

4. INFORMATION ON TECHNODEX GROUP

4.1 Incorporation

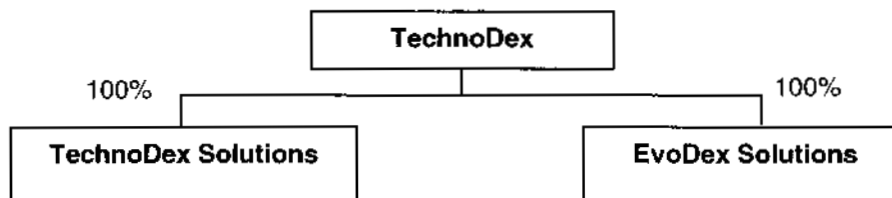
We were incorporated as a private limited liability company in Malaysia under the name TechnoDex Sdn Bhd on 10 September 2003 under the Companies Act, 1965. Our Company commenced operations as an investment holding company on 17 November 2004. On 7 April 2005, we were converted to a public limited company.

We hold the intellectual property rights of the entire Group's IT creations. Being the holding company of the Group, we also manage the Group's corporate affairs. On 20 April 2005, we were granted the MSC Status by MDeC for our TechnoDex® Platform, a platform built based on Open Source Technology.

4.1.1 Group Structure

Our group comprises TechnoDex as the holding company, and two (2) wholly-owned subsidiaries, namely TechnoDex Solutions and EvoDex Solutions. These companies provide Open Source Based Business Software. Our history can be traced back to 2001 when TechnoDex Solutions was incorporated. Further details on TechnoDex Solutions' history are set out in section 4.4.1 (i). Our Group has no associated company.

Our Group's corporate structure is set out below:-



4.1.2 Vision And Mission Statement

Our *vision statements* are as follows:-

- To provide our customers with best-in-class technology and business software from our base of knowledge, ideas, research and innovations; and
- To become a premier Technology Partner to the business community and act as the Technology Builder leveraging on our TechnoDex® Platform.

Our *mission statements* are as follows:-

- For our customers – helping business users to create superior business values through our TechnoDex® Platform and technological benefits. We endeavour to utilise our implementation skills to deliver and deploy business software in the shortest possible time and reduced cost; and
- For ourselves – to become established amongst the Malaysian and regional business community for our innovativeness and rich knowledge in matching business needs with the right technology solutions. Through our innovation, we endeavour to enhance our shareholders' value and provide exciting new growth opportunities for our people.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**4.2 Share Capital**

Our authorised share capital is currently RM10,000,000 comprising 100,000,000 Shares. Our issued and paid-up share capital is RM5,700,000 comprising 57,000,000 Shares.

The changes in our issued and paid-up share capital since our incorporation are as follows:-

Date Of Allotment	No. Of Ordinary Shares Allotted	Par Value (RM)	Consideration	Cumulative Issued And Fully Paid-Up Ordinary Share Capital (RM)
10.9.2003	2	1.00	Subscribers' shares	2
17.11.2004	2,700,000	1.00	Full purchase consideration for the acquisition of TechnoDex Solutions	2,700,002
30.3.2005	2,499,998	1.00	Cash	5,200,000
30.3.2005	500,000	1.00	Capitalisation of advances	5,700,000
15.5.2006	*	*0.10	Share split	5,700,000

Note:-

* We had, on 15 May 2006, subdivided the par value of the then existing shares from RM1.00 each to RM0.10 each.

4.3 Listing Scheme

In conjunction with and as an integral part of the listing of and quotation for our entire issued and fully paid-up share capital on the MESDAQ Market, we propose to undertake the following transactions:-

4.3.1 Public Issue

We will issue 23,000,000 new Shares at an issue price of RM0.40 per Share. The details of the Public Issue have been set out in section 2.3.

4.3.2 ESOS

In conjunction with our listing, we propose to implement an ESOS which entails the issuance of up to 10% of our issued and paid-up share capital at any one time pursuant to the ESOS Options to be granted under the ESOS to our Group's eligible Directors and employees.

The ESOS committee established to administer the ESOS shall, within the duration of the ESOS, make offers to grant ESOS Options to the eligible persons in accordance with the ESOS By-laws. Each such option which is not part of the Initial Grant shall be exercisable at a price which is the higher of:-

- the price based on the five (5) days weighted average market price of our shares at the time such option is offered, with a discount of not more than 10%; or
- the par value of our shares.

Acceptance of an offer by an eligible person shall be by way of written notice accompanied by a non-refundable payment of RM1.00.

The ESOS shall be in force for five (5) years. However, our Board at its sole discretion, upon the recommendation of the ESOS committee, may extend the ESOS for up to another five (5) years.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

The new Shares to be issued upon the exercise of the ESOS Options will, upon allotment and issue, rank pari passu in all respects with our then existing issued and paid-up Shares, except that the new Shares will not be entitled to any dividend, right, allotment or other distribution, the entitlement date of which is prior to the date of allotment of the said Shares. The new Shares will be subject to all the provisions of our Articles of Association.

4.3.3 Listing Of And Quotation For Our Shares

We have also applied to Bursa Securities for the admission of our Shares to the Official List, and the listing of and quotation for our enlarged issued and paid-up share capital on the MESDAQ Market. As further set out in section 6.1, the approval-in-principle from Bursa Securities has been obtained via its letter dated 29 July 2005.

4.4 Subsidiaries

Details of our subsidiaries are as follows:-

Company	Date And Place Of Incorporation	Issued And Paid-Up Share Capital (RM)	Effective Equity Interest (%)	Principal Activity
TechnoDex Solutions (540720-V)	28.2.2001 Malaysia	400,000	100	Develops and provides Open Source Based Business Software and conducts relevant R&D activities
EvoDex Solutions (662245-X)	11.8.2004 Malaysia	2	100	Provides human resource management solutions and conducts relevant R&D activities

4.4.1 TechnoDex Solutions

i) History, Background And Principal Activity

Reasoning that there is a great demand for IT for its ability to increase businesses' competitiveness, our wholly-owned subsidiary, TechnoDex Solutions was incorporated and commenced operations on 28 February 2001. The company was incorporated under the Companies Act, 1965 in Malaysia under the name of Wise Hunter Sdn Bhd. It had then changed its name to TechnoDex Solutions Sdn Bhd on 11 August 2004.

a) Evolution Of Our TechnoDex® Platform

In efforts to create distinct competitive advantages and to differentiate us from other software providers in Malaysia, by April 2001, our Managing Director and Executive Director, Lee Siew Tat and Heng Ling Jy, together with several other personnel, had begun to conceptualise our own TechnoDex® Platform.

In July 2003, our R&D unit, headed by our Managing Director and Executive Director, was formally formed. The unit comprised another three (3) system architects and IT professionals with experience from diverse background. The varied experiences have contributed to our understanding of enterprises' needs of solution performance, functional flexibility and scalability for future expansion. With these aspects as key criteria, the first version of our TechnoDex® Platform was completed in July 2003, approximately two (2) years after its conceptualization. In addition to the performance, flexibility and scalability of our platform, we also pride ourselves on the component self-sustainability within the platform, and its compatibility with the general computing languages.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

To ensure the price-competitiveness of our products, our Group has leveraged on the strong technical know-how of our employees to develop TechnoDex® Platform based on Open Source Technology. The benefits of leveraging on Open Source Technology are set out in section 10 (2.2).

b) Expansion Into Development Of Vertical Applications

In early 2003, our Group began developing vertical applications that are complementary to TechnoDex® Platform. At present, our commercialised business software include:-

- EvoDexSM – a human resource management solution;
- EduDexSM – an education management solution;
- ProcureDexSM – an e-procurement solution; and
- TransDexSM – an e-ticketing and transportation management solution.

c) MSC Status

In 6 November 2002, TechnoDex Solutions was granted the MSC Status by MDeC for our Wise Business Relationship Management suite of solutions which enables connection amongst various entities, such as suppliers, sales partners and customers. Our commercialised solutions within this suite have been branded as EvoDexSM and ProcureDexSM. TechnoDex Solutions was awarded the Pioneer Status under Section 4A of the Promotion Of Investments Act 1986.

ii) Share Capital

TechnoDex Solutions' authorised share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM400,000 comprising 400,000 ordinary shares of RM1.00 each.

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

a) Ordinary Shares

Date Of Allotment	No. Of Ordinary Shares Allotted	Par Value (RM)	Consideration	Cumulative Issued And Fully Paid-Up Ordinary Share Capital (RM)
28.2.2001	2	1.00	Cash	2
22.4.2002	39,998	1.00	Cash	40,000
30.6.2003	60,000	1.00	Cash	100,000
29.9.2004	100,000	1.00	Conversion of redeemable convertible cumulative preference shares	200,000
27.10.2004	200,000	1.00	Cash	400,000

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**b) Redeemable Convertible Cumulative Preference Shares**

Date Of Allotment	No. Of Preference Shares Allotted/ (Converted)	Par Value (RM)	Consideration	Cumulative Issued And Fully Paid-Up Preference Share Capital (RM)
16.10.2003	50,000	1.00	Cash	50,000
5.11.2003	50,000	1.00	Cash	100,000
27.11.2003	200,000	1.00	Cash	300,000
29.9.2004	(300,000)	1.00	Conversion into ordinary shares	-

iii) Substantial Shareholder

TechnoDex Solutions is our wholly-owned subsidiary.

iv) Subsidiary And Associated Company

TechnoDex Solutions does not have any subsidiary or associated company.

4.4.2 EvoDex Solutions**i) History, Background And Principal Activity**

Our wholly-owned subsidiary, EvoDex Solutions was incorporated in Malaysia under the Companies Act, 1965 on 11 August 2004 as a private limited company. It is principally engaged in the provision of human resource management solutions under the name "EvoDexSM". The company commenced operations in September 2004 when it commercialized the EvoDexSM business software. Similar to all our products, EvoDexSM also leverages on Open Source Technology.

ii) Share Capital

EvoDex Solutions' authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each issued for cash. There has been no change in its issued and paid-up share capital since its incorporation.

iii) Substantial Shareholder

EvoDex Solutions is our wholly-owned subsidiary.

iv) Subsidiary And Associated Company

EvoDex Solutions does not have any subsidiary or associated company.

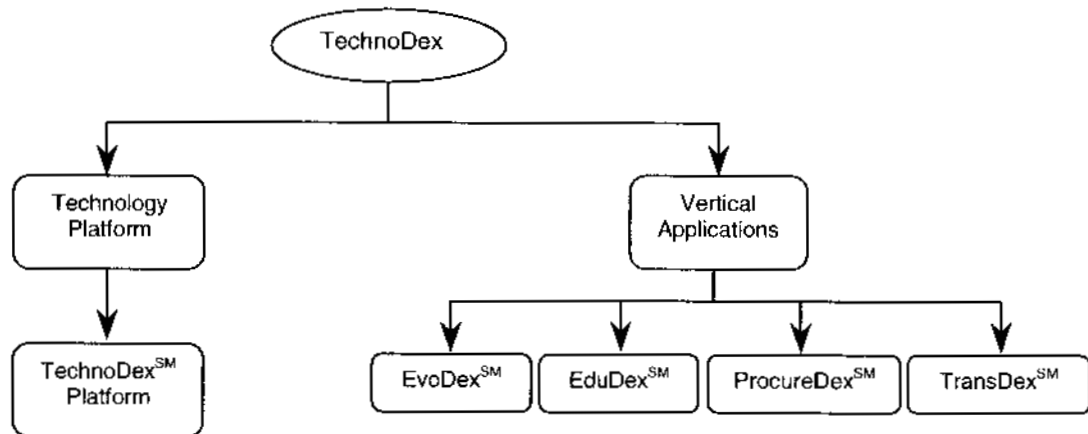
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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

4.5 Business Overview

4.5.1 Principal Products And Services

Our products can be principally divided into two (2) major divisions, namely technology platform and vertical applications.



i) TechnoDex® Platform

Taking into cognisance of the general focus on business applications by local ICT players as opposed to technology foundation, the constant requirement for upgrades as technology evolves, as well as the benefits of Open Source Technology as set out in section 10 (2), our Group began to conceptualise our own TechnoDex® Platform in April 2001.

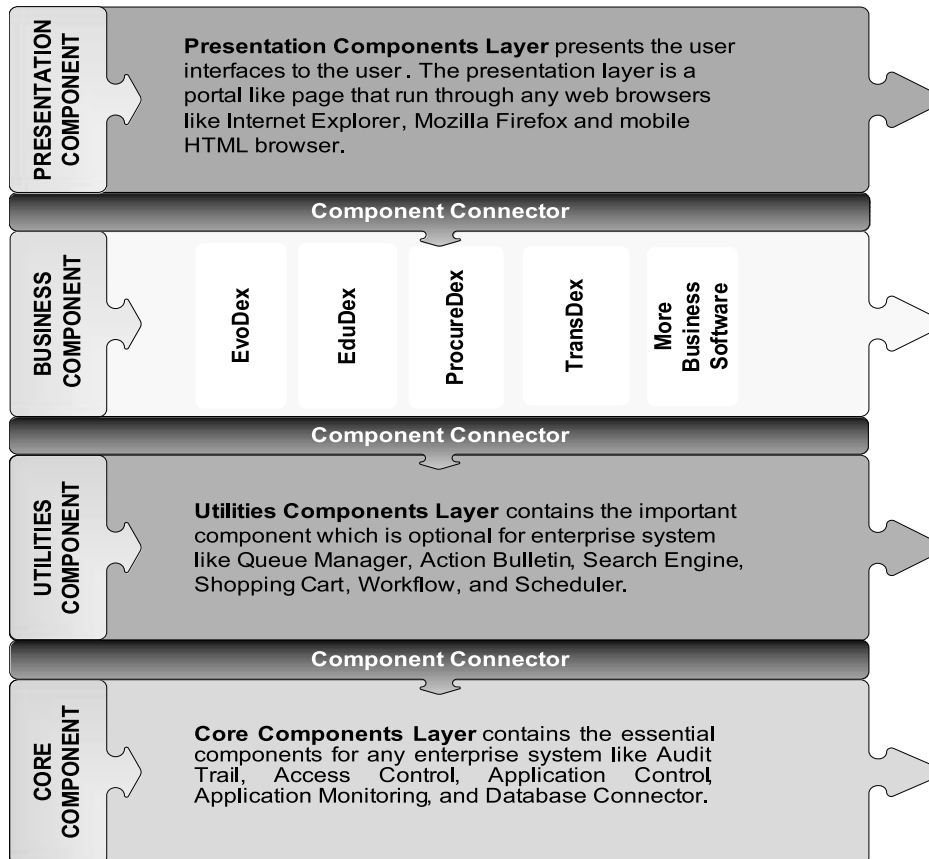
Singly, TechnoDex® Platform is our core distinctive product and represents our Group's unique business approach in the local ICT market. The platform has been designed and developed for the purpose of providing agility to our customers. TechnoDex® Platform consists of three (3) major layers:-

- core component layer;
- utilities component layer; and
- presentation component layer.

Each of these layers comprises "Lego®" type components which are individually self-sustainable, and can be easily mixed and matched to develop the optimal solutions that are in line with our customers' strategic business objectives. It also provides for a fourth layer, the business component layer, that is used to integrate with vertical applications.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)



Key Advantages Of TechnoDex® Platform

- **Flexibility And Scalability**

TechnoDex® Platform provides the flexibility and the scalability for application developers to easily optimize their solution structure to meet market needs:-

- its open architecture allows developers the freedom to access or develop the latest technology at any point in time and easily integrate them in one (1) cohesive model;
- developers could just build or use additional components, and integrate the components with the platform, and subsequently complete development of new business software; this translates into ease of expansion of functionality; and
- it complements developers and enables them to focus on the actual components development and enhancement without hacking around basic features.

Such reusability of common features translates into economical usage by its users.

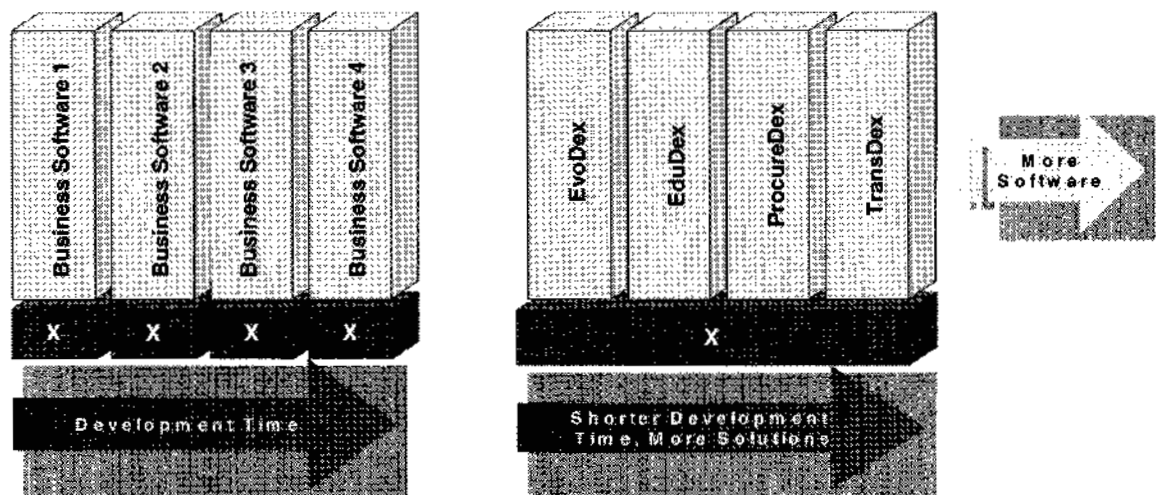
The scalability feature of TechnoDex® Platform renders it adaptable to support the varied requirements of small businesses to those of large enterprises. Hence vertical applications developed to leverage on the TechnoDex® Platform are able to “grow” together with the expansion of our customers’ businesses.

In addition, created based on the evolution philosophy, the TechnoDex® Platform is agile and able to continuously be transformed and improved to meet the changes in business environment.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

- **Rapid Development And Deployment Of Vertical Applications**

Leveraging on the architecture of TechnoDex® Platform, various vertical applications can be developed and deployed rapidly, as the essential and general components are already in place and need not be redeveloped. For our in-house developed vertical applications, our Directors believe that our rapid software development cycle of approximately six (6) months, has reduced software development costs by at least 30% of typical development costs. To build all components from scratch, a typical software development cycle could have been approximately nine (9) months. An illustration of the "leverage effect" is set out below.



For typical suite of vertical applications, common features as denoted by "X" needs to be rebuilt for each new vertical application, as there are no linkages for sharing of the features.

With common features as denoted by one (1) single "X" incorporated in TechnoDex® Platform, and no rebuilt of "X" required, resources could be more efficiently utilised for development of new components.

Whilst our vertical applications could function on a stand-alone basis without our platform, we believe our customers would reap the greatest commercial benefits when they engage us for turnkey IT projects that include both our platform and vertical applications. Both integration costs and duplication of components would be negligible. Further information on our vertical applications is set out in section 4.5.1 (ii).

With its multi-tier layering architecture, other than integration with our in-house developed vertical applications, TechnoDex® Platform also allows the integration with other enterprise applications. This feature appeals to certain potential customers which may be otherwise deterred if they perceive that they are forcibly bound to continue to purchase from a single particular supplier in future. Being web-based, TechnoDex® Platform allows vertical applications leveraging on it to be accessed both on-line and/or off-line.

A distinctive innovation feature of TechnoDex® Platform is in respect of its development using Open Source Technology. Further details are set out in section 4.5.2 and section 10 (2).

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

ii) Vertical Applications

We have also built a suite of vertical applications that complement our TechnoDex® Platform. We pride ourselves with the flexibility to configure the solutions using the different modules available. Hence, where required, we tailor made the applications to suit our customers' needs. Otherwise, the applications are also sold as "off-the-shelf solutions". These applications have also been built to be able to integrate with one another.

These solutions are principally divided into two (2) tiers:-

Tier	Description
Client interface	Where clients communicate with the system or where data is displayed
Business logic	The part of the vertical solution that performs the required data processing. It includes routines such as analysis of data entries, performance of updates, response to queries, and processing of reports.

Being written using Open Source Technology, our vertical applications can work with different databases such as MS SQL Server, MySQL and Oracle.

a) EvoDexSM

EvoDexSM is our human resource management solution that focuses on the strategic as well as the operational aspects of employee relationship management. It enables organisations to develop and implement 'big-picture' human capital strategies in efforts to enhance productivity and profitability. It also allows our customers to hone in on potential achievers for 'fast-track' human capital development.

Salient features of EvoDexSM include:-

- ability for multiple real-time processing at multiple locations;
- ability to support multiple types of databases for mid- to large-size organisations;
- centralisation of databases without delay;
- consolidation of all databases without extra cost; and
- presence of dynamic security management.

Modules within EvoDexSM include:-

- configuration and system administration that includes security, master templates maintenance, formula setup, organisation hierarchy setup and position manager that define responsibilities, skills and qualification required for each job position;
- recruitment and selection management;
- employee profile;
- timesheet management that enables an organisation to perform the following:-
 - project maintenance;
 - time logging by activities, chargeable and non-chargeable;
 - research project invoicing; and
 - project activity and productivity report;
- payroll system that entails the following functions:-
 - flexible payroll period – monthly, hourly or weekly wages calculation;
 - allowance and deduction setup that enable automatic monthly updates;
 - standard statutory reports such as Kumpulan Wang Simpanan Pekerja contribution via hardcopy reports and/or diskette data formats;
 - e-Time Management System that records attendance and overtime;
 - piece rate that tracks the amount of work completed by individual, where their pay are dependent on the number of outputs produced;
 - auto-pay for submission to bank on acceptable formats by financial institutions; and
 - customisable pay slips;

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

- e-Workflow application that allows employees to learn about the company's products, services and customers in a single, personalised and easily accessible format;
- performance appraisal management; and
- business intelligence module that consolidates human resource and work information for analysis purposes to access production and capacity to facilitate resource planning.

b) EduDexSM

EduDexSM is our management solution for academic institutions to automate processes such as student registration, course enquiries, course and resource timetabling, examination management, and finance management. It is designed for a multi-users environment using a local area network (LAN) and/or via Transmission Control Protocol/Internet Protocol (TCP/IP). Users would have access to a centralised data repository maintained by academic institutions.

Salient features of EduDexSM are as follows:-

- easy maintenance;
- flexible scalability as there is no limitation in the number of desktop personal computers allowed to access the application; and
- updates can be performed at the centralised data repository instead of each desktop individually.

Modules within EduDexSM include:-

- course inquiry;
- student enrolment and registration;
- course and resource timetabling;
- examination management;
- hostel management;
- loan and scholarship management; and
- finance management.

c) ProcureDexSM

ProcureDexSM is an e-procurement solution suitable for use for Government to Business (G2B) and Business to Business (B2B) activities. It offers a comprehensive range of features designed to meet organisations' procurement needs; from requisition to purchase order, and to order fulfilment. It assists organisations to optimise purchasing efficiency and resource planning.

Salient features of ProcureDexSM include:-

- offering of convenient and user-friendly interface online procurement;
- allows determination of approval levels, and provision of audit ability, for accountability and control purposes;
- allows identification of bidding opportunities with access to other companies' procurement requirements; and
- allows outsourcing of procurement and marketing portal to third parties via our ProcureDexSM's Marketplace Operation services.

Modules within ProcureDexSM include:-

- document management;
- user management;
- financial management; and
- catalogue management.

Other than providing procurement solutions, we also provide procurement outsourcing services to enterprises.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

d) TransDexSM

TransDexSM is our e-ticketing and transportation management solution for transportation companies. It is an integrated solution that assists the transportation industry in capacity planning, demand simulation, and monitoring of revenue collection and operational performance.

Salient features of TransDexSM include:-

- capability to handle multiple operations variables, such as stations/terminals, locations/destinations, routes and itinerary;
- ability to keep track of transactions at front counters, to prevent data error and abolish requirements for reconciliation, and to eliminate fraud; and
- can be connected via Integrated Services Digital Network (ISDN) dial up demand, wireless broadband and dedicated lease line.

Modules within TransDexSM include:-

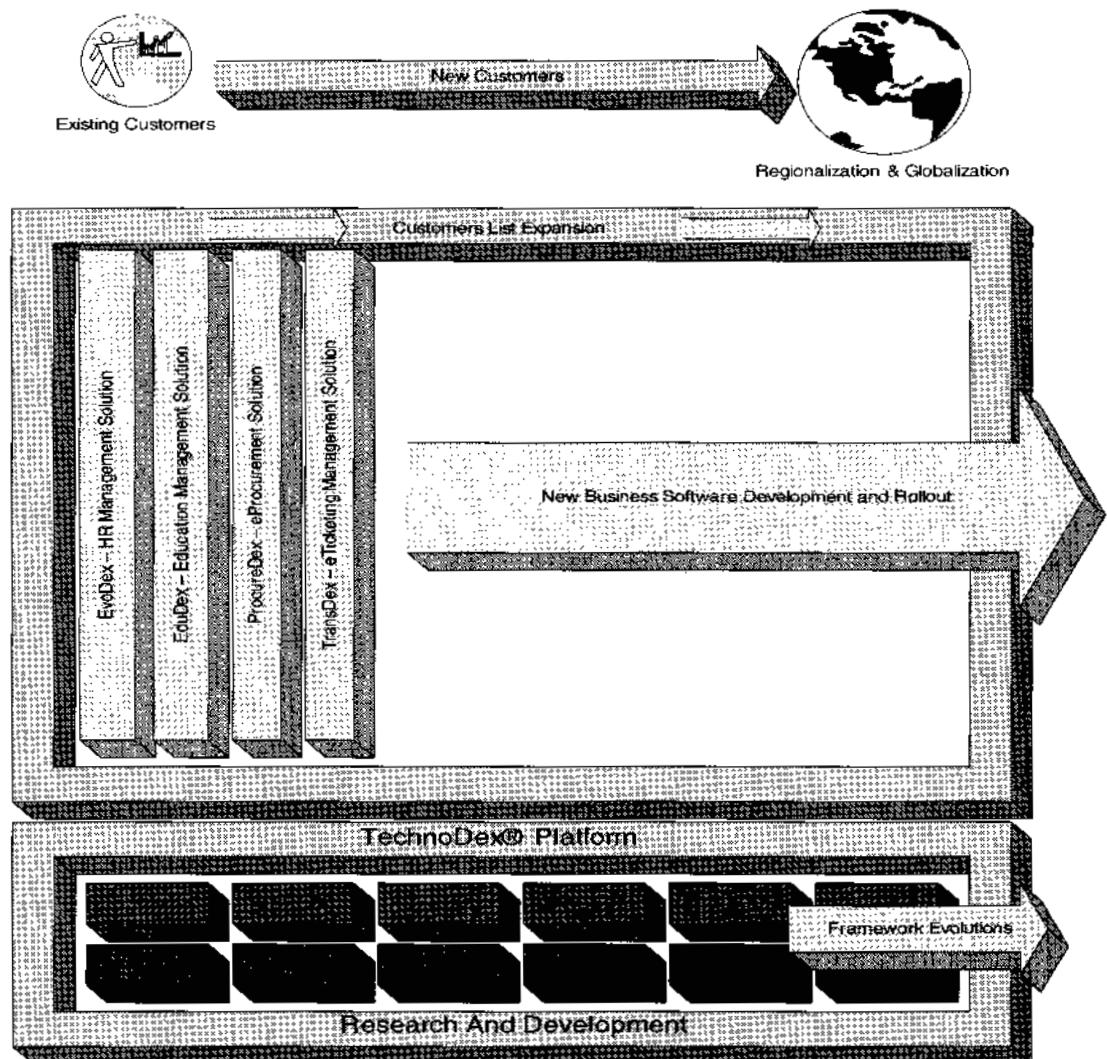
- setting up of bus route and fare;
- setting up of bus schedule;
- handling of ticket sales and reservation;
- preparation for bus departure;
- handling of ticket matching;
- issuance of replacement tickets;
- management of chartered and stage bus operations;
- updating of agents' sales;
- calculation of commissions; and
- processing of claims and allowances.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

iii) Business Model

In summary, our business model is aptly represented by the following diagram.



iv) Utility Computing Model

For decades, the predominant software purchase model is licensing. The generally costly license fees have made business software inaccessible to many small to medium-size enterprises. (Source: Infocredit D&B)

Recognising that enterprises have become more cost-conscious, and are increasingly more inclined towards IT models that demand lower maintenance costs whilst providing greater efficiency, we have embarked on developing our own Utility Computing model. Our objective is to allow the practice of *Pay-As-You-Use*, a practice not unlike the way our electricity and water usage are billed. Worldwide utility computing in 2003 was estimated to be US\$1 billion, and it has been forecasted to increase to US\$4.6 billion by 2007 (source: Infocredit D&B).

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

An integral feature of this model is the ability for users to have access to applications over the internet. As such, the Utility Computing model reduces the costly initial capital purchase and installation, and eliminates the requirement to ensure adequate maintenance of the applications. Hence, users need not be concerned about product obsolescence, and only pay for something that directly commensurate with their activities levels. We expect this model to generate growing and on-going revenue for us.

Our objective is to integrate this *Pay-As-You-Use* concept with the following facets of IT services:-

- application usage that is measured based on agreed parameters that are relevant to the business process, such as the number of records in the database and the number of transactions;
- network usage that is measured based on the transmission volume over the network bandwidth; and
- storage usage.

In February 2006, in collaboration with HK Comp Software Standards (M) Sdn Bhd, our Group launched a portal in Malaysia targetted at SMEs and SMLs. This portal is a variation of the Utility Computing model whereby with payment of an annual membership fee, participants are allowed access to certain procurement and human resource applications. Our Group has launched a similar business model in Indonesia and expects to launch the same in Thailand in due course.

4.5.2 Technology Used

We have developed our platform and vertical applications using Open Source Technology such as Linux, Java and XML. The operating systems, server software and office applications residing under Open Source Technology are our sources of development tools. Benefits of leveraging on Open Source Technology are set out in section 10 (2.2).

One of the prominent Open Source Technology used in the development of TechnoDex® Platform is the Java Server Faces (JSF). Leveraging on its features, we have internet-enabled our platform. JSF is a programming language that not only run the application on the browser with the concept of Submit, Request and Response, but also enables the browser to run the application with rich graphical user interface with the components that are available in the Rich Client-Server architecture. It is a technology that simplifies the development of user interfaces for Java Server applications.

We have been able to continue to leverage on Open Source Technology due to our strong technical know-how and continuous R&D. Our R&D policies, the salient procedures in our product development, and efforts and achievements are set out in section 4.5.3.

4.5.3 R&D

Our R&D directions are set by our Managing Director and Executive Director. For the day-to-day operations, the R&D department is headed by Su Shin Cheow, our Chief Architect. As at 15 June 2006, we have 4 personnel that assist Mr. Su in R&D.

Our R&D facilities are located at 8A, Jalan Kenari 5, Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan and Malaysia Design Technology Centre, Pusat Inovasi, Lot No. 3A-18, Jalan Teknokrat 1/1, 63000 Cyberjaya, Selangor Darul Ehsan. The facilities include desktop computers, notebooks, development servers, database servers, web servers, source code control servers, local area network and wide area network protocols and a sub-data central that hosts all the servers.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

From the FYE 2003 till the FPE 2006, our Group spent approximately RM1.7 million on R&D. Going forward, we have allocated approximately RM3.3 million for our R&D efforts over the next two (2) years. This allocation will be utilised to recruit R&D personnel, to further develop our R&D personnel's skills and to procure equipment. We expect to finance this R&D budget with the listing proceeds.

Our commitment to R&D is reflected in the increasing R&D expenditure:-

	Amount	Percentage Of
	RM'000	Revenue
		%
FYE 2003	99	16.75
FYE 2004	227	10.64
FYE 2005	526	17.14
FPE 2006	849	23.14

i) R&D Policies

We strive to be at the forefront of information technology. We endeavour to improve our products and services time-to-market cycle to sustain early market penetration and create barriers to our competitors. Hence, we are committed to continuous R&D efforts to ensure that our TechnoDex® Platform and vertical applications are continuously evolving. Our Group's ongoing R&D efforts include the following:-

- exploring and standardising the most advanced and contemporary open source standard tools to enable mixing and matching amongst components. This is analogous to building structures using a Lego® set;
- generalising the standard characteristics and features of the business component layer of TechnoDex® Platform that suit different businesses' needs into generic components so that these can be shared;
- exploring and introducing practical software architecture to develop the most scalable solutions;
- exploring and introducing quality control methodologies and tools to ensure that the highest quality products are delivered to our customers;
- fine tuning of our vertical applications with today's prevailing technologies to ensure the applications are built with the fastest response time that is possible;
- exploring and introducing the security capability that outperforms today's requirement; and
- exploring and ensuring the capability of running TechnoDex® Platform and our vertical applications on increasing number of channels.

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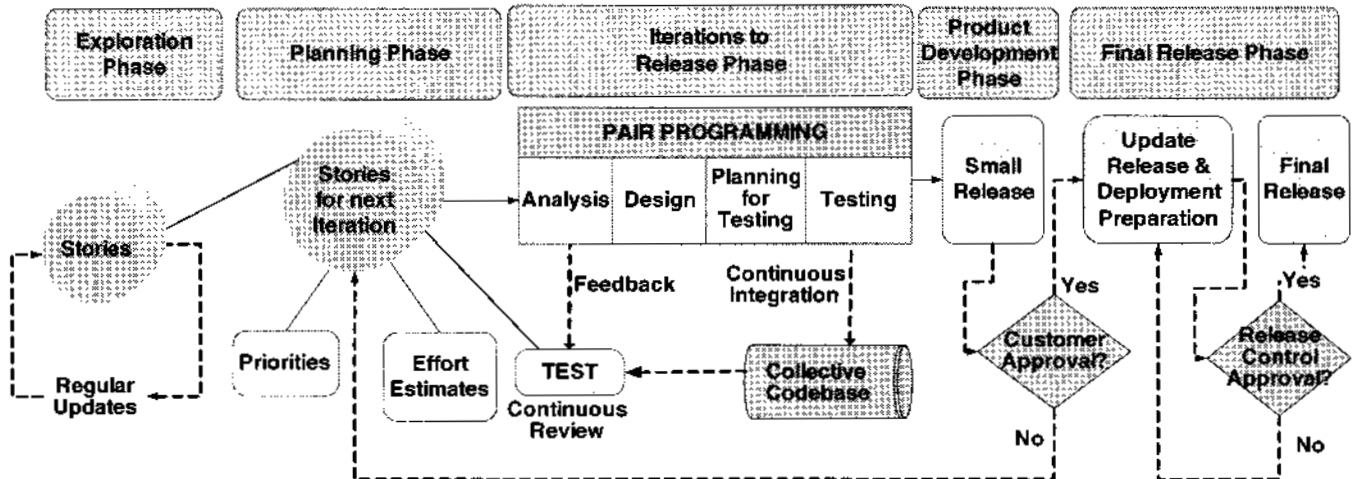
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ii) R&D Process

Our research and development process adopts key features of Extreme Programming and the Agile Methodology.

a) Adoption Of Extreme Programming

Our Group adopts the following phases of Extreme Programming:-



Phase 1: Exploration Phase

Our customer will set out the features required on the story cards, or we would study the relevant business processes to enable us to set out the features required. We will then conduct a feasibility study in which the technology to be used will be tested and the architecture possibilities for the system are explored by building a prototype of the system.

Phase 2: Planning Phase

The features required will be set in a prioritised manner. Based on information obtained in the exploration phase, we will agree with our customer on the contents. Our programmers will then estimate how much effort each feature requires. We would then agree on the timeframe.

Phase 3: Iterations To Release Phase

We would begin the programming of the system. We perform continuous analysis, design and testing (quality control), and continuously collect and respond to feedback obtained from the testing, until we develop a system that meets the features set by our customers. Further details on our quality control procedures are set out in section 4.5.5.

Phase 4: Product Development Phase

We release the system to our customer and seek our customer's approval. We would revert to the planning phase if required.

Phase 5: Final Release Phase

We cease the programming process upon release of an optimal system.

As illustrated above, Extreme Programming advocates customer involvement and promotes teamwork.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

b) Adoption Of Agile Methodology

The focal values advocated by the agilest are aptly set out below:-

*“ Individuals and interactions over processes and tools
Working software over comprehensive documentation
Customer collaboration over contract negotiation
Responding to change over following a plan ”*

With “agile” denoting “readiness for motion”, this methodology guides the responsiveness that we uphold.

Agile methodology allows faster turnaround time by breaking a task into smaller tasks and as such, a few people can conduct the task together at the same time. Therefore, agile software development method provides a faster and nimbler software development process.

Driven by both Extreme Programming and the Agile Methodology, we strive for a faster and nimbler software development process that results in quality and consistent product delivery. We adopt similar process for both our self-initiated development efforts and development efforts in response to customers' requests. Other than in our R&D activities, our Group also embraces these methodologies in our daily operational activities.

iii) Achievements In R&D

Our R&D achievements since incorporation of TechnoDex Solutions in 2001 include the following:-

Year	Description
2001	Conceptualised our TechnoDex® Platform
2002	Integrated the SUREX e-Ticketing Management System with the alpha version of TechnoDex® Platform
2003	Commercialised TransDex SM Version 1.0
2003	Commercialised EduDex SM Version 1.0
2003	Commercialised TechnoDex® Platform Version 1.0
2004	Commercialised TechnoDex® Platform Version 2.0 and Version 3.0
2004	Commercialised EvoDex SM Version 1.0
2005	Commercialised ProcureDex SM Version 1.0

4.5.4 New And Proposed Products And Services

Details are set out in section 4.7.1.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

4.5.5 Quality Control Procedures

We place great emphasis in ensuring that our TechnoDex® Platform and vertical applications are subjected to stringent quality control to ensure our products are in line with our customers' strategic business objectives. We perform careful monitoring and control at critical stages of our implementation processes. We believe that our stringent quality control procedures have resulted in and will continue to result in high customers' satisfaction and confidence.

Our quality control procedures, known as "Client-Acceptance-Testing" are divided into Scripted Test, Unscripted Test, Robustness Test and Stress Test.

i) Scripted Test

Specific scripts are tested under the Scripted Test. This test focuses on how well the application has been developed to meet the functionality requirements. Under the Scripted Test:-

- our Technology R&D Department will produce a client-acceptance-testing document based on the functional specification document agreed between our customer and ourselves. The client-acceptance-testing document would be examined and approved by our Project Manager;
- our Project Manager and IT Operation Department will work together to set up a testing environment to ensure that the entire application, hardware and software, where applicable, meet our customers' requirements;
- our IT Operation Department will then conduct the relevant testing;
- our developers within the Technology R&D Department will respond to rectify the bugs identified;
- when all the bugs have been fixed, another client-acceptance-testing will be conducted. The bugs found will be reposted in the bug's forum, if required;
- upon finalisation of this internal client-acceptance-testing, acceptance is signed off by both our Project Manager and IT Operation Department;
- we would then conduct another client-acceptance-testing when the application is installed at our customers' premises;
- if further bugs are discovered during this client-acceptance-testing, report will be forwarded for Project Manager's action; and
- the client-acceptance-testing acceptance is signed off again by both our Project Manager and IT Operation Department when our customers are satisfied with results of the client-acceptance-testing.

ii) Unscripted Test

Under the Unscripted Test, our customers create their own data to test the functionality of the application. We will respond to rectify any bugs identified.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**iii) Robustness Test**

The Robustness Test focuses on the application's appearance and feel, ease of navigation, user-friendliness, extent of security and other aspects beyond the application's functionality. Under the Robustness Test:-

- our customers will be furnished with a feedback form to record the details of each error, or enhancement requirements;
- our Project Manager will organise a forum between our customers and our developers to address the errors and enhancement requirements;
- fixing and improvement requirements will be agreed upon at the forum and our Project Manager and development team will distribute the schedule of the fixing and improvement; and
- our development team will complete the required fixing and improvements in accordance to schedule agreed upon at the forum.

iv) Stress Test

The Stress Test emphasises on the scalability of the application which is measured by the number of concurrent users on a specific transaction. This test involves the following:-

- both our customers and Project Manager will identify and agree on the relevant testing areas, end-to-end or specific transactions;
- tools and type of data will be identified to simulate the test; and
- if the algorithm identifies any bottleneck, our development team will respond to resolve the matter.

4.5.6 Major Customers

We have successfully implemented TechnoDex® Platform for various enterprises, including those in the education and transportation industries. TechnoDex® Platform is also used by Commerce Dot Com Sdn Bhd, the company entrusted with executing the e-Perolehan, the electronic procurement application championed by the Ministry Of Finance under the e-Government Flagship.

Our major customers which individually contributed 10% or more of revenue, for the past three (3) FYE 2005 and the FPE 2006 are set out below. These customers are all Malaysian incorporated entities.

Customers	Products/Services Sold	FYE 2003	FYE 2004	FYE 2005	FPE 2006
		% Of Total Sales			
HK Comp Software Standards (M) Sdn Bhd	TechnoDex® Platform	-	-	-	34.0
Ocean Bridge Sdn Bhd	TechnoDex® Platform	-	-	6.5	27.3
Commerce Dot Com Sdn Bhd	TechnoDex® Platform	-	82.7	52.8	22.8
Yayasan Albukhary	TechnoDex® Platform and EduDex SM	-	9.1	14.9	0.2
Curtin University of Technology Sarawak Campus	EduDex SM	64.3	*(1.3)	-	-
Syarikat Bas Suria Sdn Bhd	TechnoDex® Platform and TransDex SM	15.0	-	-	-
		79.3	90.5	74.2	84.3

Note:-

* Trade discounts granted in the financial year.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

We have been continuously intensifying our efforts to secure new customers. In addition to efforts to pursue new customers, we are also pursuing the execution of maintenance agreements with our existing customers for continuous provision of services upon expiry of our warranty period. As at 15 June 2006, we have on-going maintenance agreements with three (3) enterprises. We believe that the execution of maintenance agreements by our customers demonstrates their high confidence level in our products and services. We pay utmost attention to customer satisfaction to ensure spreading of favourable word of mouth promotion.

Other than businesses via the Utility Computing model, to optimise usage of our resources, our strategy is to pursue contracts of reasonable amounts. As such, our billings are expected to be principally derived from several contracts. As further set out in section 8.6, approximately 15% forecast revenue is expected to be contributed from four (4) outstanding contracts. Nonetheless, whilst it is inevitable that any delay in or disruption to existing contracts/arrangements may adversely affect our profitability, our Board is of the opinion that we are continuously pursuing new businesses, and as such, our Board believes that we are not highly dependent on any single contract/arrangement or customer.

For the FPE 2006, our revenue was contributed by 16 customers.

4.5.7 Types, Sources And Availability Of Materials/Input

Purchases

Our major suppliers from whom we have purchased 10% or more of our total purchases, for the past three (3) FYE 2005 and the FPE 2006, are set out below.

Suppliers	Item Supplied	FYE 2003	FYE 2004	FYE 2005	FPE 2006
				% Of Total Purchases	
Internet Business Group Limited	Contractor fee	-	-	-	34.0
HK Comp Technology (M) Sdn Bhd	Hardware and system software	-	-	-	32.6
Jardine One Solutions (2001) Sdn Bhd	Hardware and system software	-	-	26.1	2.8
HCL Technologies Malaysia Sdn Bhd	Contractor fee	-	32.6	3.1	1.5
Orix Rentec Sdn Bhd	Hardware and system software	-	-	21.8	-
Flow Marketing Sdn Bhd	Consumables	-	-	10.6	-
Ingram Micro Malaysia Berhad	Hardware and system software	-	-	10.3	-
SIS Distribution (M) Sdn Bhd	Hardware and system software	26.4	3.3	-	-
Educational Management Software Sdn Bhd	Contractor fee	33.0	1.3	-	-
		59.4	37.2	71.9	70.9

Software development does not require much of other materials. However, certain third party hardware and system software may be bundled together with our products. Nonetheless, our Directors are of the opinion that our Group is not dependent on any particular supplier of such hardware and software as there are numerous trading entities offering such products.

Inputs

We leverage on Open Source Technology to build our platform and vertical applications. Our Directors believe that the current proliferation of Open Source Technology would continue to provide the relevant development tools for our software development.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

Besides, the main input for our software development is human capital. With the continuous training and development for our employees, we believe that we have adequate human resources for expansion of our business operations.

Employees

As at 15 June 2006, we have a total of 44 employees.

Category Of Employees	Malaysian	Non-Malaysian	Total	Average Years In Service
Management	8	-	8	2
Sales and marketing	3	-	3	4
Technology and R&D	4	-	4	2
Project services, IT operations and customer support	27	-	27	2
Finance and administration	2	-	2	2
	44	-	44	

We do not believe in sheer number of employees. Instead, we focus on the quality and competence of our human resources. As a result, we place strong emphasis on our employee recruitment process. We provide training to our employees prior to their participation in our Group. As our Directors believe that external trainings are generally theory-based, our Group also provides complementary periodical on-the-job coaching for all our employees.

We believe that our competent and dedicated Directors and employees are instrumental to our success. Hence, to motivate them towards better performance and greater productivity, and to stimulate a greater sense of belonging and loyalty, we have proposed to implement an ESOS in conjunction with our listing. Further details on the ESOS have been set out in section 4.3.2.

Our Directors and management have a cordial working relationship with our employees. Our employees are not members of any union. There has been no industrial dispute in the past between our Directors and management, and our employees.

Operating Capacities And Output

Our operating capacity is determined by the number and experiences of our skilled IT employees. We constantly monitor the requirements of our skilled IT employees to ensure the timely delivery of our clients' requirements.

4.5.8 Modes Of Marketing/Distributions/Sales**i) "Proof-Of-Concept" Approach**

We have adopted the "proof-of-concept" approach. As we believe favourable word of mouth promotion to be effective, we treat each provision of TechnoDex® Platform and vertical applications as a strong marketing tool by itself. We maintain constant contact with our customers to develop close rapport with and to gain trust of our customers.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

ii) Branding

Similar to the “Intel® Inside” logo that signifies technological confidence, we strive to create a distinct Open Source Technology brand name. Our business software carries the following logo:-



We hope to nurture the brand name into one that conveys the message that TechnoDex® Platform is of an open source standard with powerful and reliable commercialisation assurance. For strong brand awareness, we market all our business applications with the “-Dex” suffix. We have also applied for these brand names to be registered as our servicemarks. The details of the registrations are set out in section 4.5.9.

iii) Contribution To The Open Source Technology Community

We will continue to contribute to the Open Source community. We envisaged that our continuous participation will indirectly highlight our Group’s technological expertise, and thus, result in potential contracts from members of the community.

iv) Other Modes Of Marketing

We also engage in the following marketing activities:-

- placement of advertorials in major business publications;
- publishing of case studies and white papers to maintain brand awareness;
- participation in local and international trade shows and exhibitions. Examples include those organised by the Small And Medium Industries Development Corporation (SMIDEC), the Malaysia External Trade Development Corporation (MATRADE), SMI One-Stop Solution (SMIOSS) and Computer World;
- participation in local and international business networking organisations to broaden brand awareness; and
- joint advertisements and road shows with our customers during their functions.

4.5.9 Brand Names, Trade Marks, Patents, Franchises, Other Intellectual Property Rights, And Technical Assistance Agreements

Our Company has registered “TechnoDex®” under Class 42 of the International Classification Of Goods And Services under the authority of Perbadanan Harta Intellek Malaysia.

Further, we had on 7 April 2005 filed the registration of the following servicemarks under Class 42 of the International Classification Of Goods And Services under the authority of Perbadanan Harta Intellek Malaysia where the certificates of registration are pending:-

- EvoDexSM;
- EduDexSM;
- ProcureDexSM;
- TransDexSM;
- logo with the word “TechnoDex”;
- logo with the word “TechnoDex Solutions”;
- logo with the word “EvoDex Solutions”; and
- logo with the words “Powered by TechnoDex”.

Our Group owns the intellectual property rights of TechnoDex® Platform and the vertical applications.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

Patents, franchises and technical assistance agreements are not relevant to our Group's current business operations.

4.5.10 Key Milestones, Achievements And Awards**i) Our Key Milestones**

Year	Key Milestones
February 2001	Incorporation of TechnoDex Solutions
March 2001	Secured the first contract worth RM50,000 from Reed Exhibitions Sdn Bhd, a regional event management company, for the development of Nepcon, Malbex And International Healthcare Show event management portals
April 2001	Commencement of conceptualisation of TechnoDex® Platform
October 2001	Awarded a RM450,000 contract from Syarikat Bus Suria Sdn Bhd for installation of our alpha version of TechnoDex® Platform which was to be integrated with the SUREX e-Ticketing Management System for express buses in Sarawak
October 2002	Secured a RM380,000 contract from Curtin University Of Technology, Sarawak Campus for the development and implementation of an education management system
November 2002	TechnoDex Solutions received MSC Status through our Wise Business Relationship Management suite of solutions which enables connection amongst various entities, such as suppliers, sales partners and customers. Our commercialised solutions within this suite have been branded as EvoDex SM and ProcureDex SM .
March 2003	<ul style="list-style-type: none"> • Commercialised TransDexSM Version 1.0 • Commercialised EduDexSM Version 1.0
July 2003	Commercialised TechnoDex® Platform Version 1.0
December 2003	Commencement of development of EvoDex SM Version 1.0 as an off-the-shelf product
January 2004	Awarded two (2) contracts, collectively amounting to RM2.3 million, from Commerce Dot Com Sdn Bhd for the enhancement of e-Perolehan under the e-Government Flagship (with the implementation of the Contract Purchase and Direct Purchase Modules rebuilt on TechnoDex® Platform, buyers and suppliers have been connected via an electronic marketplace)
June 2004	Deployment of e-Perolehan enhancement project
July 2004	<ul style="list-style-type: none"> • Awarded a RM648,500 contract from Yayasan Albukhary for the development of Albukhary Tuition Centres Management System • Commercialised TechnoDex® Platform Version 2.0
August 2004	Awarded a RM532,000 contract from Commerce Dot Com Sdn Bhd for the development of Profile Management Module rebuilt on TechnoDex® Platform

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

Year	Key Milestones
September 2004	Commercialised EvoDex SM Version 1.0 and adoption of the business software by PUAS Berhad
October 2004	Commercialised TechnoDex® Platform Version 3.0
December 2004	Awarded a RM192,000 contract from Commerce Dot Com Sdn Bhd for the development of QT-Generic Order Fulfilment Module rebuilt on TechnoDex® Platform
January 2005	<ul style="list-style-type: none"> • Deployment of Albukhary Tuition Centres Management System to pilot sites of over 20 tuition centres within Klang Valley (we have since completed the connection of 500 schools to the Albukhary Tuition Centres Management System) • Commercialised ProcureDexSM Version 1.0
February 2005	Attained first contract from Brunei for the sale of EvoDex SM solution
March 2005	Investment of RM1.62 million by VF Capital
April 2005	Received MSC Status through our development of TechnoDex® Platform, which was built based on Open Source Technology

ii) Our Key Achievements/Awards

Our achievements in R&D have been set out above and in section 4.5.3 (iii).

We pride ourselves with our involvement with the e-Perolehan project. The e-Perolehan project is one of the seven e-Government flagship applications under the MSC effort initiated by the Malaysian government. Furthermore, our efforts and TechnoDex® Platform were recognised when Commerce Dot Com Sdn Bhd was awarded the Asia Pacific IT Awards (APICTA) Merit Award in the e-Government category in September 2004.

Our wholly-owned subsidiary, TechnoDex Solutions and ourselves have been granted the MSC Status from MDeC, together with the Pioneer Status on 6 November 2002 and 20 April 2005 respectively.

We are also proud that Lee Siew Tat, our Promoter, and Managing Director and Chief Executive Officer, has been adjudged as the winner of "The 4th Asia Pacific/Malaysia e-Entrepreneur Excellence Award 2005" under the category of "Excellence Leadership". Further details are set out in section 5.1.2. Mr Lee was also a finalist of the "Technopreneur Of The Year (2005)" award organised by PIKOM, the Association of the Computer and Multimedia Industry, Malaysia.

We have also been adjudged as a merit winner of the prestigious MSC-Asia Pacific ICT Awards 2005 in the category of "Best of Applications and Infrastructure Tools". We believe that the recognition by the MDeC is a testimony of our Group's innovation and creativity in developing our TechnoDex® Platform, our contribution to the Malaysian ICT industry, and the relative superiority of the TechnoDex® Platform.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**4.5.11 Principal And Major Approvals, Licenses And Permits**

Details of the approvals that we have obtained for the Listing Scheme from the relevant authorities, together with the conditions imposed by these authorities, and status of compliance with the conditions, are set out in section 6.1.

Similar to other business entities in the country, our operations are subject to various legislations enforced by the Malaysian Government. Our Directors have confirmed that since the incorporation of TechnoDex Solutions in February 2001, our Group has been in compliance with the relevant legislations governing our operations. Save as disclosed below, our Directors have confirmed that there are no other principal and major approvals, licenses and permits that are required for our Group's operations. We have also set out the details of the MSC Statuses granted to our Group.

a) TechnoDex

	Authority	Date Of Commencement/ (Expiry Date)	Type And License Number	Major Conditions Imposed	Status Of Compliance
1	MDeC	20.4.2005/(-)	MSC Status CS/3/2762 (15)	<ul style="list-style-type: none"> • Complete business registration of the proposed entity under the Companies Act 1965; • Commence operations of the proposed entity; • Undertake MSC-Qualifying Activities approved by MDeC:- <ul style="list-style-type: none"> (a) research, development and commercialisation of Version 2.0 and future versions of our platform; (b) provision of technical supports and maintenance services for Version 2.0 and future versions of our Platform; • Locate the operations of the MSC-Qualifying Activities in Cyberjaya and seek MDeC's prior written approval for change in the location; and • Ensure that at least 15% of the total employees (excluding support staff) of the MSC Status company shall be knowledge workers as defined by MDeC 	<p>Complied</p> <p>Complied</p> <p>In compliance</p> <p>in compliance</p> <p>In compliance</p>

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

b) TechnoDex Solutions

	Authority	Date Of Commencement/ (Expiry Date)	Type And License Number	Major Conditions Imposed	Status Of Compliance
1	MDeC	6.11.2002/(-)	MSC Serial 0711 Status/ No.	<ul style="list-style-type: none"> Complete business registration of the proposed entity under the Companies Act 1965; Commence operations of the proposed entity; Undertake MSC-Qualifying Activities approved by MDeC, namely to develop the Wise Business Relationship Management suite of solutions and its four (4) modules Locate the implementation and operation of its MSC-Qualifying Activities in Cyberjaya with an office space requirement of 2,000 sq ft; and Ensure that at least 15% of the total employees (excluding support staff) of the MSC Status company shall be knowledge workers as defined by MDeC 	Complied Complied In compliance In compliance In compliance
2	Ministry Of International Trade And Industry	26.3.2003/ (25.3.2008)	Pioneer Status/Bill 1750	-	-
3	Ministry Finance	28.10.2003/ (27.10.2006)	Akuan Pendaftaran Kontraktor/357 -02017388	-	-

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**4.5.12 Location****Principal Assets**

We had entered into a sale and purchase agreement dated 30 June 2006 between Pilihan Megah Sdn Bhd as the vendor and our Company for the acquisition by our Company of the following property for a total consideration of RM2,118,000.

Registered owner	:	Pilihan Megah Sdn Bhd (the developer)
Identification	:	Unit No. PA07, Bandar Puchong Jaya - Parcel B (Phase CP04 Prima Avenue) held under master title H.S.(D) 124947, P.T. No. 17408 Pekan Kinrara, Daerah Petaling Negeri Selangor
Tenure/date of expiry of lease	:	Freehold
Description	:	3-storey shop office
Land area	:	Approximately 2,585 square feet
Built-up area	:	Estimated at approximately 7,755 square feet
Restriction in interest	:	-
Major encumbrances	:	Assigned to HSBC Bank Malaysia Berhad

The property is currently under construction. In accordance with the terms of the sale and purchase agreement dated 30 June 2006, vacant possession of the said property shall be delivered to our Company within thirty-six (36) calendar months from the date of the agreement.

We intend to use the shop office as our Group's corporate office and principal place of business.

Principal Place Of Business, Operation And R&D Facilities

Our principal place of business, operation and R&D facilities are located in the following premises:-

	Location	Usage
1	8A Jalan Kenari 5 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	<ul style="list-style-type: none"> • Principal place of business • Operation and support services facilities • R&D facilities
2	Malaysia Design Technology Centre Pusat Inovasi Lot No. 3A-18 Jalan Teknokrat 1/1 63000 Cyberjaya Selangor Darul Ehsan	R&D facilities

The certificates of fitness for occupation for the above premises have been issued on 23 May 1995 and 23 July 2004 respectively.

Other than the servers at our principal place of business in Puchong, we have also parked some of our servers at Alam Teknokrat Sdn Bhd, Block C UPM-MTDC Technology Incubation Centre One, University Putra Malaysia, 43409 Serdang, Selangor Darul Ehsan, which provides server support services.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

4.5.13 Interruptions In Business

Our Group did not experience any interruption in our business which had a significant effect on our operations during the past twelve (12) months prior to the date of this Prospectus.

4.6 Industry Overview

The Executive Summary of the Independent Market Research Report prepared by Infocredit D&B has been set out in section 10 of this Prospectus.

Further elaboration on the ICT industry is set out in the following sections of the said Executive Summary.

Executive Summary (Section)	Subject Matter
1	Industry Overview
2	Open Source Based Business Software Industry
3	Industry Life Cycle Of Open Source
4	Legislations And Incentives
5	Adoption Of Open Source Based Business Software
6	Key Demand Drivers
7	Competition/Supply Conditions
8	Barriers To Entry
9	Prospects And Outlook

Infocredit D&B has identified 24 companies that amongst others, are involved in the development of Open Source Based Business Software. These companies include companies such as Global Soft MSC Berhad, I-Power Berhad, Karensoft Technology Berhad, Orisoft Technology Berhad, and The Media Shoppe Berhad which are listed on the MESDAQ Market. (Source: Infocredit D&B)

With its "lego setting" architecture, our Board has opined that our TechnoDex® Platform is rather unique in the local market. As opposed to the principal general focus on industrial specific solutions by many local ICT players, being a middleware that supports business software, TechnoDex® Platform provides technological foundation and enables industrial solutions. As such, instead of end users, our Group's target customers are principally ICT service providers and organisations with in-house technology development teams. Consequently, instead of considering other vertical solutions providers as direct competitors for TechnoDex® Platform, our Board opines that other vertical solutions providers are on the contrary, our Group's potential customers.

4.7 Future Plans And Strategies, And Prospects

We strive to become a leading technology and application services provider. Taking into cognisance of amongst others, the competitive conditions and the outlook of the overall ICT industry and the Open Source Based Business Software sector as set out in the the Executive Summary of the Independent Market Research Report (as set out in section 10), in our endeavour to achieve this objective, our strategies are as follows:-

- product development and enhancement;
- geographical expansion; and
- full roll-out of the Utility Computing model.

Against this combination of industry dynamics and our commitment to implement our strategies, our Board believes that the prospects of our Group is favourable.

4. INFORMATION ON TECHNODEX GROUP (CONT'D)

4.7.1 Product Development And Enhancement

Our product development strategy focuses on speedy development and functional enrichment. We will also continue to enhance our TechnoDex® Platform and vertical applications.

We will continue with our efforts to introduce new vertical applications that leverage on our TechnoDex® Platform.

i) Risk Modelling Management

Our Board believes that going forward, risk-based assessment would be adopted for undertaking strategic decisions by even the medium and smaller size companies. Hence, at present, we have identified risk modelling management as a feasible application to be developed. We believe we are on target to introduce the risk modelling management application to our prospective customers in the FYE 2007.

ii) Business Intelligence Solution

Taking cognizance of the pricey proprietary-based business intelligence solution and the absence of Open Source-based business intelligence solution in local market, we foresee favourable demand for Open Source-based business intelligence solution. We are in the development process of our business intelligence solution and expect to commercialise the solution in the FYE 2007.

iii) Comprehensive Enterprise Solutions Based On Open Source Technology

With increasing demand for solutions built using Open Source Technology in Malaysia and South East Asia, and with the supply for such solutions still at the infancy stage, especially in Malaysia, our Group has identified the following applications as part of our development plans:-

- customer relationship management;
- enterprise resource management;
- helpdesk and issue management; and
- document management.

Our Group expects progressive introduction of the above applications.

For functional enrichment, we will focus on developing new innovative modules and features. Amongst others, we will focus on developing new modules and features for incorporation into EvoDexSM. We also plan to generalise ProcureDexSM for the SMEs and SMIs, as our Board believes that the application is useful for many businesses, irregardless of size. Our Board is of the opinion that this would be a strong catalyst for us to capture a larger customer base.

4.7.2 Geographical Expansion

To broaden our customer base and to remain competitive in the always-evolving business software industry, we aim to strengthen and widen our distribution network. We will continue with our efforts to expand further into the domestic market. We are also targeting to gradually expand into the South East Asian region and beyond. We have secured our first contract in Brunei for the sale of EvoDexSM in 2005. We intend to establish our partnership programme in Thailand, Vietnam, Australia, Europe, and the United States of America in the near future. Further details on our partnership programme is set out in section 4.7.4

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)**4.7.3 Full Roll-Out Of The Utility Computing Model**

With receipt of the listing proceeds, we will upgrade and purchase computer servers, hardware and software to set up the optimum scale of essential infrastructure to support a full roll-out of our Utility Computing model. Our Board believes that this model will result in lower cost of IT adoption for businesses, and hence, will be widely accepted. Elaboration on our Utility Computing model has been set out in section 4.5.1 (iv).

4.7.4 Leverage On The Recognition, Resources And Attributes Of Other Parties

To accomplish our future plans, we have drawn up new programmes for our adoption.

	Technology Programme	Partner	Application Partner Programme	Reseller Programme
Description	This programme seeks to further enrich the technological component of our TechnoDex® Platform via collaboration with relevant research institutions.		This programme seeks to tap into the local industrial domain expertise and distribution network of each local partner in the target markets.	This programme makes available our applications to ICT distributors. We provide relevant technical training to these resellers to ensure that they could provide the required support to purchasers of our vertical applications.
Benefits				
• For us	Potential to enhance features of TechnoDex® Platform and increase the credence of our products.		By tapping into the knowledge of local partners, we are able to accelerate our learning curve and introduce new vertical applications that cater to local demands more rapidly. With savings of both time and human resources, we will be able to provide responsive cost-effective solutions to our customers. This programme also allows us to leverage on the local partners' established network for distribution of our products.	A practical and cost-effective strategy to widen our geographical reach.
• For our partners	Potential of commercialization of their R&D efforts.		Potential increase in their revenue by selling our products.	Potential increase in their revenue by selling our products
Potential Partner	Research institution engaged in technology development.		Local industrial domain expertise in our target markets.	ICT distributors
Case Study	-		We have worked with the relevant domain expert for development of TransDex SM .	We have appointed an ICT distributor as our reseller in Brunei.

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4. INFORMATION ON TECHNODEX GROUP (CONT'D)

i) Collaboration With HK Comp Software Standards (M) Sdn Bhd

As set out in section 4.5.1 (iv), we had launched portals in Malaysia and Indonesia, and expect to launch a similar portal in Thailand in collaboration with HK Comp Software Standards (M) Sdn Bhd. Our Board believes that this collaboration taps into the marketing network of HK Comp Software Standards (M) Sdn Bhd and our technical expertise, for mutual benefit of both parties.

ii) Co-operation With Commerce Dot Com Sdn Bhd

We entered into a Memorandum of Understanding with Commerce Dot Com Sdn Bhd on 22 March 2006 for the commercialisation of eProcurement system for government-related entities and the non-government sector. We are currently studying the requirements of the several organisations for deployment of the system.

iii) Leverage On Recognition Of Established International Open Source Technology Players

JBoss Europe ("**JBoss**") and JasperSoft Corporation ("**JasperSoft**") have widely commercialised Open Source Technology products in Europe and the United States of America respectively.

In 2005, we were appointed as a JBoss Partner for Asia Pacific and JasperSoft Solution Partner. Pursuant thereto, our Company became the local expert which provides local support, training, system implementation and maintenance to the users of JBoss and JasperSoft in the Asian region. Benefits arising from our affiliation with JBoss and JasperSoft include:-

- i) revenue contribution from the provision of services to the users of JBoss and JasperSoft;
- ii) leverage on JBoss' and JasperSoft's reputation to build our market presence; and
- iii) access to new Open Source Technology via JBoss' and JasperSoft's Open Source Technology communities.

4.7.5 Human Resource Policy

In line with our expansion plan, we will continue to ensure that we have an optimal pool of human resources to support our business operations and R&D efforts. We have envisaged to increase our staff force from 44 employees in 2006 to 56 employees by 2010. We expect to recruit more project services and customer support personnel to serve the expanded market. To support our R&D efforts, we will continue to emphasise on recruiting competent R&D personnel. We will also continue to update our employees on the latest developments in the ICT industry to increase their know-how.

Our objective is to grow and achieve a higher profile through our listing on Bursa Securities. Our Board believes that this will enhance our ability to attract competent knowledge workers and a wider network of business associates.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

5.1 Promoters

Our Promoters and their holdings of our Shares are set out below.

Name	Place Of Incorporation/ Nationality	No. Of Shares Held As At 15 June 2006		No. Of Shares Held After IPO [^]		Assuming Full Exercise Of ESOS Options*		No. Of Shares Held	
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
NLJ Resources	Malaysia	27,000,020	47.37	-	33.75	27,000,020	30.68	-	-
Lee Siew Tat	Malaysian	13,799,980	24.21	127,000,020	17.56	14,049,980	16.87	127,000,020	30.68
Heng Ling Jy	Malaysian	-	-	127,000,020	0.31	250,000	1.19	1,050,000	30.68

Note:-

[^]

*

1

Where applicable, based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation as set out in section 2.3.3.

Where applicable, based on the indicative number of ESOS Options allocated to the Promoters over the tenure of the ESOS, and assuming that our enlarged share capital after exercise of the maximum number of ESOS Options is 88,000,000 Shares.

Deemed interested by virtue of his/her shareholding in NLJ Resources pursuant to Section 6A of the Companies Act, 1965.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.1.1 NLJ Resources

NLJ Resources was incorporated in Malaysia under the Companies Act, 1965 on 11 June 2001 as a private limited company, under the name of Befatec Sdn Bhd. It assumed its present name on 15 April 2004. NLJ Resources, an investment holding company, has interests in our Group since April 2002. NLJ Resources has no other investment in other companies.

The substantial shareholders of NLJ Resources and their respective shareholdings in the company as at 15 June 2006 are as follows:-

Name	No. Of Ordinary Shares Held In NLJ Resources			
	Direct	(%)	Indirect	(%)
Lee Siew Tat	11,400	57.00	-	-
Heng Ling Jy	7,600	38.00	-	-
Su Shin Cheow	1,000	5.00	-	-

The directors of NLJ Resources are Lee Siew Tat and Heng Ling Jy.

5.1.2 Lee Siew Tat

Lee Siew Tat, a Malaysian aged 37, is our Managing Director and Chief Executive Officer. He was appointed to the Board on 10 September 2003. He graduated with a Bachelor of Science in Computer from the Campbell University of North Carolina, USA in 1993.

Upon graduation, he commenced his career as a software engineer with Software Alliance (M) Sdn Bhd. In 1995, he joined Samling Strategic Corporation Sdn Bhd as an analyst programmer, and was involved in developing enterprise resources planning (ERP) systems for the group of companies. In 1997, Mr. Lee joined the Shin Yang group of companies as its management information system manager where he continued his involvement in the development of ERP systems. In 2000, Mr. Lee served as a product development manager in IP Technology Sdn Bhd. He was subsequently promoted to become the assistant chief executive officer in the following year. In 2002, Mr. Lee joined the NTT Data Malaysian branch as a project manager where he became involved in managing various e-Government flagship project.

Whilst Mr. Lee only formally joined TechnoDex Solutions when he left NTT Data in June 2003, he was already involved in our Group's strategic issues and R&D since the establishment of TechnoDex Solutions in 2001. Tapping on his extensive knowledge in the ICT industry since the early 1990s, he has spearheaded our businesses.

Mr. Lee has been adjudged as the winner of "The 4th Asia Pacific/Malaysia e-Entrepreneur Excellence Award 2005" under the category of "Excellence Leadership". With the award, the Entrepreneur Development Association (Malaysia), the organizer of "The 4th Asia Pacific/Malaysia e-Entrepreneur Excellence Award 2005", has aimed to feature substantially strong and stable businesses which have pioneered significant contributions towards the society. Evaluation criteria included assessment of company's vision and mission, innovation and strategies, human resource management, operation efficiency, and product (research and development, and technical innovation). Mr Lee was also a finalist of the "Technopreneur Of The Year (2005)" award organised by PIKOM, the Association of the Computer and Multimedia Industry, Malaysia.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.1.3 Heng Ling Jy

Heng Ling Jy, a Malaysian aged 37, is our Executive Director and Chief Operating Officer. She was appointed to the Board on 18 November 2004. She graduated from the University of North Florida, USA with a Bachelor of Science in Computer and Information Science and a Master of Business Administration in 1992 and 1994 respectively. She commenced her career with BTI Services, Inc in Florida, USA as an analyst programmer where she was engaged with between 1991 and 1994. Madam Heng also worked with Solsis (M) Sdn Bhd as a business consultant between 1995 and 1999, in which she was involved in the strategy development and implementation of products and services for the Kulim High Tech Park project. During her engagement with the company, she was also the project leader for software development projects for University of Malaya, Ministry of Domestic Trade & Consumer Affairs and FPG Oleochemicals Sdn Bhd. In 2000, Madam Heng served as an IT manager with IP Technology Sdn Bhd where she helped drive the company's technical strategies.

In 2001, she joined TechnoDex Solutions. She was involved in the development of TechnoDex® Platform and its complementary business software. Together with Lee Siew Tat, she is responsible for the formulation of our current and long-term plans and objectives. She also oversees the day-to-day operations of EvoDex Solutions.

5.1.4 Directorships And Substantial Shareholdings In Other Public Corporations

None of our Promoters have any directorship or substantial shareholding in other public corporations for the past two (2) years prior to the date of this Prospectus.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.2 Substantial Shareholders

Upon completion of the IPO, our substantial shareholders are NLJ Resources, Lee Siew Tat, Heng Ling Jy, VF Capital, Priharta, Tiong Chiong le, Tiong Jin Choo and Tiong Chiong Siong.

The shareholdings of NLJ Resources, Lee Siew Tat and Heng Ling Jy have been set out in section 5.1. Shareholdings of our other substantial shareholders are set out below.

Name	Place Of Incorporation/ Nationality	No. Of Shares Held As At 15 June 2006		No. Of Shares Held After IPO [^] (%)	No. Of Shares Held		Assuming Full Exercise Of ESOS Options*		No. Of Shares Held (%)				
		Direct	Indirect		Direct	Indirect	Direct	Indirect					
VF Capital	Malaysia	16,200,000	-	28.42	-	16,200,000	-	20.25	-	16,200,000	18.41	-	-
Priharta	Malaysia	-	¹ 16,200,000	28.42	-	-	¹ 16,200,000	20.25	-	-	-	¹ 16,200,000	18.41
Tiong Chiong le	Malaysian	-	² 16,200,000	28.42	-	50,000	² 16,200,000	20.25	0.06	50,000	0.06	² 16,200,000	18.41
Tiong Jin Choo	Malaysian	-	² 16,200,000	28.42	-	-	² 16,200,000	20.25	-	-	-	² 16,200,000	18.41
Tiong Chiong Siong	Malaysian	-	² 16,200,000	28.42	-	-	² 16,200,000	20.25	-	-	-	² 16,200,000	18.41

Note:-

[^] Where applicable, based on the assumption of subscription of all his entitlement pursuant to the pink form allocation as set out in section 2.3.3.

* Where applicable, based on the indicative number of ESOS Options allocated to the substantial shareholders over the tenure of the ESOS, and assuming that our enlarged share capital after exercise of the maximum number of ESOS Options is 88,000,000 Shares.

¹ Deemed interested by virtue of it being the holding company of VF Capital.

² Deemed interested by virtue of his/her shareholding in Priharta pursuant to Section 6A of the Companies Act, 1965.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.2.1 VF Capital

VF Capital was incorporated on 26 October 2004 in Malaysia under the Companies Act, 1965. VF Capital is a venture fund. VF Capital intends to invest its present funds of RM50 million in high technology and high growth companies. VF Capital had invested in our Group after having evidenced the quality of our business software since 2001 when we developed an e-ticketing management system for its related company.

The substantial shareholders of VF Capital and their respective shareholdings in the company as at 15 June 2006 are as follows:-

Name	No. Of Ordinary Shares Held In VF Capital			
	Direct	(%)	Indirect	(%)
Priharta	1,620,000	100.00	-	-
Tiong Chiong Ie	-	-	¹ 1,620,000	100.00
Tiong Jin Choo	-	-	¹ 1,620,000	100.00
Tiong Chiong Siong	-	-	¹ 1,620,000	100.00

Note:-

Deemed interested by virtue of his/her shareholding in Priharta pursuant to Section 6A of the Companies Act, 1965.

The directors of VF Capital are Tiong Chiong Ie, Kong Sau Yen and Lai Yew Hock.

i) Priharta

Priharta was incorporated in Malaysia under the Companies Act, 1965 on 5 July 1995 as a private limited company. Priharta is principally an investment holding company.

The substantial shareholders of Priharta and their respective shareholdings in the company as at 15 June 2006 are as follows:-

Name	No. Of Ordinary Shares Held In Priharta			
	Direct	(%)	Indirect	(%)
Tiong Chiong Ie	43,000	43.00	-	-
Tiong Jin Choo	29,000	29.00	-	-
Tiong Chiong Siong	28,000	28.00	-	-

The directors of Priharta are Tiong Chiong Ie and Tiong Jin Choo.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

ii) Tiong Chiong Ie

Tiong Chiong Ie, a Malaysian aged 36, is our Non-Independent Non-Executive Chairman. He was appointed to the Board on 6 December 2004 as a representative of VF Capital. He graduated from the Monash University, Australia with a Bachelor of Business Information System. Upon graduation, Mr. Tiong joined his family business, Rimbunan Hijau Group, which is involved in amongst others, timber processing, and media and information technology, and has since served in various capacities. Currently, he sits on the board of directors of several companies within the Rimbunan Hijau Group, namely Rimbunan Sawit Berhad, Rimbunan Hijau Sdn Bhd and Tiong Toh Siong Holdings Sdn Bhd. He is also the chairman of Vital Focus Corporation Sdn Bhd, in which he has substantial shareholdings.

iii) Tiong Jin Choo

Tiong Jin Choo, a Malaysian aged 35, graduated from Curtin University of Technology, Australia with a Bachelor Degree of Commerce in Marketing. After graduation in 1997, she joined TYK Holding Sdn Bhd as a company director in 1998. She then joined Vital Focus Transportation Sdn Bhd, the bus division of Vital Focus Group in 2002 as a marketing executive. She was appointed as a non-executive director of Vital Focus Transportation Sdn Bhd since 2000. Subsequently, she joined Vital Focus Logistics Sdn Bhd, the courier division of Vital Focus Group, in 2003 as a marketing executive to oversee the marketing department until 2004. At present, Miss Tiong serves as a company director in various companies in Vital Focus Group.

iv) Tiong Chiong Siong

Tiong Chiong Siong, a Malaysian aged 32, graduated from Curtin Business College, Australia majoring in business studies. After graduation in 1997, he joined Globalcom Sdn Bhd, a member company in the shipping division of Vital Focus Group as a manager. In 1999, he joined Rimbunan Hijau Sdn Bhd as an assistant marketing manager and has served the position until to-date. Mr. Tiong also serves as a company director in various companies in Vital Focus Group.

5.2.2 Directorships And Substantial Shareholdings In Other Public Corporations

Save as disclosed below, none of our substantial shareholders have any directorship or substantial shareholding in other public corporations for the past two (2) years prior to the date of this Prospectus.

Name	Name Of Relevant Public Corporation	No. Of Ordinary Shares Held				Principal Activities
		Direct ('000)	%	Indirect ('000)	%	
Priharta	Hornbilland Bhd	-	-	⁽²⁾ 765	51.00	Shipping of timber log
Tiong Chiong Ie ⁽¹⁾	Hornbilland Bhd Rimbunan Sawit Berhad	- 300	- 0.23	⁽³⁾ 765 ⁽³⁾ 3,542	51.00 2.76	Shipping of timber log Cultivation of oil palm
Tiong Jin Choo	Hornbilland Bhd	-	-	⁽³⁾ 765	51.00	Shipping of timber log
Tiong Chiong Siong	Hornbilland Bhd	-	-	⁽³⁾ 765	51.00	Shipping of timber log

Note:-

⁽¹⁾ Tiong Chiong Ie is a director of Hornbilland Bhd and Rimbunan Sawit Berhad.

⁽²⁾ Deemed interest by virtue of its substantial shareholding in Vital Focus Corporation Sdn Bhd, which in turn is a substantial shareholder of Vital Focus Transportation Sdn Bhd. Vital Focus Transportation Sdn Bhd in turn is a substantial shareholder of TYK Holding Sdn Bhd. TYK Holding Sdn Bhd in turn is a substantial shareholder of Hornbilland Bhd.

⁽³⁾ Deemed interest by virtue of his/her substantial shareholding in Priharta.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.3 Directors

The shareholdings and profiles of Tiong Chiong Ie, Lee Siew Tat and Heng Ling Jy have been set out in sections 5.1 and 5.2. Our other Directors and their holdings of our Shares are set out below.

Name	Designation	No. Of Shares Held As At 15 June 2006		No. Of Shares Held After IPO [^]		Assuming Full Exercise Of ESOS Options*		No. Of Shares Held	
		Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	Direct (%)	Indirect (%)
Chia Kah Pheng	Non-Independent Non-Executive Director	-	-	50,000	0.06	50,000	0.06	50,000	0.06
Lai Yew Hock	Non-Independent Non-Executive Director	-	-	50,000	0.06	50,000	0.06	50,000	0.06
Ong Kiat Yam	Independent Non-Executive Director	-	-	50,000	0.06	50,000	0.06	50,000	0.06
Patrick Wong Haw Yeong	Independent Non-Executive Director	-	-	50,000	0.06	50,000	0.06	50,000	0.06

Note:-

[^] Where applicable, based on the assumption of subscription of all his entitlement pursuant to the pink form allocation as set out in section 2.3.3.

* Where applicable, based on the indicative number of ESOS Options allocated to the Directors over the tenure of the ESOS, and assuming that our enlarged share capital after exercise of the maximum number of ESOS Options is 88,000,000 Shares.

In accordance with our Articles of Association, one-third of our Board will retire by rotation at every annual general meeting of our Company. Each Director shall retire at least once in every three (3) years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next annual general meeting and shall then be eligible for re-election. None of the Directors have been appointed for a fixed term.

At our next annual general meeting, Lee Siew Tat, Heng Ling Jy, Ong Kiat Yam and Patrick Wong Haw Yeong will retire in accordance with our Articles Of Association.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.3.1 Chia Kah Pheng

Chia Kah Pheng, a Malaysian aged 40, is our Non-Independent Non-Executive Director. He was appointed to the Board on 6 December 2004 as a representative of VF Capital. He graduated with a Bachelor of Commerce and Administration, majoring in Accountancy from Victoria University of Wellington, New Zealand in 1989. He is also a chartered accountant, and a member of the Malaysian Institute of Accountants and New Zealand Institute of Chartered Accountant.

Mr. Chia commenced his career with Messrs Ernst & Young as an audit assistant in 1990. He then joined the Bumi Armada Group, an oil and gas shipping specialist as an accountant in 1992. In 1994, Mr. Chia was promoted and posted to the Sealink group of companies, a consortium related to the Bumi Armada Group involved in timber shipping and property development as the financial controller. In 1997, he joined Utama Securities Sdn Bhd, a stock broking firm, as the finance manager. In 2000, he joined Vital Focus Transportation Sdn Bhd as its general manager. In 2002, Mr. Chia served as the acting finance and administration director of Curtin (Malaysia) Sdn Bhd where he was responsible in overseeing the company's financial and administrative management. He is currently the chief executive officer of VF Capital, a venture fund.

5.3.2 Lai Yew Hock

Lai Yew Hock, a Malaysian aged 47, is our Non-Independent Non-Executive Director. He was appointed to the Board on 5 April 2005 as a representative of VF Capital. He graduated from University of Otago, New Zealand with a Bachelor of Law in 1985. In 2005, he graduated from University of South Australia, Adelaide with a Doctor of Business Administration.

Mr. Lai has been admitted as a barrister and solicitor of the High Court of New Zealand in October 1985. In February 1986, he was admitted as an advocate of the High Court in Sabah and Sarawak, Malaysia. In October 1986, he was admitted as an advocate and solicitor of the High Court of Malaya, Malaysia. He is also a commissioner for oaths, a notary public and an accredited mediator with effect from January 1996, March 2001 and February 2002 respectively.

He started his legal career by chambering with Messrs Presgrave and Mathews Advocates, Penang in May 1985. He then became a legal assistant with the firm. He then joined the partnership of Messrs Lai & Co Advocates, Miri, Sarawak from May 1989 to May 1992. He eventually started his own legal firm, Messrs Dominic Lai & Co Advocates in Miri, Sarawak, Malaysia in May 1992. Currently, he sits on the board of directors of Sarawak Oil Palms Berhad, a company involved in oil palm industry, as an independent non-executive director. He was appointed to the board on 24 February 2000. He was appointed as a member of the audit committee, nomination committee and remuneration committee of Sarawak Oil Palms Berhad in 2000, 2001 and 2003 respectively.

5.3.3 Ong Kiat Yam

Ong Kiat Yam, a Malaysian aged 37, is our Independent Non-Executive Director. He was appointed to the Board on 17 May 2006. He is a member of the Malaysian Institute Of Certified Public Accountants. Mr. Ong has been with Messrs Khoo Wong & Chan since 1992 when he joined as an audit assistant. He has since been promoted to become a senior audit manager. Mr. Ong has accumulated over 10 years of experience in audit, corporate listing, restructuring and acquisition proposals, and statutory compliance matters.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.3.4 Patrick Wong Haw Yeong

Patrick Wong Haw Yeong, a Malaysian aged 34, is our Independent Non-Executive Director. He was appointed to the Board on 17 May 2006. He graduated from American International University of London, United Kingdom with a Bachelor of Business Administration in 1993. Upon graduation, Mr. Wong joined WTK Holdings Berhad group of companies where he became involved in overseeing the marketing of plywood of the group. He has been on the board of directors of WTK Holdings Berhad since 10 January 2005. He is also the general manager and director of Kuching Plywood Berhad and a director of Claimfield Sdn Bhd. Both the companies are wholly-owned subsidiaries of WTK Holding Berhad.

5.3.5 Directorships And Substantial Shareholdings In Other Public Corporations

Save as disclosed in their respective profiles and section 5.2.2 for Tiong Chiong Ie, none of our Directors have any directorship or substantial shareholding in other public corporations for the past two (2) years prior to the date of this Prospectus.

5.3.6 Directors' Remuneration And Benefits

The aggregate remuneration and benefits paid/accrued to Directors of our Company for services rendered in all their capacities within the Group, for the FYE 2005, estimated for the FYE 2006, and forecast for the FYE 2007, in bands of RM50,000, are set out below.

Director	Band (RM)		
	2005	2006	2007
Tiong Chiong Ie	-	-	1 – 50,000
Lee Siew Tat	100,001 – 150,000	100,001 – 150,000	200,001 – 250,000
Heng Ling Jy	100,001 – 150,000	100,001 – 150,000	200,001 – 250,000
Chia Kah Pheng	-	-	1 – 50,000
Lai Yew Hock	-	-	1 – 50,000
Ong Kiat Yam	-	-	1 – 50,000
Patrick Wong Haw Yeong	-	-	1 – 50,000

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.4 Committees

5.4.1 Audit Committee

Our Audit Committee comprises the following members:-

Name	Designation	Directorship
Ong Kiat Yam	Chairman	Independent Non-Executive Director
Chia Kah Pheng	Member	Non-Independent Non-Executive Director
Patrick Wong Haw Yeong	Member	Independent Non-Executive Director

Our Audit Committee is principally responsible for the review of audit plan and audit report of the auditors, review of the internal control procedures, review of the auditors' evaluation of internal accounting controls, review of the financial statements and nomination of the auditors.

5.4.2 Remuneration Committee

Our Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Tiong Chiong le	Chairman	Non-Independent Non-Executive Chairman
Chia Kah Pheng	Member	Non-Independent Non-Executive Director
Lai Yew Hock	Member	Non-Independent Non-Executive Director

Our Remuneration Committee is principally responsible for developing the Group's remuneration policy for Executive Directors for the Board's approval, and to recommend the remuneration packages and terms of employment of Executive Directors to the Board.

5.4.3 Nomination Committee

Our Nomination Committee comprises the following members:-

Name	Designation	Directorship
Ong Kiat Yam	Chairman	Independent Non-Executive Director
Patrick Wong Haw Yeong	Member	Independent Non-Executive Director
Lai Yew Hock	Member	Non-Independent Non-Executive Director

Our Nomination Committee is principally responsible for recommending to our Board, candidates for appointment as new Directors and members of Board committees, assess effectiveness of the Board and Board committees and arrange orientation programs for new Directors.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.5 Key Management And Key Technical Personnel

Our management is headed by Lee Siew Tat, our Managing Director and Chief Executive Officer and Heng Ling Jy, our Executive Director and Chief Operating Officer. They are assisted by our key management and key technical personnel.

Our key management and key technical personnel and their holdings of our Shares are set out below.

Name	Designation	No. Of Shares Held As At 15 June 2006		No. Of Shares Held After IPO [^]		Assuming Full Exercise Of ESOS Options*		No. Of Shares Held			
		Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	Direct (%)	Indirect (%)	Direct (%)	Indirect (%)		
Su Shin Cheow	Chief Architect	-	-	56,000	0.07	-	-	506,000	0.58	-	-
Kong Sook Chin	Finance Manager	-	-	56,000	0.07	-	-	506,000	0.58	-	-
Salina binti Mohamed Mustafa @ Mohamed Isa	Project Manager	-	-	50,000	0.06	-	-	500,000	0.57	-	-
Hli Tung Siong	System Architect	-	-	36,000	0.05	-	-	486,000	0.55	-	-
Yong June Fook	Manager, Product Development	-	-	30,000	0.04	-	-	480,000	0.55	-	-

Note:-

[^] Where applicable, based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation.

* Where applicable, based on the indicative number of ESOS Options allocated to the key management and key technical personnel over the tenure of the ESOS, and assuming that our enlarged share capital after exercise of the maximum number of ESOS Options is 88,000,000 Shares.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.5.1 Su Shin Cheow

Su Shin Cheow, a Malaysian aged 30, is our Chief Architect. He graduated with a First Class Honor for Bachelor of Engineering in Electronics and Communication Engineering at the Liverpool University, United Kingdom in 1997 under the Boyd Undergraduate Scholarship 1996.

Mr. Su commenced his career with Maxis Communications as a software engineer between 1997 and 2000. He later worked for ePedas Sdn Bhd between 2000 and 2001 as a senior analyst programmer. He subsequently joined Elipva Sdn Bhd in 2001 as a solutions architect. In 2002, he joined Persoco Sdn Bhd as a project manager.

In 2003, Mr. Su joined TechnoDex Solutions as the Chief Architect where he became involved in formulating, designing and creating our TechnoDex® Platform's technology framework based on Open Source Technology. His technical knowledge includes Java, C, C++, HP-UX, Sun Solaris Unix, Linux and Windows NT, iPlanet Application v6 and iPlanet Directory Server, IBM WebSphere v3.5, HPAS v8.0, Oracle Application Server, DB2, Oracle and MySQL Database, Object Oriented Design and Relational Database Design.

5.5.2 Kong Sook Chin

Kong Sook Chin, a Malaysian aged 33, is our Finance Manager. She obtained her Chartered Institute of Management Accountants qualification in 2000 and she is also a member of Malaysian Institute of Accountants.

Ms. Kong commenced her career with Asian Pac Holdings Berhad, a public listed company as an accounts executive in 1997. In 2001, she joined AKN Messaging Technologies Berhad, a mobile content service provider company listed on the Mesdaq Market as a Finance and Administration Manager from 2001 to 2005.

In February 2006, Ms. Kong joined our Group as a Finance Manager. She is engaged in accounting, treasury and cash management, credit control and tax planning for our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.5.3 Salina Binti Mohamed Mustafa @ Mohamed Isa

Salina binti Mohamed Mustafa @ Mohamed Isa, a Malaysian aged 34, is our Project Manager. Ms. Salina graduated from University of Hull, England with a Bachelor of Law (Honour) in 1995.

Ms. Salina commenced her career as an operation and planning executive in Hong Leong Bank Berhad in 1995, where she was involved in the organization's process improvement. She then joined Institut Bank-Bank Malaysia as a continuing professional development executive in 1999 to facilitate the formulation of training competency for IT, audit, human resource and international trade finance areas. In 2000, Ms. Salina joined Commerce Dot Com Sdn Bhd as a manager in change management. She was involved in planning, strategizing and implementing change management activities for the government agencies which are the key users of electronic procurement systems.

In 2003, Ms. Salina joined TechnoDex Solutions as a Project Manager. She holds the role of overseeing project management and implementation. She is responsible in ensuring smooth deployment and adoption of the applications by customers and continuous training to the customers.

5.5.4 Hii Tung Siong

Hii Tung Siong, a Malaysian aged 36, is our System Architect. Mr. Hii graduated from the University of Western Australia with Bachelor of Science, majoring in Information Technology and Mathematical Statistic in 1992.

Mr. Hii started his career with CSA (M) Berhad as a programmer in 1993. He was subsequently promoted to become a senior analyst programmer in 1995. During his tenure with the company, he was involved in delivering a front-end trading system for Bursa Securities. In 1997, he became the project leader with CSA MSC Sdn Bhd where he was involved in the implementation of a web-based stock trading system. In 1999, he served as an R&D officer in BizTone Sdn Bhd and BizTone Pte Ltd. He was involved in the construction of the JINI-based financial system. In 2000, Mr. Hii served at Embrace Pte Ltd as an architect where he was involved in the development of Java-based eHRMS, an online human resource management system. Mr. Hii then joined TechnoDex Solutions as a System Architect in 2004 where he was entrusted with the role of assisting in technology and R&D efforts.

5.5.5 Yong June Fook

Yong June Fook, a Malaysian aged 31, is our Manager, Product Development. Mr. Yong graduated from Institut Systematic with an Advance Diploma in Computer Studies in 1997.

Mr. Yong started his career as an application engineer with Infortech Software Sdn Bhd in 1996 where he was involved in developing multiple business solutions. In 1999, he worked as a senior application support engineer with Shin Yang Industrial Sdn Bhd and was involved in development of ERP systems. In 2000, Mr. Yong served as a system analyst in IP Technology Sdn Bhd. He was then involved in the development of property statistical information system. In 2001, Mr. Yong joined Webguru Asia Sdn Bhd as a senior technical consultant, known as Techno Guru. He was involved in the provision of web applications. Mr. Yong was subsequently promoted to become the assistant chief executive in the following year.

In 2002, Mr. Yong joined TechnoDex Solutions as its Manager, Product Development. With more than eight (8) years of industrial experience, his technical skills have facilitated the development of solutions of good quality.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.6 Involvement In Other Businesses Or Corporations

Our Executive Directors, and key management and key technical personnel are presently serving as full time personnel of our Group.

5.7 Declaration

None of our Promoter, Director or key management or key technical personnel is or has been involved in any of the following events, in or outside Malaysia:-

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out), against such person, or any partnership in which he/she was a partner, or any corporation of which he/she was a director or key personnel;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) a charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) a judgement entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) an order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity.

5.8 Family Relationships

Save for Tiong Chiong Ie, Tiong Jin Choo and Tiong Chiong Siong who are siblings, there is no family relationship (as defined in Section 122A of the Companies Act, 1965) between our Promoters, substantial shareholders, Directors, or key management or key technical personnel.

5.9 Service Agreements

There are no existing or proposed service agreements (contracts for service) between us and our Directors or key management or key technical personnel.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.10 Changes In Shareholdings Of Promoters And/Or Substantial Shareholders

The changes in shareholdings of our Promoters and/or substantial shareholders since our incorporation are as follows:-

Date Of Addition / (Disposal)	Promoters/Substantial Shareholders	No. Of Shares			
		Brought Forward	Addition	Disposal	Carried Forward
Direct Shareholding					
10.9.2003	Lee Siew Tat*	-	1	-	1
10.9.2003	Su Shin Cheow*	-	1	-	1
1.10.2004	Lee Siew Tat	1	-	(1)	-
1.10.2004	Su Shin Cheow	1	-	(1)	-
1.10.2004	Liberty Surf Sdn Bhd	-	2	-	2
29.10.2004	Liberty Surf Sdn Bhd	2	-	(2)	-
29.10.2004	NLJ Resources	-	2	-	2
17.11.2004	NLJ Resources	2	2,700,000	-	2,700,002
30.3.2005	Lee Siew Tat	-	1,379,998	-	1,379,998
30.3.2005	VF Capital	-	1,620,000	-	1,620,000
15.5.2006	NLJ Resources	2,700,002	-	-	¹ 27,000,020
15.5.2006	Lee Siew Tat	1,379,998	-	-	¹ 13,799,980
15.5.2006	VF Capital	1,620,000	-	-	¹ 16,200,000
Indirect Shareholding					
29.10.2004	Lee Siew Tat	-	¹ 2	-	2
29.10.2004	Heng Ling Jy	-	¹ 2	-	2
17.11.2004	Lee Siew Tat	2	¹ 2,700,000	-	2,700,002
17.11.2004	Heng Ling Jy	2	¹ 2,700,000	-	2,700,002
30.3.2005	Vital Focus Corporation Sdn Bhd	-	² 1,620,000	-	1,620,000
30.3.2005	Tiong Chiong Ie	-	³ 1,620,000	-	1,620,000
30.3.2005	Kong Sau Yen	-	³ 1,620,000	-	1,620,000
24.3.2006	Vital Focus Corporation Sdn Bhd	1,620,000	-	² (1,620,000)	-
24.3.2006	Tiong Chiong Ie	1,620,000	-	³ (1,620,000)	-
24.3.2006	Kong Sau Yen	1,620,000	-	³ (1,620,000)	-
24.3.2006	Priharta	-	⁴ 1,620,000	-	1,620,000
24.3.2006	Tiong Chiong Ie	-	⁵ 1,620,000	-	1,620,000
24.3.2006	Tiong Jin Choo	-	⁵ 1,620,000	-	1,620,000
24.3.2006	Tiong Chiong Siong	-	⁵ 1,620,000	-	1,620,000
15.5.2006	Lee Siew Tat	2,700,002	-	-	¹ ² 27,000,020
15.5.2006	Heng Ling Jy	2,700,002	-	-	¹ ² 27,000,020
15.5.2006	Priharta	1,620,000	-	-	⁴ ⁵ 16,200,000
15.5.2006	Tiong Chiong Ie	1,620,000	-	-	⁵ ⁴ 16,200,000
15.5.2006	Tiong Jin Choo	1,620,000	-	-	⁵ ⁴ 16,200,000
15.5.2006	Tiong Chiong Siong	1,620,000	-	-	⁵ ⁴ 16,200,000

Note:-

- * Being our subscriber shareholders.
- ¹ Being our Shares held pursuant to the subdivision of the par value of the then existing shares from RM1.00 each to RM0.10 each.
- ¹ Deemed interested by virtue of his/her shareholding in NLJ Resources pursuant to Section 6A of the Companies Act, 1965.
- ² Deemed interested by virtue of it being the holding company of VF Capital. Vital Focus Corporation Sdn Bhd ceased to be the holding company of VF Capital with effect from 24 March 2006.
- ³ Deemed interested by virtue of his/her shareholding in Vital Focus Corporation Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
- ⁴ Deemed interested by virtue of it being the holding company of VF Capital.
- ⁵ Deemed interested by virtue of his/her shareholding in Priharta pursuant to Section 6A of the Companies Act, 1965.

6. APPROVALS AND CONDITIONS

6.1 Approvals And Conditions

The SC had approved the listing of our Company via its letter dated 22 March 2006. The conditions imposed by the SC and the status of our compliance with the conditions are as follows:-

Conditions Imposed By The SC	Status Of Compliance														
<p>i) With respect to competitiveness in the Open Source Technology Business Software industry, TechnoDex is to make a detailed disclosure in its prospectus, on the following:-</p> <p>a) The risk associated with competitiveness of Open Source Technology-Based Business Software and mitigating factors/actions taken/to be taken by the Group;</p> <p>b) The barriers of entry for potential entrants into the above industry; and</p> <p>c) The list of competitors, differentiation factors and competitive advantages of TechnoDex Group in comparison with these competitors.</p>	<p>Complied. The disclosure on risk is set out in section 3.2.4 of this Prospectus.</p> <p>Mitigating factors/actions taken/to be taken by our Group are described in the key advantages of our TechnoDex® Platform in sections 4.5.1 (i) and 4.5.1 (iv), and our future plans and strategies in section 4.7.</p> <p>Complied. The relevant disclosure is set out in section 10 (8).</p> <p>Complied. The relevant disclosure is set out in sections 4.5.1 (i), 4.5.1 (iv), 4.6 and 10 (7).</p>														
<p>ii) Moratorium on the shareholdings of TechnoDex's promoters as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Promoter</th> <th colspan="2">TechnoDex Shares To Be Held Under Moratorium</th> </tr> <tr> <th>No. Of Shares</th> <th>% Of Enlarged Issued And Paid Up Capital Of TechnoDex *</th> </tr> </thead> <tbody> <tr> <td>NLJ Resources</td> <td>27,000,020</td> <td>30.68</td> </tr> <tr> <td>Lee Siew Tat</td> <td>12,599,980</td> <td>14.32</td> </tr> <tr> <td></td> <td>39,600,000</td> <td>45.00</td> </tr> </tbody> </table>	Promoter	TechnoDex Shares To Be Held Under Moratorium		No. Of Shares	% Of Enlarged Issued And Paid Up Capital Of TechnoDex *	NLJ Resources	27,000,020	30.68	Lee Siew Tat	12,599,980	14.32		39,600,000	45.00	<p>To be complied. Further details are set out in section 6.2. The undertakings by the relevant parties for compliance with the condition dated 1 July 2005 and 10 July 2006 have been furnished to the SC.</p>
Promoter		TechnoDex Shares To Be Held Under Moratorium													
	No. Of Shares	% Of Enlarged Issued And Paid Up Capital Of TechnoDex *													
NLJ Resources	27,000,020	30.68													
Lee Siew Tat	12,599,980	14.32													
	39,600,000	45.00													
<p>* Assuming full exercise of ESOS Options</p>															
<p>iii) AmMerchant Bank/TechnoDex to inform the SC when the proposed flotation of TechnoDex on MESDAQ Market is completed;</p>	<p>To be complied.</p>														
<p>iv) AmMerchant Bank/TechnoDex to submit certain information on the placees to the SC with regard to the placement of shares in respect of the IPO; and</p>	<p>To be complied.</p>														
<p>v) Approvals to be obtained from other relevant authorities, if any.</p>	<p>Complied. Approval-in-principle has been obtained from Bursa Securities via its letter dated 29 July 2005 for the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company, including new Shares to be issued pursuant to the exercise of ESOS Options, on the MESDAQ Market.</p>														

6. APPROVALS AND CONDITIONS (CONT'D)

Bursa Securities had via its letter dated 29 July 2005 subject to certain conditions, approved in-principle the:-

- i) admission to the Official List of Bursa Securities and the listing and quotation of the entire enlarged issued and paid-up share capital of TechnoDex of 80,000,000 Shares on the MESDAQ Market; and
- ii) additional listing of such number of new Shares representing up to 10% of the total issued and paid-up share capital of TechnoDex at any one time during the duration of the ESOS.

The conditions imposed by Bursa Securities and the status of our compliance with the conditions are as follows:-

Conditions Imposed By Bursa Securities	Status Of Compliance
i) Approval from the SC being obtained and where there are conditions and/or variations imposed by the SC, compliance of the said conditions and/or variations in relation to the issuance and listing of the shares of TechnoDex; and	Complied/to be complied where applicable. As set out above, the SC's approval was obtained via its letter dated 22 March 2006. Please refer to the above table for status of compliance with the conditions imposed by the SC.
ii) In the event that the SC's approval affects or varies the issued and paid-up share capital of TechnoDex, compliance of the variations with the Listing Requirements of Bursa Securities for the MESDAQ Market, and the submission of certain documents to Bursa Securities.	Not applicable; the SC's approval did not affect the proposed issued and paid-up share capital of TechnoDex.

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6. APPROVALS AND CONDITIONS (CONT'D)**6.2 Moratorium On Shares**

The SC, in approving the listing of our Company, has imposed a moratorium on the sale, transfer or assignment of 45% of our enlarged issued and fully paid-up share capital. The shares that would be subjected to the moratorium are as follows:-

Name Of Promoters	No. Of Shares	% Of Enlarged Issued And Paid-Up Capital Upon Listing (%)	No. Of Shares	% Of Enlarged Issued And Paid-Up Capital Assuming Full Exercise Of ESOS Options* (%)
NLJ Resources	27,000,020	33.75	27,000,020	30.68
Lee Siew Tat	12,599,980	15.75	12,599,980	14.32
	39,600,000	49.50	39,600,000	45.00

Note:-

* Assuming that our enlarged share capital after exercise of the maximum number of ESOS Options is 88,000,000 Shares.

The Moratorium Shares are not allowed to be sold, transferred or assigned for one (1) year from the date of our admission to the Official List of the MESDAQ Market of Bursa Securities. Thereafter, the relevant promoters may sell, transfer or assign up to a maximum of one-third of their respective holdings of Moratorium Shares per annum on a straight-line basis.

The restriction, which is fully accepted by the relevant promoters, is specifically endorsed on the share certificates representing their respective shareholdings which are under moratorium to ensure that our share registrars do not register any transfer not in compliance with the moratorium restriction.

The moratorium condition is also applicable to the ultimate shareholders of NLJ Resources. Every ultimate shareholder has given an undertaking that he/she will not sell, transfer or assign his/her shareholding in NLJ Resources for the moratorium period as stipulated above.

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7. RELATED-PARTY TRANSACTIONS/CONFLICTS OF INTEREST**7.1 Related Party Transactions And Conflicts Of Interest**

Save as disclosed below and in sections 7.3 and 7.5, for the past three (3) FYE 2005 and the FPE 2006, none of our Directors, substantial shareholders, and key management and key technical personnel, and/or persons connected with them, were engaged in any existing or potential related party transaction entered into/proposed to be entered into by us. There is no conflict of interest with related parties.

Related Party	Nature Of Transaction	Value Of Transaction (RM)			
		FYE 2003	FYE 2004	FYE 2005	FPE 2006
Vital Focus Transportation Sdn Bhd, being the related company of VF Capital and a subsidiary of Priharta	Vital Focus Transportation Sdn Bhd has procured TechnoDex Solutions' services for the installation and maintenance of TransDex SM that was built on TechnoDex@ Platform ¹	53,555	127,834	235,069	116,625
Infocredit D&B, a company in which Tan Sze Chong, the husband of Heng Ling Jy, is a substantial shareholder and Director	Infocredit D&B was appointed as our Independent Market Researcher for our listing exercise ²	-	-	36,750	36,750
VF Capital, a substantial shareholder of our Company	VF Capital has procured TechnoDex Solutions' services for the development of VF Capital's company website	-	-	-	3,000
Lee Siew Tat, a director and substantial shareholder of our Company	Advances from Lee Siew Tat	-	518	-	-
Heng Ling Jy, a director and substantial shareholder of our Company	Advances from Heng Ling Jy	-	46,718	65,725	-
NLJ Resources, a substantial shareholder of our Company	Advances from NLJ Resources	-	-	2,530	-

Note:-

¹ The contract was entered into prior to VF Capital becoming our substantial shareholder.

² Further details on Infocredit D&B's declaration are set out in section 7.6.

TechnoDex Solutions had on 23 October 2001, executed an agreement with Vital Focus Transportation Sdn Bhd for the profit sharing of the future sale of the SUREX e-Ticketing Management System; 60% by TechnoDex Solutions and 40% by Vital Focus Transportation Sdn Bhd. However, the profit sharing arrangement has never been implemented by the parties and has been terminated on 10 March 2006.

Subsequent to the FPE 2006, further to our shareholders' resolution, our Company had received advances amounting to RM1.5 million from VF Capital, a substantial shareholder of our Company, which have remained payable to VF Capital as at 15 July 2006. The amount owing to VF Capital is unsecured, interest-free and not subject to fixed terms of repayment. Our Directors have confirmed that as at 15 July 2006, apart from the amount owing to VF Capital, there are no other outstanding amounts owing to related parties due to advances granted by such related parties.

Our Directors have confirmed that we have transacted and will continue to transact all future transactions which involve the interests of our Directors, substantial shareholders, and key management and key technical personnel, and/or persons connected with them, at arm's length, on our normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders. The Audit Committee will supervise the terms of related party transactions, and our Directors will report related party transactions, if any, annually in our annual reports.

7. RELATED-PARTY TRANSACTIONS/CONFLICTS OF INTEREST (CONT'D)**Recurrent Related Party Transactions**

Pursuant to the Listing Requirements of Bursa Securities, we may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to amongst others:-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%;

whichever is the lower; and
- iii) in a meeting to obtain shareholders' mandate, the interested director, interested substantial shareholder or interested person connected with a director or substantial shareholder; and where it involves the interest of an interested person connected with a director or substantial shareholder, such director or substantial shareholder, must not vote on the resolution approving the transactions. An interested director or interested substantial shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

7.2 Transactions That Are Unusual In Their Nature Or Conditions

Our Directors have confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or any of our subsidiaries was a party in the past three (3) FYE 2005 and the FPE 2006.

7.3 Outstanding Loans Made To/For The Benefit Of Related Parties

Save as disclosed below, our Directors have confirmed that for the past three (3) FYE 2005, and as at 31 January 2006, there were no outstanding loans, including guarantee of any kind, made by us or any of our subsidiaries to or for the benefit of related parties.

	Advances (RM)				Amount Outstanding As At (RM)			
	FYE 2003	FYE 2004	FYE 2005	FPE 2006	30.6.2003	30.6.2004	30.6.2005	31.1.2006
NLJ Resources *	8,706	2,535	-	-	-	2,530	-	-

Note:-

* The advances are short-term in nature and non-interest bearing. The advances represent expenses paid by our Group on behalf of NLJ Resources.

Our Directors have confirmed that as at 15 July 2006, our Group has no outstanding amount owing from related parties.

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7. RELATED-PARTY TRANSACTIONS/CONFLICTS OF INTEREST (CONT'D)

7.4 Interests In Similar Business

Our Directors and substantial shareholders and persons connected with them, are not involved in, and do not have direct and/or indirect interests in businesses or corporations carrying on a similar trade as our Group.

7.5 Promotions Of Material Assets

Save for the acquisitions of EvoDex Solutions and TechnoDex Solutions as disclosed below, our substantial shareholders or Directors have no interest, direct or indirect, in the promotion of or in any material assets acquired or disposed of by or leased to us, or are proposed to be acquired, disposed of by or leased to us, within the past three (3) FYE 2005 and the FPE 2006.

7.5.1 Acquisition Of EvoDex Solutions

We acquired the entire equity interest of EvoDex Solutions comprising two (2) ordinary shares of RM1.00 each from its shareholders on 29 October 2004 for a purchase consideration of RM2, of which a share was acquired from Heng Ling Jy, our Executive Director and Chief Operating Officer.

7.5.2 Acquisition Of TechnoDex Solutions

Pursuant to an agreement entered into between the then shareholder of TechnoDex Solutions, namely NLJ Resources, as the vendor, and ourselves as the purchaser, on 17 November 2004, we had agreed to the allotment of 2,700,000 ordinary shares of RM1.00 each of our capital to NLJ Resources in exchange for the 400,000 ordinary shares of RM1.00 each in TechnoDex Solutions, all of which were registered in the name of NLJ Resources, together with all the intellectual proprietary rights of TechnoDex Solutions.

7.6 Declaration By The Advisers

AmMerchant Bank confirms that there are no existing or potential conflicts of interest in respect of its capacities as the Adviser, Sponsor, Managing Underwriter and Placement Agent for the IPO.

Messrs Teh & Lee have confirmed that there are no existing or potential conflicts of interest in respect of their capacity as the Solicitors for the IPO.

Messrs Horwath have confirmed that there are no existing or potential conflicts of interest in respect of their capacity as our Auditors and Reporting Accountants for the IPO.

Messrs Infocredit D&B set out that its managing director, Tan Sze Chong, is the spouse of Heng Ling Jy, our Executive Director and Chief Operating Officer. However, Infocredit D&B has confirmed that there is no conflict of interest in their capacity as the Independent Market Researcher as Tan Sze Chong has not been involved directly or indirectly in the engagement. Infocredit D&B's engagement has been supervised by William Lim Wah Liang, who is the group managing director of Infocredit D&B Group, and an executive director of Infocredit D&B (Malaysia) Sdn Bhd.

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