number of in-house installation staff or marketing personnel.

As sales through the internet has proven to be cost effective and been shown to grow at a good pace, the Company will continue to allocate more resources towards this channel. Nonetheless, the Company intends to continue to employ multiple sales and marketing channels. This may include a network of strategic marketing alliances, distributors and resellers to market its products and services across geographical markets.

**7.10 QUALITY ASSURANCE AND DETAILS ON OPERATION****7.10.1 Quality Control Procedures**

CWS emphasises high quality as a characteristic of all its software products. To ensure quality deliverables, CWS has adopted a number of work processes for quality assurance and control. The Company constantly conducts design reviews and extensive testing that include multiple test scenarios together with test data and expected output.

To achieve such high quality standards, the Company relies on 2 fundamental principles:-

**(a) Pair-programming**

To ensure lower failure rates and faster development speed, CWS practices pair-programming. In pair-programming, both product designer and programmer develop the product together and simultaneously on one computer.

This allows for quick bug capture and better understanding of requirements which ensure faster development output with reduced failures even before the quality control stage.

**(b) User experiences**

All CWS employees tasked with product system analysis, technical documentation and quality control duties are required to have user perspective experiences. These experiences ensure that analysis and documentation tasks are done in a “fit-for-purpose” manner. These experiences are gathered from either:

- mandatory time spent in CWS managed CMMS centres; or
- mandatory time spent in providing user training and system implementation; or
- mandatory time spent in providing customer support.

---

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


---

**7.10.2 R&D Operating Process**

In order for CWS to remain competitive, continuous R&D is crucial in determining market needs and product potentials. Presently, the R&D efforts of CWS leverages on feedback from customers and visitors to its website's ([www.cworks.com.my](http://www.cworks.com.my)) forum as well as benchmarking exercises against competitors and industrial best practices.

At the website forum, technical discussions between the Company and *CWorks* users, and between *CWorks* users themselves, are posted. Furthermore as the Company makes its source codes available, independent programmers or users are provided an avenue to post their own modules or changes to the *CWorks* program for the benefits of all *CWorks* users.

With more and more *CWorks* users coming from varied industries and geographical areas, the Company has been able to continuously gather knowledge of localised best practices on processes and operations. This has enabled CWS to constantly incorporate relevant best solutions practices into its latest product updates.

**7.10.3 Exceptional factors and interruption to operations**

Save for the risk factors highlighted in Section 5 of this Prospectus, the Company does not foresee any exceptional factors which may affect its business.

There has been no interruption to the Company's business or operations in the past twelve months.

**7.10.4 Principal place of operation and principal assets**

The Company's corporate head office and R&D centre is currently situated at Block TG1-04, UPM-MTDC Technology Incubation Centre One, Lebuh Silikon, Universiti Putra Malaysia, 43400 Serdang, Selangor Darul Ehsan.

**7.10.5 Key Achievements**

<b>Dates</b>	<b>Events</b>
August 2002	1 <sup>st</sup> internet download of <i>CWorks FREE</i>
November 2002	1 <sup>st</sup> internet sales of <i>CWorks PRO</i>
March 2003	MSC status & pioneer status received
October 2003	Secured Perusahaan Otomobil Nasional Berhad as a customer
August 2004	Launch of <i>CWorks PRO PLUS</i>

---

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

---

**7.11 BARRIERS TO ENTRY**

The management believes that there are a number of barriers which would hinder the entrance of potential new players into the CMMS market. Amongst these obstacles are:

- **Proprietary Dynamic Scheduling Algorithm**

CWS's unique edge lies with its proprietary technology, the DSA. The DSA is the core around which CWS's various solutions are built. It is essentially the engine which works out the scheduling of multiple sequences of tasks to be organised without conflict and in compliance with a number of pre-set rules. The complexity of such tasks increases many times in real life applications when there are random events which constantly shock the system.

The DSA was designed based on the experiential knowledge of the Promoters who consider themselves industry experts with a combined experience of more than 20 years in introducing and implementing CMMS in the country. For new entrants entering the CMMS market to be successful, they would need to acquire a significant amount of practical knowledge in addition to allocating substantial resources into R&D.

- **Designed for mass marketing through the internet**

The Company's basic solutions were designed for mass marketing through the internet. Users of *CWorks PRO / SRM* and *CWorks PLUS* need little or no post-sale support from the Company as installation and basic customisation processes can be done by the users themselves. The ease of such processes a result of smart design incorporated into the solutions. At the onset, the designers have to make decisions based on their personal experiences on the best and appropriate features that would be included for a basic CMMS solution, code the software in a simple way for ease of understanding and insertion of proper 'documentation' into the source codes while making the final product easy for installation. The entire source code file must also not be too large so as not to impede its capability of being distributed over the internet.

The capability of the product to be marketed over the internet has proven to be a success. For the financial year ended 31 December 2004, there were approximately 88,000 unique visitors at the Company's website, [www.cworks.com.my](http://www.cworks.com.my) and approximately 20,000 copies of *CWorks FREE* were downloaded.

- **Comprehensive end-to-end service provider**

CWS has positioned itself not only as a CMMS software developer but also as a total maintenance solution provider capable of managing a CMMS centre based on a business process outsourcing model.

As the Promoters were previously practitioners of CMMS themselves, the Company is able to provide initial implementation service such as data collection, collation, analysis and entry and usage consultancy which not only relieve clients from maintaining the IT portion of running the CMMS, but also provides the critical operational support thus ensuring a very high level of successful implementation.

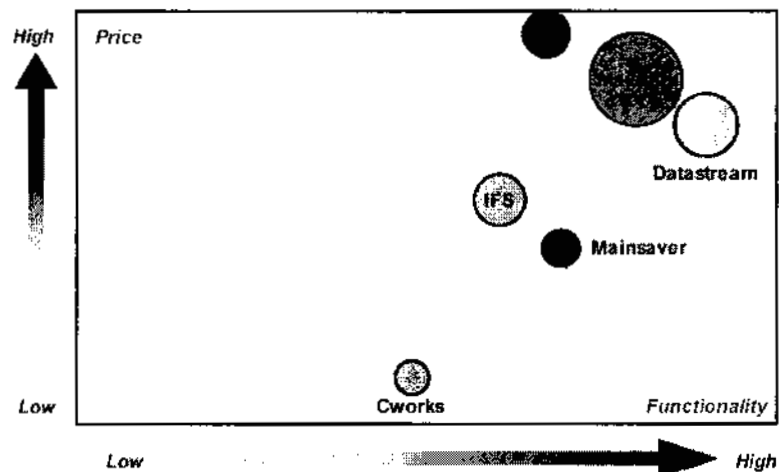
The demand of managing CMMS centres would deter many new entrants as the provision of such services cannot be achieved without experienced and capable staff.

## 7. BUSINESS OVERVIEW (Cont'd)

- **Competitive Pricing**

Leveraging on its proprietary knowledge and operating on a low cost base, CWS is able to develop CMMS solutions which are competitively priced.

Below is the market positioning in terms of price and product functionality as extracted from Synovate Market Research Report dated 16 August 2004. CWS's cost advantage serves as entry-detering price barrier for new CMMS players to compete with the Company especially in the small/medium sized mass market.



(Source: Synovate Market Research Report dated 16 August 2004)

- **Switching Cost**

Leveraging on its ability to offer solutions at a low cost, CWS has been able to convince users of other CMMS solutions to switch to its enterprise solutions (which are targeted towards large user base organisations).

Switching CMMS solutions would involve the following considerations:

- i) Cost impact which includes cost of new solution;
- ii) Reclassification of existing database to be compatible with the new solution;
- iii) Cost of customisation of the new solution to meet the reporting and process matching requirements of the client; and
- iv) Cost and time to retrain personnel on all the available modules and features of the new solution.

Only CMMS providers with absolute cost advantage and solutions which are robust and complex enough are able to pull off such a switch especially for CMMS users in the manufacturing industry.

---

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

---

**7.12 COMPETITIVE STRENGTHS**

CWS has taken strategic steps to build its competitive advantages:

(i) Concentration on Tier 3 of the CMMS market

The Malaysian CMMS market is divided into 3 tiers. CWS has positioned itself to concentrate on the Tier 3 market where there are approximately 600,000 small medium sized companies in Malaysia alone. This strategy avoids competing head-to-head with foreign CMMS providers who mainly target high-end Tier 1 market whose products are unsuitable for the Tier 3 market which requires user friendly basic solutions.

Tier 3 is the fastest growing segment and has the largest number of potential users. CWS has been able to tap into this segment by offering open source CMMS at entry-level prices as most of the customers in this segment do not require complex and sophisticated features offered by top range CMMS brands. The Company is in fact creating awareness for the need of CMMS in Tier 3 by offering affordable and user-friendly solutions in a market segment which still has a low awareness of CMMS. Thus, CWS is in fact growing and creating a customer base for its CMMS solutions in the Tier 3 segment.

(ii) Leveraging on lower cost

CWS leverages on these cost advantages over its foreign competitors:

- a. Lower business running costs arising from the Company's location in Malaysia, a competitive location in terms of "off shoring" costs;
- b. Lower development costs arising from in-house domain knowledge thus reducing development time and subject matter acquisition costs; and
- c. Lower distribution and marketing costs that leverages on the internet as the backbone of its distribution and marketing strategy.

(iii) Leveraging on internet marketing

CWS has been able to use the internet channel as an effective and efficient sales and marketing channel. CWS's website, [www.cworks.com.my](http://www.cworks.com.my), has gained prominence at search engines such as *Google* and *Yahoo* through search engine optimisations and cost-per-click strategies. This website is considered the backbone of the Company's marketing and sales efforts. The main reason for this is that historically most of the Company's clients rely extensively on the internet to do preliminary research for CMMS products prior to their purchase. The Company believes that there exists a large potential pool of CMMS users currently surfing the internet, waiting for the right product to purchase. This is supported by the fact that every month, approximately 1,650 copies of *CWorks FREE* are downloaded by visitors to its website. CWS regards every user of *CWorks FREE* as a potential customer of its other products.

(iv) Large potential user base

In order for CWS to remain competitive, continuous R&D is crucial in determining market needs and product potentials. Presently, the R&D efforts of CWS leverages on feedback from customers and visitors to its website's discussion forum as well as benchmarking exercises against competitors and industry best practices.

---

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


---

The Company not only has fee-paying users but also a world-wide group of users who downloaded the Company's free CMMS. Since it was first made available on the internet, from September 2002 to December 2004, approximately 30,000 copies of *CWorks FREE* have been downloaded by visitors to its website. The Company believes that a substantial number of these downloaders actually use the system and they not only represent a wider net of customers for future upgrades and customisation but also a valuable source of feedback to the Company.

At the Company's web-based forum available at [www.cworks.com.my](http://www.cworks.com.my), various technical discussions, between Company and *CWorks* users, and between *CWorks* users themselves, are posted. Furthermore, as the Company makes its source codes available, independent programmers or users have an avenue to post their own modules or changes to the *CWorks* programs for the benefits of all other *CWorks* users as well as the Company.

*CWorks PRO* is also being used as course material at Universiti Teknologi MARA in its Master of Science in Facility Management program and at the Universiti Kuala Lumpur in its Bachelor of Science in Engineering Business Management program. By exposing these students to the Company's system and functionality, the Company hopes to encourage adoption of CMMS, in particular the Company's brand, when these students become maintenance practitioners themselves.

(v) Higher success rate of implementation

CWS has not only developed its products with the same level of functionality as other comparable CMMS of its class, but also assures clients of higher success rate in implementation. The Company is able to achieve such high rate through:-

- Provision of its products with open source codes on a simple *Microsoft Access* platform with all basic features so that enterprises can build their own processes into the application; and
- Provision of a customer support centre which not only hosts a CMMS but has consultants to run it (data entry, helpdesk, IT and operational support) with the necessary communication technology to deliver it so that clients can fully outsource their CMMS requirements on a business process outsourcing model. To date, the Company has successfully deployed this model at sites in Universiti Utara Malaysia, Putrajaya and Hospital Sungai Buloh.

### 7.13 TRADE MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

As branding is an important component of the Company's marketing plan, CWS pays considerable attention to market recognition and brand awareness of its *CWorks* products. It currently owns the copyrights of all software developed namely *CWorks PRO / SRM*, *CWorks FREE*, *CWorks SQL*, *CWorks ONLINE* and *CWorks PLUS* and its website [www.cworks.com.my](http://www.cworks.com.my).

The Company has further sought protection for its trademarks in Malaysia which is pending registration with the Registrar of Trademarks. Application for the registration of "*CWorks*" logo has been made under Class 9 in Malaysia with a validity period of 10 years from the date of application when approved by the Registrar of Trademarks and may be subsequently renewed upon expiration.

## 7. BUSINESS OVERVIEW (Cont'd)

The Company also enters into agreements with its customers to license the use and installation of CWorks software. The licences, which are generally non-exclusive and non-transferable, prohibits any assignment, co-branding and extension to any other product. Such arrangement ensures that the intellectual property rights to the software remains with CWS.

The Company also has proprietary information and invention agreements with its employees where all intellectual property including creation and development of all computer programs, technical information in relation to the Company's products and services, information concerning the Company's business, employees, customers and suppliers, documentations, copyrightable materials and works arising in the course of employment with the Company will be owned solely by the Company. The obligation to maintain the confidentiality and security of the said intellectual property remains even after the expiry of the employment to ensure that such intellectual property remains as a trade secret of the Company. In the event of any breach or threatened breach of the said agreement, the Company is entitled to an injunction to restrain its employees and can further pursue other remedy for the breaches to protect its interest.

CWS had on 28 September 2004 filed with the Malaysian Patent Office in respect of its proprietary DSA, being its core technology. Please refer to Section 7.6 for further details on DSA.

### 7.14 MAJOR CUSTOMERS

The Company's top 10 customers based on the Company's sales for the financial year ended 31 December 2004 are as follows:

Major customers	Length of relationship (months)	Value of Sales (RM'000)	% of sales out of total revenue
Eurocopter Malaysia Sdn Bhd	12	300	16.23
Building Lindungan Sdn Bhd	12	207	11.23
BPG Development Center Sdn Bhd	3	144	7.80
Construction Labour Exchange Center Berhad	7	89	4.79
Jayaben Venture Sdn Bhd	11	80	4.33
Johnson Controls Inc group of companies	30	70	3.81
Tunas Selatan Consortium Sdn Bhd	19	60	3.25
MHS Aviation Berhad	10	55	2.98
Zulaz Engineering Sdn Bhd	11	52	2.83
FX Consultancy Sdn Bhd	10	50	2.71

During the same period, approximately 23% of total sales were derived from the internet with an average sales of RM1,680 per transaction.

CWS is not dependent on any single customer as the Company targets different market segment for its various products, for example, the basic solutions such as *CWorks PRO / SRM* and *CWorks PLUS* are targeted at small to medium users and mass marketed through the internet whereas enterprise solutions such as *CWorks SQL* and *CWorks ONLINE* cater for large base users who require robustness and complexity and are individually marketed.

## 7. BUSINESS OVERVIEW (Cont'd)

## 7.15 MAJOR SUPPLIERS

The Company's top 10 suppliers based on the Company's purchases for the financial year ended 31 December 2004 are as follows:

Major suppliers	Length of relationship (months)	Value of Purchases (RM'000)	% of purchases out of total purchases
Google	21	35	7.04
Malaysian Technology Development Corporation Sdn Bhd	14	26	5.23
Kumpulan Wang Simpanan Pekerja	41	22	4.49
WorldPay Limited	29	19	3.95
Netexpress USA Inc	4	19	3.91
Itaero Travel & Tours Sdn Bhd	20	15	3.02
Jewels Event & Consultancy (M) Sdn Bhd	4	14	2.79
Overture Services Inc	22	12	2.33
Siak Yoon Computer Sdn Bhd	8	6	1.24
Federal Express Services (M) Sdn Bhd	20	6	1.17

For the financial year ended 31 December 2004, none of the suppliers contribute to 10% or more of the total purchases of CWS. The Company is not dependent on any of its suppliers.

## 7.16 SECURED CONTRACTS

As at 5 April 2005, the principal secured contracts of the Company (both pending implementation and being implemented) :

Name	Date of contract/ purchase order	Products/ Services
Tunas Selatan Consortium Sdn Bhd	8 May 2003	<i>CWorks PRO / Managed CMMS</i>
Construction Labour Exchange Centre Berhad	14 May 2004	<i>CWorks ONLINE / Managed CMMS</i>
MOX Gases Sdn Bhd	31 December 2004	<i>CWorks PLUS</i>
Jabatan Kerja Raya Malaysia	22 February 2005	Consultancy services
Uniutama Property Sdn Bhd	12 March 2005	<i>CWorks ONLINE</i>



---

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT**

---

**8.1 DIRECTORS****(i) Directors' profile**

The profiles of the Directors of CWS are set out below:

**Abdul Rani Bin Achmed Abdullah**, aged 38, is the co-founder and Chief Executive Officer of the Company. He was appointed to the Board on 1 August 2001. Rani is responsible for the management of the business operations, business development and strategic planning of the Company. He obtained his Bachelor of Electrical Engineering from Purdue University, USA, in 1988 and a Master of Science in Engineering Business Management from Warwick University, United Kingdom in 2001. He has 15 years working experience. He started his career in 1989 working as a Wireline Engineer for Schlumberger Overseas SA until 1991. He then went to work as a Survey Engineer for Racal Survey (M) Sdn Bhd doing regional work from 1992 to 1995. In 1996, Rani worked for his family-owned business involved with currency trading and other general trading. He then joined PROPEL-Johnson Controls Sdn Bhd ("PJC") in 1997 and left in 2000 as its Head of Special Projects and MIS. During his tenure at PJC he was responsible mainly for the design, development, implementation and operation of IT systems such as the nationwide maintenance call centre for customers such as the Ministry of Health's hospital support services privatisation project. Rani is also a two-time Johnson Controls Inc worldwide merit award winner. He was also the Johnson Controls Inc's CMMS resource person for its Asia operations. Rani left PJC's employment in 2000 to venture into business through another of his family's enterprise, Usha Anang Sdn Bhd, a currency exchange company with a chain of 5 outlets in the Klang Valley. Currently he is also a director of several private companies and a part-time lecturer at Universiti Teknologi MARA where he is an instructor for a computer-aided facility management course.

**Azhan Bin Azmi**, aged 34, is the co-founder and Chief Technical Officer of the Company. He was appointed to the Board on 1 August 2001. Azhan primarily oversees the Company's activities related to R&D and product development such as software development cycles including high-level system design, software development, application testing and implementation. He graduated in 1992 from the Universiti Teknologi MARA with a Diploma in Computer Science. He started his career in 1992 developing and implementing IT systems at Universiti Sains Malaysia. In 1997, he joined Sri Innovasi Sdn Bhd, an IT training centre as its IT coordinator. Subsequently, in 1998 he joined PJC as a MIS Executive where he was responsible for managing a variety of IT implementation projects for hospital support services in Kedah. He was later responsible for the administration and operation of a nationwide call centre. Subsequently, he left PJC in 2000 to work as a manager of systems and the networks for VOLAsia Sdn Bhd, a company involved in providing internet content for registered subscribers and was responsible for evaluating different technologies, databases and software tools. During his career thus far, he has designed and developed a multitude of applications including CMMS, Inventory Control Management System, Rules-Based Medical Insurance Claim Processing System, Foreign Currency Exchange System, Data Double Entry Management System, Student Information System, Student Registration System, Alumni Information System and Human Resource Management System. In 2001, he left VOLAsia Sdn Bhd to co-found CWS.

---

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)**

---

**Ahmad Ruslan Zahari Bin Zakaria**, aged 44, was appointed to the Board on 11 August 2004 as an Independent Non-Executive Director. He graduated in 1984 with a Bachelor of Arts in Economics (Accounting and Financial Analysis) from the University of Newcastle-upon-Tyne, United Kingdom. Ruslan has 20 years of experience in audit, venture capital, corporate finance, media, business development and marketing. In 1984, Ruslan started his career with Dias Jones and Partners an audit firm in London. He then joined Merchant Business Growth Consulting in 1986, a European marketing consultancy firm also based in London, as its Financial Controller. In 1993, Ruslan left the United Kingdom to join Commerce International Merchant Bankers Berhad where he was involved in a wide variety of assignments which include initial public offerings, debt/equity fund raising, mergers and acquisitions and privatisation exercises. He left the bank in 1997 to assist in the establishment of Commerce Asset Ventures Sdn Bhd ("CAV"), the venture capital arm of the Commerce Assets-Holding Berhad. He was in charge of evaluating investments in telecommunications, technology and health-care companies. In February 2000, Ruslan left CAV to join Clear Channel International Ltd ("CCI"), a subsidiary of Clear Channel Communications Inc ("CCU"), as the Managing Director of its Malaysian business unit cum Development Director for South-East Asia. CCU is a global out-of-home media company listed on the New York Stock Exchange. His responsibilities there included business development and identifying joint-venture partners in the various markets. Ruslan left CCI to join UPD Sdn Bhd, a wholly-owned subsidiary of Utusan Melayu (Malaysia) Berhad, as its General Manager for Marketing before leaving in July 2004 to run his own consultancy practice.

**Chia Gek Liang**, aged 43, was appointed as Independent Non-Executive Director of CWS on 8 March 2005. He has a Bachelor of Electrical Engineering degree and a MBA degree from the National University of Singapore, which he obtained in 1985 and 1993 respectively. Chia has 18 years of experience in electronics manufacturing process, product engineering and investment banking. In 1985, Chia started his career as a Product Engineer with SGS-Thomson Microelectronics Pte Ltd in Singapore where he was responsible for the product engineering and manufacturing processes of memory products. He left the engineering field in 1991 to pursue his MBA degree. Thereafter, he worked for a 6-month period in corporate banking with a bank before joining Commerce International Merchant Bankers Berhad as an executive in the corporate finance division. During his 9 years tenure in investment banking he was involved in a wide variety of assignments which include initial public offerings, debt and equity funding raising, mergers and acquisitions, reverse take-overs, corporate and debt restructuring and privatisation exercises. He left the bank in January 2001 as Associate Director—Corporate Finance. Between February 2001 to December 2001, Chia was the Chief Financial Officer of Intelligent Edge Technologies Berhad, a company listed on the MESDAQ Market.

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)****(ii) Directors' shareholdings**

The shareholdings of the Directors in CWS before and after the New Issue, based on their shareholdings as at 5 April 2005 are as follows:

Directors	<---Before the New Issue--->				<---After the New Issue--->			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No of CWS Shares held	%	No of CWS Shares held	%	No of CWS Shares held	%	No of CWS Shares held	%
Abdul Rani Bin Achmed Abdullah	20,765,136	56.00	*4,738,901	12.78	20,765,136	41.53	*4,738,901	9.48
Azhan Bin Azmi	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-	-	-	-	-
Chia Gek Liang	-	-	-	-	-	-	-	-

\* Deemed interested by virtue of his shareholding in Caribeli pursuant to Section 6A of the Companies Act

**(iii) Directors' remuneration and benefits**

For the financial year ended 31 December 2004, a total sum of RM77,760 was paid to the Directors as remuneration. For the financial year ending 31 December 2005, it is estimated that approximately RM234,000 will be paid to the Directors. The Directors fall within the following remuneration bands:

Remuneration Band (RM)	Number of Directors	
	Year ended 31 December 2004	Year ending 31 December 2005
0 – 30,000	2	2
30,001 – 100,000	1	2

**(iv) Other directorships and substantial shareholdings**

Save as disclosed below, none of the Directors has other directorships and/or substantial shareholdings in any other public corporations for the past two (2) years up to 5 April 2005.

Name of Director	Name of Corporation Involved	Designation	Date of Appointment to the Board
Chia Gek Liang	Mobif Berhad	Independent Non-Executive Director	08.04.04
	Mobile Lifestyle Berhad	Independent Non-Executive Director	05.01.05

**(v) Involvement in other businesses and/or corporations with similar business as CWS**

None of the Directors is involved in other businesses and/or corporations with similar business as CWS.

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)****(vi) Declaration**

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

- (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) Such person was the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

**8.2 PROMOTERS****(i) Profile of Promoters**

The profiles of Abdul Rani Bin Achmed Abdullah and Azhan Bin Azmi are set out in Section 8.1(i) of this Prospectus. The profiles of Padman Prabhakaran, Abd Malik Bin Mohd Din, Suzanna Binti Abdul Hamid and Caribeli are set out below.

**Padman Prabhakaran**, aged 33, is the Chief Operating Officer of the Company. He is primarily responsible for product implementation and maintenance consultancy services. Padman determines client requirements and formulates business processes for inception into the system. He graduated from the University of Bath, United Kingdom in 1993 with a Bachelor of Engineering in Manufacturing Systems Engineering & Management. Padman started his career in 1993 with SGS Petrotechnical Inspection Sdn Bhd where he was involved in metering and flow measurement for the oil and gas industry. From October 1996 to December 2001, he worked for PJC where he was involved in the hospital support service privatisation project for 18 hospitals in Sabah before he left PJC as Deputy Regional Manager in December 2001. From January to April 2002, he was the Johnson Controls (M) Sdn Bhd's Account Manager for ExxonMobil Berhad where he managed the maintenance of all ESSO and Mobil service stations in Peninsular Malaysia. Padman was a Johnson Controls Inc worldwide merit award winner. In April 2002, he joined CWS.

**Abd Malik Bin Mohd Din**, aged 44, is the Chief Marketing Officer of the Company. Malik is primarily responsible for the sales, marketing and business development of the Company. He graduated from the Western Michigan University, USA, in 1982 with a Bachelor in Mathematics and Economics and a Master of Science in Operation Research with economics emphasis in 1985. Malik started his career in 1985 at ESSO (M) Berhad as a sales representative and was later promoted to be a Planning Supervisor and Staff Business Development Coordinator. During his tenure at ESSO, he was awarded the Salesman ESSO Award in 1989, 1990 and 1991. In 1996, he left ESSO to work for L&G Berhad where he was responsible for the group audit and property management division. He left L&G Berhad in 1997 to join PJC to manage its call centre. Prior to joining CWS in 2003, he spent 9 months at Beta Strategy Sdn Bhd, a company involved in construction project management consultancy as the Head of Procurement and a special project team member for the construction of a proposed medical faculty and teaching hospital. He joined CWS in March 2003.

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)**

**Suzanna Binti Abdul Hamid**, aged 31, is the Senior Manager for Training and Support Services. She graduated with a Diploma in Computing And Information Technology from the Asia-Pacific Institute of Information Technology in 1995. Suzanna started her career doing sales and marketing for IFCA Consulting Sdn Bhd in 1995. She left IFCA in 1996 to join PJC in 1996 as a MIS Executive responsible for all regional IT infrastructure and systems in Sabah. She has extensive experience with CMMS, Inventory Control Management Systems and IT system implementations. She is also a certified MLVK (Majlis Latihan Vokasional Kebangsaan) course auditor. Suzanna joined CWS in January 2002.

Background information on **Caribeli** is as follows:-

Caribeli Sdn Bhd was incorporated in Malaysia under the Companies Act on 19 July 2000 as a private limited company. As at 5 April 2005, its authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 10 ordinary shares have been issued and fully paid-up.

The principal activity of Caribeli is investment holding.

The shareholders and Directors in Caribeli based on their shareholding as at 5 April 2005 are as follows:

	No of ordinary shares held	%
Abdul Rani Bin Achmed Abdullah	9	90
Abd Malik Bin Mohd Din	1	10

**(ii) Promoters' shareholdings**

Promoter	Nationality/ Place of Incorporation	<---Before the New Issue--->				<---After the New Issue--->			
		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
		No of CWS Shares held	%	No of CWS Shares held	%	No of CWS Shares held	%	No of CWS Shares held	%
Abdul Rani Bin Achmed Abdullah	Malaysian	20,765,136	56.00	*4,738,901	12.78	20,765,136	41.53	*4,738,901	9.48
Caribeli	Malaysia	4,738,901	12.78	-	-	4,738,901	9.48	-	-
Azhan Bin Azni	Malaysian	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Padman Prabhakaran	Malaysian	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Abd Malik Bin Mohd Din	Malaysian	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Suzanna Binti Abdul Hamid	Malaysian	1,653,795	4.46	-	-	1,653,795	3.31	-	-

\* Deemed interested by virtue of his shareholding in Caribeli pursuant to Section 6A of the Companies Act

8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)

(iii) Changes in Promoters'/substantial shareholders' shareholdings

The changes in the Promoters'/substantial shareholders' shareholdings in CWS for the past 3 years up to 5 April 2005 are set out below:

Promoters /substantial shareholders	←-----As at 15 May 2002----->		←-----As at 18 July 2002----->		←-----As at 15 October 2002----->	
	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)
Abdul Rani Bin Achmed Abdullah	2	66.66	71,002	100.00	99,999	100.00
Caribeli	-	-	-	-	-	-
Azhan Bin Azmi	1	33.33	1	<sup>a</sup>	1	<sup>a</sup>
Padman Prabhakaran	-	-	-	-	-	-
Abd Malik Bin Mohd Din	-	-	-	-	-	-
Suzanna Binti Abdul Hamid	-	-	-	-	-	-
Chik Zylla Zamir Binti Chik Azamir	-	-	-	-	-	-

Note:  
#

Negligible

\* There were no indirect shareholdings by the Promoters / substantial shareholders prior to 3 August 2004

## 8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)

Promoters/substantial shareholders	←-----As at 10 January 2003----->		←-----As at 20 August 2003----->		←-----As at 2 Jan 2004----->	
	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)
Abdul Rani Bin Achmed Abdullah	56,000	56.00	56,000	56.00	56,000	56.00
Caribeli	-	-	-	-	-	-
Azhan Bin Azmi	20,000	20.00	20,000	20.00	17,240	17.24
Padman Prabhakaran	10,000	10.00	10,000	10.00	4,460	4.46
Abd Malik Bin Mohd Din	-	-	5,000	5.00	4,460	4.46
Suzanna Binti Abdul Hamid	9,000	9.00	9,000	9.00	4,460	4.46
Chik Zylia Zamir Binti Chik Azamir	5,000	5.00	-	-	-	-

Note:  
#

Negligible

\* There were no indirect shareholdings by the Promoters / substantial shareholders prior to 3 August 2004

## 8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)

Promoters /substantial shareholders	As at 3 August 2004			As at 5 August 2004 <sup>^</sup>			As at 5 August 2004		
	Direct	Indirect	Percentage of issued and paid-up share capital (%)	Direct	Indirect	Percentage of issued and paid-up share capital (%)	Direct	Indirect	Percentage of issued and paid-up share capital (%)
Abdul Rani Bin Achmed Abdullah	56,000	12,780	56.00	560,000	127,800	56.00	1,232,000	281,160	56.00
Caribeli	12,780	-	12.78	127,800	-	12.78	281,160	-	12.78
Azhan Bin Azmi	4,460	-	4.46	44,600	-	4.46	98,120	-	4.46
Padman Prabhakaran	4,460	-	4.46	44,600	-	4.46	98,120	-	4.46
Abd Malik Bin Mohd Din	4,460	-	4.46	44,600	-	4.46	98,120	-	4.46
Suzanna Binti Abdul Hamid	4,460	-	4.46	44,600	-	4.46	98,120	-	4.46
Chik Zylia Zamir Binti Chik Azamir	-	-	-	-	-	-	-	-	-

Note:

<sup>@</sup> Deemed interested by virtue of his shareholding in Caribeli pursuant to Section 6A of the Companies Act

<sup>^</sup> After subdivision of the par value of ordinary shares from RM1.00 to RM0.10 each



## 8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)

Promoters /substantial shareholders	After Bonus Issue		After Rights Issue		After New Issue							
	Direct	Indirect	Direct	Indirect	Direct	Indirect						
	No. of ordinary shares of RM0.10 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM0.10 each	Percentage of issued and paid-up share capital (%)	No. of ordinary shares of RM0.10 each	Percentage of issued and paid-up share capital (%)						
Abdul Rami Bin Achmed Abdullah	6,921,712	56.00	<sup>(6)</sup> 1,579,634	12.78	20,765,136	56.00	<sup>(6)</sup> 4,738,901	12.78	20,765,136	41.53	<sup>(6)</sup> 4,738,901	9.48
Caribeli	1,579,634	12.78	-	-	4,738,901	12.78	-	-	4,738,901	9.48	-	-
Azhan Bin Azmi	551,265	4.46	-	-	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Padman Prabhakaran	551,265	4.46	-	-	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Abd Malik Bin Mohd Din	551,265	4.46	-	-	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Suzanna Binti Abdul Hamid	551,265	4.46	-	-	1,653,795	4.46	-	-	1,653,795	3.31	-	-
Chik Zylia Zamir Binti Chik Azamir	-	-	-	-	-	-	-	-	-	-	-	-

Note:  
⑥

Deemed interested by virtue of his shareholding in Caribeli pursuant to Section 6A of the Companies Act

## 8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT (Cont'd)

### (iv) Other directorships and substantial shareholdings

None of the Promoters has other directorships and/or substantial shareholdings in any other public corporations for the past two (2) years up to 5 April 2005.

### (v) Benefits to Promoters

None of the Promoters has received any amounts or benefits paid or given by the Company other than by virtue of their directorships, employment and shareholdings within the two (2) years preceding the date of this Prospectus, or intended to be so paid or given.

## 8.3 SUBSTANTIAL SHAREHOLDERS

### (i) Profile of substantial shareholders

The profiles, shareholdings and changes in shareholdings of Abdul Rani Bin Achmed Abdullah and Caribeli are set out in Sections 8.1(i) and 8.2(i)-(iii) of this Prospectus.

### (ii) Other directorships and substantial shareholdings

None of the substantial shareholders of CWS has other directorships and/or substantial shareholdings in any other public corporation for the past two (2) years up to 5 April 2005.

## 8.4 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Responsibility	Directorship
Chia Gek Liang	Chairman	Independent Non-Executive Director
Azhan Bin Azmi	Member	Executive Director
Ahmad Ruslan Zahari Bin Zakaria	Member	Independent Non-Executive Director

The Audit Committee is responsible for recommendations to the Board regarding the selection of external auditors, reviewing the results and scope of the audit and other services provided by the Company's external auditors in addition to the review and evaluation of the Company's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT**  
*(Cont'd)*

---

**8.5 KEY MANAGEMENT AND EMPLOYEES**

**(i) Profiles of Key Management**

The key management team of CWS comprises all the Promoters (save for Caribeli) profiled in Sections 8.1(i) and 8.2(i) above.

**(ii) Key management shareholdings**

The key management personnel are also the Promoters of the Company. The shareholdings of key management personnel before and after the New Issue, based on their shareholdings as at 5 April 2005 are set out in Section 8.2(ii) of this Prospectus.

**(iii) Declaration**

None of the key management personnel of the Company is or was involved in the following events, whether in or outside Malaysia:

- (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) Such person was the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

**(iv) Other directorships and substantial shareholdings**

None of the key management personnel of the Company has other directorships and/or substantial shareholdings in any other public corporations for the past two (2) years up 5 April 2005.

**(v) Employees**

The Company is managed by the Promoters who are also shareholders of the Company. As such, the management is very committed to continue to build the branding of its products as well as its client base to ensure the success of the Company.

**8. DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT**  
*(Cont'd)*

As at 5 April 2005, CWS has 17 employees in the following capacities:

Department	Average length of service (Years)	Number of persons
Chief Executive Officer	3	1
R&D	2	10
Sales & Marketing	2	1
Business Support	2	5
Total		<u>17</u>

None of the employees of the Company belong to any labour union and the Company enjoys a cordial relationship with its employees. There has been no labour or industrial dispute between employees and management.

Having enhanced its financial resources with proceeds from the New Issue, CWS will be able to strengthen its staff base and increase knowledge workers and expenditure for R&D activities.

The Company currently provides staff training via in-house training sessions and on-the-job training. CWS also provides its senior staff opportunities to attend external training programmes, workshop and seminars to keep the staff updated on the latest software technology and advancements.

(vi) **Involvement in other businesses and/or corporations with similar business as CWS**

None of the key management personnel is involved in other businesses and/or corporations with similar business as CWS.

**8.6 FAMILY RELATIONSHIPS**

There are no family relationships amongst the Directors, Promoters, substantial shareholders and key management personnel of the Company.

**8.7 INVOLVEMENT OF DIRECTORS AND KEY MANAGEMENT PERSONNEL IN OTHER BUSINESSES AND/OR CORPORATIONS**

None of the Executive Directors and key management personnel of CWS is involved in other businesses and/or corporations other than as a shareholder or non-executive director.