

8. SUMMARY OF FIVE (5) YEAR BUSINESS DEVELOPMENT PLAN

The following is a summary of the five (5) year business development plan, prepared by us for the purpose of inclusion in this Prospectus.

8.1 Business Direction for the Next Five (5) Years

Our five (5) year business development plan is structured to achieve the following objectives by 2009:-

- to create greater awareness regarding the strategic benefits of loyalty management program;
- to develop a single IT architecture and technology platform that will allow for the convergence of computing, communication and enterprise applications developed using BPM tools to enable us to provide a one stop business process outsourcing solutions to our clients;
- the continuous development of client base locally and overseas; and
- to invest in business ventures that boosts our focus and business intent.

Explicitly, the four (4) year development milestone of our Group is described as follows:-

Year	Key Development Milestones
2006	<ul style="list-style-type: none"> • Growth by strategic acquisitions overseas by identifying suitable partners in PRC, Indonesia and Thailand. • Explore strategic co-operation opportunities with key players in the developed markets of North America, Europe and Japan. • Deepen our relationship with existing clients by widening our service and product coverage. • Introduce our services and solutions to market segments outside our current financial institutions, retails, and FMCG segments. • Launch our home shopping mail order program directly with the end consumers. • Secure distribution rights for branded products as part of our strategy to improve our product offerings to our clients. • Explore the development of hybrid loyalty programs which support the national agenda to promote tourism in Malaysia under the "Truly Asia" theme. • Continue to enhance our Enterprise Application software with new features and to focus on R&D on increasing the sophistication of our AIMS OLAP tools.
2007	<ul style="list-style-type: none"> • Replicate the success of our BPO managed loyalty services model in our overseas markets. We shall leverage on the strength of our trade partners and our investee companies overseas to offer these services that are tailored to the needs of these overseas markets. • Seek to expand our strategic co-operation with our partners in North America, Europe and Japan into possible joint ventures. • Explore the development of a regional loyalty cards together with our customers and overseas partners. • Integration of our Supply Chain Management ("SCM") application modules with our Enterprise Application software.
2008	<ul style="list-style-type: none"> • To expand our overseas markets by deepening the service and product ranges and expand the BPO platform to multi B2B and B2C platforms. • Continue to strengthen our strategic alliance with key managed loyalty players in developed markets in North America Europe and Japan. • Full integration of our suite of e-payment solutions with our SCM application modules and our Enterprise Application software.

8. SUMMARY OF FIVE (5) YEAR BUSINESS DEVELOPMENT PLAN (Cont'd)

Year	Key Development Milestones
2009	<ul style="list-style-type: none"> • Explore managed loyalty services in other regions such as Dubai, Saudi Arabia and India. • To develop the software interfaces to integrate our AIMS Managed Loyalty Applications, SCM, E-accounting, E-payments into the wide area network wireless infrastructure. • To have launched the Wireless Handheld Redemption Services with the completion of the E-Wireless and Virtual Store Redemption module and the E-Wallet module.

8.2 Summary of Growth Strategies

In line with our mission to become a leading BPO provider of integrated loyalty management solutions in the region, we will embark on the following growth strategies for the next five (5) years:-

- to continue with our R&D activities to increase our service offerings by development of new applications and modules and enhancing the existing ones;
- to deepen and broaden our relationship with existing clients;
- to create direct channels to members of our clients' loyalty program;
- to acquire new clients in the five (5) targeted industries mainly retail, financial institutions, FMCG, telecommunications and transport;
- to consider forming joint ventures, alliances and mergers that will complement our current and future business;
- to expand regionally into countries such as Indonesia, PRC and Thailand; and
- to continuously seek to build upon our brand, corporate image and reputation by positioning ourselves as a Group which can offer total one stop integrated loyalty management solutions.

See **Section 7.12.2** for further details on our future growth strategies.

8.3 Summary of R&D Plan

Our future direction is to tap into opportunities in grid computing and mobile technology development that will benefit us as follows:-

- Achieve lower cost of operations via reducing the infrastructure cost;
- All remote access to AIMS applications and our services via handheld device;
- Increase the overall transaction efficiency using grid computing technology;
- Increase the efficiency of remote and dial-up transaction with AIMS; and
- Develop interfaces for integration of AIMS Managed Loyalty Applications.

See **Section 6.6** for further details on our R&D plan.

8.4 Summary of Human Resource Development Plan

Our human resource development plan has been developed to support our IT and business development plans. Our plan to increase the total number of technical and business knowledge workers complements our R&D and business development plan locally and overseas.

We encourage our employees to upgrade their skills and knowledge by providing training activities and programs in order to provide quality services and possess a keen understanding of our clients' requirement.

8.5 Conclusion

Our Group's ultimate objective in carrying out this Listing is to achieve our long term vision to be a leading outsourced loyalty management service provider embracing technology and employing knowledge workers to offer competitive and quality products and services in the Malaysian and regional markets.

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL**9.1 Promoters and Substantial Shareholders****9.1.1 Our Promoters' and Substantial Shareholders' Shareholdings**

Based on the Register of Substantial Shareholders of our Company as at 28 February 2006, the direct and indirect interests of our substantial shareholders and Promoters in our issued and paid-up share capital before and after the Listing (assuming full subscription of their respective entitlements) are as follows:-

Name	Nationality / Country of incorporation	<---Before Initial Public Offering--->		<---After Initial Public Offering --->	
		<---Direct---> Number of Shares	<---Indirect---> (%) Number of Shares	<---Direct---> Number of Shares	<---Indirect---> (%) Number of Shares
Promoters and Substantial Shareholders					
CGAS	Singapore	69,578,270	58.0	-	67,778,270*
Nyang Koon Seng	Singaporean	-	-	69,578,270 ¹	67,778,270 ¹
Tay Woon Teck	Singaporean	-	-	69,578,270 ¹	67,778,270 ¹
Datin Rahmah Binti Kassim Dato'	Malaysian	29,819,260	24.8	-	29,819,260
Shamsuddin Bin Hayroni	Malaysian	-	-	29,819,260 ²	29,819,260 ²
Substantial Shareholder					
OSKTV	Malaysia	15,802,470	13.2	-	15,802,470
OSKVI	Malaysia	-	-	15,802,470 ³	15,802,470 ³

Notes:-

[^] OSKVI is a public listed company in Malaysia. Certain persons could be deemed substantial shareholders of our Company, through OSKVI, whether directly or indirectly, by virtue of Sections 69D and 6A of the Act.

* After deducting 1.8 million AIM Shares allotted to Ooi Hooi Cheng, Wong Yow Kok and Palani Selvam Muruganandam upon Listing.

¹ Deemed interest by virtue of its shareholdings in CGAS.

² Deemed interest by virtue of his spouse's (Datin Rahmah Binti Kassim) shareholding in our Company.

³ Deemed interest by virtue of its shareholding in OSKTV.

CGAS has granted an option to Ooi Hooi Cheng, Wong Yow Kok and Palani Selvam Muruganandam, to purchase from CGAS up to 1.8 million AIM shares each at 25% discount from the Issue Price upon listing in recognition of their long term relationship with CGAS.

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9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

9.1.2 Profile of our Promoters and Substantial Shareholders

Our Promoters and substantial shareholders are Datin Rahmah Binti Kassim and CGAS.

DATIN RAHMAH BINTI KASSIM, a Malaysian age 49, was appointed as our Director for CLS and ASCS on 3 March 2005 and 1 February 2005 respectively. She started her career in the Ministry of Finance as an Insurance Analyst from 1979 to 1988. She joined Bank Negara Malaysia as a Senior Administrator from 1988 to 1996. In 1996 she joined Majulia Sdn. Bhd. as the Executive Director. She is a director of ECT since 27 April 2000. ECT is the program owner of the 'RealRewards' loyalty program. She graduated in 1979 with a Diploma in Accountancy from Mara Institute of Technology; in 1983 with a Bachelor of Arts degree in Finance and pursued her Masters in Business Administration at the New Hampshire College, US where she graduated in 1985.

CGAS was incorporated in Singapore on 28 September 2004 under the Singapore Companies Act. Presently, the authorised share capital of CGAS is SGD100,000 comprising 100,000 ordinary shares of SGD1.00 each of which SGD2.00 comprising 2 ordinary shares of SGD1.00 each has been issued and fully paid-up. The directors and shareholders of CGAS are Nyang Koon Seng and Tay Woon Teck who each hold 50% equity interest in CGAS. The principal activity of the company is investment holdings.

The background information of Dato' Shamsuddin bin Hayroni, Nyang Koon Seng and Tay Woon Teck are set out in **Section 9.2.2** of this Prospectus.

Our substantial shareholders' information are as follows:-

OSKTV is a wholly-owned subsidiary of OSKVI. The principal activity of OSKTV is to undertake venture capital investments in high technology and high growth companies. The investment focus of OSKTV is information and communication technology, advanced manufacturing and biotechnology and life sciences. As at 28 February 2006, being the latest practicable date prior to the printing of this Prospectus, OSKTV has an authorised share capital and issued and paid-up share capital of RM5,000,000 and RM150,000 respectively. Its directors are Mr Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohamad bin Nik Yahya. Mr Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohamad bin Nik Yahya are also directors of OSKH and OSK.

OSKVI was incorporated in Malaysia on 5 December 2003 under the Act as a public limited company. OSKVI is an investment holding company and is listed on the MESDAQ Market of Bursa Securities. It is principally involved in venture capital and the management of investments in securities of venture companies.

The substantial shareholders of OSKVI and their respective shareholdings as at 28 February 2006 are as follows:-

Names	Shareholdings				Nationality
	Direct	%	Indirect	%	
OSKH	88,792,770	59.2	-	-	Malaysia
Ong Leong Huat @ Wong Joo Hwa	300,000	0.2	88,792,770 ^(a)	59.2	Malaysian

Note:-

^(a) Deemed interested by virtue of his substantial shareholdings in OSKH pursuant to Section 6A of the Act.

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

The directors of OSKVI and their respective shareholdings as at 28 February 2006 are as follows:-

Name of Director	Shareholdings				Nationality
	Direct	%	Indirect	%	
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	200,000	0.1	-	-	Malaysian
Ong Leong Huat @ Wong Joo Hwa	300,000	0.2	88,792,770 ^(a)	59.2	Malaysian
Wong Chong Kim	300,000	0.2	170,000 ^(b)	0.11	Malaysian
Yap Yuh Foh, Eddie	37,500	0.02	-	-	Malaysian
Tan Sri Datuk Dr. Omar bin Abdul Rahman	-	-	-	-	Malaysian
Foo San Kan	-	-	-	-	Malaysian
Dato' Abdul Azim bin Mohd. Zabidi	-	-	-	-	Malaysian

Notes:-

^(a) Deemed interested by virtue of his substantial shareholdings in OSKH.

^(b) Deemed interested by virtue of his substantial shareholdings in Harmony Chime Sdn. Bhd.

9.1.3 Substantial Shareholdings and Directorship in Other Public Corporations

Save as disclosed below, none of our direct substantial shareholders or Promoters has substantial shareholdings or directorship, whether directly or indirectly in any other public corporations for the past two (2) years:-

Substantial Shareholder	Company	Principal Activities	% held as at 28 February 2006			
			Direct	%	Indirect	%
OSKTV	Infotech Alliance Berhad	Software and service companies that provide multi-lingual, multi-region web-based enterprise software.	.*	.*	-	-
	Impressive Edge Group Berhad	Investment holding and provision of management services to its subsidiaries which are involved in the manufacturing of high precision parts and components for the semiconductor industry.	.*	.*	-	-

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL
(Cont'd)

Substantial Shareholder	Company	Principal Activities	% held as at 28 February 2006			
			Direct	%	Indirect	%
	Nova MSC Berhad	Operational headquarters for the group and functioning as the group's global software and development service center.	^*	^*	-	-
	MNC Wireless Berhad	Investment holding, sales and marketing, and R&D of wireless, mobile and multimedia solutions and content.	18,950,000	20.7	-	-
	Green Packet Berhad	Research, development, manufacturing, marketing and distribution of wireless networking and telecommunication products, networking solutions and other high technology products and services.	74,443,330	20.3	-	-

Note:-

- ^ The shareholdings held are below 5% of the enlarged share capital of the above companies.
* OSKTV was the substantial shareholder during the past two (2) years period.

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9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**9.1.4 Changes in Substantial Shareholdings and Promoters' Shareholdings**

The changes in our substantial shareholders and Promoters in their direct and indirect ordinary shareholdings since incorporation up to the date of this Prospectus are as follows:-

	As at 8 March 2004		As at 31 December 2004		As at 10 January 2005		As at 10 January 2005 ^(*)		As at 20 February 2006 (after Conversion of RCPS)		As at 21 February 2006 (after Bonus Issue)		As at 22 February 2006 (after Share Split)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Shares														
Datin Rahmah Binti Kassim	-	-	-	-	1,226,166	25.2	1,458,187	30.0	1,458,187	24.8	2,981,926	24.8	29,819,260	24.8
CGAS	-	-	-	-	3,053,406	62.8	3,402,436	70.0	3,402,436	58.0	6,957,827	58.0	69,578,270	58.0
OSKTV	-	-	-	-	-	-	-	-	772,754	13.2	1,580,247	13.2	15,802,470	13.2
Nyang Koon Seng	500	50.0	500	^	500 ^{*1}	^	-	-	-	-	-	-	-	-
Tay Woon Teck	500	50.0	500	^	500 ^{*1}	^	-	-	-	-	-	-	-	-
Wong Yen Siang	-	-	348,030	59.9	348,030 ^{*1}	7.1	-	-	-	-	-	-	-	-
Mohd Razali Bin Mohd Zain	-	-	232,021	39.9	232,021 ^{*2}	4.8	-	-	-	-	-	-	-	-

Note:-

^ Negligible.

*1 These shares were transferred to CGAS on 10 January 2005, immediately after allotment.

*2 These shares were transferred to Datin Rahmah Binti Kassim on 10 January 2005, immediately after allotment.

*3 Shareholdings after transfer of shares as per Note *1 and *2 above.

9. SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**9.2 Board of Directors****9.2.1 Shareholdings in our Company**

Based on our Register of Directors' Shareholdings as at the date of this Prospectus, the direct and indirect interests of our Directors in our issued and paid-up share capital before and after the Listing (assuming full subscription of their respective entitlements) are as follows:-

Name	Nationality	<---Before Initial Public Offering--->				<---After Initial Public Offering --->			
		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
		Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)
Dato' Shamsuddin Bin Hayroni	Malaysian	-	-	29,819,260 ¹	24.8	-	-	29,819,260 ¹	19.2
Nyang Koon Seng	Singaporean	-	-	69,578,270 ²	58.0	-	-	67,778,270 ²	43.7
Palani Selvam Muruganandam	Indian	-	-	-	-	600,000 ³	0.39	-	-
Tay Woon Teck	Singaporean	-	-	69,578,270 ²	58.0	-	-	67,778,270 ²	43.7
Yeoh Aik Chuan	Malaysian	-	-	-	-	100,000	0.06	-	-
Za'ba Bin Hasrin	Malaysian	-	-	-	-	50,000	0.03	-	-

Note:-

¹ Deemed interested by virtue of his spouse's (Datin Rahmah Binti Kassim) shareholding in our Company.

² Deemed interested by virtue of their shareholdings in CGAS.

³ After allotment of AIM Shares from CGAS.

9.2.2 Profile of our Directors

DATO' SHAMSUDDIN BIN HAYRONI, a Malaysian age 50, was appointed as our Non-Executive Chairman on 21 February 2005. He is the Executive Chairman of Majulia Group of Companies from 1999 to present. He started his career in Jabatan Kerja Raya, Selangor (Public Works Department, Selangor) as a supervisor from 1978 to 1988. He worked in Projek Lebuh raya Utara Selatan (PLUS) Bhd as an Engineer from 1989 to 1995. In 1995, he joined Majulia Sdn. Bhd. and ventured into the construction business and property development business. In 1999, he ventured into the CRM business and is an ultimate shareholder and director of ECT. ECT is the owner of the 'RealRewards' loyalty program. In March 2001 he launched the 'RealRewards' card program. He graduated from University Technology Malaysia with a Diploma in Civil Engineering in 1978, and went on to pursue his Bachelor Degree in Civil Engineering in the University of New Hampshire, US in 1983.

NYANG KOON SENG, a Singaporean age 45, was appointed as our CEO and Executive Director on 8 March 2004. He was a Factory Manager of Prima Ltd, a listed company in Singapore from 1984 to 1989. From 1989 to 1995, he was the General Manager of Oculus Contact Lens Manufacturing Pte Ltd, a listed company engaged in the manufacturing of contact lens. From 1995 to 2000, he was the Executive Director and General Manager of Rotol Singapore Ltd, a Main Board listed company in Singapore, a fluorocarbon coatings specialist. He decided to become an entrepreneur in 2000 and became a working director of a customer loyalty program called 'MoreRewards' in Singapore. He co-founded the 'RealRewards' program in Malaysia in year 2001 and is at present a shareholder and director of ECT, the program owner. He graduated from the National University of Singapore with a Bachelors Degree (Honours) in Mechanical Engineering in 1984 and a Masters Degree in Industrial Engineering and Statistics in 1990.

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

PALANI SELVAM MURUGANANDAM, an Indian age 37, was appointed as our Director on 8 March 2004. From 1990 to 1998, he was attached to Pasha Associates, VTCompany, and MinFoong Co (Pte) Ltd as a project manager in charged of civil and mechanical project etc. From January to July of 1999, he was the functional consultant for Seagate Technology International, Singapore. He joined M3 in August 1999 as the CTO. He became the CTO of Cyber Generation, the parent company of M3 in year 2002. In 2004, he was attached to our Company as the CTO. He graduated from the Bharathiyar University, India in 1990 with a Bachelor in Engineering and a Masters in Engineering in 1997. He is also an Oracle Certified Professional.

TAY WOON TECK, a Singaporean age 41, was appointed as our Non-Executive Director on 21 February 2005. From 1989 to 1996, he was attached to Ernst & Young and left as an Audit Manager. From 1996 to 1999, he was the financial controller of Kuok Singapore Ltd, a diversified group of companies in Singapore. From 1999 to present, he is the director of Stone Forest Consulting Pte Ltd, a professional services firm. In 2000 and 2001, he was a director and shareholder of M3 and ECT, the owners of the coalition programs of 'MoreRewards' and 'RealRewards' respectively. He graduated from the National University of Singapore, with a Bachelors Degree in Accountancy (Honours Degree) in 1989 and he is a fellow member of the Institute of Certified Public Accountants in Singapore ("FCPA").

YEOH AIK CHUAN, a Malaysian age 36, was appointed as our Independent Non-Executive Director on 15 March 2005. He joined Sony Electronics (M) Sdn. Bhd. in 1995 as a Business Planner. From 1996 to 1998, he took on the position of a Senior Associate in Coopers & Lybrand/PriceWaterhouseCoopers. In 1999, he joined SF Wong & Associates as a Manager. Currently, he is involved in the audit, taxation and business advisory of YAC & Associates, a sole proprietorship which he set up in 2002. He graduated from Universiti Utara Malaysia in 1995 with a Degree of Bachelor of Accountancy with honours. He is a certified Chartered Accountant of the Malaysian Institute of Accountants. He is an Associate Member of the Malaysian Institute of Taxation. He is also the director of Iant Consultancy Pte Ltd, ProSem Technology Sdn. Bhd., ProCross Technology Sdn. Bhd. and Dragon Communication & Technology Sdn. Bhd.

ZA'BA BIN HASRIN, a Malaysian age 43, was appointed as our Independent Non-Executive Director on 23 February 2006. From 1992 to 1996, he worked with Reuters Ltd Kuala Lumpur as Account Manager to market information services to banks, stock broking, commodities and broadcasting industries. Subsequently from 1996 to 2004, He was attached with a local company, Orinet Business Systems (M) Sdn. Bhd. that represent US based Moody's KMV, a subsidiary of Moody's Corporation. He is currently the managing director and co-founder of CCR Networks Sdn. Bhd. which provide credit management and recovery services. He holds a Diploma in Civil Engineering.

9.2.3 *Substantial Shareholdings and Directorship in Other Public Corporations*

None of our Directors has any substantial shareholdings or directorship, whether directly or indirectly, in other public corporation for the past two (2) years.

**9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL
(Cont'd)**

9.2.4 Directors' Remuneration and Benefits

For the FYE 31 December 2005, the remuneration and benefits due to our Directors for services rendered in all capacities is RM454,976. The proposed remuneration and benefits to be paid to our Directors for services rendered in all capacities is estimated at RM927,000 for the FYE 31 December 2006. Details of the aggregate remuneration and benefits are further illustrated below:-

Remuneration and Benefits Band (RM)	Number of Directors	
	FYE 31 December 2005	FYE 31 December 2006
0 – 100,000	3	4
100,001 – 200,000	1	-
200,001 – 300,000	-	1
300,001 – 400,000	1	-
400,001 – 500,000	-	1

The remuneration and benefit to be paid to our Chairman and Non-Executive Directors are as follows:-

Designation	Number of Person	Particulars
Chairman	1	RM20,000 per annum
Non-Executive Director	3	RM10,000 to RM20,000 per annum

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9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

9.3 Key Management and Technical Personnel

9.3.1 Shareholdings in our Company

Based on our Register of Members as at the date of this Prospectus, the direct and indirect interests of the key management and technical personnel in our issued and paid-up share capital before and after the Listing (assuming full subscription of their respective entitlements) are as follows:-

Name	Nationality	<---Before Initial Public Offering-->		<---After Initial Public Offering --->					
		<---Direct---> Number of Shares (%)	<---Indirect---> Number of Shares (%)	<---Direct---> Number of Shares (%)	<---Indirect---> Number of Shares (%)				
Datin Rahmah Binti Kassim	Malaysian	29,819,260	24.8	-	-	29,819,260	19.2	-	-
Nyang Koon Seng	Singaporean	-	-	69,578,270 ¹	58.0	-	-	67,778,270 ¹	43.7
Palani Selvam Muruganandam	Indian	-	-	-	-	600,000 ²	0.39	-	-
Ooi Hooi Cheng	Malaysian	-	-	-	-	600,000 ²	0.39	-	-
Wong Yow Kok	Malaysian	-	-	-	-	600,000 ²	0.39	-	-
Tan Yit Kin, Audrey	Malaysian	-	-	-	-	80,000	0.05	-	-
Tan Bee Lan, Jamie	Malaysian	-	-	-	-	50,000	0.03	-	-
Khong Choy Wan, Winnie	Malaysian	-	-	-	-	50,000	0.03	-	-
Vernon Melvin De Silva	Malaysian	-	-	-	-	50,000	0.03	-	-
Chin Beh Fah, Jesserene	Malaysian	-	-	-	-	30,000	0.02	-	-
Tan Cheng Poh, Shawn	Malaysian	-	-	-	-	50,000	0.03	-	-
Low Soon Teong	Malaysian	-	-	-	-	25,000	0.02	-	-
Law Kher Sing	Malaysian	-	-	-	-	25,000	0.02	-	-

Note:-

¹ Deemed interested by virtue of their shareholdings in CGAS.

² After allotment of AIM Shares from CGAS.

9.3.2 Profiles of Key Management and Technical Personnel

The background information of Nyang Koon Seng and Palani Selvam Muruganandam are set out in Section 9.2.2 while the background information of Datin Rahmah Binti Kassim is in Section 9.1.2 of this Prospectus.

OOI HOOI CHENG, a Malaysian age 43, was appointed as the General Manager of CLS on 1 April 2003. She started her career in 1985 as a Sales Executive in printing industry and remained there until 1989. She moved on to American Express (Malaysia) Sdn. Bhd. in 1989 as Team Manager. She joined Citibank in 1992 as the Assistant Manager of Card Marketing and left in 1997 to join MBF Cards Services as Senior Manager. From 1997 to 2000, she was seconded by MBF Card Services to Bonuskad Loyalty Sdn. Bhd., the company managing the 'BonusLink' program. She joined ECT in year 2000 as the Country Manager for Malaysia and subsequently joined Hong Leong Bank Berhad in year 2002 as Senior Manager. She joined CLS in 2003 as the General Manager. She graduated with a Bachelor of Science Degree with honours, majoring in Statistics and Economics from the University of Guelph, Canada in 1985.

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

WONG YOW KOK, a Malaysian age 44, was appointed as our Chief Financial Officer on 1 January 2005. He started his career with Pasir Mas Sdn. Bhd. from 1987 to 1988 as an Accounts and Administrative Assistant. From 1988 to 1989, he was the Credit Controller with Amica Products Sdn. Bhd. In 1989, he joined the Soon Seng Group as an Assistant Manager. After leaving the Soon Seng Group in 1994, he joined Mycom Bhd as their Group Internal Auditor. From 1996 to 2000, he was the Financial Controller of Olympia Leisure Sdn. Bhd., a wholly owned subsidiary of Olympia Industries Bhd. In 2001, he joined Atlas Corporation Sdn. Bhd. as the Financial Controller. He was appointed as the Financial Controller of ECT from 2002 to 2004. He is an Associate Member of the Chartered Institute of Management Accountants, UK and a member of the Malaysian Institute of Accountants.

TAN YIT KIN, AUDREY, a Malaysian age 40, was appointed as the Senior Manager of CLS's contact centre and integrated marketing services division on 1 April 2004. She obtained her professional qualification from the Institute of Chartered Secretaries and Administrators in 1990 from Tunku Abdul Rahman College, Kuala Lumpur. She joined UOB in 1992 as an Executive and was responsible for the marketing and promotions of UOB cards. She was promoted to Assistant Manager and subsequently to Deputy Manager before she left UOB in 1997. Thereafter, she joined MBF Cards as a Senior Manager and was promoted to Assistant Vice President in 2003 before joining CLS in 2004.

TAN BEE LAN, JAMIE, a Malaysian age 36, was appointed as the Senior Manager of BT's procurement division on 1 January 2005. She obtained her Diploma in Ticketing in 1991. From 1989 to 1990, she started her career as a Travel Consultant in Holiday Tours & Travels Pte Ltd. Later, she joined NorthWest Airlines Inc as a Reservation & Ticketing Supervisor from 1990 to 1998. From 1999 to 2003, she joined MoreRewards Holding Pte Ltd, a card loyalty program operator in Singapore as an Executive. In 2003, she joined BT as the Procurement Manager and is responsible for sourcing and procurement.

KHONG CHOY WAN, WINNIE, a Malaysian age 36, was appointed as the Senior Manager of CLS's Business Development team on 6 February 2006. She obtained her Masters of Business Administration degree from Hawaii Pacific University, US, in 1994. In 1994, Winnie started her career with the MBf Group of Companies as a Business Development Executive. After four (4) years with MBf, she moved on to American Express (M) Sdn. Bhd. as a Account Development Manager servicing key merchant accounts for two (2) years. In 2000, she joined ECT as a Business Development Manager. Subsequently, Winnie joined Measat Broadcast Network Systems Sdn. Bhd. as a CRM Manager. After two (2) years at an end user environment, she then joined CLS as a Senior Business Development Manager to head up the Coalition programs and Payment Cards division.

VERNON MELVIN DE SILVA, a Malaysian age 33, was appointed as our Systems Manager on 1 July 2004. He graduated with a Bachelor of Engineering (Hons) from National University of Singapore in 1997. After graduation, he worked as a System Engineer in Sembawang Marine Offshore Engineering Pte Ltd, a regional engineering conglomerate that was listed in the Singapore Stock Exchange, from 1997 to 1999. He was with M3 from 1999 to 2004 and later Cyber Generation from 2004 to 2005.

CHIN BEH FAH, JESSERENE, a Malaysian age 35, joined CLS as Business Development Manager in May 2003. She holds Diploma in PSC. She started her career as a secretary and soon after moved on to Star Cruise Sdn. Bhd. as a Business Development Manager in 1995. In 1997, she joined Eastin Hotel as Assistant Sales Manager and was promoted to Catering Sales Manager in 2000. She moved on to join Prohighway Group as Senior Sales Manager from 2000 to 2003 before she joined CLS in 2003. She is currently the Key Account Manager.

TAN CHENG POH, SHAWN, a Malaysian age 32, joined CLS as Business Development Manager in May 2003. He graduated from University of Oregon, US with a BSc in Marketing and Management. Since then he has worked in various establishments such as an Executive in Prestige Ceramics Sdn. Bhd. from 1996 to 1997, as Establishment Manager in Diners Club from 1997 to 2000, Assistant VP in Asia Stock Watch.com from 2000 to 2001 and as Account Manager in Singapore Press Holdings from 2001 to 2002 before he joined our Company.

9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

LOW SOON TEONG, a Malaysian age 34, was appointed as our IT Project Manager on 16 June 2004. He graduated with a Bachelor of Science, Information System from the Campbell University, North Carolina, US in 1996. After graduation, he joined AIT Sdn. Bhd. as a System Engineer. From 1998 to 2000, he worked as Senior IT Executive in JS Sdn. Bhd. From 2000 to 2004 he was the Project Manager of Computer Associate Sdn. Bhd.

LAW KHER SING, a Malaysian age 29, joined our Company in April 2004. She is a graduate from the Royal Melbourne Institute of Technology with Bachelor of Business (Accounting). She is also a member of the Malaysian Institute of Accountants and CPA Australia. After her graduation in 1999, she started her career in 2000 with Collectivo Sdn. Bhd. as an Accounts Executive. In the same year, she moved on to Deloitte Touche Tohmatsu as an auditor from 2000 to 2004. She is currently our Group Accountant.

9.3.3 Directorships in Other Public Companies and Involvement in Other Corporations

None of our key management and technical personnel has directorships in any other public corporations for the past two (2) years.

Save as disclosed below, none of our key management and technical personnel is involved in other businesses or corporations:-

- a. Nyang Koon Seng is an Executive Director of M3. However, he spends substantially all of his normal working hours in the full-time employment of our Group.
- b. Datin Rahmah Binti Kassim is the Executive Director of Majulia Sdn. Bhd. group of companies. She is also the Executive Director of CLS and ASCS that oversees the finance and regulatory needs of these two companies. She spent approximately 20% of her normal working hours as Executive Director of CLS and ASCS.

9.3.4 Substantial Shareholdings in Other Public Corporations

None of our key management and technical personnel has any substantial shareholdings, direct or indirect, in other public corporation for the past two (2) years.

9.4 Audit Committee

We have set up an Audit Committee which comprises the following Board members:-

Name	Designation	Directorship
Yeoh Aik Chuan	Chairman	Independent Director
Nyang Koon Seng	Member	Executive Director
Za'ba Bin Hasrin	Member	Independent Director

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

**9. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL
(Cont'd)**

9.5 Relationships and Associates

There are no family or business relationships amongst our substantial shareholders, Promoters, Directors, key management and technical personnel, save for Dato' Shamsuddin Bin Hayroni and Datin Rahmah Binti Kassim, who are husband and wife.

Please refer to **Section 11** of this Prospectus for details on any related-party transactions.

9.6 Service Agreements

As at 28 February 2006 (being the latest practicable date prior to the printing of this Prospectus), we have not entered or proposed to enter into any service agreement with any of our Directors, key management and technical personnel.

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10. APPROVALS AND CONDITIONS

10.1 Conditions on Approvals

The SC had on 20 December 2005 and 14 March 2006 respectively, approved our Listing subject to the following conditions:-

Authority	Details of Conditions Imposed	Status on Compliance															
SC (letter dated 20 December 2005)	(i) AIM to disclose in its prospectus the following:-																
	<ul style="list-style-type: none"> ▪ The contributions from the information technology division of Mthree Pte Ltd to be excluded from our Group's proforma consolidated income statement; and ▪ All past related-party transactions as well as measures to deal with any conflict of interest situation in its prospectus. 	<p>Complied.</p> <p>Complied. Please refer to Section 11 of this Prospectus.</p>															
	(ii) The promoters of AIM must adhere to the moratorium conditions on the disposal of shares as stated in paragraph 2.10 of the Listing Requirements of the Bursa Malaysia for the MESDAQ Market (MMLR)	Noted.															
<table border="1"> <thead> <tr> <th colspan="3">←Shares under moratorium→</th> </tr> <tr> <th></th> <th>No. of Shares</th> <th>% of enlarged issue and paid-up capital</th> </tr> </thead> <tbody> <tr> <td>CGAS</td> <td>48,439,077</td> <td>31.5</td> </tr> <tr> <td>Datin Rahmah Binti Kassim</td> <td>21,310,923</td> <td>13.5</td> </tr> <tr> <td></td> <td>69,750,000</td> <td>45.0</td> </tr> </tbody> </table>			←Shares under moratorium→				No. of Shares	% of enlarged issue and paid-up capital	CGAS	48,439,077	31.5	Datin Rahmah Binti Kassim	21,310,923	13.5		69,750,000	45.0
←Shares under moratorium→																	
	No. of Shares	% of enlarged issue and paid-up capital															
CGAS	48,439,077	31.5															
Datin Rahmah Binti Kassim	21,310,923	13.5															
	69,750,000	45.0															
	(iii) AIM must disclose the status of utilisation of proceeds from the listing proposal in its quarterly and annual reports until the proceeds are fully utilised;	Noted.															
	(iv) In relation to the proceeds earmarked for merger and acquisition opportunities, joint ventures and strategic alliances in Malaysia and overseas, AIM must obtain the SC's approval to utilise the said proceeds should the exercises involve related-party transactions;	Noted.															
	(v) All related-party transactions must be conducted on an arm's length basis and must not be detrimental to AIM;	Complied.															
	(vi) OSK/AIM must submit the following information on the placees to the SC with regard to the placement of shares in respect of the public issue:	To be complied.															
	<ul style="list-style-type: none"> a) Name of placees / ultimate beneficiaries for nominee companies (if any); b) Identification card / passport / company registration number; c) Central Depository System number; d) Home / business address; e) Occupation / principal activities; f) Date of listing of placement shares; g) Number of placement shares allocated; h) Issue price of the placement shares; and i) Name of the placement agent; 																

10. APPROVALS AND CONDITIONS (Cont'd)

Authority	Details of Conditions Imposed	Status on Compliance
	(vii) AIM/OSK should comply with other relevant requirements of the MMLR in relation to the implementation of the proposals;	Noted.
	(viii) Upon completion of the flotation exercise, AIM/OSK is required to confirm to the SC that AIM has complied with the relevant requirements as stipulated in the MMLR; and	Noted/To be complied.
	(ix) Approvals to be obtained from other relevant authorities, if any.	Noted.
SC (letter dated 14 March 2006)	(i) OSK/AIM to fully comply with the earlier conditions as stipulated in the SC's letter dated 20 December 2006; and	Noted.
	(ii) OSK/AIM are advised to exercise due care and prudence in pricing the public issue shares in order to ensure that the share price could sustain as well as promote the interest of the market as a whole.	Noted.

SC in its letter dated 20 December 2005 reminded ECT, a party related to AIM, to award to AIM, all future business contracts that relate to AIM's core business, and the Promoters and Directors of AIM which have interests in ECT are required to give priority to the daily operation of AIM.

As we are a MSC status company, the SC has not imposed any equity conditions on us in relation to our Proposed Listing at this time, under the Guidelines of FIC for the Acquisition, Merger and Takeovers by Local and Foreign Interest.

10.2 Moratorium on the Disposal of Promoters' Shares

Paragraph 2.10.2 of the MMLR states that Shares held by the Promoter amounting to 45% of our nominal issued and paid-up capital at our date of admission to the Official List of the MESDAQ Market be placed under moratorium. Our Promoters who's Shares are subject to moratorium are as follows:-

Promoters	Number of shares held after the Initial Public Offering[^]	% of share capital	Number of shares to be held under moratorium	% of share capital
Datin Rahmah Binti Kassim	29,819,260	19.2	21,310,923	13.7
CGAS	67,778,270	43.7	48,439,077	31.3
TOTAL	97,597,531	64.1	69,750,000	45.0

Note:-

[^] No ESOS options will be exercised as at the date of the admission of AIM to the MESDAQ Market.

The moratorium has been fully accepted by our Promoters vide their respective letters to the SC on 8 March 2006. The Promoters will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one (1) year from the date of admission of our Company to the Official List of MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under moratorium on a straight-line basis.

10. APPROVALS AND CONDITIONS (Cont'd)

In addition, our Promoters, CGAS and Datin Rahmah Binti Kassim, have voluntarily offered not to sell, transfer or dispose of the remaining number of 19,339,193 and 8,508,337 Shares within six (6) months from the date of admission of our Company.

We have informed the Registrar and Bursa Depository in writing in relation to the moratorium of the aforesaid Promoters to ensure that it does not register any transfer not in compliance with the moratorium restriction. This restriction has been fully accepted by the aforesaid Promoters.

In addition, the shareholders of CGAS, Nyang Koon Seng and Tay Woon Teck vide their respective letters to the SC on 29 March 2005 had agreed not to sell, transfer, or dispose of any part of their interest in the shares of CGAS for a period of three (3) years from the date of admission of our Company to the official list of MESDAQ Market.

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11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST**11.1 Related Companies with Similar Trade**

Save as disclosed below, none of our Directors and/or substantial shareholders or our subsidiaries has any interest, directly or indirectly, in any business carrying on a similar trade as our Company or our subsidiaries.

Name of Director/substantial shareholder	Other companies	Principal Activities	No. of shares held			
			Direct	%	Indirect	%
Tay Woon Teck	M3	Investment holding, and the provision of corporate support services to its investee companies, MoreRewards (Singapore) Pte Ltd and ECT	-	-	449,550 ¹	100.0
	MoreRewards (Singapore) Pte Ltd, Singapore	Program owner of 'MoreRewards' coalition program	-	-	260,000 ²	100.0
	Restuman Sdn. Bhd.	Investment holding	-	-	100,000 ²	100.0
	ECT	Program owner of 'RealRewards' coalition program	-	-	450,000 ³	45.0
	P.T. Customer Loyalty Solutions, Indonesia	Operator and licensee of customer loyalty program, provide solution to merchants/retailers on customer relationship management	-	-	1,190,729 ¹	70.0
	Customer Loyalty Solutions (Shanghai) Co., Ltd	Operator and licensee of customer loyalty program, provide solution to merchants/retailers on customer relationship management	-	-	71,400 ¹	51.0
Nyang Koon Seng	M3	Investment holding, and the provision of corporate support services to its investee companies, MoreRewards (Singapore) Pte Ltd and ECT	-	-	449,550 ¹	100.0
	MoreRewards (Singapore) Pte Ltd, Singapore	Program owner of 'MoreRewards' coalition program	-	-	260,000 ²	100.0
	Restuman Sdn. Bhd.	Investment holding	-	-	100,000 ²	100.0
	ECT	Program owner of 'RealRewards' coalition program	-	-	450,000 ³	45.0

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

Name of Director/substantial shareholder	Other companies	Principal Activities	No. of shares held			
			Direct	%	Indirect	%
	P.T. Customer Loyalty Solutions, Indonesia	Operators and licensee of customer loyalty program, provide solution to merchants/retailers on customer relationship management	-	-	1,190,729 ¹	70.0
	Customer Loyalty Solutions (Shanghai) Co., Ltd	Operators and licensee of customer loyalty program, provide solution to merchants/retailers on customer relationship management	-	-	71,400 ¹	51.0
	RealRewards Sdn. Bhd., Negara Brunei Darussalam	Managing card loyalty program, private labels and business process outsourcing	1	25.0	-	-
Datin Rahmah Binti Kassim	ECT	Program owner of 'RealRewards' coalition program	-	-	550,000 ⁴	55.0
	RealRewards Sdn. Bhd., Negara Brunei Darussalam	Managing card loyalty program, private labels and business process outsourcing	1	25.0	-	-
Dato' Shamsuddin Bin Hayroni	ECT	Program owner of 'RealRewards' coalition program	-	-	550,000 ⁴	55.0
	RealRewards Sdn. Bhd., Negara Brunei Darussalam	Managing card loyalty program, private labels and business process outsourcing	-	-	1 ⁵	25.0

Note:-

¹ Deemed interested by virtue of their substantial shareholdings in Cyber Generation Pte Ltd, the holding company of M3, P.T. Customer Loyalty Solutions, Indonesia, and Customer Loyalty Solutions (Shanghai) Co., Ltd.

² Deemed interest by virtue of their indirect substantial shareholdings in M3, the holding company of MoreRewards (Singapore) Pte Ltd and Restuman Sdn. Bhd.

³ Deemed interested by virtue of their indirect substantial shareholdings in Restuman Sdn. Bhd.

⁴ Deemed interested by virtue of their substantial shareholdings in Pakatan Pasaran (M) Sdn. Bhd and Kasec Sdn. Bhd.

⁵ Deemed interested by virtue of his spouse's (Datin Rahmah Binti Kassim) shareholding in RealRewards Sdn. Bhd., Negara Brunei Darussalam.

Upon completion of the Sale and Purchase Agreement dated 29 September 2004 entered between CGAS and us for the acquisition of the AIMS IT Architecture and Technology Platform, we became the legal owner of the copyright and all the intellectual property rights relating to the AIMS IT Architecture and Technology Platform by way of assignment and/or transfer within worldwide.

Under the agreement and the supplementary agreement dated 13 April 2005 entered between CGAS and us, CGAS has provided undertakings not to:-

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

- (a) venture into the development of an 'Enterprise Marketing Management Solution' that allows business to design, deploy, manage, track and perform reporting functions associated to loyalty and marketing programs or deplete and develop similar software relating thereto in anywhere in the world; and
- (b) venture into any BPO business in anywhere in the world.

In addition to the above, on 28 March 2005 and 26 April 2005, the following interested parties have provided their respective irrevocable written undertakings as detailed below:-

A. The ultimate shareholder of CGAS, namely Nyang Koon Seng and Tay Woon Teck, Datin Rahmah Binti Kassim and Dato' Shamsuddin Bin Hayroni undertake that:-

- (i) save for their respective interest in our Company, they have not and shall not venture into the business of development of an 'Enterprise Marketing Management Solution' that allows business to design, deploy, manage, track and perform reporting functions associated to loyalty and marketing programs or deplete and develop similar software relating thereto; and
- (ii) save for their respective interest in our Company and the respective companies listed in table above, they have not and shall not venture into any BPO business in anywhere in the world. And that, they shall grant to us the right of first refusal to purchase their respective interest in the other companies listed above, the purchase price of which shall be based on the fair market value assessed by an independent financial adviser at the point of sale.

B. Cyber Generation undertakes that:-

- (i) Cyber Generation and its subsidiary or associate companies have not and shall not venture into the business of development of an 'Enterprise Marketing Management Solution' that allows business to design, deploy, manage, track and perform reporting functions associated to loyalty and marketing programs or deplete and develop similar software relating thereto; and
- (ii) save for its interest in P.T. Customer Loyalty Solutions, Indonesia, and Customer Loyalty Solutions (Shanghai) Co., Ltd, Cyber Generation and its subsidiary or associate companies have not and shall not venture into any BPO business in anywhere in the world. And that, it shall grant to us the right of first refusal to purchase its interest in the companies listed above, the purchase price of which shall be based on the fair market value assessed by an independent financial adviser at the point of sale.

C. M3 and ECT undertake that:-

- (i) they and their subsidiary or associate companies have not and shall not venture into the business of development of an 'Enterprise Marketing Management Solution' that allows business to design, deploy, manage, track and perform reporting functions associated to loyalty and marketing programs or deplete and develop similar software relating thereto; and
- (ii) they and their subsidiary or associate companies have not and shall not venture into any BPO business in anywhere in the world.

D. All the interested parties above undertake that they (including their subsidiary or associate companies, where applicable) shall not directly and/or indirectly compete with our Loyalty Program business solutions and related businesses in any way whatsoever, including soliciting of our customers.

The above undertakings shall be binding on their successors and permitted assigns.

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)**11.2 Related-Party Transactions with Directors, Substantial Shareholders, Key Management and Technical Personnel**

Save as disclosed below, there is no contract or arrangement with our Company or any of our subsidiaries that is subsisting and which involves the interest of a Director, substantial shareholder or key management or technical personnel of our Company:-

- (i) A Licensing cum Maintenance Agreement dated 1 October 2004 entered into between us and ECT wherein we grant ECT a non-exclusive license to use and operate AIMS program including the proprietary software and technology that runs and operate the loyalty operating system and databases of 'Kad Mesra' loyalty program and 'RealRewards' loyalty program. ECT is to pay us license fee of RM100,000 on a monthly basis. The variable amount of the maintenance fee payable per month will be based on the number of members of the loyalty program in Malaysia who registered in accordance with the terms and conditions governing the membership. This agreement shall continue for a period of three (3) years from the date of the agreement with an automatic renewal for a successive period of two (2) more years upon the expiry thereof or until sooner termination by us at anytime by giving immediate notice in writing to ECT or by ECT unilaterally.

ECT is deemed a related party to us by virtue of Nyang Koon Seng and Tay Woon Teck indirect substantial shareholdings in Restuman Sdn. Bhd., which in turn has direct substantial shareholdings in ECT and by virtue of Datin Rahman Binti Kassim and Dato' Shamsuddin Bin Hayroni substantial shareholdings in Pakatan Pasaran (M) Sdn. Bhd. and Kasec Sdn. Bhd., which in turn has direct substantial shareholdings in ECT. The total revenue generated from this agreement was RM1.98 million for the 9-month FPE 30 September 2005.

- (ii) A Sale and Purchase Agreement dated 29 September 2004 entered into between us and CGAS for the acquisition of its computer hardware for a consideration of RM360,000 to be satisfied by the issuance of 360,000 new ordinary shares of RM1.00 each of our Company. CGAS is deemed a related party to us because our Directors, Nyang Koon Seng and Tay Woon Teck are the substantial shareholders of CGAS.
- (iii) A Sale and Purchase Agreement dated 29 September 2004 entered into between us and CGAS for the acquisition of the AIMS IT Architecture and Technology Platform for a consideration of RM854,158 to be satisfied by the issuance of 854,158 new ordinary shares of RM1.00 each of our Company. CGAS is deemed a related party to us because our Directors, Nyang Koon Seng and Tay Woon Teck are the substantial shareholders of CGAS.

In consideration of the agreement, we granted to CGAS the option to repurchase the materials or works relating to the software which have been produced and developed, all documents originated or developed and more particularly AIMS ("the Work") (including any new updates/developments/adaptations and all the licensed programs, relevant source codes and related documentation) on an 'as is where is' basis without any warranties ("Option to Repurchase"), which shall only be exercisable by CGAS in the event:-

- (a) an outside third party (and persons connected with him as defined under Section 122A of the Act) individually or collectively, whether directly or indirectly acquires more than thirty three percent (33%) of the voting rights of our Company at the point of time from the open market or via an off-market transaction. For the avoidance of doubt, CGAS shall be able to exercise its rights upon a written notice of the take-over offer being sent to our board of directors and/or the relevant authorities in accordance with the Malaysian Code on Take-Overs & Mergers 1998; or
- (b) if there is a change in at least half the membership of our board of directors, including CEO or there are reasonable grounds to believe that our board of directors acts in accordance with the wishes or directions of our acquirer (unless the contrary is established); or

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

- (c) there is a significant change in our business direction or policy such that the accounting percentages (as set out in hereto) constitutes more than one hundred percent (100%) of the our total relative consolidated figures on completion of the acquisition in question. For the avoidance of doubt, we are deemed to have a significant change in our business direction upon new acquisition/restructuring having been approved by the relevant authorities and completed (where applicable);

Subject Always to a final valuation to be conducted by an Independent Appraiser on the value of the Work (the costs of which shall be borne by the CGAS), we will enter into sale and purchase agreement with CGAS for the disposal of the Work based on terms and conditions which are at arm's length and no less favourable to CGAS as is generally available in the industry/market and thereafter upon completion of the acquisition, all rights, title and interests (including all intellectual property rights in the source codes) shall vest in CGAS absolutely.

The Option to Repurchase shall cease if:-

- (A) a mandatory general offer (MGO) is triggered by the acquirers and CGAS accepts such offer; or
- (B) CGAS and/or persons connected with CGAS, shall divest their stake in our Company after our listing on the MESDAQ Market of Bursa Securities such that they collectively cease to be the largest shareholder in us after our listing.
- (iv) A Procurement and Logistic Services Agreement dated 30 December 2004 entered into between ASCS and ECT whereby ASCS will provide ECT with procurement and logistic services for the electronic loyalty card program operated by ECT known as 'RealRewards' loyalty program in Malaysia, which may be carried on under a different name in other countries as the parties shall agree from time to time. ECT is to pay procurement fee of RM750,000 and to purchase a minimum of RM8,500,000 worth of awards merchandise per annum. This agreement shall continue for a period of three (3) years from the date of the agreement with an automatic renewal for a successive period of two (2) more years upon the expiry thereof or until sooner termination by either ECT or ASCS by giving to the other party a written notice of its intention to terminate this Agreement at least ninety (90) days prior to the expiry date. The total revenue generated from this agreement was RM5,921,250 for the 9-month FPE 30 September 2005.
- (v) Letter dated 23 August 2004 issued by ASCS to ECT, pursuant to which ACSC has agreed to provide warehouse storage and distribution services, such as storage, handling, picking, order processing, printing of consignment notes; coordination with courier agents for pick up and delivery; provide a daily and monthly stock movement report; provide weekly backorder report, in consideration of charges as set out therein.
- (vi) Letter dated 19 November 2004 issued by CLS to ECT, pursuant to which CLS has agreed to run and operate the call centre management and Mid Valley member services center at such costs as stated therein, subject to the terms and upon the conditions as therein contained.
- (vii) Letters dated 28 November 2004 and 20 April 2005 issued by ECT to CLS, pursuant to which ECT has agreed to appoint CLS as its agent to negotiate all terms and conditions in relation to the co-brand credit card program of AmBank and ECT.
- (viii) We have trading arrangement with MoreRewards (Singapore) Pte Ltd, a company incorporated in Singapore. MoreRewards (Singapore) Pte Ltd is deemed a related party to us by virtue of Nyang Koon Seng and Tay Woon Teck indirect substantial shareholdings in M3 and MoreRewards (Singapore) Pte Ltd. The total trading revenue arising from this arrangement was RM45,989 for the 9-month FPE 30 September 2005.
- (ix) We have trading arrangement with RealRewards Sdn. Bhd., a company incorporated in Negara Brunei Darussalam. RealRewards Sdn. Bhd. is deemed a related party to us by virtue of Nyang Koon Seng and Datin Rahmah Binti Kassim shareholdings and directorship in RealRewards Sdn. Bhd. in their personal capacity. The total trading revenue arising from this arrangement was RM76,510 for the 9-month FPE 30 September 2005.

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

- (x) An agreement dated 18 April 2005 between CLS and ECT pursuant to the Co-brand agreement dated 12 April 2005 made between AmBank and ECT in which the parties agreed to issue a co-branded credit card known as "AmBank-RealRewards Master Card" (the "Program"), where CLS is appointed as the program manager to manage and promote the Program with terms such as acquisition fee and transmission commission and CLS's exclusive rights to offer the mail order program known as "MyChoice" to the members.
- (xi) Letter dated 1 April 2005 issued by CLS to ECT, pursuant to which CLS has agreed to run and operate the outbound call management at such costs as stated therein, from 1 April 2005 to 31 March 2006, subject to the terms and upon the conditions as therein contained.
- (xii) Letter dated 8 December 2005 issued by CLS to ECT, pursuant to which CLS has agreed to run and operate the outbound call management at such costs as stated therein for year 2006 subject to the terms and upon the conditions as therein contained in the letter of acceptance dated 1 April 2005.

The above transactions were entered into in the ordinary course of business and at arm's length, on our normal commercial terms and on terms not more favourable to the related party than those generally available to the public and not to the detriment of the minority shareholders.

11.3 Interests in Material Assets Acquired, Disposed or Leased

Save as disclosed in Section 11.2, none of our Directors and substantial shareholders have any interest, direct or indirect, in the promotion of, or in any material asset, within the two (2) years preceding the date of this Prospectus, acquired by, disposed of by or leased to our Company or any of our subsidiaries, or is to be acquired by, disposed of by or leased to our Company or any of our subsidiaries.

11.4 Conflict of Interest

On completion of the Initial Public Offering, OSKTV, a venture capital company of OSKH, will hold 15,802,470 shares, representing approximately 10.2% of our enlarged issued and paid-up share capital. OSK and OSKTV are related companies, by virtue of both companies being subsidiary companies of OSKH. In addition, Mr Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohammad bin Nik Yahya are common directors of OSK and OSKTV.

We are of the opinion that the potential conflict of interest above is mitigated by the following factors:-

- (a) OSK and OSKTV are two (2) separate companies each having their own distinct management team and employees, despite the fact that Mr Ong Leong Huat and Dato' Nik Mohammad bin Nik Yahya are common directors in these companies. In addition, the board of directors of OSK are not called upon to decide on any matters relating to OSK's corporate finance matters which relates to activities carried out in the ordinary course of business, which includes its advisory business;
- (b) The Corporate Finance Division is required as part of its universal broker license to comply with strict policies and guidelines issued by the SC and Bursa Securities governing its advisory operations. These guidelines call for, amongst others, firewall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;

In addition, all submissions made to the SC are reviewed, supported and approved by an independent committee. None of the common directors of OSK, OSKH, OSKVI or OSKTV are members of the independent committee;

- (c) OSK's role as Adviser, Underwriter, Placement Agent and Sponsor for the Listing of our Company on the MESDAQ Market has been carried out objectively, in line with the responsibilities agreed upon in the due diligence planning memorandum. The due diligence process as well as the verification process has been duly implemented for the preparation of documents related to the Listing Scheme;

11. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

- (d) Representatives of our Company, the Reporting Accountants, the Solicitors and OSK participated in the aforementioned due diligence verification process;
- (e) None of the shares to be placed out as detailed in **Section 3.5 (b)** of this Prospectus will be placed to OSK and OSKTV and persons connected to them in compliance with the MMLR;
- (f) The pricing of the Issue Shares will be market driven after considering the demand and supply for the said shares and market sentiments at the point of the Initial Public Offering; and
- (g) Save for the professional fees, the Listing proceeds are proposed to be used for various applications of which OSK will not be deriving any benefit therefore.

Save as disclosed above, OSK confirms that, as at the date of this Prospectus, there is no other existing or potential conflict of interest in its capacity as the Adviser, Sponsor, Underwriter and Placement Agent for the Listing exercise.

Messrs Azman, Wong, Salleh & Co. and Messrs Teh & Lee have given their written confirmations that there are no existing or potential interests/conflicts of interest in its capacity vis-à-vis our Company or our Group as the Reporting Accountants and Solicitors respectively for the Listing exercise respectively.

Messrs Alliance LLC has given their written confirmations that there are no existing or potential interests/conflicts of interest in its capacity vis-à-vis our Company or our Group as the Expert for Singapore, for the Listing exercise.

Messrs Frost & Sullivan has given their written confirmations that there are no existing or potential interests/conflicts of interest in its capacity vis-à-vis our Company or our Group as the Independent Market Researcher for the Listing exercise.

11.5 Other Transaction

There are no transaction which is unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party for the past one (1) financial year and the subsequent financial period thereof preceding the date of this Prospectus.

11.6 Related-Party Loan

Save as disclosed below, there are no outstanding loans or guarantees agreement undertaken by us for the benefits of other related-party for the past one (1) financial year and the subsequent financial period thereof preceding the date of this Prospectus:-

- (a) An amount due from M3 to BT of RM918,928 that is non-trade in nature. As at 31 December 2005, the amount is fully settled;
- (b) An amount due from M3 to CLS of RM44,191 that is non-trade in nature. As at 31 December 2005, the amount is fully settled; and
- (c) An amount due from M3 to AIM of RM3,640 that is non-trade in nature. As at 31 December 2005, the amount is fully settled.

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12. FINANCIAL INFORMATION**12.1 Proforma Consolidated Income Statement**

The table below sets out a summary of our proforma consolidated income statement for the past three (3) FYE 31 December 2004 and the 9-month FPE 30 September 2005, prepared based on the audited financial statements of our Group on the assumption that the current structure of our Group has been in existence throughout the financial years under review.

You should read our proforma consolidated income statements together with our assumptions set out in Section 13 and related notes herein.

	< -----FYE 31 December ----- >			9-month
	2002 RM'000	2003 RM'000	2004 RM'000	period ended 30 September 2005 RM'000
Revenue	2,646	5,322	18,274	26,109
Profit before depreciation, amortisation, interest and taxation	2,585	610	5,570	7,089
Depreciation of property, plant and equipment	-	(3)	(189)	(444)
Amortisation of R&D expenditure	-	-	(52)	(172)
Interest expense	-	-	-	(70)
PBT	2,585	607	5,329	6,403
Taxation	(569)	(178)	(788)	(841)
PAT	2,016	429	4,541	5,562
MI	-	-	13	16
PATMI	2,016	429	4,554	5,578
No. of ordinary shares of RM0.10 each assumed in issue	7,663,540	23,213,940	48,606,230	48,606,230
No. of shares assumed in issue to form our Group ¹ ('000)	120,000	120,000	120,000	120,000
Basic EPS (sen)				
- Gross (sen)	33.73	2.61	10.99	13.21
- Net (sen)	26.31	1.85	9.37	11.48
Fully diluted EPS (sen)				
- Gross (sen)	2.15	0.51	4.45	5.35
- Net (sen) ²	1.68	0.36	3.80	4.65

Notes:-

¹ The number of Shares assumed in issue to form our Group represents the number of Shares before the Initial Public Offering.

² The net EPS has been calculated by dividing the PAT for the financial period/ years by the number of shares assumed in issue before the Initial Public Offering.

There were no extraordinary items in all the financial periods under review. Our consolidated financial statements above have been reported by our auditors without any qualification for the financial years/period under review.

12. FINANCIAL INFORMATION (Cont'd)**12.2 Consolidated Cash Flow Statement**

The table below sets out our audited consolidated cash flow statement for the 9-month FPE 30 September 2005 based on the audited consolidated results and balance sheet of our Group.

RM'000

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	6,403
Adjustments:	
Depreciation of property, plant and equipment	444
Property, plant and equipment written off	7
Amortisation of R&D expenditure	172
Allowance for obsolete stock and slow-moving inventories	24
Interest expense and other finance charges	71
Interest income on short term deposits	(86)
Realised/unrealised gain on foreign exchange (net)	(101)
Negative goodwill arising on acquisition of a subsidiary company	(189)
Operating profit before working capital changes	6,745
Increase in inventories	(809)
Increase in trade receivables	(1,014)
Decrease in other receivables, deposits and prepayments	625
Increase in trade payables	2,856
Decrease in other payables and accruals	(150)
Increase in amount due from/to related parties (net)	(2,001)
Cash generated from operations	6,252
Interest expense and other finance charges paid on overdraft	(5)
Income tax and withholding tax paid	(942)
Net cash generated from operating activities	5,305

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(1,249)
R&D expenditure	(401)
Acquisition of subsidiary company	202
Interest received on short term deposits	86
Net cash used in investing activities	(1,362)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of RCPS	7,200
Prepayment of listing expenses	(363)
Repayment of advances from a director	(502)
Drawdown of term loan	1,400
Interest expense paid on term loan	(59)
Principal repayment of term loan	(70)
Interest expenses paid on hire purchase financing	(7)
Principal repayments of hire purchase financing	(22)
Net cash generated from financing activities	7,577

12. FINANCIAL INFORMATION (Cont'd)

	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	11,520
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	185
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>11,705</u>
Cash and cash equivalents comprise:	
Short term deposits	8,523
Cash and bank balances	<u>3,182</u>
	<u>11,705</u>

12.3 Key Financial/Operating Ratios

The table below sets out key financial ratios which are provided for illustrative purposes based on the audited financial statements of our Company and our subsidiary companies prepared on the assumption that the structure of our Group had been in existence throughout the period under review:-

	< -----FYE 31 December ----- >			9-month period ended 30 September 2005
	2002	2003	2004	RM'000
	RM'000	RM'000	RM'000	
Turnover	2,646	5,322	18,274	26,109
PBT	2,585	607	5,329	6,403
PAT	2,016	429	4,541	5,562
Effective tax rate (%)	22.0	29.3	14.8	13.1
Gross profit margin (%)	77	22	46	39
Pre-tax profit/(loss) margin (%)	97.7	11.4	29.2	24.5
Current ratio (times)	3.8	1.6	1.7	2.8
Total borrowings (all interest bearing)	-	-	-	1,444
Interest expense	-	-	-	(70)
Interest cover (times)	-	-	-	92.5

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12. FINANCIAL INFORMATION (Cont'd)**12.4 Analysis and Commentary on Financial Information**

The following analysis and commentary on financial information should be read in conjunction with the financial data presented in **Section 12.1** of this Prospectus.

12.4.1 Segmental Analysis*By activity*

	< -----FYE 31 December ----- >			9-month period ended
	2002	2003	2004	30 September 2005
	RM'000	RM'000	RM'000	RM'000
Revenue				
Licensing and data management	-	-	1,889	3,765
Managed customer loyalty services	2,646	5,224	17,833	23,221
Mail order/channel sale	-	62	97	256
Others	-	36	-	-
Total revenue	2,646	5,322	19,819	27,242
Inter-segment revenue	-	-	(1,545)	(1,133)
	2,646	5,322	18,274	26,109
PBT				
Licensing and data management	-	-	1,547	2,719
Managed customer loyalty services	2,585	599	3,800	3,650
Mail order/channel sale	-	8	(18)	34
Others	-	^	-	-
	2,585	607	5,329	6,403

Note:-

^ Negligible

By geographical location

	< -----FYE 31 December ----- >			9-month period ended
	2002	2003	2004	30 September 2005
	RM	RM	RM	RM
Revenue				
Malaysia	2,461	3,661	17,495	26,952
Singapore	185	1,661	542	210
Brunei	-	-	32	77
Indonesia	-	-	485	-
Total revenue	2,646	5,322	18,554	27,239
Inter-segment sales	-	-	(280)	(1,130)
	2,646	5,322	18,274	26,109
PBT				
Malaysia	2,129	362	4,791	6,272
Singapore	456	245	276	96
Brunei	-	-	16	35
Indonesia	-	-	246	-
	2,585	607	5,329	6,403

12. FINANCIAL INFORMATION (Cont'd)*By company*

	< -----FYE 31 December ----- >			9-month period ended
	2002	2003	2004	30 September 2005
	RM'000	RM'000	RM'000	RM'000
Revenue				
AIM	-	-	1,889	3,765
CLS	-	624	10,961	15,000
ASCS	-	98	2,057	12,986
BT	2,646	4,600	6,241	2,724
	2,646	5,322	21,148	34,475
Inter-company sales	-	-	(2,874)	(8,366)
	2,646	5,322	18,274	26,109
PBT				
AIM	-	-	1,547	2,719
CLS	-	21	586	1,101
ERM	-	-	(29)	(35)
ASCS	-	8	52	1,213
BT	2,585	578	3,173	1,405
	2,585	607	5,329	6,403

12.4.2 Overview of Revenue and Operating Profits Growth and Factors Contributing Thereto**FYE 31 December 2002**

We set up BT in FYE 2002 to provide international procurement services of gift items and merchandise goods which are unique, have novelty appeal and of a high perceived value.

We managed to secure a one-off deal with a liquidator to purchase one batch of novelty gifts and sold them for RM1.4 mil at a margin of 73%. As a result, we achieved a total PBT of RM2.6 million generated from the procurement operations including royalty fee on the sale of 'Azon' products amounting to RM0.3 million. During the year, we also made an operating income of RM0.6 from the provision of operation set-up and management support services to a procurement agent in Malaysia. The fee was one-off and did not recur. After accounting for taxes, we made our first PAT of RM2.0 million in our first year of operation.

We rely on our founding shareholders for our funding needs. As at 31 December 2002, we did not have any bank borrowings and maintained a healthy current ratio of 3.8 times.

FYE 31 December 2003

Our revenue in FYE 2003 improved by RM2.7 million or 101.1% from RM2.7 million in FYE 2002 to RM5.3 million in FYE 2003. The revenue increased was generated from the following sources:-

- (a) Revenue earned from the procurement activities increased by RM2.0 million from RM2.6 million to RM4.6 million. The increase was mainly derived from BT's strategy to contract manufacture and market its own brand of lifestyle electronics and electrical products under the brand name of 'Azon'. The brand name of 'Azon' encompasses a wide selection of electronic product and consumer product such as home entertainment systems and kitchen appliances.

We recognised that consumer electronics products have a high redemption rate compared to other gift categories. However, many of these items can be expensive especially when it comes to international brands such as Sony and Philips. In order to offer a wide selection of consumer electronics products at affordable prices, we decided to create our own 'Azon' brand; and

12. FINANCIAL INFORMATION (Cont'd)

- (b) Revenue of RM0.7 million earned from commencement of CLS business. In FYE 2003, CLS was formed to market the BPO managed loyalty solution services to customers in the FMCG, retail, and financial services sectors. The company has successfully marketed its services to financial institutions including UOB, OCBC, AHA and MBF Cards, and to FMCG player such as L'Oreal.

Our PBT was RM0.6 million in FYE 2003 compared to FYE RM2.58 million in FYE 2002. The lower PBT compared to FYE 2002 was mainly due to a one off profits from the sale of novelty gift in FYE 2002 as we were able to secure these products from a liquidator of a company. In addition, the decline was also due to increase in staff costs and overheads incurred to facilitate the rapid expansion together with substantial initial costs in preparing the operational facilities and business development for the newly commenced business.

Although the PBT in FYE 2003 was lower than FYE 2002, we have secured contracts on a retainer basis from customers in the financial services and FMCG sectors. We have also in place the key components of a BPO managed loyalty infrastructure and our key operating subsidiaries from CLS, BT and ASCS are now fully operational. After accounting for taxes, we made a PAT of RM0.4 million in FYE 2003.

We continued to rely on our founding shareholders for funding needs. As at 31 December 2003, we did not have any bank borrowings and maintain a healthy current ratio of 1.6 times.

FYE 31 December 2004

The revenue for the FYE 2004 was RM18.3 million, representing an improvement of RM13 million or 243.4% compared to FYE 2003 full year revenue of RM5.3 million. The significant increase in our revenue of RM13.0 million resulted from the sources:-

- (a) RM2.1 million earned from the services provided to ECT on the management of the Kad Mesra loyalty program sponsored by Petroliam Nasional Berhad. We provided the data migration services and the design and management of the redemption category for Kad Mesra first year of operation;
- (b) RM8.2 million from several major contracts with large companies in FMCG, Retail and Financial Services. These contracts include its first private label loyalty program with F&N Coca-Cola; and
- (c) RM2.7 million from our call centre support services, procurement, logistics and warehousing operations. We upgraded our call centre with new computerised call centre facility that is capable of handling multiple clients call centre environment. We invested in a procurement and logistic depot in Glenmarie and a warehouse in Shah Alam in the second half of the year as part of our strategy to provide a one stop outsourced managed loyalty service to our customers.

We registered a PBT of RM5.3 million for the FYE 31 December 2004, representing an increase of 777.9% or RM4.7 million from FYE 2003 full year PBT of RM0.6 million. The good performance was contributed by the commencement of managed customer loyalty services which achieved a PBT of approximately RM3.8 million representing 71% of our Group's total PBT in FYE 2004. The achievement in PBT was largely attributed to the improved gross profit margin of 37.1% and increased efficiency in cost management. The newly commenced licensing and data management segment contributed approximately 29% of our Group's PBT in FYE 2004. After accounting for taxes, we made a PAT of RM4.6 million for the FYE 31 December 2004.

We continued to rely on our founding shareholders for funding needs. As at 31 December 2004, we did not have any bank borrowings and maintained a healthy current ratio of 1.7 times.

12. FINANCIAL INFORMATION (Cont'd)**9- Months FPE 30 September 2005**

The revenue for the 9-month FPE 30 September 2005 was RM26.1 million, representing an improvement of 42.6% compared to FYE 2004 full year revenue of RM18.3 million. The increase in our Group's revenue of RM7.8 million was contributed from our software licensing fees and the revenue earned both existing and new contracts secured for our BPO managed loyalty services. Many of our existing customers renewed their contracts that require us to increase our service offerings. We also won a major BPO managed loyalty contract from AmBank.

We registered a PBT of RM6.4 million for the 9-month FPE 30 September 2005, representing an increase of 20.8% or RM1.1 million from FYE 2004 full year PBT of RM5.3 million. Nevertheless, the PBT margin on the overall has fallen from 29.2% in FYE 2004 to 24.5% in the first nine (9) months of FPE 2005. This is attributed to the decline in gross profit margin of the managed customer loyalty services and licensing and data management. After accounting for taxes, our Group made a PAT of RM5.6 million for the nine (9) months FPE 30 September 2005.

As at 30 September 2005, our Group's NTA was recorded at RM18.1 million with borrowing of RM1.3 million. The current ratio is maintained at a healthy level of 2.8 times.

12.4.3 Impact of Foreign Exchange on Operating Profits/Tax consideration

Our financial currencies are mainly denominated in RM. Our operating costs in BT are paid in SGD and this cost represents less than 10% of our total operating cost. Although BT does not enter into foreign exchange contracts to hedge its foreign exchange risk resulting from cash flows from transactions denominated in foreign currencies, BT reviews periodically that its net exposure is kept at an acceptable level. Accordingly, our revenue, cost and profit streams are not sensitive to fluctuation in foreign exchange.

12.5 Directors' Declaration of Financial Performance

Save as disclosed in this Prospectus and to the best knowledge and belief of our Directors, the financial performance, position and operations of our Company and our subsidiary are not affected by any one of the following:-

- a) Known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group;
- b) Material capital expenditure commitments;
- c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group; and
- d) Known events, circumstances, trends, uncertainties, and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

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12. FINANCIAL INFORMATION (Cont'd)**12.6 Working Capital, Borrowings, Contingent Liabilities, Capital Commitments and Material Litigation****12.6.1 Working Capital**

Our Directors are of the opinion that the working capital available to us will be sufficient for a period of twelve (12) months from the issue date of this Prospectus.

12.6.2 Borrowings

As at 28 February 2006, save as disclosed below, we do not have any loan capital outstanding or created, convertible debts securities, mortgages or charges outstanding:-

Type of interest bearing borrowings	Payable within 12 months RM	Payable after 12 months RM
Hire purchase facilities	106,162	224,880
Term loans	68,446	1,267,101
Overdraft	139,197	-
Total	313,805	1,491,981

We do not have any foreign borrowings and have not encountered any default on payment of either interest or principal sum in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof preceding the date of this Prospectus.

12.6.3 Contingent Liabilities

As at 28 February 2006, being the last practicable date prior to the printing of this Prospectus, we do not have any material contingent liabilities.

12.6.4 Capital Commitments

As at 28 February 2006, being the last practicable date prior to the printing of this Prospectus, we do not have any material capital commitment.

12.6.5 Material Litigation

As at 28 February 2006, being the last practicable date prior to the printing of this Prospectus, we are not engaged in any material litigation or arbitration, including those pending and threatened, and of any facts likely to give rise to any proceeding which might materially affect the business or financial position of the corporation or any of its subsidiary companies.

12.7 Dividend Policy

Neither our Company nor any of our subsidiaries have declared or paid any dividend since our incorporation. As such, we currently do not have a dividend policy.

However, our Directors intend to recommend and distribute not less than 40% of our net profit attributable to shareholders as dividend for FYE31 December 2006 and FYE 31 December 2007 respectively. However, investors should note that the intention to recommend the aforesaid dividend should not be treated as a legal obligation on our Company nor should it be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

The payment and amount (if any) of any dividends will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:-

- The level of our cash and retained; and
- Our actual and projected financial performance.

12. FINANCIAL INFORMATION (Cont'd)

Any final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare an interim dividend.

12.8 Future Financial Information**12.8.1 Consolidated Profit Forecast**

Our Directors have voluntarily disclosed the consolidated profit estimate and forecast of our Group for the FYE 31 December 2005 and 31 December 2006. The details are as follows:-

	Estimate 2005 RM'000	Forecast 2006 RM'000
Revenue	36,947	41,560
Consolidated PBT	8,753	11,250
Less: Taxation	(1,222)	(2,239)
Consolidated PAT	7,531	9,011
Minority Interest	17	9
Consolidated profit after taxation and minority interest	7,548	9,020
Number of ordinary shares of RM1.00 each	4,860,623	-
Enlarged number of ordinary shares of RM0.10 each	-	155,000,000
Weighted average number of ordinary shares		
-RM1.00 each	4,755,099	-
-RM0.10 each	-	123,657,438
Gross EPS		
-RM1.00 each	1.84	-
-RM0.10 each	-	0.09
Net EPS		
-RM1.00 each	1.59	-
-RM0.10 each	-	0.07

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12. FINANCIAL INFORMATION (Cont'd)

12.8.2 Reporting Accountants' Letter on the Consolidated Profit Estimate and Forecast

azman, wong, saleh & co. (AF: 0012)

akauntan bertauliah
chartered accountants

14, jalan tun sambanthan 3,
p.o. box 12019,
50764 kuala lumpur.
tel: 03-2274 8900
fax: 03-2272 1108

17th March 2006

The Board of Directors
Advance Information Marketing Berhad
52, 1st Floor
Jalan SS 21/58
Damansara Utama
47400 Petaling Jaya
Selangor

Dear Sirs/Madam,

ADVANCE INFORMATION MARKETING BERHAD
(Formerly known as Advance Information Marketing Sdn. Bhd.)

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE YEARS ENDED/ENDING 31ST DECEMBER 2005 AND 2006**

We have reviewed the accounting policies and the calculations for the consolidated profit estimate and forecast of Advance Information Marketing Berhad (formerly known as Advance Information Marketing Sdn. Bhd.) (hereinafter referred to as "AIM") and its subsidiaries for the years ended/ending 31st December 2005 and 2006 as set out in the Prospectus, which we have stamped for the purpose of identification, in accordance with the auditing standard applicable to the review of prospective information. The estimate and forecast have been prepared for inclusion in the Prospectus in connection with the proposed listing of and quotation for the entire enlarged issued and fully paid-up share capital of AIM on the MESDAQ Market of the Bursa Malaysia Securities Berhad and should not be relied on for any other purposes. The estimate includes audited results for the period ended 30th September 2005 which have been reported upon without any qualification.

Our review has been undertaken to enable us to form an opinion as to whether the estimate and forecast, in all material respects, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted by AIM and its subsidiaries which are disclosed in the audited financial statements of AIM for the period ended 30th September 2005. The Directors of AIM and its subsidiaries are solely responsible for the preparation and presentation of the estimate and forecast, and the assumptions on which the estimate and forecast are based.

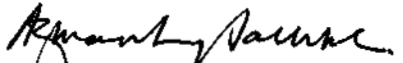
Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented, and therefore, uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.


12. FINANCIAL INFORMATION (Cont'd)

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the Prospectus, do not provide a reasonable basis for the preparation of the consolidated profit estimate and forecast; and
- (ii) in our opinion, the consolidated profit estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus and are presented on a basis consistent with the accounting policies adopted by AIM and its subsidiaries which are disclosed in the audited financial statements of AIM for the period ended 30th September 2005.

Yours faithfully,


AZMAN, WONG, SALLEH & CO.
AF 0012
Chartered Accountants


SIVADASAN A/L NARAYANAN NAIR
1420/12/07 (J)
Partner of the Firm

Kuala Lumpur,
Date: 17th March 2006

12. FINANCIAL INFORMATION (Cont'd)**Advance Information Marketing Berhad**

(Formerly known as Advance Information Marketing Sdn. Bhd.)

(Company No. 644769-D)

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE YEARS ENDED/ENDING 31ST DECEMBER 2005 AND 2006**

The Directors of Advance Information Marketing Berhad estimate and forecast that, barring unforeseen circumstances, the consolidated profit after taxation for the years ended/ending 31st December 2005 and 2006 will be as follows:-

	Estimate FYE 2005 RM'000	Forecast FYE 2006 RM'000
Revenue	36,947	41,560
Consolidated profit before taxation	8,753	11,250
Less: Taxation	(1,222)	(2,239)
Consolidated profit after taxation	7,531	9,011
Minority interest	17	9
Consolidated profit after taxation and minority interest	7,548	9,020
Number of ordinary shares of RM1.00 each	4,860,623	-
Enlarged number of ordinary shares of RM0.10 each	-	155,000,000
Weighted average number of ordinary shares		
- RM1.00 each	4,755,099	-
- RM0.10 each	-	123,657,438
Gross earnings per share (RM)		
- RM1.00 each	1.844	-
- RM0.10 each	-	0.091
Net earnings per share (RM)		
- RM1.00 each	1.587	-
- RM0.10 each	-	0.073

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For identification only

AZMAN, WONG, SALLEH & CO. (AF: 0012)
Chartered Accountants

Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)

Advance Information Marketing Berhad
(Formerly known as Advance Information Marketing Sdn. Bhd.)
(Company No. 644769-D)

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE YEARS ENDED/ENDING 31ST DECEMBER 2005 AND 2006**

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below:-

- (a) The Conversion of Redeemable Convertible Preference Shares, the Bonus Issue and the Share Split are expected to be completed by 13th March 2006.
- (b) The Proposed Public Issue of 35,000,000 new ordinary shares of RM0.10 each at an indicative issue price of RM0.42 each is expected to be completed by 31st March 2006. The gross proceeds from the Proposed Public Issue are expected to be utilised as follows:-

	RM
Research and development expenditure	4,800,000
Purchase of equipment	3,000,000
Expansion of core and related businesses	3,900,000
Working capital	1,300,000
Estimated listing expenses	1,700,000
	<u>14,700,000</u>

- (c) There will be no significant changes in the present business structure and principal activities of the Group.
- (d) There will be no significant changes in the prevailing economic and political conditions that will adversely affect the planned activities and performance of the Group.
- (e) The gross profit margins in respect of the Group's business segments are not expected to vary significantly from the current level. There will be no material changes in the operating cost structure of the Group.
- (f) There will be no material changes in the rates and bases of taxation, import duties and sales taxes applicable to the Group, including exemptions granted and incentives available to the Group.
- (g) There will be no material changes in the present legislations and Government regulations which will adversely affect the operations and activities of the Group.
- (h) There will be no major breakdown or disruption in the operating facilities/equipment/systems or other abnormal factors that may affect the operations of the Group.
- (i) The Group will continue to receive support from its financiers, major customers and major suppliers.
- (j) Interest rates and agreed terms, at which financing facilities are made available to the Group in the forecast year, are not expected to vary significantly from those prevailing in the estimate year.
- (k) There will be no significant changes in customer demand, selling prices, rebates and service product lines from those prevailing currently.
- (l) There will be no significant fluctuation in inflation rates.

For identification only

AZMAN, WONG, SALLEH & CO. (AF: 0012)
Chartered Accountants

Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)

Advance Information Marketing Berhad
(Formerly known as Advance Information Marketing Sdn. Bhd.)
(Company No. 644769-D)

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE YEARS ENDED/ENDING 31ST DECEMBER 2005 AND 2006**

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below (cont'd):-

- (m) There will be no major changes in the management structure of the Group. The directors do not expect the transition from the accounting policies presently adopted by the Group to Malaysian Financial Reporting Standards to result in significant changes in the accounting policies adopted.
- (n) The exchange rates prevailing currently are expected to be maintained.
- (o) No dividend will be declared on the ordinary shares for the estimate year. The Directors intend to declare not less than 23% tax exempt dividend on the ordinary shares of RM0.10 each for the forecast year subject to shareholders' approval at annual general meeting.
- (p) There will be no material impairment in the value of the property, plant and equipment and intangible assets of the Group during the estimate and forecast years.
- (q) There will be no major proceedings against the Group which will adversely affect the activities or performance of the Group, or give rise to any contingent liabilities which will materially affect the financial position / business of the Group.

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For identification only

AZMAN, WONG, SALLEH & CO. (AF: 0012)
Chartered Accountants

Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)

Advance Information Marketing Berhad
(Formerly known as Advance Information Marketing Sdn. Bhd.)
(Company No. 644769-D)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEARS ENDED/ENDING 31ST DECEMBER 2005 AND 2006**

	Estimate FYE 2005 RM'000	Forecast FYE 2006 RM'000
REVENUE	36,947	41,560
COST OF SALES	(21,896)	(23,394)
GROSS PROFIT	15,051	18,166
OTHER OPERATING INCOME	799	-
	15,850	18,166
OPERATING EXPENSES		
Marketing and administrative expenses	(6,176)	(6,536)
Other operating expenses	(828)	(294)
	(7,004)	(6,830)
PROFIT FROM OPERATIONS	8,846	11,336
FINANCE COST	(93)	(86)
PROFIT BEFORE TAXATION	8,753	11,250
TAXATION	(1,222)	(2,239)
PROFIT AFTER TAXATION	7,531	9,011
MINORITY INTEREST	17	9
PROFIT AFTER TAXATION AND MINORITY INTEREST	7,548	9,020

The Estimate FYE 2005 represents the unaudited results of AIM Group for FYE 2005

For identification only

AZMAN, WONG, SALLEH & CO. (AF: 0012)
Chartered Accountants

Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)**12.8.3 Directors' Commentary on Profit Estimate and Forecast**

Our Group is estimated to achieve a PAT of RM7.5 million on the back of a turnover of RM37 million for FYE 2005. During the year, we have enhanced our service offerings to our clients by integrating the AIMS modules, improvement in service levels and deliverables. This has gained the confidence of our clients to further expand their loyalty programs to other segments within their organisation. We forecasted to achieve RM41.6 million turnover for FYE 2006. The existing clients are expected to continue to broaden and deepen the AIMS applications to various loyalty programs within their organisation and new products and services offering to their customers. In addition, as shown in the independent market survey, managed loyalty program has vast untapped market potential. Our Group and our Management team shall continue to deliver value to our clients, improve cost-efficiency and invest in R&D to enhance AIMS Enterprise application to take advantage of all these business opportunities ahead. In view of the foregoing, barring any unforeseen circumstances, our Group is confident to achieve a PAT of RM9.0 million for the FYE 2006.

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