

1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Dato' Shamsuddin Bin Hayroni <i>(Non-Executive Chairman)</i>	50 Jalan Gobek 11-9 40000 Shah Alam Selangor Darul Ehsan	Chairman	Malaysian
Nyang Koon Seng <i>(Chief Executive Officer and Executive Director)</i>	16 St. Anne's Wood Singapore 545256	Company Director	Singaporean
Palani Selvam Muruganandam <i>(Executive Director)</i>	158-2-2 Villa Flora Apartment Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur	Company Director	Indian
Tay Woon Teck <i>(Non-Executive Director)</i>	Blk 226, Bishan Street 23 #14-99 Singapore 570226	Company Director	Singaporean
Yeoh Aik Chuan <i>(Independent Non-Executive Director)</i>	3B-20-13 BJ Court Condominium Jalan Rumbia 11900 Bayan Lepas Penang	Company Director	Malaysian
Za'ba Bin Hasrin <i>(Independent Non-Executive Director)</i>	No 31 Jln Teratak U8/95D Bkt Jelutong Shah Alam 40150 Selangor	Company Director	Malaysian

AUDIT COMMITTEE

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

COMPANY SECRETARY : Cheong Oi Ling (MAICSA: 0825683)
9 Jalan Nuri 12
Bandar Puchong Jaya
47100 Puchong
Selangor
Tel: 603-7729 7692
Fax: 603-7727 2866

1. CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : 52, 1st Floor
 Jalan SS 21/58
 Damansara Utama
 47400 Petaling Jaya
 Selangor
 Tel: 603-7729 7692
 Fax: 603-7727 2866
- HEAD OFFICE** : Unit SC13-3, 3rd Floor
 The Boulevard Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur
 Tel: 603-2297 3314
 Fax: 603-2283 3909
 e-mail: contact@aim-net.com.my
 website: www.aim-net.com.my
- R&D CENTRE** : Unit B1-08, SME Technopreneur Centre
 2270 Jalan Usahawan 2
 63000 Cyberjaya
 Tel: 603-8315 6009
 Fax: 603-8315 6008
- REGISTRAR** : Symphony Share Registrars Sdn. Bhd. (378993-D)
 Level 26, Menara Multi-Purpose
 Capital Square
 No. 8, Jalan Munshi Abdullah
 50100 Kuala Lumpur
 Tel: 603-2721 2222
- PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad (88103-W)
 15-G & 15-11
 The Boulevard Offices
 Mid Valley City Lingkaran Syed Putra
 59200 Kuala Lumpur
 Tel: 603-2283 1849/50
 Fax: 603-2287 8217
- Hong Leong Bank Berhad (97141-X)
 37, Jalan Telawi 3
 Bangsar Baru
 59100 Kuala Lumpur
 Tel: 603-2283 3710
 Fax: 603-2284 3349
- AmBank (M) Berhad (8515-D)
 Level 34, Menara AmBank
 No. 8 Jalan Yap Kwan Seng
 50450 Kuala Lumpur
 Tel: 603-2612 6888
 Fax: 603-2178 8888
- AUDITORS AND REPORTING ACCOUNTANTS** : Azman, Wong, Salleh & Co. (AF:0012)
 14, Jalan Tun Sambanthan 3
 P.O.Box 12019
 50764 Kuala Lumpur
 Tel: 603-2274 8900

1. CORPORATE DIRECTORY (Cont'd)

- SOLICITOR FOR THE LISTING EXERCISE** : Teh & Lee
Unit 23-3, 3rd Floor
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 603-2283 2800
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : OSK Securities Berhad (14152-V)
20th Floor
Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2162 4388
- INDEPENDENT MARKET RESEARCHER** : Frost & Sullivan (522293-W)
Suite E-08-15, Block E
Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Tel: 603-6204 5800
- EXPERT FOR EXPERT'S REPORT/LEGAL OPINION PERTAINING TO BT** : Alliance LLC
One Phillip Street #03-01
Singapore 048692
Tel: (65) 6220 9000
- ISSUING HOUSE** : Malaysian Issuing House Sdn. Bhd. (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 603-2693 2075
- LISTING SOUGHT** : MESDAQ Market of Bursa Securities

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2. PROSPECTUS SUMMARY

This section is only a summary of the our salient information and the Initial Public Offering and is extracted from the full text of this Prospectus. You should read and understand this section together with the whole Prospectus before you decide whether to invest in us.

2.1 Brief Introduction of Loyalty Management and Our Business

Organisations today, realise that one of the important reasons of creating competitive advantage is not only to attract new customers but to increase customer retention. The cost incurred by an organisation while servicing a returning customer is much lower than those incurred with new customers. An increasing number of organisations are investing in relationship management solutions to address this.

Customers are not only looking for quality in the products that they buy, but also for those that have the potential to create more value for them. As a result, an increasing number of organisations are implementing loyalty programs to attract and retain customers. To name a few, 'RealRewards' loyalty program, 'BonusLink' loyalty program and 'Enrich' loyalty program are some of the popular loyalty programs in Malaysia.

Most of the companies providing loyalty program services have their own infrastructure and systems in place to manage their loyalty program services. However, and increasing number of companies are more receptive to the idea of outsourcing their loyalty program due to the inherent cost advantages.

There are various companies offering partial services such as reward points marketing, application development, procurement and logistics in the loyalty services industry in Malaysia. However, our company is one of the few which is able to provide end-to-end solutions to cater for the entire value chain of the outsourcing managed loyalty services in Malaysia. Our solutions are currently used by some prominent companies such as Alliance Bank, Ambank, Debenhams, F&N Coca-Cola, Mydin, L'Oreal, and UOB.

See Section 6 for detailed information of our business.

2.2 History, Principal Activities and Our Group Structure

We were incorporated in Malaysia on 8 March 2004 under the Act as a private limited company under the name of Advance Information Marketing Sdn. Bhd. and were granted MSC status on 2 June 2004 by MDC. We converted into a public company on 23 March 2005. We are principally engaged in the provision of end-to-end customer loyalty management services and business process outsourcing solutions.

Our history began in 2003, when our founding shareholders discovered that the software used for their customer loyalty solution had many limitations which prevented it from being integrated with various modern day platforms. The first phase of our development was the AIMS IT Architecture and Technology Platform, which was completed in late 2003. At that time, our founding shareholders decided that Malaysia had a better environment in which to commence with the next phase of the infrastructure's development. This decision led directly to the incorporation of our Company in early 2004. In June 2004, we were granted the MSC status for our application development activities in Malaysia. In September 2004, our founding shareholders decided that all hardware and intellectual property rights relating to the first phase of AIMS' development will be sold to our Company. This was done so that we could continue with the next phase of the application's development in Malaysia.

Since then, we have successful developed and launched twelve (12) modules of AIMS Managed Loyalty Application and three (3) modules of AIMS Business Intelligence.

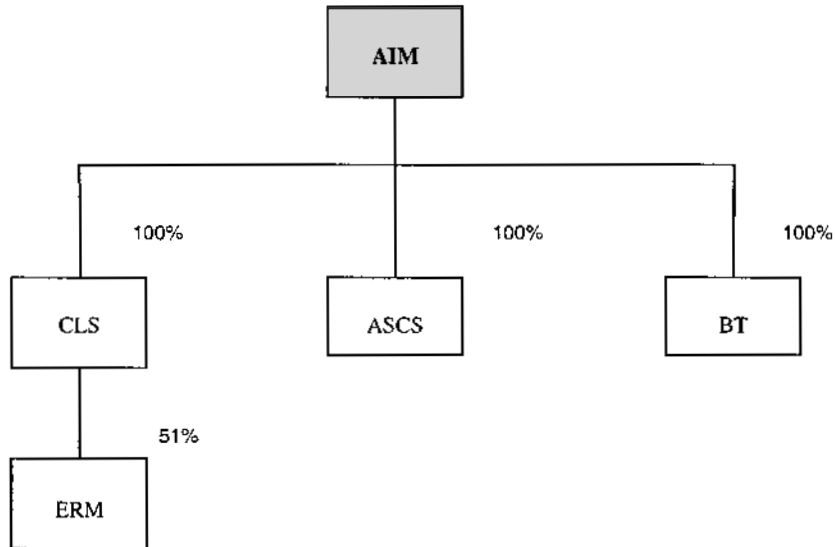
2. PROSPECTUS SUMMARY (Cont'd)

As our Company's business model and strategies were to provide all the components of our outsourced loyalty management services to be cohesive and synergistic as a whole, we acquired the following subsidiaries to complement the nature of our business:-

Subsidiary	Principal Activities
<i>Direct Subsidiary</i>	
CLS	Sales, marketing and client relationship management activities; and also the provision of outsourced contact centre management solutions and services.
ASCS	The provision of outsourced procurement, and fulfilment services from a network of local suppliers, mail order programs, and warehousing/logistics fulfilment services.
BT	The provision of outsourced procurement services from a range of international suppliers.
<i>Indirect Subsidiary</i>	
ERM	The provision of dedicated customer support/services to our key clients. Currently this company is dormant.

Together, we provide end-to-end customer loyalty management services and business process outsourcing solutions.

Our Group structure is as follows:-



See Section 5.1 for detailed information of our history, principal activities and Group structure.

2. PROSPECTUS SUMMARY (Cont'd)

2.3 Our Products and Services

We provide a total integrated loyalty management solution for our clients to assist them in building and nurturing long term business relationships with their own customers. Our clients are provided with various options to integrate the following services into their own businesses:-

Type of Services	Brief Description
Loyalty Infrastructure Outsourcing	Outsourcing of IT infrastructure to host, deploy, track and perform reporting for private label, coalition and hybrid loyalty solutions targeted at their own segments of customers.
Business Intelligence	Use of multi-channel data warehouse management tool to assist clients in gaining better insights on customer segmentation, profiling of customer segment, marketing and measurement and monitoring of customer response, to analysing their customers' spending and lifestyle.
Marketing Support	Provide a series of marketing support services for our clients with the primary purpose of delivering the right products, services and rewards to the right group of customers and increase customer loyalty to our client's brand of products and services.
Contact Centre	Provide in-bound and out-bound contact centre support services equipped with well-trained and professional customer service staff and the technology capability to manage multi-clients' customers and provide better call outcomes.
Procurement and Fulfilment	Provide a one-stop hub that manages the smooth distribution of our client's rewards to their customers. Our Group through BT, also markets our own brand of consumer electronics and electrical products under the brand name of 'Azon'.

See Section 6.2 for detailed information on our products and services offered.

2.4 Technology Used

The technology solution developed by us is called the **Advance Information Marketing System ("AIMS")**.

The AIMS not only addresses drawbacks seen in a conventional loyalty management solution but also adds to it new functions and capabilities befitting the needs of companies today and in the future. It is developed based on a computing and technology platform which allows the application to be scalable and extendable to meet future changes in technology and demands for new features.

The AIMS is a solution that extends beyond just the provision of loyalty management to include applications such as electronic procurement, business intelligence and others, which are designed to function on a modular as well as integrated manner.

See Section 6.4 for detailed information on the technology used.

2. PROSPECTUS SUMMARY (Cont'd)

2.5 Marketing Strategies

Our Group's marketing strategies include the following:-

- (a) To maintain and expand on our existing client base;
- (b) To explore joint ventures, strategic alliances and possible acquisitions of existing loyalty program operators in overseas markets;
- (c) To embark upon a number of media relationship building exercises;
- (d) To tailor our services based on client's needs; and
- (e) To deepen and broaden our relationship with our existing clients.

See **Section 6.5** for detailed information on our marketing strategies.

2.6 R&D

Our current R&D team consists of nine (9) team members and our technology development objective is to develop a single IT architecture and technology platform that will allow for the convergence of computing, communication and enterprise applications developed using Business Process Management ("BPM") tools that enable us to provide a one stop business process outsourcing solutions to our clients.

See **Section 6.6** for detailed information on our R&D capabilities.

2.7 Competitive Strengths

We have developed the following competitive strengths which our Directors believe will provide us with a competitive advantage over our competitors:-

- A total, one-stop provider of outsourced loyalty management services;
- A first mover advantage;
- Ease of integration/rapid deployment of managed loyalty programs;
- Ability to leverage upon past experiences;
- Innovation through continuous system and product development;
- Experienced management team;
- Skilled employees;
- Efficient client support services; and
- Recognition by SMI Association of Malaysia.

See **Section 6.13** for detailed information on our Group's competitive strengths.

2.8 Intellectual Property Rights

We rely on a combination of copyright protection and trademark registration to establish and protect our intellectual property and brand name.

See **Section 5.6** for detailed information on our intellectual property rights.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 Shareholdings of Promoters, Directors, Substantial Shareholders, Key Management and Technical Personnel**

The direct and indirect interests of our Promoters, Directors, substantial shareholders, key management and technical personnel in our issued and paid-up share capital (assuming full subscription of their respective pink form allocation) before and after the Initial Public Offering are as follows:-

2.9.1 Promoters and Substantial Shareholders

Name	<---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	69,578,270	58.0	-	-
Nyang Koon Seng	-	-	69,578,270 ¹	58.0
Tay Woon Teck	-	-	69,578,270 ¹	58.0
Datin Rahmah Binti Kassim	29,819,260	24.8	-	-
Dato' Shamsuddin Bin Hayroni	-	-	29,819,260 ²	24.8
Substantial Shareholder				
OSKTV	15,802,470	13.2	-	-
OSKVI	-	-	15,802,470 ³	13.2

Notes:-

¹ 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 interested by virtue of its shareholdings in CGAS.

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

³ Deemed interested 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.

The 45% moratorium of our nominal issued and paid-up capital at our date of admission to the Official List of the MESDAQ Market has been fully accepted by our Promoters vide their respective letters to the SC on 8 March 2006. In addition, as a show of confidence in our business, 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.

2. PROSPECTUS SUMMARY (Cont'd)

2.9.2 Board of Directors

Name	<-----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	-	-	29,819,260 ¹	24.8	-	-	29,819,260 ¹	19.2
Nyang Koon Seng	-	-	69,578,270 ²	58.0	-	-	67,778,270 ²	43.7
Palani Selvam Muruganandam	-	-	-	-	600,000 ³	0.39	-	-
Tay Woon Teck	-	-	69,578,270 ²	58.0	-	-	67,778,270 ²	43.7
Yeoh Aik Chuan	-	-	-	-	100,000	0.06	-	-
Za'ba Bin Hasrin	-	-	-	-	50,000	0.03	-	-

Notes:-

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.

2.9.3 Key Management and Technical Personnel

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

Note:-

¹ Deemed interested by virtue of their shareholdings in CGAS.

² After allotment of AIM Shares from CGAS.

See Section 9 for detailed information on our Promoters, Directors, substantial shareholders, key management and technical personnel.

2. PROSPECTUS SUMMARY (Cont'd)**2.10 Financial Highlights****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 had been in existence throughout the financial periods under review.

You should read our proforma consolidated income statements together with our assumptions set out in Section 12 and related notes in Section 13.

	< -----FYE December ----- >			9-month period ended
	2002 RM'000	2003 RM'000	2004 RM'000	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.

2. PROSPECTUS SUMMARY (Cont'd)

Proforma Consolidated Balance Sheet

We have prepared our proforma consolidated balance sheet below for illustrative purposes only, based on our audited consolidated balance sheets as at 30 September 2005 to show the effects of our internal restructuring, the Listing Scheme and the use of proceeds arising from the Initial Public Offering and ESOS on the assumptions that the transactions were completed and all the ESOS Options were exercised on 30 September 2005.

We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the full set of the proforma consolidated balance sheets set out in **Section 14**.

	I	II	III	IV	V	
	Audited Financial Statements as at 30 September 2005 ¹ RM	After Conversion of RCPS ² RM	After I and Bonus Issue RM	After II and Share Split RM	After III, Initial Public Offering and Use of Proceeds RM	After IV and full exercise of ESOS ³ RM
Property, plant and equipment	5,310,606	5,310,606	5,310,606	5,310,606	8,310,606	8,310,606
R&D expenditure	1,164,805	1,164,805	1,164,805	1,164,805	5,964,805	5,964,805
Current assets	24,113,122	23,425,122 ³	23,425,122	23,425,122	28,625,122	31,880,122
Current liabilities	8,615,531	8,615,531	8,615,531	8,615,531	8,615,531	8,615,531
Net current assets	15,497,591	14,809,591	14,809,591	14,809,591	20,009,591	23,264,591
	21,973,002	21,285,002	21,285,002	21,285,002	34,285,002	37,540,002
Share capital						
- Ordinary Share	4,860,623	5,868,101	12,000,000	12,000,000	15,500,000	16,275,000
- RCPS	720,000	-	-	-	-	-
Share premium	6,480,000	5,504,522	-	-	9,500,000 ⁴	11,980,000
Reserves	7,203,452	7,203,452	6,576,075	6,576,075	6,576,075	6,576,075
Shareholders' equity	19,264,075	18,576,075	18,576,075	18,576,075	31,576,075	34,831,075
Minority interest	16,006	16,006	16,006	16,006	16,006	16,006
Non-current liabilities	2,692,921	2,692,921	2,692,921	2,692,921	2,692,921	2,692,921
	21,973,002	21,285,002	21,285,002	21,285,002	34,285,002	37,540,002

2. PROSPECTUS SUMMARY (Cont'd)

	I	II	III	IV	V
Audited Financial Statements as at 30 September 2005 ¹	After Conversion of RCPS ²	After I and Bonus Issue	After II and Share Split	After III, Initial Public Offering and Use of Proceeds	After IV and full exercise of ESOS ³
RM	RM	RM	RM	RM	RM
Number of Shares	5,868,101	12,000,000	120,000,000	155,000,000	162,750,000
NTA per ordinary share (RM)	2.97	1.45	0.15	0.17	0.18

Notes:-

- * Assuming all options over 5% of the total issued and paid-up share capital after Listing (7,750,000 shares) are exercised at the Issue Price.
- ¹ Our internal restructuring involved the acquisition of CLS and ASCS which was completed on 31 December 2004 and the acquisition of BT which was completed on 10 January 2005.
- ² On 16 March 2005, we issued 22,000,000 RCPS "A" and 50,000,000 RCPS "B".
- ³ After deducting a refund of RM688,000 upon conversion of RCPS "A".
- ⁴ After deducting estimated listing expenses of approximately RM1.7 million.

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2. PROSPECTUS SUMMARY (Cont'd)

2.11 Information on the Initial Public Offering**(i) Share Capital**

	RM
<i>Authorised share capital</i> 500,000,000 ordinary shares of RM0.10 each	<u>50,000,000</u>
<i>Issued and fully paid-up share capital</i> 120,000,000 ordinary shares of RM0.10 each	12,000,000
<i>To be issued pursuant to the Initial Public Offering</i> 35,000,000 ordinary shares of RM0.10 each	<u>3,500,000</u> 15,500,000
<i>Enlarged capital upon Listing</i> 155,000,000 ordinary shares of RM0.10 each	15,500,000
<i>To be issued pursuant to full exercise of ESOS Options</i> 7,750,000 ordinary shares of RM0.10 each	<u>775,000</u>
<i>Enlarged share capital upon full exercise of ESOS Options</i> 162,750,000 ordinary shares of RM0.10 each	<u>16,275,000</u>
(ii) Issue Price per Share	RM0.42
(iii) Market capitalisation upon Listing based on the Issue Price	RM65.1 million
(iv) Classes of shares and ranking	

Our Company only has one (1) class of share, namely ordinary shares of RM0.10 each.

The Issue Shares will rank equally in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which is subsequent to the date of this Prospectus.

(v) Proforma NTA based on the Proforma Balance Sheet as at 30 September 2005

Proforma NTA upon Listing ^{*1}	RM25,611,270
Proforma NTA per share upon Listing ^{*2}	RM0.17

Notes:-

^{*1} After taking into account the Initial Public Offering and deducting estimated Listing expenses of RM1.7 million.

^{*2} Based on the enlarged issued and paid-up share capital of 155,000,000 Issue Shares.

See Section 3.3 for detailed information on our Initial Public Offering.

2. PROSPECTUS SUMMARY (Cont'd)**2.12 Use of Proceeds**

The proceeds from the Initial Public Offering of RM14,700,000 are expected to be used for the following:-

Purpose	RM'000
Expansion of the core and related businesses of our Group	3,900
Purchase of software and hardware equipment	3,000
R&D expenditure	4,800
Working capital	1,300
Estimated listing expenses	1,700
	14,700

See **Section 3.8** for detailed information of the use of proceeds.

2.13 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.

Nevertheless, our Directors intend to recommend and distribute not less than 40% of our net profit attributable to our shareholders as dividend for FYE 31 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 earnings; and
- Our actual and projected financial performance.

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.

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2. PROSPECTUS SUMMARY (Cont'd)**2.14 Future Financial Information**

Our Directors have voluntarily offered to disclose the consolidated profit estimate and forecast of our Group for the FYE 31 December 2005 and FYE 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

See **Section 12.8** for detailed information of the future financial information.

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2. PROSPECTUS SUMMARY (Cont'd)**2.15 Working Capital, Borrowings, Contingent Liabilities, Capital Commitments and Legal Proceedings*****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.

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.

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.

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.

Legal Proceedings

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

See Section 12.6 for detailed information on the above.

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2. PROSPECTUS SUMMARY (Cont'd)**2.16 Risk Factors**

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks and investment considerations below. The following is only a summary of the risks and investment considerations and is not an exhaustive list of challenges that we currently face or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

- no prior market for our Shares;
- continued control by our existing shareholders;
- failure or delay in the Listing;
- future sales of our Shares by the substantial shareholders;
- business risk;
- limited operating history;
- dependence on Directors and key personnel;
- competition;
- protection of our Group and third party proprietary technology/intellectual property rights;
- future growth;
- future acquisitions;
- change in MSC status;
- security and privacy breaches
- disaster recovery;
- related party transactions;
- dependency on major customers;
- sales cycles;
- forward-looking statements;
- adequacy of insurance coverage;
- future capital injections;
- foreign exchange risk;
- impairment of intangible assets arising from our R&D activities;
- financing risks;
- political, economic and regulatory factors; and
- technology used and changes in technology.

See **Section 4** for detailed information on the risks in investing in our Company.

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3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING

3.1 Introduction

This Prospectus is dated 28 March 2006.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the application forms with the ROC and neither the SC nor the ROC takes any responsibility for their contents.

We have received the SC's approvals on 20 December 2005 and 14 March 2006 respectively for our Listing.

We will apply to Bursa Securities for admission to the Official List of the MESDAQ Market and for permission to deal in and the listing of and quotation for our entire issued and fully paid-up Shares, including the Issue Shares and the new Shares arising from the exercise of the ESOS. Any allotment and allocation made on an application to subscribe for securities pursuant to this Prospectus shall be void if the permission is not applied for in the form for the time being required by the exchange before the third day on which the exchange is open after the date of issue of this Prospectus or the permission is not granted before the expiration of six (6) weeks from the issue of this Prospectus or such longer period as may be specified by the SC, provided that the applicant is notified by or on behalf of the exchange within the six (6) weeks or such longer period as may be specified by the SC. These Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, we will deposit the Issue Shares directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

Pursuant to the MMLR, at least 25% but not more than 49% of our issued and paid-up share capital must be in the hands of public shareholders and a minimum number of 200 public shareholders holding not less than 100 Shares each upon completion of the Initial Public Offering. We expect to meet the public shareholding requirement at the point of Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all applications.

You should rely only on the information contained in this Prospectus. We or our advisers have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus.

The distribution of this Prospectus and the Initial Public Offering are subject to Malaysian laws. We and our advisers take no responsibility for the distribution of this Prospectus (in preliminary or in final form) outside Malaysia. We and our advisers have not taken any action to permit a public offering of our Shares based on this Prospectus or the distribution of this Prospectus outside Malaysia. This Prospectus may not be used for an offer to sell or an invitation to buy our Shares in any jurisdiction or in any circumstance in which such an offer or invitation is not authorised or unlawful. This Prospectus shall also not be used to make an offer or invitation of our Shares to any person to whom it is unlawful to do so. If you are in possession of this Prospectus, you are required to be informed of and to observe such restrictions.

You should rely on your own evaluation to assess the merits and risks of the Initial Public Offering and an investment in us. **In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)

3.2 Purposes of the Initial Public Offering

The purposes of the Initial Public Offering are as follows:-

- (a) To raise funds for our continued operation and expansion, details of which are elaborated in **Section 3.8** below;
- (b) To achieve listing status for our Company, which is expected to enhance our business, profile and future prospects;
- (c) To enhance our transparency and discipline of our corporate management;
- (d) To enable us to have access to the capital market for our future expansion and growth; and
- (e) To provide an opportunity for the investing community, including the public, our eligible Directors, employees and person who have contributed to our success, to participate in our equity and future performance.

3.3 Share Capital

	RM
Authorised share capital 500,000,000 ordinary shares of RM0.10 each	<u>50,000,000</u>
Issued and fully paid-up share capital 120,000,000 ordinary shares of RM0.10 each	12,000,000
To be issued pursuant to the Initial Public Offering 35,000,000 ordinary shares of RM0.10 each	<u>3,500,000</u> 15,500,000
Enlarged capital upon Listing 155,000,000 ordinary shares of RM0.10 each	15,500,000
To be issued pursuant to full exercise of ESOS Options* 7,750,000 ordinary shares of RM0.10 each	<u>775,000</u>
Enlarged share capital upon full exercise of ESOS Options 162,750,000 ordinary shares of RM0.10 each	<u>16,275,000</u>

Note:-

- * *We have established an ESOS of up to 5% of our issued and paid-up share capital in conjunction with our Listing.*

The issue price of RM0.42 for each Issue Share is payable in full on application.

Our Company only has one (1) class of share, namely ordinary shares of RM0.10 each.

The Issue Shares will rank equally in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which is subsequent to the date of this Prospectus.

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

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)

A shareholder is entitled to vote at any general meeting, in person or by duly authorised representative or by proxy or by attorney. Under our Articles of Association:-

- a. on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote; and
- b. on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share which he holds or represents.

A proxy may but need not be member of our Company.

3.4 Indicative Timetable

The following events are intended to take place on the following tentative dates:-

Event	Indicative Date
Opening of applications for the Issue Shares	28 March 2006
Closing of applications for the Issue Shares	5 April 2006
Balloting of applications for the Issue Shares	7 April 2006
Allotment of the Issue Shares	17 April 2006
Listing	18 April 2006

Note:-

Our Directors and Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time for applications for the Initial Public Offering to any later date or dates. We will announce any extension of the closing date for the applications for the Issue Shares in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia. If the closing date for the Initial Public Offering is extended, the dates for the balloting of applications for the Issue Shares, allotment of the Issue Shares and our Listing will be extended accordingly.

3.5 The Initial Public Offering

The Initial Public Offering comprises an offering of:-

- (a) 1,000,000 Issue Shares to our eligible Directors, employees and persons who have contributed to our success;
- (b) 33,000,000 Issue Shares under the private placement to identified investors; and
- (c) 1,000,000 Issue Shares to the public.

We allocate paragraph (a) above to our eligible Directors, employees and to persons who have contributed to our success. Based on the criteria, there are sixty seven (67) Directors, employees and persons who have contributed to our success, who are eligible to take up the reserved Issue Shares. All of the 1,000,000 Issue Shares have been allocated to our eligible Directors and employees based on their respective positions and number of years of service and to persons who have contributed to our success based on their contribution.

The proposed allocation to our Directors is as follows:-

Name	Designation	Allocation No. of Issue Shares
Yeoh Aik Chuan	Independent Non-Executive Director	100,000
Za'ba Bin Hasrin	Independent Non-Executive Director	50,000
		<hr/> 150,000 <hr/>

Our Issue Shares in respect of paragraph (c) have been fully underwritten by the Underwriter listed in **Section 1**. Any Shares in respect of paragraph (c) above that are not subscribed for may be made available for application under the private placement. The Issue Shares in respect of paragraph (b) are not underwritten as potential investors will be pre-identified by the Placement Agent to take up the

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)

Issue Shares. Any Shares in respect of paragraph (b) not subscribed for may be allocated by way of public offer. Our Issue Shares in respect of paragraph (a) have been fully underwritten by the Underwriter listed in **Section 1**. Any Issue Shares not subscribed for under paragraph (a) may be allocated by way of private placement or public offer.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base of our Company to meet the public spread requirements, and to establish a liquid market in Issue Shares. To comply with Clause 2.9 of the MMLR, our final allocation to any single applicant shall not exceed 5% of our enlarged share capital upon Listing, regardless of the number of Shares applied for. Applicants will be selected in a manner to be determined by our Directors.

3.6 Pricing of the Issue Shares

Prior to the Initial Public Offering, there has been no trading market for our Shares within or outside Malaysia. The Issue Price of RM0.42 per Share was determined and agreed upon by us and OSK, as our Adviser and Underwriter. Among the factors that will be taken into account in determining the Issue Price, are the prevailing market conditions, our technology, estimates of business growth potential and revenue prospects for our Group, our Group's operating and financial history and the consideration of the above factors in relation to market valuation of companies in related businesses.

You should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares.

3.7 Underwriting

The Underwriter mentioned herein have agreed to underwrite 1,000,000 Issue Shares to be offered to the public pursuant to the Initial Public Offering and any of the unsubscribed 1,000,000 Issue Shares made available for application by our eligible Directors, employees and persons who have contributed to our success ("Underwritten Shares"). We will pay the Underwriter an underwriting commission of 2.0% of the Issue Price of RM0.42 per Issue Share. There is a *force majeure* clause in the underwriting agreement dated 16 March 2006 which allows the Underwriter to withdraw from the underwriting arrangement under adverse circumstances.

The following is an extract of some of the salient clauses contained in the underwriting agreement dated 16 March 2006:-

CONDITIONS PRECEDENT FOR UNDERWRITING

3.5(a) Breaches & Termination: *In the event of: -*

- (i) *any breach of the warranties or representations set out herein; or*
- (ii) *failure on the part of the Company to perform any of the obligations herein contained; or*
- (iii) *any change rendering any of the said warranties or representations inaccurate in any respect; or*
- (iv) *if any material information has been withheld and coming to the notice of the Underwriter prior to the Closing Date; or*
- (v) *the coming into force of any laws, regulations or directive which has or is likely to involve a prospective material and adverse change in the condition (financial or otherwise) of the Company or any of its subsidiaries (if any) from that set forth in the Prospectus; or*
- (vi) *the Underwriter is of the opinion that there has been an adverse change in the business and/or the condition of the Company or any of its subsidiaries (if any) from that set forth in the Prospectus; or*

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)

- (vii) *the Underwriter is of the opinion that there has been such a change in national or international monetary, financial, political or economic conditions or in exchange control or in currency exchange rates as would in their reasonable opinion be likely to prejudice materially the success of the IPO and the distribution of the Public Issue Shares (whether in the primary market or in respect of dealings in the secondary market) or in event of war or the declaration of a state of national emergency; or*
- (vi) *the approval-in-principle of Bursa Securities for the listing of and quotation for the Public Issue Shares on the MESDAQ Market of Bursa Securities is withdrawn; or*
- (ix) *the success of the IPO is seriously jeopardised by the Kuala Lumpur Composite Index falling below six hundred and fifty (650) points and remaining below six hundred and fifty (650) points for three (3) consecutive Market Days at any time between the effective date of this Underwriting Agreement and the Closing Date;*

the Underwriter shall be entitled to treat such breach, failure or change as releasing or discharging it from its obligations hereunder and will be entitled to terminate this Agreement by giving a written notice to the Company.

- (b) **Consequences of termination:** *On delivery of the notice under Clause 3.5(a), this Agreement will terminate and thereafter each party's rights and obligations will cease and none of the parties will have any claim against each other, except for the liability of the Company under Clauses 3.5(c), 10.1 and 14.1.*

4.1. **Conditions Precedent:** *The several obligations of the Underwriter under this Agreement shall further be conditional upon: -*

- (a) **Execution of Agreement:** *this Agreement being signed by all parties herein and duly stamped;*
- (b) **Placement Letter:** *that the Placement Letters (or Application Forms for subscription of the Public Issue Share) be signed and given to the Underwriter, being the Placement Agent for by the respective placees according to the terms and conditions in the Placement Letter with regards to the Public Issue Shares in Recital D(b) before the Closing Date;*
- (c) **Registrar of Companies & SC:** *the lodgement and acceptance for registration with the Registrar of Companies and the SC respectively of the Prospectus together with copies of all documents required under Section 42 of the Companies Act prior to the issuance of the Prospectus to the public;*
- (d) **Issue of Prospectus:** *the issuance of the Prospectus to the public (including advertisement of the Prospectus and all other procedures, requirements, letters and documents required under the Listing Requirements) have been complied with within three (3) months from the date hereof or such extension as consented by the Underwriter;*
- (e) **Approvals:** *all necessary approvals and consents required in relation to the IPO including but not limited to governmental approvals having been obtained and are in full force and effect;*
- (f) **Payment of Expenses:** *the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 14;*
- (g) **Resolutions:** *the delivery to the Underwriter prior to the date of registration of the Prospectus of:-*
 - (i) *a copy certified as true copy by an authorised officer of the Company of all the resolutions of the directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the IPO and*

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)

- authorising the execution of this Agreement and the issuance of the Prospectus; and
- (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in **Clause 4.1(e)**;
- (h) **Report & Confirmation:** the delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the board of directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its subsidiary (if any); and
- (i) **Admission to the official list of the MESDAQ Market of Bursa Securities:** The Underwriter being satisfied that the Company will, following completion of the IPO be admitted to the official list and its entire enlarged ordinary share capital listed and quoted on the MESDAQ Market of Bursa Securities without undue delay.
- 4.2. **Non-Fulfilment of Conditions Precedent:** In the event any of the conditions set forth in **Clause 4.1** are not satisfied, the Underwriter shall, subject as mentioned below, thereupon be entitled to terminate this Agreement by notice given to the Company not later than one (1) day after the Closing Date and upon such termination, the liabilities of the Company and the Underwriter shall become null and void and none of the parties shall have a claim against the other save that each party shall return any and all moneys paid to the other or others (without interest) under this Agreement within seventy two (72) hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in **Clause 14**). The Underwriter reserves the right to waive or modify any of the conditions aforesaid (save for those which are required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with this Agreement) and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement. We trust that the notice period of 1 day after Closing Day as provided herein for termination is adequate.
- 13.2 **Consequence of force majeure:**
- (a) In the event of a force majeure under **Clause 13.1**, the Underwriter may, subject to prior consultation with the Company, at any time prior to the Closing Date: -
- (i) terminate this Agreement by notice to the Company; or
- (ii) vary the terms and conditions of this agreement. For the avoidance of doubt, this option is subject to the prevailing market conditions after the occurrence of the force majeure event and the Underwriter is of the opinion that the market condition then prevailing is, in its absolute and unfettered discretion, not conducive for it to undertake the underwriting of the shares; or
- (iii) request that the Closing Date be extended to such reasonable date as the Underwriter may decide.
- (b) Upon delivery of the notice under **Clause 13.2(a)(i)**, and without prejudice to any claim that the Underwriter may have against the Company for any antecedent breach of a term of this Agreement, this Agreement will terminate and thereafter each party's rights and obligations will cease and none of the parties will have any claim against each other, except to the provisions as stipulated under **Clause 14**.
- (c) Upon delivery of a request under **Clause 13.2(a)(iii)**, the Company will procure that the Closing Date be extended as requested.
- (d) The delivery of a request under **Clause 13.2(a)(iii)** will not preclude the giving of further request under **Clause 13.2(a)(iii)** or the giving of a notice under **Clause 13.2(a)(i)**.

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)**3.8 Use of Proceeds**

We expect the gross proceeds of the Initial Public Offering to amount to approximately RM14,700,000. The proceeds shall accrue to us and we shall bear all expenses relating to the listing of and quotation for our entire issued and paid-up share capital on the MESDAQ Market.

The proceeds from the Initial Public Offering of RM14,700,000 are expected to be used for the following:-

Purpose	Note	RM'000
Expansion of the core and related businesses of our Group	(i)	3,900
Purchase of software and hardware equipment	(ii)	3,000
R&D expenditure	(iii)	4,800
Working capital	(iv)	1,300
Estimated listing expenses	(v)	1,700
		14,700

Notes:-

We intend to use the proceeds within five (5) years from the date of listing on the MESDAQ Market.

(i) These proceeds are reserved for potential merger and acquisition opportunities, joint ventures and strategic alliances in Malaysia and outside Malaysia. The targets we are looking at within Malaysia are companies that can enhance our existing service offerings, for example, we intend to invest in public relation consultancy, online loyalty program market development and integrated communications services. The targets we are looking at outside Malaysia are potential acquisitions into similar business operating in Indonesia, Thailand and PRC.

(ii) We intend to acquire software and hardware equipment to improve our contact centres services, enhance the processing speed of our existing network and invest in an offsite disaster recovery centre:-

Breakdown of Fixed Assets Investments	Amount (RM'000)
Improvement in our contact centre's facilities	500
Investment in IT equipment and network to enhance the processing speed of the existing network so as to handle increased traffic volume	2,000
Investment in offsite disaster recovery centre in Cyberjaya	500
Total	3,000

(iii) These are mainly R&D for improving and enhancing our enterprise application software. The main bulk of this expenditure shall be applied towards recruitment of IT knowledge workers to support our software development activities. The breakdown of our R&D expenses is shown in the table below:-

Breakdown	Amount (RM'000)
R&D staff salaries	3,800
Hardware and Software	1,000
Total	4,800

(iv) The balance amount will be used to fund our day-to-day working capital requirement.

(v) Please refer to Section 3.9 of this Prospectus for details of the estimated Listing expenses.

3. INTRODUCTION AND DETAILS OF THE INITIAL PUBLIC OFFERING (Cont'd)**3.8.1 Financial Impact from the Use of Proceeds**

The financial impact from the use of proceeds, include inter-alia, the following:-

- i. The expansion of the core and related businesses of our Group to enhance our earnings; and
- ii. The enhancement of our existing products and services, development and launching of potential new products and services to enhance our earnings.

Overall, the use of proceeds is expected to improve the liquidity and cashflow position of our Group significantly as an alternative source of funds. Assuming an interest rate of 9% per annum is incurred if bank borrowings were obtained, the net proceeds of RM13.0 million (excluding RM1.7 million of listing expenses), are expected to result in interest savings of approximately RM1,170,000 per annum.

3.9 Brokerage, Placement Fee, Underwriting Commission and Estimated Listing Expenses

Brokerage is payable by us to OSK, the participating organisations, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or the Issuing House in respect of the sales of the Issue Shares to the public at the rate of 1.0% of the Issue Price in respect of successful applications.

We will pay the Underwriter and Placement Agent an underwriting commission and placement fee in respect of the 1,000,000 Issue Shares and 33,000,000 Issue Shares to be offered to the public at the rate of 2.0% and up to 2.0% respectively, of the Issue Price of RM0.42 per Issue Share. The same commission is payable by our Company in respect of any Issue Shares not subscribed for in **Section 3.5(a)** which will then be offered to the public.

Our listing expenses are estimated at approximately RM1.7 million, with the following estimated breakdown:-

	RM
Professional fees	930,000
Fees of the authorities	55,500
Brokerage, placement fee and underwriting commission	298,200
Printing and advertising fee	250,000
Miscellaneous expenses	166,300
Total	1,700,000

We shall bear all expenses relating to the Listing.

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4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE PARTICIPATING IN THE INITIAL PUBLIC OFFERING.

4.1 Risks in Relation to Our Shares and the Initial Public Offering

4.1.1. No Prior Market for Our Shares

There is currently no prior trading market for our Shares. There can be no assurance that an active public market in our Shares will be developed or be sustained after the Initial Public Offering. The issue price of RM0.42 per Issue Share was determined after taking into consideration of various factors including, but not limited to the prevailing market conditions, our technology, estimates of business growth potential and revenue prospects for our Group, an assessment of our Group's Management and the consideration of the above factors in relation to market valuation of companies in related businesses. Our Group believes that a number of factors could cause the price of our Issue Shares to fluctuate, including sales of substantial amounts of Issue Shares in the public market in the immediate future; announcements of developments relating to our Group's business; fluctuations in our Group's operating results and sales levels; general industry conditions or the world-wide economy; announcements of new products or product enhancements by our Group or its competitors; and developments in patent, copyright or other intellectual property rights. There can be no assurance that the market price of our Issue Shares will not decline below the Issue Price.

4.1.2. Continued Control by Our Existing Shareholders

Upon the completion of the Initial Public Offering, our Promoters will, in the aggregate, beneficially own approximately 62.9% of our issued and paid-up share capital. As a result, our shareholders, if acting together, will possess voting control over our Company, giving them the ability, amongst others, to elect at least a majority of our Company's Directors and to control the vote on significant corporate transactions.

Nonetheless, we have appointed two (2) independent directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arms length basis.

4.1.3. Failure or Delay in the Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:-

- (a) The identified investors for the placement tranche failing to subscribe for the Issue Shares allocated to them;
- (b) Our eligible Directors, employees and other persons who have contributed to our success fail to acquire the Issue Shares allocated to them;
- (c) The Underwriting Agreement is terminated; and
- (d) We are unable to meet the requirement for public shareholding spread, i.e. at least 25% but not more than 49% of our issued and paid-up capital must be held by a minimum of 200 public shareholders at the time of our admission to the Official List of the MESDAQ Market.

In the event that our Listing on the MESDAQ Market fails, we will return the application monies without interest.

4. RISK FACTORS (Cont'd)**4.1.4. Future Sales of Our Shares by the Substantial Shareholders**

Any future sale or availability of our Shares may have a downward pressure on the share price. The sale of a significant amount of our Issue Shares in the public market after the Initial Public Offering, or the perception that such sales may occur could materially and adversely affect the market price of our Issue Shares. Except as otherwise described under the moratorium of Promoters' Shares set out in Section 10.2 of this Prospectus, there will be no other restriction on the ability of our substantial shareholders to sell their Issue Shares either on the MESDAQ Market or otherwise.

Nevertheless, we will minimise the risk by enhancing our shareholders' value to increase the attractiveness of our Shares with our competitive advantage.

4.2 Risks Relating to the Business of Our Group**4.2.1. Business Risk**

We are subject to certain risks inherent in the managed loyalty solution services. These include human resource shortages, increase in salary costs, technological changes, ability to protect its intellectual property, changes in general economic, business and credit conditions. Although we seek to limit these risks through, *inter-alia*, continuous R&D of new products, expansion of markets and creation of a large pool of highly skilled and qualified staff, we cannot assure that any change in these factors will not have a material adverse effect on our business.

4.2.2. Limited Operating History

Our Group's limited operating history makes it difficult to evaluate the risk and uncertainties, particularly in the growing industry such as the managed loyalty solution service provider. Our Management believe that we will mitigate this risk factor with the experience, knowledge and business expertise from our key management whilst backed by long-term contracts with established companies in financial services, FMCG and retail industries.

4.2.3. Dependence on Directors and Key Personnel

Our Group's future performance depends to a significant extent on the continued efforts and abilities of our Directors, key management and technical personnel. The loss of the services of any of these individuals may have a material adverse effect on our operation. Our future success also depends on our ability to attract, hire, train, retain and motivate sufficient skilled employees.

We currently enjoy cordial relationships with our employees who do not belong to any trade unions. The ESOS which was implemented in conjunction with our listing on the MESDAQ Market, will also increase the sense of ownership among our employees and motivate them. However, there can be no assurance that these measures will always be successful in retaining key personnel or ensuring a smooth transition should changes occur.

4.2.4. Competition

According to the Independent Marketing Report by Frost & Sullivan, we operate in a market with more than 170 competitors in the managed loyalty program market in year 2005. However, presently we have only one (1) competitor who offers similar end-to-end managed loyalty program services as us. The rest of the competitors only offer between one (1) to three (3) components of the loyalty management value chain. Most of the application service providers, database management companies and logistic managers fall into this category. The level of barriers to entry for this industry is comparatively high as competitors will have to face the key barriers of entry such as complexity in system integration, requirement of substantial investments and resources, track record and client retention.

4. RISK FACTORS (Cont'd)

Nevertheless, our Group expects to continue to experience competition as there could be potential competitors offering similar end-to-end managed loyalty program services as us. Our Directors believe that our ability to compete depends upon many factors both within and beyond our control, including the timing and market acceptance of new products and services and enhancement developed by our Group and our competitors, products and service functionality, ease of use, performance, price, reliability, customer service and support, and sales and marketing efforts.

Some of our competitors may have acquired significant resources and may be able to respond more quickly to new or emerging technologies and changes in customer preference or to devote greater resources to the development, promotion, sale and service of their products and services. New players may enter the markets in which we operate thus intensifying competition. We cannot be assured that we will be able to compete successfully in the future against existing or potential competitors or that our business, financial condition, results of operations or prospects will not be materially and adversely be affected by any potential intense competition.

As a strategic response to changes in the competitive environment, we will from time to time, make certain pricing, service or marketing decisions or acquisitions to stay competitive and secure our first mover advantage.

4.2.5. Protection of Group and Third Party Proprietary Technology/Intellectual Property Rights

Our Company acquired the AIMS IT Architecture and Technology Platform (which includes the copyright and all intellectual property rights relating to the AIMS IT Architecture and Technology Platform) from CGAS. There is however no registry which decrees that the title is held by CGAS. In Singapore, copyright protection of works arises automatically without any formal requirements of registration. Nonetheless CGAS has provided us a declaration that the title of the said copyright belongs to them.

Our success is also dependent on our ability to create new software products for our customers and to be able to protect our intellectual property rights in those products. However, existing patent, copyright, trademark and trade secret laws afford only limited protection. Accordingly, there can be no assurance that we will be able to protect our intellectual property rights against unauthorised third party copying, use or exploitation, any of which could have a material adverse effect on our business, operating results and financial condition. Moreover, issues relating to intellectual property rights can be complicated and there can be no assurance that disputes will not arise or that any disputes in relation to our Group's intellectual property will be resolved in our favour. Nevertheless, our Directors believe that risks of unauthorised third party copying, use or exploitation are relatively low due to the nature of our products which are complex and require time and significant financial resources to develop and integrate.

4.2.6. Future Growth

We currently have businesses in Malaysia and Singapore. We intend to expand our operations, both locally and overseas, and to expand the range of products and services that we offer to our customers. Our expansion plans involve a number of risks, including but not limited to, the costs of setting up overseas offices, investment in fixed assets, costs of working capital tied up in inventories as well as other working capital requirements. The success of our Group's future plans and prospects depends on, amongst others, our ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management as well as financial, technical and marketing personnel, and obtain financing as and when needed. Our Management shall carry out feasibility studies and due diligence to minimize such risk.

4. RISK FACTORS (Cont'd)

4.2.7. Future Acquisitions

Future acquisitions of businesses, products or technologies, which might have synergistic benefits with our businesses, could put a strain on our resources, being expensive and time consuming and might not be successful. As part of our business plan, we intend to acquire companies and businesses which are complementary to our existing businesses. However, such future acquisitions could also divert our Management's attention for other business concerns and expose our business to unforeseen liabilities or risks associated with entering new markets or new businesses. We also face the risk of losing key employees while integrating new organisations. However, our Management shall continue in its effort to retain key employees through ESOS, continuous training and career development opportunities as our Group expands. Our Group and our experienced management team shall also carry out feasibility studies and due diligence prior to undertaking any future acquisitions.

Nevertheless we believe that our experienced management team will exercise due discernment while executing future plans. We will endeavour to undertake detailed studies on the suitability of such potential acquisitions prior to undertaking the exercise.

4.2.8. Changes in MSC status

We were granted MSC status on 2 June 2004 by MDC. Presently, all MSC status companies are granted financial and non-financial incentives. Amongst other, the pioneer status entitles us to five (5) years exemption from Malaysian income tax (only on income derived from MSC related activities) commencing from 30 September 2004. The pioneer status is renewable for a further period of five (5) years upon expiry of the first five (5) years.

MDC, being the body responsible for monitoring all MSC designed companies, has the right to withdraw any company's MSC status at any time subject to continuous fulfilment of certain criteria. As such, there can be no assurance that we will continue to retain our MSC status and/or to renew our pioneer status, or that we will continue to enjoy or not experience delays in enjoying the MSC incentives outlined above and in Section 5.5 of this Prospectus, all of which would materially affect our business, operating results and financial condition. Furthermore, there can be no assurance that the MSC incentives will not be changed or modified in any way in the future.

To mitigate the risk, our Management shall continuously and strictly monitor and comply with all conditions imposed by MDC.

4.2.9. Security and Privacy Breaches

Security and privacy breaches in our electronic transactions and databases may expose us to additional liability and result in the loss of customers, either of which events could harm our business and cause our stock price to decline. Any inability on our part to protect the security and privacy of our electronic transactions could have a material adverse effect on our profitability. A security or privacy breach could:-

- expose us to additional liability;
- increase our expenses relating to resolution of these breaches; and
- deter clients from using our product.

We cannot assure you that our use of applications designed for data security will effectively counter evolving security risks or address the security and privacy concerns of existing and potential customers. Any failures in our security and privacy measures could have a material adverse effect on our business, financial condition and results of operations.

In addition, we intend to continue with our current policy of requiring our employees to enter into confidentiality and non-disclosure agreements with our Group and to limit access to and distribution of our proprietary information and the proprietary information of our customers to mitigate the risk of misappropriation.

4. RISK FACTORS (Cont'd)

4.2.10. Disaster Recovery

Our daily operations may be affected by events of emergency such as explosion, fire, flooding, energy crisis, sabotage, civil commotion, wars or security and system disruptions.

In response to these threats, we have in place a 3-tiered disaster recovery plan to ensure that our ICT network used to support the Loyalty Infrastructure Outsourcing Services and other various services under our Group's business is constantly protected. Our employees are also trained to adhere to fire prevention guidelines and policies to ensure a safe working environment. Notwithstanding all the preventive measures implemented by us, there can be no assurance that the emergency risks will not occur and will not affect our assets and financial conditions. Nonetheless, we will endeavour to monitor all office equipment and other peripherals, which include back-up sites and remote access system facilities, are in working condition.

Please refer to **Section 6.8** of this Prospectus for detailed information on our disaster recovery plan.

4.2.11. Related Party Transactions

Certain of our Directors and substantial shareholders have interest in companies carrying out similar business activities. Please refer to **Section 11** of this Prospectus for details of disclosure on any potential conflict of interests and factors that would avert any potential conflict of interests.

We have and may continue to enter into business or other transactions with related parties in the future. However, our Audit Committee will monitor the related party transactions to ensure that these transactions are carried out at arms length basis and on commercial terms which will not be detrimental to our minority shareholders. The appropriate disclosures regarding related party transactions will also be made in our annual reports.

4.2.12. Dependency on Major Customers

Save for ECT, a company owned by our Promoters, which contributed 39% of our turnover for the 9-month period ended 30 September 2005, we are not overly dependent on any customer.

Presently, our major business transaction with ECT is based on a Licensing and Maintenance Agreement dated 1 October 2004. Based on the agreement, a non-refundable advance fee of RM3 million has been paid to us. The monthly fees of RM85,000 payable by ECT to us, is to be offset against the advance fee on a straight line basis over the next three (3) years. As such, there will be no significant impact in the event the business transaction with ECT is terminated prior to the expiry date.

We are also imposing a strategy of building and maintaining a well-diversified customer base to ensure that we are not over-reliant on any single customer, geographical market or industry. We believe that this reduces our dependency on ECT and increases the resilience of our operations to cyclical downturns in any industry at any one time. As such, the impact will be insignificant in the event the business transaction with ECT is terminated in the future.

We always maintain good long term business relationship with our customers and continuously strive to meet our customers' expectations by paying close attention to their feedbacks and working in tandem with our customers' requirements to improve on products and services quality. Through this, we are able to provide high quality products and services to our customers.

4. RISK FACTORS (Cont'd)

4.2.13. Sales Cycles

The typical sales cycle of products and solutions can be long and unpredictable. A successful sales cycle may last six (6) months or longer and typically includes presentations to both business and technical decision makers. The adoption of the software solution can be time-consuming and often involves a significant commitment of resources by prospective customers. Accordingly, a purchase decision from a potential customer usually requires the approval of several senior decision makers which in turn requires us to expend substantial resources educating several parties about the product. The sales cycle is also affected by the business conditions of each prospective customer and seasonal fluctuations as a result of customers' fiscal year budgeting. This cycle is also subject to a number of significant delays over which we have little or no control of and may potentially affect our performance.

Since the commencement of our operations, we have already built up a stable customer base of established companies that will enable us to mitigate the risk of long sales cycle on new products and new service offerings. Furthermore, with our prudent cash flow management, we believe we will have sufficient funds to finance the working capital requirements of these new products and new service offerings.

4.2.14. Forward-looking Statements

Certain statements in this Prospectus are based on historical statistics which may not be reflective of the future results, and others are forward-looking in nature, which may or may not be achieved. Whether such statements ultimately prove to be accurate depend upon a variety of factors that may affect our business and operations. Forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievement of our Company or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements.

4.2.15. Adequacy of Insurance Coverage

Our Management is aware of the adverse consequences arising from inadequate insurance coverage on our major assets such as our hardware, warehouse and stock. While we review and seek to ensure adequate insurance coverage on a continuous basis, there can be no assurance that there will not be any incident which may render the insurance coverage inadequate to compensate for the replacement cost of the assets or any other loss arising thereon.

4.3 Financial Risks**4.3.1. Future Capital Injections**

Our Directors believe that the net proceeds from the Initial Public Offering, together with cash flow generated from our operations and other existing sources of funds will be sufficient to meet the projected working capital and other cash requirements.

However, future events may cause us to seek additional capital, but there can be no assurance that it will be available, or if available, that it will be on terms satisfactory or favourable to us. In addition, the issue of additional equity or other convertible securities by our Company may result in the dilution of the interests of our existing shareholders.

Our Group has demonstrated efficiency and effectiveness in the utilisation of our resources to date. We believe that our experienced management team will be equipped to address any future capital requirements that may arise.

4. RISK FACTORS (Cont'd)

4.3.2. Foreign Exchange Risk

Currently our exposure to foreign exchange risks is minimal. However with our intention to expand our business regionally into other markets such as Indonesia, PRC and Thailand, we may face significant exposure to foreign exchange risks in the future. If we are unable to manage this risk, our financial performance in the future may materially or adversely be affected. However, we will consider various hedging techniques such as forward contracts to manage our future foreign exchange risks.

4.3.3. Impairment of Intangible Assets Arising from Our R&D Activities

Based on the proforma consolidated balance sheet as at 30 September 2005 prepared for inclusion in this Prospectus, as set out in **Section 14** of this Prospectus, we have recorded development cost amounting to RM1,164,805. It is our accounting policy to amortise the development cost on a straight line basis over a period of five (5) years commencing from the use of the asset. However, the development cost will be subjected to an annual impairment test in accordance with the policy on impairment of assets. There can be no assurance that there will be no impairment losses arising in respect of the development cost in the future.

Currently, the AIMS enterprise marketing application is already generating revenue. Our future software development activities are focused on enhancing the features that will enable us to introduce new services. Furthermore, our software development activities are carried out by the original development team of AIMS and the continuity and successful track record of this team will mitigate the risk of failure in future development activities. Accordingly, we do not expect any significant impairment in the recorded value of our intangible assets.

4.3.4. Financing Risks

Saved as disclosed in **Section 12.6** of this Prospectus, we do not have any other capital commitments, borrowings or indebtedness in the form of borrowings. But we may in the future obtain credit facilities which may be subject to various covenants which may limit our operating and financial flexibility. Some of these covenants may require us to seek prior written consent of the relevant financial institutions for, inter alia, increases in credit facilities, changes in share capital, capital reconstructions, and changes in shareholders' shareholdings. While our Management is cognizant of the various requisite consents required from the relevant financial institutions, there can be no assurance that additional credit facilities that may be procured by us would not have restrictive covenants that may limit our ability to operate and function properly, or that provisions in existing facilities can or will be varied to relax or remove all or any of such restrictive covenants.

Nevertheless, we shall continue with our prudent cashflow management and our track record of keeping our debt gearing ratio to a healthy level since the commencement of our operations.

4.4 Risks Relating to the Business Environment

4.4.1. Political Economic and Regulatory Factors

Our financial and business prospects and the industry in which we operate may depend to some degree on the developments in the political, economic and regulatory factors in the Asia Pacific region. Amongst the political, economic and regulatory factors are risks of war, riots, global economic downturn and unfavourable change in the Government's policy such as taxation, currency exchange controls, licensing regulation and Government policies. Whilst we will continue to adopt effective measures such as prudent financial management and efficient operating procedures, we cannot be assured that adverse political, economic and regulatory factors will not materially affect our Group's performance.

Currently, save for general company and contract laws, our business activities in Malaysia are not subject to any specific legislation. However, there can be no assurance that future policy changes will not affect our Group's operations.

4. RISK FACTORS (Cont'd)

4.4.2. Technology Used and Changes in Technology

The market for our products and services involves rapid technological changes, evolving industry standards, changes in customers' requirements, computer operating environments, software and hardware applications and frequent new product introductions and enhancements. Our Group's future success thus depends on our ability to continue to be able to address the increasingly sophisticated needs of our clients.

In this regard, we place great emphasis on continuous R&D, to develop new products and enhance existing products using the latest technology and to keep up with our customers' requirements. We also have a team of professionals who are technically strong in applications development, project management and networking to ensure that our products and services maintain its competitive advantages vis-à-vis its competitors.

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5. INFORMATION ON OUR GROUP

5.1 History and Background

We were incorporated in Malaysia on 8 March 2004 under the Act as a private limited company known as Advance Information Marketing Sdn. Bhd. We were granted the MSC status on 2 June 2004 and subsequently on 23 March 2005, we changed our name to Advance Information Marketing Berhad as a public limited company to facilitate our Listing on the MESDAQ Market.

Our history began in 2003, when our founding shareholders, Mr Tay Woon Teck and Mr Nyang Koon Seng discovered that the software used for their customer loyalty solution that had been licensed from a Canadian developer, had many limitations which prevented it from being integrated with various modern day platforms. Based on that realisation, the software development team of CGAS which was controlled by our founding shareholders, developed the first phase of the AIMS IT Architecture and Technology Platform, which was completed in late 2003. At that time, our founding shareholders decided that Malaysia had a better environment in which to commence with the next phase of the infrastructure's development. This decision led directly to the incorporation of our Company in early 2004 and the acquisition of AIMS IT Architecture and Technology Platform from CGAS. In June 2004, we were granted the MSC status for our application development activities in Malaysia. In September 2004, our founding shareholders decided that all the hardware and intellectual property rights relating to the first phase of AIMS's development will be sold to our Company. This was done so that we could continue with the next phase of the application's development in Malaysia.

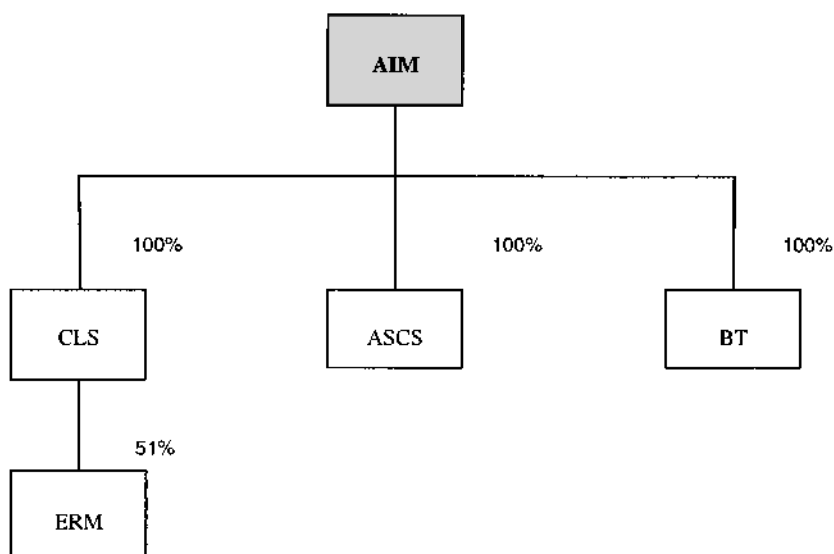
As our Company's business model and strategies were to provide all the components of our outsourced loyalty management services in a cohesive and synergistic manner, we acquired the following subsidiaries to complement the nature of our businesses:-

Subsidiary	Principal Activities
<i>Direct Subsidiary</i>	
CLS	Sales, marketing and client relationship management activities; and also the provision of outsourced contact centre management solutions and services.
ASCS	The provision of outsourced procurement and fulfilment services from a network of local suppliers, mail order programs, and warehousing/logistics fulfilment services.
BT	The provision of outsourced procurement services from a range of international suppliers.
<i>Indirect Subsidiary</i>	
ERM	The provision of dedicated customer support/services to our key clients. Currently this company is dormant.

Together, we provide end-to-end customer loyalty management services and business process outsourcing solutions.

5. INFORMATION ON OUR GROUP (Cont'd)

Our Group structure as at the date of this Prospectus and upon Listing is as follows:-



5.2 Share Capital and Changes in Share Capital

As at 28 February 2006, our authorised and issued and paid-up share capital is as follows:-

	No. of Shares	Par Value (RM)	Total (RM)
Authorised	500,000,000	0.10	50,000,000
Issued and fully paid-up	120,000,000	0.10	12,000,000

The details of the changes in our issued and paid-up share capital since our incorporation are set out below:-

Ordinary shares

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
8 March 2004	1,000	1.00	Cash/Subscribers' share	1,000
31 December 2004	491,629	1.00	Acquisition of CLS	492,629
31 December 2004	88,422	1.00	Acquisition of ASCS	581,051
10 January 2005	3,065,414	1.00	Acquisition of BT	3,646,465
10 January 2005	360,000	1.00	Acquisition of hardware	4,006,465
10 January 2005	854,158	1.00	Acquisition of software	4,860,623
20 February 2006	234,724	1.00	Conversion of RCPS "A"	5,095,347
20 February 2006	772,754	1.00	Conversion of RCPS "B"	5,868,101
21 February 2006	6,131,899	1.00	Bonus issue of approximately 1.05 shares for every one (1) share held	12,000,000
22 February 2006	-	0.10	Share Split	12,000,000

5. INFORMATION ON OUR GROUP (Cont'd)**RCPS "A"**

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
16 March 2005	22,000,000	0.01	Cash	220,000
20 February 2006	(22,000,000)	0.01	Conversion of RCPS and refund of excess money of RM688,000	-

RCPS "B"

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
16 March 2005	50,000,000	0.01	Cash	500,000
20 February 2006	(50,000,000)	0.01	Conversion of RCPS	-

As at the date of this Prospectus, save for the ESOS, no person has an option or is entitled to be given an option to subscribe for any of our Group's Shares.

5.3 Restructuring and Listing Scheme

In conjunction with, and as an integral part of the Listing, we have implemented a restructuring exercise which was approved by the SC on 20 December 2005 and 14 March 2006 which involved the following:-

5.3.1 Conversion of RCPS

On 20 February 2006, DMSB and OSKTV, our shareholders of 22,000,000 RCPS "A" and 50,000,000 RCPS "B", respectively converted their RCPS to 234,724 and 772,754 ordinary shares of RM1.00 in our Company ordinary shares.

The new ordinary shares of RM1.00 each issued pursuant to the Conversion of RCPS rank equally in all respects with our existing ordinary shares of RM1.00 each except that they are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the shares.

Upon completion of the Conversion of RCPS, our issued and paid-up ordinary share capital increased from RM4,860,623 comprising 4,860,623 ordinary shares of RM1.00 each to RM5,868,101 comprising 5,868,101 ordinary shares of RM1.00 each.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.3.2 Bonus Issue

Subsequent to the Conversion of RCPS, we have implemented a bonus issue of 6,131,899 new ordinary shares of RM1.00 each to our existing shareholders on the basis of approximately 1.05 new ordinary share of RM1.00 each for every one (1) existing ordinary share of RM1.00 held in our Company via the capitalisation of RM6,131,899 from our audited share premium account as at 30 September 2005.

The details of the reserves are set out below:-

	Audited as at 30 September 2005 RM	After Conversion of RCPS RM	Available reserves for capitalisation RM	Reserve capitalised for Bonus Issue RM
Share premium	6,480,000 ¹	5,504,522 ²	5,504,522	5,504,522
Reserves	7,203,452	7,203,452	7,203,452	627,377
Total	13,683,452	12,707,974	12,707,974	6,131,899

Notes:-

¹ As at 16 March 2005 22,000,000 of RCPS "A" and 50,000,000 of RCPS "B" were issued giving rise to the share premium.

² RM287,478 use for the conversion of RCPS "A" and RCPS "B" into 1,007,478 ordinary shares at RM1.00 par value and RM688,000 refunded.

Our new ordinary shares of RM1.00 each issued pursuant to the Bonus Issue will rank equally in all respects with our existing ordinary shares of RM1.00 each except that they are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the new Bonus Issue shares.

The Bonus Issue was completed on 21 February 2006. Following the completion of the Bonus Issue, our issued and paid-up share capital increased from RM5,868,101 comprising 5,868,101 ordinary shares of RM1.00 each to RM12,000,000 comprising 12,000,000 ordinary shares of RM1.00 each.

5.3.3 Share Split

Upon completion of the Bonus Issue, we have implemented a share split of every one (1) ordinary share of RM1.00 each into ten (10) new ordinary shares of RM0.10 each. The Share Split was completed on 22 February 2006.

Following the completion of the Share Split, our issued and paid-up share capital was RM12,000,000 comprising 120,000,000 Shares.

5.3.4 Initial Public Offering

In conjunction with the Listing, we will undertake an Initial Public Offering of 35,000,000 Issue Shares at an issue price of RM0.42 as follows:-

- 1,000,000 Issue Shares to our eligible Directors, employees and persons who have contributed to our success;
- 33,000,000 Issue Shares under the private placement to identified investors; and
- 1,000,000 Issue Shares to the public.

Upon the completion of the Initial Public Offering, our issued and paid-up share capital will increase from RM12,000,000 comprising 120,000,000 Shares to RM15,500,000 comprising 155,000,000 Shares.

All the Issue Shares to be issued pursuant to the Initial Public Offering will rank equally in all respects with our existing Shares including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

5. INFORMATION ON OUR GROUP (Cont'd)

5.3.5 ESOS

The SC had on 20 December 2005 and 14 March 2006 respectively, and our existing shareholders on 22 February 2006, approved to establish an ESOS to motivate, retain and reward Eligible Employees whose services are vital to our operation and continued growth.

The number of Shares that will be made available under the ESOS is 5% of our issued and paid-up capital. Based on our enlarged issued and paid-up share capital of RM15,500,000 comprising 155,000,000 Shares, the number of new Shares to be issued pursuant to the ESOS is 7,750,000, assuming all ESOS Options are granted and exercised by the Eligible Employees.

Further details of the ESOS, which are contained in the By-Laws, are set out in **Section 18** of this Prospectus.

5.3.6 Listing and Quotation

Admission to the official list of the MESDAQ Market and the listing of and quotation for our entire issued and paid-up share capital of RM15,500,000 comprising 155,000,000 Shares and for the new Shares that may be issued upon the exercise of the ESOS Options on the MESDAQ Market.

5.4 Subsidiary and Associated Companies

Details of our direct subsidiary companies are as follows:-

5.4.1 Information on CLS

a) *History and Business*

CLS was incorporated in Malaysia on 1 April 2003 under the Act as a private limited company. The company was incorporated under the name of Customers Loyalty Solutions Sdn. Bhd. and commenced its operations on 1 July 2003. On the 15 March 2004, the company underwent a name change to its present name.

The principal activities of CLS are to provide sales, marketing and client relationship management activities, and also the provision of outsourced contact centre management solutions and services.

b) *Share Capital and Changes in Share Capital*

CLS's present authorised and paid-up share capital is as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and Paid-up	1,600,000	1.00	1,600,000

Details of the changes in the issued and paid-up share capital of CLS since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
1 April 2003	2	1.00	Cash	2
26 February 2004	99,998	1.00	Cash	100,000
3 March 2005	1,500,000	1.00	Otherwise than for cash	1,600,000

5. INFORMATION ON OUR GROUP (Cont'd)c) **Substantial Shareholders**

CLS is a wholly-owned subsidiary of our Company.

d) **Subsidiary and Associated Companies**

As at 28 February 2006, CLS has one subsidiary, namely ERM and does not have any associated companies.

e) **Employees**

As at 28 February 2006, CLS has forty-four (44) employees.

5.4.2 Information on ASCSa) **History and Business**

ASCS was incorporated in Malaysia on 2 July 2003 under the Act as a private limited company under the name of Merit Growth Sdn. Bhd. It commenced its operations on 1 September 2003 and subsequently changed its name to ASCS on 22 November 2004.

The principal activities of ASCS are the provision of outsourced procurement and fulfilment services from a network of local suppliers, mail order programs, and warehousing/logistics fulfilment services.

b) **Share Capital and Changes in Share Capital**

ASCS's present authorised and paid-up share capital is as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and Paid-up	700,000	1.00	700,000

Details of the changes in the issued and paid-up share capital of ASCS since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
2 July 2003	2	1.00	Cash	2
15 July 2004	99,998	1.00	Cash	100,000
24 June 2005	600,000	1.00	Otherwise than for cash	700,000

c) **Substantial Shareholders**

ASCS is a wholly-owned subsidiary of our Company.

d) **Subsidiary and Associated Companies**

As at 28 February 2006, ASCS does not have any subsidiary or associated companies.

e) **Employees**

As at 28 February 2006, ASCS has twenty-two (22) employees.

5. INFORMATION ON OUR GROUP (Cont'd)**5.4.3 Information on BT****a) History and Business**

BT was incorporated in Singapore on 27 August 2002 under the Singapore Act as a private limited company under its present name, and its operations commenced on 1 October 2002.

The principal activity of BT is the provision of outsourced procurement services from a range of international suppliers.

b) Share Capital and Changes in Share Capital

BT's present authorised and paid-up share capital is as follows:-

	No. of Shares	Par Value (SGD)	Amount (SGD)
Authorised	1,000	1.00	1,000
Issued and Paid-up	1,000	1.00	1,000

Details of the changes in the issued and paid-up share capital of BT since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (SGD)	Consideration	Total (SGD)
27 August 2002	2	1.00	Cash	2
15 May 2004	98	1.00	Cash	100
30 November 2004	900	1.00	Cash	1,000

c) Substantial Shareholders

BT is a wholly-owned subsidiary of our Company.

d) Subsidiary and Associated Companies

As at 28 February 2006, BT does not have any subsidiary or associated companies.

e) Employees

As at 28 February 2006, BT has two (2) employees.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.4.4 Information on ERM

a) History and Business

ERM was incorporated in Malaysia on 14 July 2004 under the Act as a private limited company under its present name. CLS acquired 55% stake on 20 October 2004 for the purpose of providing dedicated customer support/services to our Group's key clients. On 3 January 2006, CLS acquired the remaining 45% stake from Shaik Akmal bin Shaik Allaudin for a purchase consideration of RM45,000 to be included as a wholly-owned subsidiary of CLS. Subsequently on 31 January 2006, CLS disposed 49% stake to Intisatria Sdn. Bhd. for RM49,000.

ERM is currently dormant.

b) Share Capital and Changes in Share Capital

ERM's present authorised and paid-up share capital is as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	100,000	1.00	100,000
Issued and Paid-up	100,000	1.00	100,000

Details of the changes in the issued and paid-up share capital of ERM since its date of incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
14 July 2004	2	1.00	Subscriber's shares	2
20 October 2004	99,998	1.00	Ordinary shares	100,000

c) Substantial Shareholders

Names	Shareholdings			
	Direct	%	Indirect	%
CLS	51,000	51.0	-	-
Intisatria Sdn. Bhd.	49,000	49.0	-	-

d) Subsidiary and Associated Companies

As at 28 February 2006, ERM does not have any subsidiary or associated companies.

e) Employees

As at 28 February 2006, ERM has no employee.

As at the date hereof, we do not have any associated company.

5. INFORMATION ON OUR GROUP (Cont'd)

5.5 MSC Status

Our company obtained our MSC status on 2 June 2004. The salient general conditions imposed on our Company, as an MSC status company are as follows:-

- (i) commence operations of and undertake the MSC qualifying activities as specified in our Company's business plan as approved, and thereafter continue with such business activities unless otherwise approved by MDC;
- (ii) locate the implementation and operation of the MSC qualifying activities in Cyberjaya and will seek MDC's prior written approval in the event of any changes in our location or address;
- (iii) ensure that at all times at least 15% of the total number of employees (excluding support staff) of our Company shall be "knowledge workers" (as defined by MDC);
- (iv) to inform MDC of any changes in equity structure and any such changes that may affect the direction or operation of our Company;
- (v) continuously comply with the MSC's environmental guidelines as determined by MDC from time to time;
- (vi) inform and obtain the prior approval of MDC for any proposed change in the name of the MSC status Company;
- (vii) submit to MDC a copy of our Annual Report and Audited Statements in parallel with submission to the Companies Commission of Malaysia; and
- (viii) comply with all such statutory, regulatory and/or licensing requirements as may be applicable.

The MSC status granted shall not be transferable or assignable in any way whatsoever without the prior written consent of MDC.

Presently, all MSC status companies are granted financial and non-financial incentives. Financial incentives include:-

- a five (5) years exemption from Malaysian income tax (only on income derived from MSC related activities) commencing from the date when companies start generating income (renewable to 10 years) where the renewal will depend on companies' performance, or a 100% investment tax allowance on new investments made in MSC cyber cities, commencing from the date on which the first qualifying capital expenditure is incurred;
- duty-free importation of multimedia equipment, provided that the equipment is used by companies in the operation of its business, and not for direct sale and trading or use as components in manufactured items; and
- R&D grants for MSC for small and medium enterprises that are at least 51% Malaysian owned.

Non-financial incentives include:-

- unrestricted employment of foreign knowledge workers;
- freedom of ownership; and
- freedom to source capital for MSC infrastructure globally and the right to borrow funds globally. All MSC status companies will be given exemptions by the Controller of Foreign Exchange from exchange control requirements which will allow them to execute transactions in any currency in Malaysia or elsewhere, borrow any amount from financial institutions, associate companies or non-residents, hedge foreign exchange exposure, remit funds globally and open foreign currency accounts in Malaysia or abroad with no limits on balances.

5. INFORMATION ON OUR GROUP (Cont'd)

5.6 Intellectual Property

We rely on a combination of copyright protection and trademark registration to establish and protect our intellectual property and brand name.

a) Copyright

Upon the acquisition of the AIMS IT Architecture and Technology Platform from CGAS, 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 worldwide.

Our copyright in relation to the AIMS applications are set out below:-

- AIMS Managed Loyalty Application
 - Member Management Module;
 - Points Management Module;
 - Merchant Management Module;
 - Redemption Management Module;
 - Fraternal Program Module;
 - Inventory Management Module;
 - Catalogue Management Module;
 - Member Segmentation Module;
 - Issues Tracker Reporting Module;
 - Track and Trace Module;
 - Integrated Communications Module; and
 - E-Auction Module.
- AIMS Business Intelligence
 - Business Intelligence Engine Module;
 - Executive Dash Board; and
 - AIMS OLAP Module.

Under the Malaysian Copyright Act 1987, a copyright is the exclusive right to control in Malaysia the reproduction in any material form, the performance, showing or playing in public, the broadcasting, the communication by cable and the distribution of the copies to the public by sale, rental, lease or lending, of the whole or substantial part thereof, either in its original or derivative form. The copyright shall subsist during the life of the author and fifty (50) years after his death.

Copyright of a work shall vest initially with the author. Nevertheless, where a work is commissioned by a person which is not the author's employer under a contract for service or apprenticeship or is made in the course of the author's employment, the copyright shall be deemed to be transferred to the person who commissioned the work or the author's employer, subject to any agreement between the parties excluding or limiting such transfer. Our AIMS Managed Loyalty Application modules and AIMS Business Intelligence modules was authored by our employees who did so in the course of their employment.

Under the Copyright Act 1987, copyright in any literary work (which includes computer programs) subsists during the life of the author and continue to subsist for a period of fifty (50) years after his death. Under the Berne Convention for the Protection of Literary and Artistic Works 1986, Malaysia grants the same level of copyright protection under the Copyright Act 1987 to works created outside Malaysia but in a member state of the Berne Convention.


5. INFORMATION ON OUR GROUP (Cont'd)

In Singapore, copyright protection is automatic and is conferred on the author from whom the work originates, and as soon as a work is created and fixed in a material or tangible form. Thus, no further action is required on the author's part to gain copyright protection. Compilations, computer programs and compilations of computer programs are protected as literary works and by definition include both source code and object code. The copyright for a published literary work is for the life of the author plus seventy (70) years. The copyright for a literary work that is unpublished when the author dies is seventy (70) years from the end of the calendar year of its first publication or first offered or exposed for sale to the public.

The availability and extent of protection of our Group's intellectual property including the copyright in our software and trademarks in those other jurisdictions would depend on the various intellectual property laws applicable in those jurisdictions and whether such jurisdictions are signatories to various international treaties which offer reciprocal protection such as the Berne Convention.

b) Trademark

We have taken steps to protect our trademarks in Malaysia and in Singapore. The status of the registration of trademarks is set out below:-

No	Description of Trademark	Class/ Country	Registration/ Application Date
1.	"Azon & Logo" * 	11/ Singapore	Registration date on 9 January 2003. Trademark No. T03/00193B.
2.	"AIMS"	9 and 42/ Malaysia	Filing date on 24 March 2005. Application No. 05004360 and 05004361.
3.	"eAIMSFulfilment"	9 and 42/ Malaysia	Filing date on 24 March 2005. Application No. 05004362 and 05004363.
4.	"eAIMSOLAP"	9 and 42/ Malaysia	Filing date on 24 March 2005. Application No. 05004364 and 05004365. Accepted for publication in government gazette. Submitted artwork on 17 February 2006 and 13 January 2006 respectively.
5.	"eAIMSRuleEngine"	9 and 42/ Malaysia	Filing date on 24 March 2005. Application No. 05004366 and 05004367. Accepted for publication in government gazette. Submitted artwork on 17 February 2006 and 13 January 2006 respectively.

Note:-

* We have also submitted application to the Trade Mark Registry to register the above trademark in Malaysia on 20 March 2003. As at 28 February 2006, the registration is still pending approval from the Trade Mark Registry.

5. INFORMATION ON OUR GROUP (Cont'd)**5.7 Operating Licences**

Our operation does not require any special license and permits apart from the standard business licenses needed to operate its business in both Malaysia and Singapore.

5.8 Summary of Landed Properties

The summary of the information on landed properties owned by our Group is as follows:-

Postal Address	Description of Property/ Existing Use	Status/ Registered Owner	Audited Net Book Value as at 30 September 2005 (RM)	Approximate age of Building (Years)/CF Status	Tenure/ Expiry Date of Lease	Approximate Land Area/ Approximate Total Built-up Area (Sq metre)	(1) Restrictions in interest (2) Encumbrances
Lot 28, Jalan Pemberita U1/49, Temasya Industrial Park, Seksyen U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan	Land and semi- detached light industrial factory as logistic depot. ASCS's operation centre	Owned/ CLS	2,432,500	6 Issued with CF on 28 February 2000	Freehold	Land Area 892 sq metre Built-up 760 sq metre	(1) Nil (2) First legal charge to Hong Leong Bank Berhad on 9 December 2004

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