

6 INDUSTRY OVERVIEW

This sub-section is extracted from the Independent Market Research report dated 24 August 2007 and updated to 31 December 2007, prepared by D&B Malaysia of which certain sections of the said report were prepared for inclusion in this Prospectus. Investors should take note of certain limitations with the contents of this sub-section. Please also refer to Section 12 of this Prospectus for the Executive Summary of the IMR report for further references to our industry.

6.1 OVERVIEW OF THE GLOBAL ECONOMY

Global growth in 2007 is forecasted to continue expanding, albeit at a more moderate pace, amidst high crude oil prices and uncertainties in the economy of the United States ("U.S."). While growth is relatively lower than the 2006 performance, it is nonetheless expected to remain strong with further expansion in economic activities, especially in the fast-growing emerging economies such as China, India and Russia. Global inflation remains at manageable levels although it has edged upwards due to high crude oil prices. With spare capacity still limited, supply shocks or heightened geopolitical concerns could lead to further price spikes that could quickly translate into higher headline inflation.

A global growth of 5.2% is anticipated in 2007. However, global growth is expected to slow down in 2008, although remaining at a buoyant pace. In the U.S., ongoing difficulties in the mortgage market are expected to extend the decline in residential investment, while higher energy prices, sluggish job growth and weaker house prices are likely to dampen consumption spending. The U.S. economy is expected to maintain only moderate growth through the end of 2008. However, among the emerging markets, economic growth is expected to remain very strong. Strong domestic demand growth in these countries is anticipated to counterbalance continued moderate growth in the U.S.

Global GDP, 2001-2008 (Real Growth)

Growth (%)	2001	2002	2003	2004	2005	2006	2007 ^e	2008 ^f
World GDP	2.5	3.1	4.0	5.3	4.8	5.4	5.2	4.8
Advanced Economies	1.2	1.6	1.9	3.2	2.5	2.9	2.5	2.2
U.S.	0.8	1.6	2.5	3.9	3.1	2.9	1.9	1.9
Japan	0.2	0.3	1.4	2.7	1.9	2.2	2.0	1.7
Euro area *	1.9	0.9	0.8	2.0	1.5	2.8	2.5	2.1
China	8.3	9.1	10.0	10.1	10.4	11.1	11.5	10.0

Notes:

* = Indicates member countries of the Euro area (Austria, Belgium, Finland, France, Germany, Greece, Italy, Ireland, Luxembourg, Netherlands, Portugal, Spain)

^e = estimate

^f = forecast

Source: International Monetary Fund

(Source: D&B Malaysia's IMR Report, 24 August 2007, updated on 31 December 2007)

6.2 OVERVIEW OF THE MALAYSIAN ECONOMY

Growth prospects for the Malaysian economy remain favourable in 2007, despite uncertainties in the global economic environment. Strong domestic economic fundamentals will enable the economy to expand at 6.0% in 2007. On the supply side, output growth is supported by expansion in all sectors of the economy. Meanwhile, on the demand side, growth is projected to be driven by resilient domestic demand of both the private and public sectors, largely due to stronger consumer sentiment and business confidence as well as higher government spending. On the external front, Malaysia is expected to record a smaller trade surplus, as import growth picks up momentum in line with increasing domestic economic activities.

6 INDUSTRY OVERVIEW (Cont'd)

The Malaysian economy is anticipated to strengthen further to between 6.0% and 6.5% in 2008, with positive contributions from all sectors of the economy. Domestic demand is projected to be the main driver of the economy, while external demand is expected to pick up in tandem with improved prospects in global trade. Both private investment and consumption spending are expected to remain robust, while public expenditure continues to expand. Finally, the Malaysian economy is expected to remain resilient on the back of a well-diversified and broad-based structure, as well as strong macroeconomic fundamentals, which have strengthened over the years.

Annual Change in Real GDP by Sector, 2001-2008 (2000 prices)

Growth (%)	2001	2002	2003	2004	2005	2006	2007e	2008f
GDP	0.5	5.4	5.8	6.8	5.0	5.9	6.0	6.0-6.5
Agriculture	-0.2	2.9	6.0	4.7	2.6	5.2	3.1	3.5
Manufacturing	-4.3	4.1	9.2	9.6	5.3	7.1	3.1	3.8
Mining and quarrying	-1.7	4.4	6.1	4.1	-1.3	-0.4	3.3	4.0
Construction	3.3	2.3	1.8	-0.9	-1.8	-0.5	5.2	6.3
Services	4.1	5.8	4.2	6.4	6.7	7.2	9.0	8.6

Note:

e = estimate

f = forecast

Source: Bank Negara Malaysia and Ministry of Finance, Malaysia

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6.3 MANUFACTURING AND SERVICES SECTORS IN MALAYSIA

6.3.1 Manufacturing Sector

The manufacturing sector is projected to expand by 3.1% in 2007, supported by domestic-oriented industries, particularly chemicals and chemical-oriented industries, food and construction-related industries. In line with the expansion in global trade in manufactured products, the manufacturing sector is anticipated to increase by 3.8% in 2008. This is expected to benefit Malaysia's export-oriented industries, including electrical and electronics products. The output of resource-based products is anticipated to expand due to strong demand for refined petroleum products, plastics, chemicals, rubber gloves and wooden furniture and fixtures. Further expansion is expected in the non-metallic mineral products and metals industries, supported by increased activities in the construction sector.

The development of a strong and dynamic small and medium enterprises ("SME") sector is an important economic agenda of the government. Industry deepening is especially applicable to the SMEs. Rapid technological advancements as well as trade liberalisation and globalisation have placed a severe strain on the SMEs. In promoting the industry deepening process, a core element is the supporting industries, which are mostly SMEs. Having a strong supporting industry base enables less reliance on foreign imports. It can also create additional employment as well as provide linkages between the large companies and SMEs. A strong supporting industry can also assist the growth of SMEs through subcontracting arrangements and lead to the further development of local entrepreneurs, resulting in a higher utilisation of domestic resources. Recognising the SMEs as an endogenous engine of growth, the government's current development focus is on SMEs with the capability to manufacture products with higher intellectual property content using the requisite human capital.

The overall manufacturing sector expanded marginally for the first half of 2007 (Q1 2007: 0.5%; Q2 2007: 0.3%), supported by domestic-oriented industries such as output in chemicals and chemical products as well as food and beverages. Export-oriented industries declined by 1.9% in both Q1 2007 Q2 2007 due to a weak global demand for E&E products. However the decline was cushioned by growth in the export of resource based products.

6 INDUSTRY OVERVIEW (Cont'd)

6.3.2 Services Sector

The Malaysian services sector is expected to achieve a growth of 6.0% in 2007, as compared to 5.7% registered in the previous year. This sector continues to be the single largest contributor, having contributed 58.2% to GDP in 2006. As a whole, the services sector is expected to sustain its strong performance supported by higher trade-related activities and continued increases in consumer spending and business activities amidst rising disposable income and a record level of tourist arrivals. In 2006, the two (2) sub-sectors leading the growth are wholesale, retail trade, hotels and restaurants and government services, registering growth rates of 6.5% and 5.8% respectively.

The Malaysian services sector recorded a strong expansion of 9.7% and 9.2% respectively in Q1 2007 and Q2 2007. The sector growth was broad based, supported by double digit growth in the finance and insurance and real estate and business services sub sectors.

Application of IT software and utilisation of IT services have also played a crucial role in improving the quality and efficiency of the service sector as a whole. In future, more and more players in the service sector are expected to utilise IT software such as CRM and HRM software.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6.4 ICT INDUSTRY IN MALAYSIA

ICT industry began in the 1950s. Over the span of five decades, the ICT industry has undergone several waves of change and growth brought about by new revolutionary technology. Each wave of change is marked by tremendous increase in the industry revenue as well as the scope of ICT usage. From its initial role as a supporting business function, it has pervaded almost every aspect of everyday living. These changes have thus, reshaped the structure of corporate IT systems and in turn influence what is purchased.

Traditionally, computing power was centralised: mainframe computers were the dominant force in the market, with users attached to these mainframes through 'dumb' terminals. In the 1980s, with the advent of the personal computer ("PC"), corporate IT architectures shifted to the client/server model, in which a centralised server offers corporate-wide resources to client computers (i.e. desktop PCs), using desktop productivity tools, such as Microsoft Excel spreadsheets.

The 1990s saw the rise of distributed computing, with a focus on localised processing power and storage, and a one-server/one-application strategy. This led to a trend where each department controls its own server or specific servers being allocated for specific jobs (e-mail servers, Web servers, etc.). This trend however, resulted in increasing complexity for IT managers, because this heterogeneous environment was difficult and expensive to control on top of the high cost of acquiring, deploying and maintaining this infrastructure. Consequently, operational costs grew, the IT infrastructure became inflexible, and service quality declined. In addition, it became increasingly difficult to ensure adequate data security and integrity.

Today, major companies are seeking to consolidate their servers and storage, and are adopting a more centralised approach to computing. The centralised approach is also helping them to usher in a new era of service-centric computing. A consolidated environment helps IT managers to make judicious use of the services from external providers to reduce their fixed costs, help with workloads or to fill gaps in knowledge. Many industry commentators now feel that service-centric computing is set to reshape corporate IT infrastructures by reorganising the data centre and improving productivity. However, service-centric computing projects require in-depth knowledge of client businesses, call for high-level expertise in new technologies, experience in management consulting, as well as in-depth knowledge in the transformation and management of information systems. During periods of rapid business and technological changes, organisations have also found that they are restricted in their ability to exploit the latest technologies due to the lack of internal IT resources. Most organisations address this challenge by using external resources.

6 INDUSTRY OVERVIEW (Cont'd)

The ICT industry in Malaysia has shown signs of recovery from the global downturn of the electronic chips industry that began in 2001. Over the years, there has been a gradual shift in the face of the manufacturing sector, especially in the electronics industry. As part of the efforts to expedite the structural shift, promotion of manufacturing-related services was intensified with the establishment of the Manufacturing-related Services Division in both MITI and MIDA. The Government recognises the role of ICT as a strategic enabling tool to support the growth of the economy and to enhance the quality of life.

The use of the Internet in Malaysia has grown rapidly since the start of its commercialisation in the early 1990s. The rapid growth in the popularity of the Internet is mainly due to the increasing penetration of computer, modem and other access devices, reduced Internet connection costs, the emergence of new Internet appliances, developments of the Web, the introduction of easy-to use navigational tools and utilities, and the growth in the number of information, entertainment and commercial applications available on the Internet.

Growth in client/server computing, multimedia personal computers and online computing services and the proliferation of networking technologies have resulted in a large and growing group of people who are accustomed to using networked computers for a variety of purposes, including e-mail, electronic file transfers, online computing, information browsing and electronic financial transactions. These trends have increasingly led businesses to explore opportunities of providing Internet-based applications and services within their organisations and to customers and business partners.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6.5 PERFORMANCE OF SME AND THE SHARED SERVICES INDUSTRY

6.5.1 Potential of the SME Industry

SMEs represent an important segment of the Malaysian economy as they represent approximately 92% of all companies registered and 30% of the country's manufacturing output. ICT spending among SMEs is one of the key drivers in Malaysia's vision to achieve a knowledge based economy and promote local ICT spending.

Moving forward, in an environment characterised by rapid advance in ICT, globalisation, liberalisation, and greater reliance on knowledge for value creation, SMEs are expected to invest in software and services that will allow them to maximise their assets and core values, and improve business process efficiency and productivity through information visibility and availability. This will assist them in achieving a level playing field to compete with their foreign counterparts and attain global competitiveness. Unlike their enterprise counterparts, due to a much smaller IT budget, SMEs are expected to invest in stages, according to their respective business growth and competitive pressures.

The Government has also taken steps to encourage the use of IT amongst SMEs by providing tax incentives, improving IT infrastructure and setting up of R&D sites, and benefits to attract technology experts. Several technology-related financial grants or assistance schemes are available for local SMEs, which are made available through various Government agencies including Small and Medium Industries Development Corporation ("SMIDEC") and Malaysia Technology Development Corporation ("MTDC"). SMIDEC is a specialised agency which promotes the development of SMEs through the provision of advisory services, fiscal and financial assistance, infrastructure facilities, market access and other support programmes. MTDC, on the other hand is an agency to promote wider applications of technology in the industrial sector for continuous growth and competitiveness.

6 INDUSTRY OVERVIEW (Cont'd)

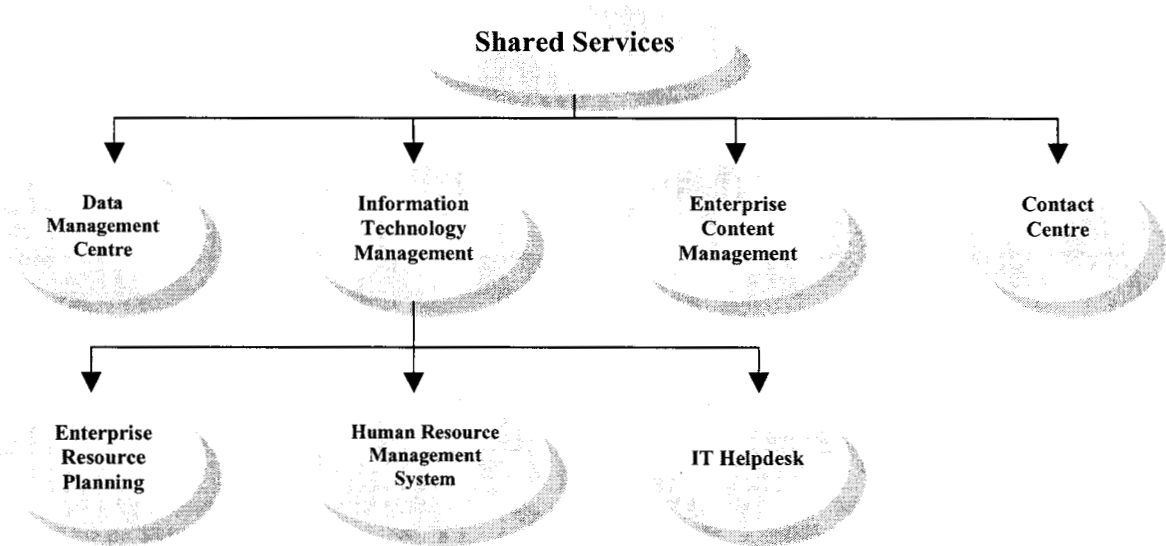
There have been initiatives from the private sector as well. One of them is SAP Malaysia. With the current sixteen (16) channel partners that cater only to SMEs, SAP Malaysia plans to increase by an additional of 40%. In addition, SAP Malaysia created the SME Solution Centre to assist SMEs in having the right end-to-end custom solutions that fit into their business models. These initiatives underscore the importance of SMEs for this IT conglomerate moving forward.

6.5.2 Shared Services Industry

The mainstream revenue of the Company is derived from shared services industry, i.e. the marketing and sale of Total Factor Productivity products/solutions and shared & IT outsourcing services for the manufacturing and services sectors.

Shared services is defined as the consolidation, centralisation and management of services of different operational units within an organisation. The purpose of shared services is to reduce cost and achieve greater operational efficiency and effectiveness within the organisation.

Shared services are classified into four (4) major clusters:-



Globally, the shared services market is dominated by a handful of major players such as SAP, Computacenter and IBM. The global players provide a wide spectrum of products and services with some even cover the entire IT spectrum of an organisation. Their services are scalable to a global scale, catering to customers with a wide network of branches worldwide. Smaller players may not have the capacity or the technical knowledge to serve such markets.

However, the products and services offered by the major players are primarily designed to cater to governments, MNCs and large-capital companies. This has created opportunities for smaller players to tap as the SME market is a big fragmented playing field, and due to globalisation and competition, the need for software and services implementation become more essential. With an overflow of smaller players out there offering more or less similar software and/or services, it is crucial that in order to stay in competition, the smaller player needs to offer the right services to complement its software offerings and/or vice versa to the right market segments.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6 INDUSTRY OVERVIEW (Cont'd)

6.6 BARRIERS TO ENTRY

(a) Domain knowledge

Having the appropriate domain knowledge in the industry the organisation services is crucial and serves as a barrier to entry to new and potential entrants. Domain knowledge is a general term to describe knowledge and skills that a software programme encodes. Application market specific domain knowledge can only be acquired through close interaction with the software users of a specific application market. For example, possessing domain knowledge in the field of retail management (retail market-related software programmes) does not necessarily mean an individual is effective in other application markets. A collection of programmers may be able to design a software application that is functional, but without an intricate understanding of the business processes, procedures and application knowledge of the target application market as well as close interaction with the end-users, the customer will unlikely be able to derive full value from the software application.

(b) The cost effective delivery model

(i) Development cost

Software development is characterised by substantial economies of scale. The fixed costs of producing software, including applications, are very high. By contrast, marginal costs are very low. Moreover, the costs of developing software are "sunk" - once expended to develop software, resources so devoted cannot be used for another purpose. The result of economies of scale and sunk costs is that application developers seek to sell as many copies of their applications as possible. In this respect, the more competitive the environment, the more difficult it would be to enjoy economies of scale in the short-term. A new entrant has to have quite substantial of working capital and stamina to sustain in the highly competitive environment before the path of profitability starts to flow in.

(ii) Other sunk cost

New entrants must often incur various start-up sunk costs, such as acquiring market information, developing and testing product designs, installing equipment, engaging personnel and setting up distribution systems. Potential entrants may also face significant sunk costs due to the need to:

- make investments in market specific assets and in learning how to optimise the use of these assets;
- overcome product differentiation-related advantages enjoyed by incumbents; or
- overcome disadvantages presented by the strategic behaviour of incumbents.

These potential sources of sunk costs can create significant impediments to entry when they require that potential entrants factor greater costs into their decision-making relative to incumbents who can ignore such costs in their pricing decisions because they have already made their sunk cost commitment.

The investment required in establishing a reputation as a reliable or quality supplier is also a sunk cost and it can constitute a barrier to entry when it is a crucial element in attracting buyers, particularly in a service oriented industry. Under these circumstances, the time to gain a reputation may make profitable entry more difficult and hence delays the competitive impact that an entrant may have in the marketplace.

6 INDUSTRY OVERVIEW (Cont'd)

(c) R&D activities

In the rapidly evolving ICT environment, especially in the growing segments, products/services have a relatively short shelf life. External and internal business processes and methodologies are ever changing. Coupled with continuous innovation, regular upgrades on components such as hardware, operating systems and database management systems, global competition and the continuous endeavour for improved efficiency, an organisation's competitiveness and creation of a barrier to entry is dependent on its focus on R&D and anticipating the needs of the customers. Continuous R&D activities coupled with market acceptance of an organisation's products and services serve as a high barrier to new and potential entrants.

(d) Long term relationships and business connectivity

Companies offering shared services and business productivity related solutions in various formats comprise a broad base of individual, small, medium and multinational size of developers catering for businesses of all sizes in the country. The ability of an organisation to develop and maintain long term and strong relationship with its customers is vital as it forms another barrier to new and potential entrant for the continuity and sustainability of the business.

Long term relationships also result in high switching costs for companies looking to switch service providers. This is especially true for services providers who have already entrenched themselves in the customers' establishments and offering a variety of solutions. This would especially apply to SMEs as their IT budgets are smaller in comparison.

The ability to ensure business continuity is important as the design, development, roll-out and implementation of software and services, requires on-going support and maintenance. Such support and maintenance can last between one (1) and five (5) years, depending on the Service Level Agreements and the complexity of the IT software. Over time, established goodwill and reputation are critical for IT companies in sustaining business continuity.

(e) Knowledge workers

Every year, there is an abundance of new knowledge workers graduate from universities around the world. Unfortunately, some of the universities do not provide up to date syllabus and relevant trainings that are tailored to market demand. Hence, there are a high number of graduates who do not possess relevant experience or trainings as needed in the working society after they have graduated, especially in ICT.

The shortage of qualified and experienced knowledge workers remain one of the key barriers to entry for new and potential entrants into the shared services industry. Training and retaining key knowledge workers remains a challenge for all IT organisations. Knowledge workers such as programmers, software engineers, system architects and content developers with a high level of competence and skills are in short supply, especially those with sufficient experience in the design and development of stable, reliable and robust systems.

Programming languages such as C, C++, Java Script, Java, J2EE, ASP and JSP are languages used to support the different types of software development and system architectures. The organisation has to find an optimal mix of personnel with good working knowledge of programming languages to develop robust applications that will be stable, reliable, functional and easily maintainable. Added to this is the need for skills in database design, system architecture and design, web design, knowledge in hardware sizing and configuration, data storage optimisation, network management and a host of other attributes that knowledge workers must possess. As a result of the demand, staff turnover is high and replacement costs prohibitive.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6 INDUSTRY OVERVIEW (Cont'd)

6.7 RELEVANT LAWS AND REGULATIONS GOVERNING THE INDUSTRY AND PECULIARITIES OF THE INDUSTRY

Save for the laws and regulations generally applicable to all companies carrying out business activities in Malaysia, there are no special or peculiar laws and regulations governing our industry.

6.8 INDUSTRY PLAYERS AND COMPETITION

Our Group is a software services company that provides Software such as ERP and HRMS, which are clustered under the IT management cluster of the shared services industry, and Services, in terms of shared services and IT outsourcing, to complement their software.

Research has shown that companies providing both Services and Software achieve higher average PAT margins as compared to companies whose business activities are either Services centric or Software centric. The average PAT margin achieved by companies involved in Services and Software is 19.9% vis-à-vis 14.8% for Software centric companies and 10.3% for Service centric companies.

Average PAT Margins based on business activities as at 14 August 2007

Business Activities	Average PAT Margins ^
Services and software centric	19.9%
Software centric*	14.8%
Services centric**	10.3%

Notes:

^ Financials used are based on the latest available financial information reported in the latest Annual Reports of respective public listed companies on Bursa Malaysia

* business productivity solutions such as ERP, HRMS, CRM, SCM and SRM

** shared services and outsourcing

Source: D&B Malaysia Research

Based on D&B's IMR Report dated 24 August 2007 and updated to 31 December 2007, there were three (3) MESDAQ public listed companies that have been identified for profiling and comparison to us. The following key observations were noted:-

- All four (4) companies, including our Group, serve both the manufacturing and services (financial and non-financial) sectors with their Software and Services offerings.
- The application markets of the four (4) players differ in certain ways:-
 - (i) Our Group and one (1) market player serve mainly the non-financial services sector;
 - (ii) The remaining two (2) market players serve both financial and non-financial services sector.
- In terms of performance measured through absolute revenue, our Group ranked as follows:-
 - (i) 3rd in comparison to revenue (annualised where applicable) achieved by the comparable companies at each company's point of listing; and
 - (ii) 4th in comparison to revenue (annualised where applicable) achieved by the comparable companies as at the LPD.
- In terms of profitability, our Group ranked 2nd by EBITDA and PAT margin.

Please refer to Section 12 of this Prospectus in the Section entitled "Comparative Analysis" for further information.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6 INDUSTRY OVERVIEW (Cont'd)

6.9 PROSPECTS AND OUTLOOK OF THE INDUSTRY

6.9.1 ICT Expenditure

The ICT industry is earmarked as one of the main driving forces to transform Malaysia into a knowledge based economy and a developed nation by 2020. Malaysia's ICT spending grew an estimated 7.7% to RM32.2 billion in 2005 from RM29.9 billion in 2004. According to the Association of Computer and Multimedia Industry of Malaysia ("PIKOM"), total technology expenditure in Malaysia is expected record RM45 billion in 2008. PIKOM has identified SSO and software services as potential growth factors in 2008. Accordingly, by 2012, the SSO industry in Malaysia is expected to be worth approximately USD2 billion and generating approximately 300,000 jobs.

By sector, manufacturing remains the largest spender on ICT followed by the consumer, finance & business services and Government sectors. Further details on ICT expenditure by different sectors are tabled as follows:-

Malaysia: ICT Expenditure by Sector

Sector	2000 RM million	2004 RM million	2005 * RM million	AAGR (%) 2001 - 2005
Agriculture	200	128	138	-7.2
Mining	222	224	234	1.1
Manufacturing	12,188	13,652	14,367	3.3
Utilities	378	430	470	4.5
Construction	112	126	135	3.8
Wholesale and retail trade	1,585	1,735	1,870	3.4
Transport and communications	1,221	1,581	1,770	7.7
Finance and business services	1,894	2,563	2,845	8.5
Government	1,389	1,981	2,245	10.1
Consumer	6,314	7,440	8,104	5.1
Other Services ^	140	62	70	-12.9
Total	25,643	29,922	32,248	4.7

Notes:

AAGR – Aggregate Annual Growth Rate

* Estimates

^ Include personal, repair, cultural, recreation and entertainment, healthcare, legal, education, social and professional services.

Source: Ninth Malaysia Plan

Locally, export of software have also grown from an estimated RM28.1 million in 2004 to approximately RM211.9 million in 2005. Some of the key export destinations include the U.S., Republic of Korea, People's Republic of China, Germany and Hong Kong. According to the Malaysian Industrial Development Authority ("MIDA"), exports of local software are expected to continue growing in the near future with China remaining the favourite among local ICT companies as an export destination, followed by Indonesia, Philippines and Vietnam.

6.9.2 Growth opportunities in developing countries

In addition to the local market, numerous market opportunities can be found in developing countries such as Thailand, Indonesia and Vietnam. These countries have similar traits to Malaysia, namely growing economies, sizeable MNC presence and companies predominately comprising SMEs.

Over the past few years, the neighbouring countries have been enjoying very healthy economic growth as reflected in their gross domestic product ("GDP") growth rate.

6 INDUSTRY OVERVIEW (Cont'd)

Vietnam

In 2005, the Vietnam's ICT market was estimated to be worth USD7.9 billion which represented an increase of 25.0% compared to the previous year (2005: USD6.3 billion). Between 2001 and 2005, the ICT expenditure registered a CAGR of 18.1%. Sales of IT software and provision of IT service recorded CAGR of 40.1% and 46.5% respectively for the same period. In 2005, the sales of IT software was valued at about USD215.0 million while provision of IT services recorded sales of USD414.4 million.

In 2006, Vietnam has recorded a GDP growth rate of 8.0% which is highest in the past six (6) years. The growth is supported by a strong export demand for its commodities, crude oil and manufactures products. Vietnam's industry and services sectors have contributed more than 90% of the total GDP growth rate in the same year. The manufacturing sector alone registered a growth rate of 12.4%. For 2007 and 2008, Vietnam is expected to record a growth rate of 8.3% and 8.5% respectively. The growth will be supported by increase in private investment, increase in foreign direct investment as well as strong private consumption

Thailand

In 2005, Thailand's total ICT market was estimated to be worth USD7.2 billion of which the IT expenditure, which includes sales of IT hardware and software and provision of IT service, accounted for USD2.7 billion. Compared with IT spending in 2004 (USD2.2 billion), IT spending has grown by 22.7%. Between 2001 and 2005, Thailand's IT market has achieved an estimated Compound Annual Growth Rate ("CAGR") of 22.9% compare to the total ICT market's CAGR rate of 15.1%. During the same period, the sales of IT software and provision of IT services markets recorded a CAGR of 40.3% and 26.1% respectively. The robust growth in the IT spending is due to the growth in the manufacturing services and consumer spending in IT.

In 2006, Thailand registered an economic growth of 5.0% which is slightly higher than the previous year (2005: 4.5%). In the first half of the year, the economy was affected by flooding and political uncertainties but strong exports have helped to support the economic growth. For 2007 and 2008, Thailand is predicted to achieve a GDP growth rate of 4.0% and 5.0% respectively.

Indonesia

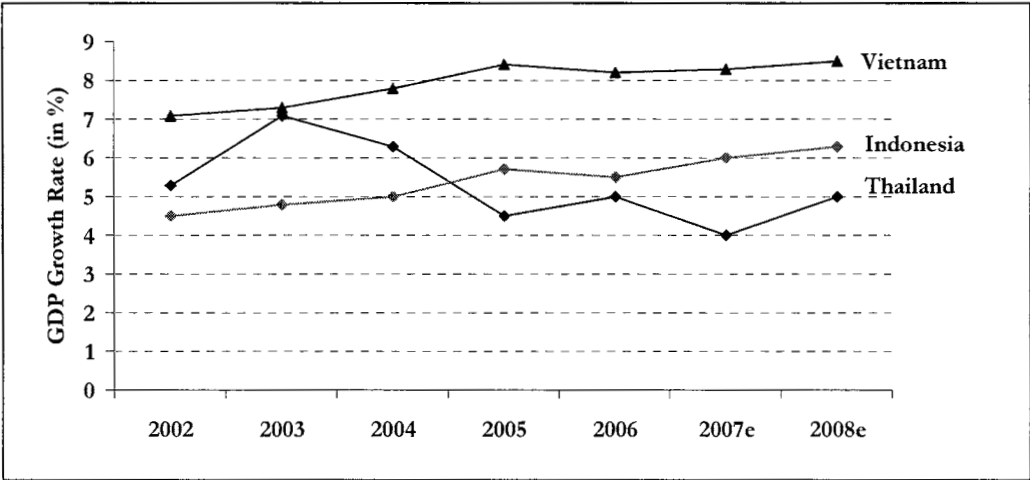
In 2005, Indonesia recorded an estimated ICT spending of USD9.7 billion. Of the total ICT expenditure, sales of IT software and provision of IT services was worth USD425.3 million and USD 359.4 million respectively. Between 2001 and 2005, the ICT market recorded a CAGR of 24.7%. In the same period, sales of IT software and provision of IT services registered a CAGR of 38.3% and 27.1% respectively

In 2006, Indonesia recorded a GDP growth rate of 5.5%. The growth was mainly driven by private consumptions and exports. The economy is expected to grow 6.0% and 6.3% in 2007 and 2008 respectively. The growth will be supported by stronger development spending and better investment climate.

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6 INDUSTRY OVERVIEW (Cont'd)

GDP Growth Rate for Selected Developing Countries, 2002 – 2008e



Notes: e - estimates
Source: D&B Malaysia Research

6.9.3 Support from the Government of Malaysia

The Government of Malaysia is taking an active role in promoting the ICT industry with putting in place pro-ICT legislations, policies and incentives. The shared services industry has been identified as one of the key areas the Government of Malaysia is building and promoting. Through the 9MP, the MSC, various Acts, venture capital funds and infrastructural development, the Government, in collaboration with the private sector, will continue to build upon its existing comparative advantages to become one of the key SSO hub in Asia as well as a developed country by 2020. SMEs are targeted to be a key enabler for investments in shared services in order to enhance their core competencies and increase their competitiveness in the local and global market.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

6.10 SUBSTITUTE PRODUCTS/ SERVICES

There are no direct substitutes to shared services as it comprise the principles, practices and procedures for the consolidation, centralisation and management of services of different operational units within an organisation. An ever changing business landscape, competition and the endeavour for greater cost efficiencies have resulted in the evolution, and will continue to evolve shared services from the original distributed software and/or services model. Substitutes can only be found in terms of the products offered by different service providers, differing in terms of features, functionalities and support. An example of a product substitute would be an ERP software or CRM software offered by Microsoft and SAP.

(Source: D&B Malaysia' IMR Report, 24 August 2007, updated on 31 December 2007)

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7 FUTURE PLANS, STRATEGIES AND PROSPECTS

7.1 FUTURE PLANS AND STRATEGIES

The future plans and strategies set out in our three (3) year business development plan are summarised as follows:-

7.1.1 Our Business Intent

Our business intent is focused on enhancing the business productivity of business enterprises by providing end-to-end business solutions and services which will improve the Total Factor Productivity of enterprises.

As such, our vision is “**We aspire to be the preferred solutions provider to increase the Total Factor Productivity for businesses in ASEAN**”.

7.1.2 Our Business Development Strategies

(a) Competitive Strategy

To meet our aspirations, our competitive strategy focuses on our ability to adopt a focus strategy in a specific target market segment. The targeted segments are the manufacturing and services industry in ASEAN countries.

In order for us to achieve our focus strategy we are focused on providing business productivity solutions through ‘Total Factor Productivity’ Business Model for enterprises in our targeted market segments. By focusing on our target market segment we are able to effectively and efficiently compete with our competitors who are competing more broadly. As a result of that, we are able to achieve differentiation by meeting the needs and requirement of our targeted market segment through our services which complement well with our software offerings. Being focused also positions us to establish economies of scale on our product and services offering, as such we are able to provide a cost effective solution proposition to our customer.

To further enhance our value proposition to our customers, we differentiate our offering by providing an end-to-end business productivity solutions in our targeted market segment. These products and services offering are our own proprietary software solution, ERP consulting, IT outsourcing and shared services outsourcing.

(b) Corporate Strategy

To further complement our competitive strategy, we position ourselves as a software service centric player in the ICT industry. Accordingly, our corporate business strategy is explained below:-

- **What we do** – we are in the business of improving companies’ Total Factor Productivity by providing proprietary software solutions in Enterprise HCM, proprietary solutions and tools for EBS, provide IT outsourcing services as well as ERP consulting services.
- **What we have** – we have a strong and proven track record in the target markets as well as excellent IT domain know-how. This is demonstrated by the well developed, and still growing, customer base of over 120 companies, comprising a combination of MNCs, public companies and SMEs. To serve our clients better, we have appointed marketing and strategic partners in neighbouring countries namely Thailand and Vietnam. This is achieved through our core competencies in the following areas:

7 **FUTURE PLANS, STRATEGIES AND PROSPECTS (Cont'd)**

➤ **Specialization**

As a software and services company, we specialize and focus on providing enterprise business productivity solutions and services to our targeted market segment. Our domain expertise in the manufacturing and services industry especially in the SMEs market place differentiates us from our competitors who solely focus on software or services.

➤ **Operational Excellence**

We leverage on our proprietary solutions to offer the most cost effective solution for software and ITO projects. We drive and take advantage of our internal R&D capabilities and own proprietary software services technology to support our ERP consulting and ITO/SSO businesses.

We developed our own project management implementation methodology PROMISE to ensure timely completion of secured projects. We also have our own R&D development methodology in SoftDev to ensure our products and services created meet customer expectations and quality.

As a result, we are recognized by Microsoft as a Gold certified partner and SAP as their key ERP solutions reseller.

➤ **Customer Intimacy**

We offer end-to-end solutions to enhance Total Factor Productivity and hence we are able to deliver and fulfill the current and future customer needs and expectations. This as such creates a relationship of trusts and dependency with our customers. We have dedicated account servicing teams as well as own technical helpdesks to provide assurance to our customers in terms of delivering our commitment to serve them as well to understand the issues faced by them.

➤ **Product Leadership**

We have put in place focused R&D programs to ensure functional and technological enhancements are made to existing product lines as well as review its relevance in view of introducing additional modules for the future. We are also embarking on developing an SOA architecture on our software platform to allow us to offer SaaS proposition for our product and services portfolio.

➤ **Horizontal integration of products and services**

Our four (4) pillars of business provides us with an attractive total software and services provider proposition as:-

- i. We have consulting services, software solutions and project implementation services to pitch to our customers. When the project is completed, our IT outsourcing and shared services arm will provide a cost-effective proposition to operate the IT system on behalf of our customers.
- ii. We can also outsource the IT operations to our customers and thereafter sell our proprietary software or ERP solutions to the customer. Hence, we are able to further improve our profit margins for the project.

7 FUTURE PLANS, STRATEGIES AND PROSPECTS (Cont'd)

This horizontal integration of products and services allow us to provide end-to-end business productivity solution to our customers. This core competency also provide us with the ability and flexibility to provide solution in any of our four (4) pillars of business to our customers.

(c) Marketing Strategy

In order to drive revenue growth and ensure a sustainable business strategy, our “Go to Market” marketing strategy adopted will leverage our company resources and core competency and these marketing strategies are:-

- (i) Market penetration
 - Maintain and widen our customer base
 - Customer and target market development
 - Increase product & service presence – brand building
 - Increase regional presence
 - Strategic alliances
- (ii) Product development
 - Continuous enhancement of existing product
 - Broaden the product portfolio
- (iii) Product positioning
 - Pricing
 - Features
 - Payment model
 - Product bundling

7.1.3 Prospects and Outlook

We believe in the growth potential and prospects of our products/services through our critical success factors as follows:-

(i) Attractive product market selection

We possess an attractive products and services mix, and operating within well defined target market segments which are critical in ensuring our sustainability and future growth. Coupled with the ability to constantly develop better offerings through software R&D and complying to the ever changing target market needs, we endeavor to stay at the forefront of competition. Examples of essential features to differentiate and compete effectively include modularity and scalability of the marketed solutions. The inability to identify, customise and introduce suitable solutions for the respective target segments often result in business opportunity and financial losses.

(ii) Ability to provide integrated services and software

Our ability to provide integrated services and software is critical to cater to the demand and requirements of varying customers at multiple levels. Examples of contemporary service offerings are service bundling and integrated services. Service bundling gathers several services under one contract while integrated services contracts cover a wide range of activities, from customisation of software to the provision of personnel and service maintenance. With companies focussing on their core businesses, software and services companies have to become more flexible in adapting to the requirements of their customers. Contemporary major goals in the relationship between software and services companies and their customers include optimisation of assets, efficiency maximisation and lowering of total costs.

7 **FUTURE PLANS, STRATEGIES AND PROSPECTS (Cont'd)**

The challenge for current software and services companies is to offer the best-in-class in the industry, in line with the way forward. This includes restructuring or even re-engineering themselves to meet this challenge. The need to provide integrated services and software is a formidable barrier for new entrants. Software and services companies that are able to offer the entire gamut of IT services and software in a targeted market segment are preferred as they can assist to improve operational and business performance efficiencies.

(iii) Close relationships with technology partners

Our ability to establish close relationships with their technology partners is critical for success for software and services companies as we are exposed to the latest technology offerings and related technical support. With technology far reaching and numerous in applications, IT companies are unable to meet all the requirements of an organisation. Strategic partnerships and alliances with technology partners are deemed critical to operate in the IT field. Software and services companies, especially SME companies, establish strategic relationships with big players such as Microsoft, HP and SAP to broaden their range of offered software and solutions. Such partnerships help companies in achieving a shorter time-to-market through reductions in time and resources in developing new products or enhancing current ones.

(iv) Established market presence and proven track record

The long period of time required in establishing a strong track record in terms of establishing a pervasive market presence and building up relationships with clients can prove daunting to new entrants. It is mutually beneficial for both customers and software and services companies to form long-standing relationships once the quality of services are accepted and recognised. Having the right marketing channels is important, as customers do not easily respond to new players entering their market segment. Enterprises and SMEs are more inclined to use products, services and solutions from companies which have already established a proven track record. In this context, our well-established software and services companies will most likely be the preferred choice. With our proven track record, services could be readily 'pushed' out to the customers, making services enhancement possible and reaching out to the targeted industries more easily.

(v) After-sales service

In the ICT industry today, service is an important factor for success. It is a long term relationship between the customers and us. Every sale is not just a one-off transaction. In fact, after-sales service helps us to understand more about customer's requirements even after the sale is completed.

Another advantage of providing after-sales service is that it can be used as a selling point for us to have good reputation. It gives the customer an impression that we do care about what they are selling. In short, customer satisfaction will lead to better future prospects through recommendations and better publicity for us. Some of the after-sales services can be consultation and technical support, where professional staffs can attend to customers' problems in terms of troubleshooting and advises. Such troubleshooting involves being at the customer's premises and training the end users to how to avoid and solve problems that arise.

Customer feedback is also another important element in which solution providers can improve if there is any complains. However, good feedback will encourage the solution providers to provide better before and after-sales service.

7 **FUTURE PLANS, STRATEGIES AND PROSPECTS (Cont'd)**

(vi) **Unique and Innovative Business Model**

Having the right business model is an important factor that will help the company to stay competitive in the market. A good business model will ensure that the company has enough resources, capabilities, marketing and distribution strategy, products and services offering catering to the right market segments. Most often than not, a lot of businesses fail due to lack of good business model with the right target market segments. Moreover, there are businesses that have good products and services but do not have the right target market segments.

A unique and innovative business model would be able to address problems and future potentials that will arise in all parts of the company's operations. It needs to be flexible in solving issues pertaining to the company's value propositions, be it internal or external, and this will help the company to expand and grow in the long term.

Given the prospects and positive outlook of the Malaysian economy and the ICT industry coupled with the growth in neighbouring countries set out in Section 6 of this Prospectus as well as the critical success factors outlined above, our Board believes that our Group's business will continue to grow.

7.1.4 HR Policies

The sustainable and growing asset for our Group is our human resources. We place high emphasis in our HR policy development in the areas of recruiting, developing, training and retaining suitably qualified staff as a basis to grow our knowledge workers.

In line with this policy, our HR development plan is set out as follows:-

Management Continuity / Succession Planning

- Continuity of management by way of a management development plan incorporating project leader development, performance management programme, specific skills or knowledge training to new business strategies or demands.
- We have a succession planning framework for key positions to improve planning for future staffing and skills needs.

Management Development

- We have plans to cover career path development, career management programmes, and special programs for identification and retention of high-potential staff.

Training Programme

- We identify, train and develop skills needs at all levels – management, executive and technical.
- We evaluate existing programs and develop new programs to be aligned to present and future business needs. Training sessions are usually conducted by external parties with specific programs developed to meet our strategic and operational objectives.

KPI System

- We established KPI framework based on total performance management systems which are linked with work plans, project deliverables or objective-based systems.
- We have implemented performance appraisal programmes which give feedback to users regarding their performance against agreed-upon standards and objectives.

8 FINANCIAL INFORMATION

8.1 FINANCIAL HIGHLIGHTS

8.1.1 Proforma Consolidated Income Statements

The proforma consolidated income statements have been prepared for illustrative purposes after making certain adjustments to show what the financial results of our Group for the financial periods/ years ended 31 December 2004, 2005, 2006 and 30 September 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the periods/years being reported on.

	<-----Audited----->				Unaudited
	<----- FPE/ FYE 31 December ----->				FPE 30 September
	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2006 RM'000^
Revenue	717	3,529	5,871	8,219	4,611
Less: Cost of sales	(507)	(2,908)	(2,877)	(4,315)	(2,260)
Gross profit	210	621	2,994	3,904	2,351
EBITDA	87	129	1,512	2,547	1,188
Depreciation	(14)	(32)	(62)	(63)	(49)
Profit from operations	73	97	1,450	2,484	1,139
Interest expense	-	-	-	-	-
Interest income	-	14	16	10	12
Amortisation of intangible assets	-	-	(105)	(115)	(82)
Share of PAT of equity accounted associate	124	190	271	259	213
PBT	197	301	1,632	2,638	1,282
Tax expense	(20)	(17)	(136)	(195)	(107)
PAT	177	284	1,496	2,443	1,175
Effective tax rate (%) ⁽¹⁾	27.40	15.32	10.00	8.20	10.01
Gross margin (%)	29.29	17.60	51.00	47.50	50.99
Pre-tax profit margin (%)	27.48	8.53	27.80	32.10	27.80
Gross dividend rate	-	-	-	-	-
Number of TFP Shares after Acquisition of Subsidiary Companies and Associate Company	48,384,800	48,384,800	48,384,800	48,384,800	48,384,800
Gross basic EPS (sen) ⁽²⁾	0.41	0.62	3.37	* 7.27	* 3.53
Net basic EPS (sen) ⁽³⁾	0.37	0.59	3.09	* 6.73	* 3.24
Number of TFP Shares after Acquisition of Property	69,384,800	69,384,800	69,384,800	69,384,800	69,384,800
Gross basic EPS (sen) ⁽²⁾	0.28	0.43	2.35	* 5.07	* 2.46
Net basic EPS (sen) ⁽³⁾	0.26	0.41	2.16	* 4.69	* 2.26
Number of TFP Shares after Issues	140,077,200	140,077,200	140,077,200	140,077,200	140,077,200
Gross basic EPS (sen) ⁽²⁾	0.14	0.21	1.17	* 2.51	* 1.22
Net basic EPS (sen) ⁽³⁾	0.13	0.20	1.07	* 2.33	* 1.12

8 FINANCIAL INFORMATION (Cont'd)

Notes:-

- [^] For comparison purposes only
- * Annualised for comparison purposes
- (1) The calculation of effective tax rate excluded the share of PAT of equity accounted associate
- (2) The gross basic EPS is computed based on the consolidated PBT divided by the number of TFP Shares assumed in issue
- (3) The net basic EPS is computed based on the consolidated PAT divided by the number of TFP Shares assumed in issue
- (4) There was no minority interest for the FPE/FYE under review
- (5) There were no extraordinary and/or exceptional items during the FPE/FYE under review
- (6) There were no borrowings during the FPE/FYE under review. Therefore, no gearing ratio and interest cover calculation is provided

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8 FINANCIAL INFORMATION (Cont'd)

8.1.2 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets have been prepared for illustrative purposes only and after making certain adjustments to show what the financial position of our Group as of 30 September 2007 would have been if our group structure as of the date of the Prospectus had been in place since the beginning of the FPE 30 September 2007, adjusted for the Acquisition of Property, Public Issue, Bonus Issue and utilisation of proceeds for payment of listing expenses and utilisation of funds from the Public Issue.

- Proforma 1 : After Acquisition of Subsidiary Companies and Associate Company
 Proforma 2 : After Proforma 1 and Acquisition of Property
 Proforma 3 : After Proforma 2 and Public Issue of new Shares
 Proforma 4 : After Proforma 3 and Bonus Issue of new Shares and utilisation of proceeds for payment of listing expenses
 Proforma 5 : After Proforma 4 and utilisation of proceeds from Public Issue for research and development expenditure and working capital purposes

	Audited as at 30 September 2007	Proforma 1	Proforma 2	Proforma 3	Proforma 4	Proforma 5
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in associate	-	1,527	1,527	1,527	1,527	1,527
Intangible assets	-	700	700	700	700	4,000
Property, plant and equipment	-	286	2,386	2,386	2,386	2,386
Total Non-Current Assets	-	2,513	4,613	4,613	4,613	7,913
Current Assets						
Receivables, deposits and prepayments	-	6,431	6,431	6,431	6,431	6,431
Current tax assets	-	59	59	59	59	59
Cash and cash equivalents	^	1,344	1,344	12,864	11,364	8,064
Total Current Assets	^	7,834	7,834	19,354	17,854	14,554
Total Assets	^	10,347	12,447	23,967	22,467	22,467
Equity						
Share capital	^	4,838	6,938	9,338	14,008	14,008
Share premium	-	-	-	9,120	2,950	2,950
Retained earnings #	(5)	2,443	2,443	2,443	2,443	2,443
Total Equity	(5)	7,281	9,381	20,901	19,401	19,401
Liabilities						
Deferred tax liabilities	-	11	11	11	11	11
Total Non-Current Liabilities	-	11	11	11	11	11
Payables and accruals	5	2,635	2,635	2,635	2,635	2,635
Deferred income	-	366	366	366	366	366
Taxation	-	54	54	54	54	54
Total Current Liabilities	5	3,055	3,055	3,055	3,055	3,055
Total Liabilities	5	3,066	3,066	3,066	3,066	3,066
Total Equity and Liabilities	^	10,347	12,447	23,967	22,467	22,467

8 FINANCIAL INFORMATION (Cont'd)

	Audited as at 30 September 2007 RM'000	Proforma 1 RM'000	Proforma 2 RM'000	Proforma 3 RM'000	Proforma 4 RM'000	Proforma 5 RM'000
NTA	(5)	6,581	8,681	20,201	18,701	15,401
NTA per TFP Share (sen)	*	13.6	12.5	21.6	13.4	11.0

Notes:-

^ represents RM0.20

* represents 250,000 sen

The proforma retained earnings included an amount of RM2.448 million which represents the excess of our interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition

Notes to Proforma Consolidated Balance Sheets as at 30 September 2007**1. Basis of preparation**

The proforma consolidated balance sheets of our Group are based on the audited financial statements of our Subsidiary Companies and Associate Company as at 30 September 2007. The accounting policies, basis and assumptions used in the preparation of the proforma consolidated balance sheets are consistent with those adopted by our Subsidiary Companies and Associate Company in the preparation of their audited financial statements.

2. Proforma balance sheets

The proforma consolidated balance sheets are for illustrative purposes only and to incorporate the following transactions in conjunction with the Listing as set out below.

Proforma 1 – Acquisition of Subsidiary Companies and Associate Company

- Acquisition of the entire equity interest in SoftFac comprising 500,000 ordinary shares of RM1.00 each in SoftFac by TFP Solutions from Lim Lung Wen, Lim Geok Hong, Ow Poh Kwang and Quah Teik Jin who hold 40%, 30%, 15% and 15% shareholdings respectively for a total purchase consideration of RM1,271,255 to be settled through the issuance of 12,712,550 TFP Shares.
- Acquisition of the entire equity interest in ProDserv comprising 100,000 ordinary shares of RM1.00 each in ProDserv by TFP Solutions from Lim Lung Wen and Quah Teik Jin who hold 50% and 50% shareholdings respectively for a total purchase consideration of RM65,281 to be settled through the issuance of 652,810 TFP Shares.
- Acquisition of the entire equity interest in ProXerv comprising 100,000 ordinary shares of RM1.00 each in ProXerv by TFP Solutions from Lim Chee Siong, Grace Chia Ming Hui and Lye Poh Leong who hold 45%, 20% and 35% shareholdings respectively for a total purchase consideration of RM386,429 to be settled through the issuance of 3,864,290 TFP Shares.
- Acquisition of the entire equity interest in MBP comprising 1,000,000 ordinary shares of RM1.00 each in MBP Solutions by TFP from Lim Lung Wen, Quah Teik Jin, Lim Tiew Ming, Chong Wei Phoi and Ow Poh Kwang, who hold 18.26%, 15.76%, 30.49%, 30.49% and 5% shareholdings respectively for a total purchase consideration of RM1,312,212 to be settled through the issuance of 13,122,120 TFP Shares .

8 FINANCIAL INFORMATION (Cont'd)

- Acquisition of the entire equity interest in SBOne comprising 500,000 ordinary shares of RM1.00 each in SBOne by TFP Solutions from Lim Lung Wen, Quah Teik Jin, Tan Man Siang, Edward Yee Chee Kheong and Ow Poh Kwang who hold 27.5%, 27.5%, 25%, 5% and 15% shareholdings respectively for a total purchase consideration of RM536,439 to be settled through the issuance of 5,364,390 TFP Shares.
- Acquisition of 40% of the entire equity interest in TenInfo comprising 1,000,000 ordinary shares of RM1.00 each in TenInfo by TFP Solutions from Lim Lung Wen and Cheah Ui Huat who hold 27.37% and 12.63% shareholdings respectively for a total purchase consideration of RM1,266,864 to be settled through the issuance of 12,668,638 TFP Shares.

Proforma 2 – Acquisition of Property

Acquisition of a property by TFP Solutions from Lim Lung Wen and Quah Teik Jin for a total purchase consideration of RM2,100,001 to be settled by cash of RM1.00 and by the issuance of 21,000,000 TFP Shares.

Proforma 3 – Public Issue of new TFP Shares

Public issue of 24,000,000 new TFP Shares at an issue price of RM0.48 per TFP Share to selected investors, the general public and eligible directors, employees and business associates of the TFP Solutions Group.

Proforma 4 – Bonus Issue of new TFP Shares and utilisation of proceeds for payment of listing expenses

Proposed bonus issue of 46,692,400 new TFP Shares on the basis of one (1) new TFP Share to be issued as fully paid up for every two (2) existing TFP Shares held in TFP Solutions after the public issue.

Part of the proceeds of RM11,520,000 from the Public Issue of new TFP Shares will be utilized to pay for the estimated listing expenses of RM1,500,000.

Proforma 5 – Utilisation of proceeds from Public Issue for research and development expenditure and working capital purposes

The remaining balance of the proceeds from the Public Issue will be utilized as follows:-

	RM'000
Research and development expenditure	3,300
Business expansion and capital expenditure*	3,000
Working capital	3,720
	<u>10,020</u>
	=====

* For the purpose of the proforma consolidated balance sheets, it is assumed that the proceeds set aside for business expansion and capital expenditure form part of the working capital.

8 FINANCIAL INFORMATION (Cont'd)

3. Movement in cash and cash equivalents	RM'000
Balance at 30 September 2007 (TFP Solutions)	*
Proforma 1 – Acquisition of SoftFac, ProDserv, ProXerv, MBP and SBOne	1,344
Balance after Proforma 1	<u>1,344</u>
Proforma 2 – Acquisition of Property	(^)
Balance after Proforma 2	<u>1,344</u>
Proforma 3 – Public Issue of new Shares	11,520
Balance after Proforma 3	<u>12,864</u>
Proforma 4 – Utilisation of proceeds from Public Issue for payment of listing expenses	(1,500)
Balance after Proforma 4	<u>11,364</u>
Proforma 5 – Utilisation of the proceeds from Public Issue for research and development expenditure	(3,300)
Balance after Proforma 5	<u>8,064</u> =====
* <i>RM0.20</i>	
^ <i>RM1.00</i>	
4. Movement in share capital	RM'000
Balance at 30 September 2007 (TFP Solutions)	*
Proforma 1 – Acquisition of Subsidiary Companies and Associate Company	4,838
Balance after Proforma 1	<u>4,838</u>
Proforma 2 – Acquisition of Property	2,100
Balance after Proforma 2	<u>6,938</u>
Proforma 3 – Public Issue of new Shares	2,400
Balance after Proforma 3	<u>9,338</u>
Proforma 4 – Bonus Issue of new Shares	4,670
Balance after Proforma 4 and Proforma 5	<u>14,008</u> =====
* <i>RM0.20</i>	
5. Movement in share premium	RM'000
Balance at 30 September 2007 (TFP Solutions), Proforma 1 and Proforma 2	-
Proforma 3 – Public Issue of new Shares	9,120
Balance after Proforma 3	<u>9,120</u>
Proforma 4 – Bonus Issue of new Shares and utilisation of proceeds for payment of listing expenses	(6,170)
Balance after Proforma 4 and Proforma 5	<u>2,950</u> =====

8 FINANCIAL INFORMATION (Cont'd)

8.1.3 Proforma Statement of Assets and Liabilities

The statement of assets and liabilities of our Group is prepared for illustrative purposes only and after making certain adjustments to show what the financial position of our Group as of 30 September 2007 would have been if our group structure as of the date of the Prospectus had been in place since the beginning of the FPE 30 September 2007, adjusted for the Acquisition of Property.

	Notes	RM'000
Property, plant and equipment	1	2,386
Intangible assets	2	700
Investment in associate	3	1,527
Total Non-Current Assets		<u>4,613</u>
Current Assets		
Receivables, deposits and prepayments	4	6,431
Current tax assets		59
Cash and cash equivalents	5	1,344
Total Current Assets		<u>7,834</u>
Total Assets		<u>12,447</u>
Equity		
Share capital	6	6,938
Retained earnings		2,443
Total Equity		<u>9,381</u>
Liabilities		
Deferred tax liabilities		11
Total Non-Current Liabilities		<u>11</u>
Payables and accruals	7	2,635
Deferred income		366
Provision for taxation		54
Total Current Liabilities		<u>3,055</u>
Total Liabilities		<u>3,066</u>
Total Equity and Liabilities		<u>12,447</u>

The accounting policies, bases and assumptions used in the preparation of the proforma statement of assets and liabilities are consistent with those adopted by our Subsidiary Companies and Associate Company in the preparation of our audited financial statements.

8 FINANCIAL INFORMATION (Cont'd)**1 Property, plant and equipment**

	<----- As at 30 September 2007 ----->		
	Cost	Accumulated depreciation	Net book value
	RM'000	RM'000	RM'000
Property	2,100	-	2,100
Office equipment	63	27	36
Computer equipment	247	81	166
Furniture and fittings	116	54	62
Renovations	28	6	22
	2,554	168	2,386

2 Intangible assets

	As at 30 September 2007 RM'000
At cost	
IP rights	312
Development costs	607
	919
Accumulated amortization	(219)
	700

Amortisation

The amortisation is recognised in cost of sales.

Development costs

Development costs represent staff costs recognised in relation to the development of new software.

3 Investment in associate

	As at 30 September 2007 RM'000
Unquoted shares- at costs	1,268
Share of post acquisition per share	255
	1,527

Details of the associate are as follows:

Name	Principal activities	Country of incorporation	Effective ownership interest 2007 %
TenInfo	Providing enterprise systems solutions	Malaysia	40

8 FINANCIAL INFORMATION (Cont'd)

4 Receivables, deposits and prepayments

	As at 30 September 2007 RM'000
Trade receivables	5,188
Amount due from associate	356
Other receivables, deposits and prepayments	887
	<u>6,431</u> =====

The amount due from associate is interest free, unsecured and has no fixed terms of repayment.

5 Cash and cash equivalents

	As at 30 September 2007 RM'000
Fixed deposits	512
Cash and bank balances	832
	<u>1,344</u> =====

6 Share capital

	As at 30 September 2007 RM'000
Authorised:	
250,000,000 ordinary shares of RM0.10 each	25,000 =====
Issued and fully paid:	
69,384,800 ordinary shares of RM0.10 each	6,938 =====

7 Payables and accruals

	As at 30 September 2007 RM'000
Trade payables	2,003
Other payables and accruals	632
	<u>2,635</u> =====

8 FINANCIAL INFORMATION (Cont'd)

8.1.4 Proforma Consolidated Cash Flow Statement

The proforma consolidated cash flow statement have been prepared for illustrative purposes only after making certain adjustments to show what the cashflows of our Group for the period ended 30 September 2007 would have been if our group structure as of the date of the Prospectus had been in place since the beginning of the financial period ended 30 September 2007.

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	2,638
Adjustments for:	
Depreciation of property, plant and equipment	63
Interest income	(10)
Share of profit of equity accounted associate	(259)
Amortisation of intangible assets	115
Operating profit before working capital changes	<u>2,547</u>
Increase/(Decrease) in working capital	
Deferred income	251
Receivables and deposits	(4,249)
Payables and accruals	<u>2,066</u>
Cash generated from operations	615
Tax paid	(191)
Tax refund	74
Interest received	<u>10</u>
Net cash from operating activities	508
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of property, plant and equipment	(72)
Disposal of property, plant and equipment	12
Internally developed intangible assets	<u>(263)</u>
Net cash used in investing activities	(323)
CASH FLOWS FROM FINANCING ACTIVITY	
Net cash from financing activity	-
NET INCREASE IN CASH & CASH EQUIVALENTS	185
CASH & CASH EQUIVALENTS BROUGHT FORWARD	1,159
CASH & CASH EQUIVALENTS CARRIED FORWARD	1,344
CASH AND CASH EQUIVALENTS :	
Fixed deposits	512
Cash and bank balances	<u>832</u>
	<u><u>1,344</u></u>

8 FINANCIAL INFORMATION (Cont'd)

8.2 MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis by our Board and management should be read in conjunction with the Accountants' Report set out in Section 14 of this Prospectus and related notes for the past three (3) FPE/ FYE 31 December 2004 to 2006 and FPE 30 September 2007.

This management discussion and analysis of financial conditions and results of operations have been made based on the proforma consolidated income statements of our Group for the past three (3) FPE/ FYE 31 December 2004 to 2006 and FPE 30 September 2007 which have been prepared for illustrative purposes after making certain adjustments to show what the financial results of our Group for the financial periods/ years ended 31 December 2004, 2005, 2006 and 30 September 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the periods/years being reported on.

8.2.1 Overview
(a) Revenue

We derive our revenue from sales of proprietary solutions, contracts from ITO/SSO, ERP consulting as well as other related IT project revenue.

Products and/or services	<-----Audited----->							
	FPE 31		FYE 31		FYE 31		9-month FPE 30	
	December 2004	December 2005	December 2006	December 2007	December 2004	December 2005	December 2006	September 2007
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proprietary productivity solutions	-	-	142	4.0	2,296	39.0	2,683	32.0
ITO/SSO	-	-	35	1.0	926	15.7	1,295	15.4
ERP consulting	401	55.9	1,304	37.0	2,321	39.4	2,541	30.3
Turnkey/ Others	316	44.1	2,048	58.0	347	5.9	1,879	22.3
	717	100.0	3,529	100.0	5,890	100.0	8,398	100.0
(-) Inter-company transactions	-	-	-	-	(19)	-	(179)	-
	717		3,529		5,871		8,219	

(i) Proprietary productivity solutions

Revenue from the proprietary productivity solutions segment comprises the sale of SoftFac HCRM solutions and **B2LOGIX** solutions enterprise application suite, and their related products and services. Typically, we earn revenue by charging fees for the following:

- Software license;
- Project services - project management, implementation, customization & consulting; and
- Annual licensing, technical support and maintenance.

Software license fee refer to a one-time right of use of the software, which is normally approximately 30% to 40% of the total project costs. We adopt a standard pricing model which is based on three (3) factor conditions – “User-based” or “Server-based” or “Subscriber-based” licensing.

8 FINANCIAL INFORMATION (Cont'd)

Project services fee refer to value-added services we provide to ensure timely and successful completion of our project deliverables. We charge our project services fee based on factors such as additional functionality or customization required, review and reconciliation of clients' SOPs (standard operating procedures), expected man-days required to complete the implementation and commissioning of the software to be installed. This constitutes approximately 30% - 40% of the total project cost.

Annual licensing, technical support and maintenance fee refer to the clients' continuing right to use of our software on an annual basis. This will entitle them to any software upgrades forthcoming, as well as ongoing technical support to ensure system uptime and any other maintenance required. This is approximately 15% - 20% of the current software license charged, depending on scope of the project.

(ii) ITO / SSO

The outsourced services fee we charge is based on four (4) standard support packages - 'Complete Care', 'Essential Care', 'Application Care' and 'Basic Care'. These packages are tailored based on the number of headcount and type of services to be fulfilled. The support packages are signed up based on an annual support and maintenance contract. Further details of our support packages are set out in Section 5.4.2 of this Prospectus.

For providing ITO/SSO using our proprietary software solutions, we adopt a "User-based" pricing model.

(iii) ERP consulting

Revenue from ERP consulting segment is derived from the deployment and support for Microsoft Dynamics AX and SAP ERP solutions. Sources of our revenue are as follows:

- Software license fee(s)
- Project services - project management, implementation, customization & consulting fee
- Annual licensing, technical support and maintenance fees.

The pricing model is similar to our "Proprietary productivity solutions" segment however, we are required to share the revenue derived from software license and annual licensing with the ERP principals, namely Microsoft and SAP.

(iv) Turnkey projects / Others

Turnkey projects refer to the total design, supply, installation and commissioning of major IT projects. This would include setting up the IT infrastructure as well as implementing the necessary software and services based on the clients' requirements. In delivering our product and services, we derive a small amount of revenue from the sales of hardware which is required by our customers. The pricing model is based on the combination of hardware, software and services bundled within a single project deliverable.

In 2005, we secured two (2) major turnkey projects from Titan Petchem (M) Sdn Bhd ("Titan"). The Titan project was significant in developing and harnessing our know-how to create and establish the technical feasibility of *B2LOGIX*. Thereafter, we decided to start structured development programme to capitalize on this technology.

8 FINANCIAL INFORMATION (Cont'd)

In line with our business plans, we expect a continued increase in the proportion of our revenue derived from proprietary productivity solutions and ITO/SSO, while proportionate revenue contribution from ERP consulting is expected to decrease in the future.

In the past, our sales to foreign end-users were principally made through our Malaysian partners or our customers' Malaysian based operations, where our fees were denominated mainly in RM. To cater for expansion in overseas sales we had on 21 August 2007, appointed a strategic alliance partner in Thailand to sell our products and services in Thailand. We had on 1 June 2006 also appointed a marketing partner in Vietnam for sales to that country.

The following factors will have an impact on our revenue:

- (i) Ability to source for new contracts as new project work comprise a significant amount of our revenue. As we grow our business, we expect a higher proportion of our revenue will be derived from recurrent income such as annual licensing, technical support and maintenance fees and income from ITO/SSO. For FYE 31 December 2006, approximately RM1.6 million comprise revenue of a recurrent nature.
- (ii) Ability to favourably price the contracts we secure, which will have a direct impact on our profit margins.

Pricing of contracts are largely variable due to differences in project scale, complexity, expertise and product or services required. Certain factors such as competition, industry factors or economic climate may force us to reduce our prices or lead to an increase in costs, which may adversely impact our profit margins. In order to have an efficient cost delivery model, we outsource certain portions of project implementation from time to time depending on the cost structure of the project. This enables us to be flexible on pricing of our projects in the short term.

We may reduce the prices we quote to certain customers for strategic reasons such as the prospects of future sales of our other products and services. This may have a negative impact on our profit margin.

The percentage of fee sharing for software licensing and annual licensing fee between our ERP principals, SAP and Microsoft and us will also have an impact on our revenue.

- (iii) Delays in design and implementation of projects. As a significant amount of our revenue is derived on project basis, the length of time for design, development and implementation will determine how much revenue we are able to recognise for the project. Delays in achieving project milestones may result in a delay in revenue. However, our Directors and senior management are experienced in IT project implementation, which mitigates risks of delays in implementation.

Our revenue during the first quarter of our financial year is generally lower than subsequent quarters. We attribute this trend to public holidays during the end of the preceding year.

8 FINANCIAL INFORMATION (Cont'd)**(b) Cost of sales**

Cost of sales accounted for approximately 71%, 82%, 49% and 53% of the total revenues in respect of the FPE 31 December 2004, FYE 31 December 2005, FYE 31 December 2006 and FPE 30 September 2007 respectively. The increase in proportion of cost of sales to revenue in FYE 31 December 2005 was due to us undertaking two (2) major turnkey projects from Titan Petchem (M) Sdn Bhd valued at approximately RM1.8 million. Turnkey projects typically yield lower margins. In addition, during FYE 31 December 2005 we undertook an ERP project with Munchy Food Industries Sdn. Bhd at lower margins with a strategic intention to leverage on customer references to expand our customer base.

Our cost of sales comprises mainly staff costs which is directly attributable to the technical personnel involved in the development and implementation of products, and software and annual licensing payments to ERP principals, namely Microsoft and SAP. Also included in cost of sales is the amortisation of development costs and IP rights associated with our proprietary productivity solutions, which are amortised over a period of five (5) years. We also procure third party products and services from time to time for the implementation of our projects, which form part of our cost of sales.

The main factors which may affect our cost of sales are as follows:

- (i) the proportion in which we share our fees with ERP principals, namely Microsoft and SAP;
- (ii) the increase in salaries or fees paid for technical personnel undertaking project implementation as a result of inflation or shortage of supply; and
- (iii) the increase the prices of third party products or services.

(c) GP margin

The following table depicts the approximate GP margin by products for FPE 31 December 2004, FYE 31 December 2005, FYE 31 December 2006 and FPE 30 September 2007:-

FPE/ FYE	←31 December 2004→		←31 December 2005→		←31 December 2006→		←30 September 2007→					
	GP		GP		GP		GP					
	←GP→ RM'000	Margin %	←GP→ RM'000	Margin %	←GP→ RM'000	Margin %	←GP→ RM'000	Margin %				
Proprietary solutions	-	-	130	20.9	91.5	1,418	47.4	61.7	1,855	47.5	69.1	
ITO/SSO	-	-	32	5.2	91.4	510	17.0	55.1	416	10.7	32.1	
ERP consulting	117	55.7	29.2	305	49.2	23.4	922	30.8	39.7	1,020	26.1	40.1
Turnkey projects/ Others	93	44.3	29.4	153	24.7	7.5	144	4.8	41.4	613	15.7	32.6
	210	100.0	29.3	620	100.0	17.6	2,994	100.0	51.0	3,904	100.0	47.5

We typically derive greater GP margin from our proprietary productivity solutions and ITO/SSO compared to turnkey projects and ERP consulting. As such, our GP margin tends to increase as the proportion of our revenue derived from proprietary productivity solutions and ITO/SSO increases. Our GP margin with respect to FPE 31 December 2004, FYE 31 December 2005, FYE 31 December 2006 and FPE 30 September 2007 were approximately 29%, 18%, 51% and 48% respectively, due to the increasing trend in sales of proprietary productivity solutions and ITO/SSO.

8 FINANCIAL INFORMATION (Cont'd)

In respect of the foregoing, we wish to highlight that GP margins from ITO/SSO for FPE 30 September 2007 were lower compared to the previous financial year due to initial/start-up costs relating to eight (8) new customers acquired during the financial period. ITO/SSO contracts are typically recurrent in nature and these costs are expected to decline over time.

In addition, during FPE 30 September 2007 MBP completed a turnkey project worth RM1.70 million, which resulted in lower GP margins compared to the previous financial year.

(d) Administration, distribution and other operating expenses

Administration, distribution and other operating expenses consists mainly of staff related expenses which include salaries of our marketing and administrative staff as well as Employee Provident Fund contribution, benefits and training for all staff. Other significant component of our operating expenses include depreciation of our fixed assets, marketing and promotion expenses, claims and commission paid to sales personnel, office rentals and office overheads.

(e) Contribution from Associate

TenInfo is our 40% owned associate company and is involved in the trading of third party hardware and software. We equity account our share of TenInfo's PAT.

(f) Taxation

Two (2) of our subsidiaries, namely Softfac and ProDserv have been accorded MSC Malaysia Status and are entitled to a five (5) year tax exemption, which can be extended for a further five (5) years. Sufficient tax provisions have been made by the remaining subsidiary companies of the Group for all the relevant years under review.

Our Group's effective tax rate for FPE 30 September 2007 is 8.20%.

8.2.2 Review of past performance

FPE 31 December 2004

For FPE 31 December 2004, our revenue was derived solely from MBP through ERP consulting activities and turnkey projects amounting to RM0.72 million. Our Group achieved GP of RM0.21 million representing a GP margin of 29.3%.

Share of profit after tax from our associated company, TenInfo amounted to RM0.12 million. We registered a PAT of approximately RM0.20 million for FPE 31 December 2004.

FYE 31 December 2005

In FYE 31 December 2005, certain of our Subsidiary Companies commenced operations, resulting in our Group achieving a revenue of RM3.53 million which is an increase of nearly 400% from FYE 31 December 2004 of RM0.72 million. During the financial year, we secured two (2) one-time turnkey project from Titan Petchem (M) Sdn Bhd ("Titan") which contributed approximately RM1.80 million to our revenue. The Titan project was significant in developing and harnessing our know-how to create and establish the technical feasibility of **B2LOGIX**. Thereafter, we decided to start a structured development programme to capitalize on this technology.

Revenue for proprietary productivity solutions in FYE 31 December 2005 was principally derived from sales of SoftFac HCRM solutions and other customised software solutions.

8 FINANCIAL INFORMATION (Cont'd)

ERP consulting segment contributed RM1.30 million to our revenue. During the financial year, our Group began offering proprietary solutions and ITO/SSO.

Our Group recorded GP of RM0.62 million giving an overall GP margin of 17.6%. This is mainly due to the lower margins derived from implementing the turnkey projects secured by our Group as substantial amount of hardware was involved.

Share of profit after tax from our associated company, TenInfo amounted to RM0.19 million. We registered a PAT of RM0.28 million for FYE 31 December 2005.

FYE 31 December 2006

In FYE 31 December 2006, our Group achieved a revenue of RM5.87 million, which is an increase of approximately 66% compared to that achieved in FYE 31 December 2005. We focused our efforts in increasing revenue contribution from our proprietary solutions and ITO/SSO which provided higher margins. We successfully increased revenue from our proprietary solution segment from RM0.14 million recorded in the previous year to RM2.28 million (after inter-company adjustments) in FYE 31 December 2006.

In 2005, our Subsidiary Company, namely SoftFac acquired the exclusive rights and development work for the HRES from a third party. Under the terms of the acquisition, SoftFac also took over the rights to maintain the HRES used by existing customers and continued the development of HRES into SoftFac HCRM solutions. SoftFac was incorporated and commenced operations in the second half of 2005. During FYE 31 December 2006, Softfac contributed approximately RM1.40 million to our Group's revenue through the sale of SoftFac HCRM solutions. The RM0.90 million of revenue from the proprietary productivity solutions was attributable to EBS add-ons developed for our ERP consulting projects.

Revenue for ITO/SSO for FYE 31 December 2006 of RM0.90 million achieved by ProXerv was largely derived from outsourcing services projects sub-contracted from TenInfo.

Revenue for ERP consulting is derived from MBP and SBOne. For FYE 31 December 2006, MBP and SBOne contributed approximately RM1.20 million and RM1.10 million, respectively to our ERP consulting revenue.

Revenue from our ITO/SSO increased substantially to RM0.93 million, approximately 60% of which comprised projects sub-contracted from TenInfo. In addition, we secured a maintenance and support services agreement with Tan Chong & Sons Motor Company Sdn. Bhd. worth RM0.41 million for period from June 2006 to May 2007. The agreement has been renewed on 1 June 2007 for a further period of two (2) years from June 2007 to May 2009 for an aggregate value of RM1.17 million.

The Group achieved GP amounting to RM2.99 million in FYE 31 December 2006 representing an increase of approximately 380% from FYE 31 December 2005 in line with the increase in revenue and a significant improvement of GP margins. Arising from increase contribution from our proprietary and ITO/SSO, GP margin improved to 51%. This improvement is also partly due to the absence of large turnkey projects as compared to the previous financial year.

In line with the increases in revenue and GP, our PAT for FYE 31 December 2006 increased by approximately 430% to RM1.50 million.

FPE 30 September 2007

For the nine (9) months FPE 30 September 2007, our Group achieved revenue of RM8.22 million which is approximately 78% higher when compared to that achieved in the previous corresponding nine (9) months FPE 30 September 2006 of RM4.61 million. This is due to the increase in revenue in all of our product segments.

8 FINANCIAL INFORMATION (Cont'd)

We registered revenue from our proprietary productivity solutions during FPE 30 September 2007 of approximately RM2.68 million. This was principally derived from Softfac which contributed approximately RM1.32 million through the sale of SoftFac HCRM solutions and ProDserv which contributed approximately RM0.90 million through the sale of **B2LOGIX** solutions. The balance revenue was mainly attributable to EBS add-ons developed for our ERP consulting projects.

Revenue for ERP consulting derived from MBP and SBOne was RM2.54 million.

Revenue for ITO/SSO for FPE 30 September 2007 of RM1.30 million represented a significant increase from RM0.93 million in FYE 31 December 2006 due to the acquisition of eight (8) new customers.

In FPE 30 September 2007, MBP had undertaken a turnkey project with a contract value of approximately RM1.70 million. This attributed to an increase in revenue but resulted in higher cost of sales and lower profit margins typically associated with turnkey projects. Our Group achieved GP margin of 47.50% in FPE 30 September 2007, which is lower than the GP margin achieved in the previous corresponding nine (9) months FPE 30 September 2006 of approximately 51.00% due to the turnkey project undertaken by MBP. Our GP margin for FPE 30 September 2007 excluding the said turnkey project is approximately 53.00%.

In FPE 30 September 2007, our Group achieved PAT of RM2.44 million. Our Directors are confident that our Group will be able to meet the profit estimate of RM3.12 million for FYE 31 December 2007.

8.2.3 Impact of Foreign Exchange, Interest Rates and Commodity Prices

Our financial results were not materially affected by movements in foreign currency fluctuations as there is minimal foreign currency exposure. As our foreign based business grows, we will consider adopting hedging strategies against foreign exchange fluctuations. As at the date of this Prospectus, our Group does not have any financial instruments for hedging purposes.

Our financial results were not affected by interest rates as none of the Subsidiary Companies have any borrowings.

8.2.4 Exceptional and Extraordinary Items

There was no exceptional and extraordinary items for the financial period/ years under review.

8.2.5 Change in Accounting Policies and Practices

We adopted applicable approved accounting standards for other entities other than private entities issued by the Malaysia Accounting Standard Board for the FYE 31 December 2006. The adoption of new/revised Financial Reporting Standards does not have a significant effect on the prior year financial statements of our Group save as disclosed in the Accountants' Report set out in Section 14 of this Prospectus.

8.2.6 Trend Information

Save as disclosed in Section 8.2.1 and 8.2.2 above relating to the overview and review of our past performance, our financial conditions and operations for the past three (3) FPE/ FYE 31 December 2004 to 2006 and FPE 30 September 2007 were not affected by any of the following:-

- (a) significant recent trends in sales, selling prices and costs of products and services, and

8 FINANCIAL INFORMATION (Cont'd)

- (b) any known trends, demands, commitments, events or uncertainties that:-
- (i) have had, or that we would reasonably expect to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group; and
 - (ii) would cause the historical financial statements to be not necessarily indicative of future financial information.

8.2.7 Liquidity and Capital Resources

Our Board is of the opinion that, after taking into account our cashflow position and net proceeds from the Public Issue, we will have adequate liquidity and capital resources for a period of twelve (12) months from the date of issue of this Prospectus.

As at the LPD, TFP Solutions and our Subsidiary Companies' material sources of unutilised liquidity amounting to RM2.928 million comprising cash and bank balances and fixed deposits of RM1.056 million and RM1.872 million respectively.

The following sets out the net cash flow from the respective activities of TFP Solutions and our Subsidiary Companies for FYE 31 December 2006 and FPE 30 September 2007:-

	TFP Solutions and Subsidiary Companies	
	FYE 31 December 2006	FPE 30 September 2007
	RM'000	RM'000
Operating Activities	(68)	508
Investing Activities	(348)	(323)
Financing Activities	500	-
Net Cash Inflow	84	185

During FYE 31 December 2006, cashflows used for operating activities amounted to approximately RM0.07 million which was attributable to our business growth and the increase in trade debtors. Our existing shareholders contributed approximately RM0.5 million to our business through subscription of shares in certain of our Subsidiary Companies. Cashflows used in investing activities was attributable to R&D activities and the purchase of IT hardware and equipment.

During FPE 30 September 2007, cashflows generated from operating activities amounted to RM0.508 million which was attributable mainly to our business growth. Cashflows used in investing activities of RM0.323 million was attributable to R&D activities and the purchase and disposal of IT hardware and equipment.

As at the date of this Prospectus, TFP Solutions and our Subsidiary Companies do not have any borrowings.

We do not utilise any financial instruments for hedging purposes.

8.3 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE

As at the LPD, and save for the risk factors disclosed in Section 4 and the material litigation disclosed in Section 8.4(a) of this Prospectus, the financial conditions and operations of our Group are not affected by any of the followings:-

- (a) known trends, demands, commitments, events or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of our Group;

8 FINANCIAL INFORMATION (Cont'd)

- (b) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group;
- (c) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position; and
- (d) pending and threatened litigation and arbitration proceedings having an impact on the financial position of our Group.

8.4 MATERIAL LITIGATION, MATERIAL CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENT

(a) Material Litigation

As at the LPD and save as disclosed below, our Group is not engaged whether as plaintiff or defendant in any legal action, proceedings, arbitration or prosecution for any criminal offence, which has a material effect on the financial performance and position of our Group and our Board has no knowledge of any proceedings pending or threatened against our Group or any facts likely to give rise to any proceedings which might materially affect the position and business of our Group:-

MBP has received a letter of demand dated 6 September 2007 from the solicitors of General Aluminium Works (M) Sdn Bhd ("GAW"), demanding for the full payment and/or refund for the sum of RM396,344.00 which GAW has paid to MBP for services rendered in relation to the installation and/or implementation of an ERP system which GAW now claims that it is unable to utilize the full benefits of the said ERP System. At present, no legal proceedings have been initiated by either party and both MBP and GAW are still in the midst of corresponding. MBP's solicitors' preliminary view is that MBP has grounds to defend GAW's claim for a refund should GAW initiate legal proceedings against MBP based on the allegations in their letter of demand dated 6 September 2007.

(b) Material Contingent Liabilities

As at the LPD and save as disclosed in Section 8.4(a) above, there are no other material contingent liabilities incurred by us, which upon becoming enforceable may have a material impact on our Group.

(c) Material Commitment

As at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group which may have a substantial impact on the results or the financial position of our Group.

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8 FINANCIAL INFORMATION (Cont'd)**8.5 CONSOLIDATED PROFIT ESTIMATE AND FORECAST**

Our Board estimates and forecasts that the consolidated PAT of our Group for the FYE 31 December 2007 and 2008, will be as follows:-

FYE 31 December	2007 RM'000	2008 RM'000
Revenue	10,900	11,934
PBT	3,183	4,620
Share of PAT of equity accounted associate	257	268
	<u>3,440</u>	<u>4,888</u>
Less: Tax expense	(317)	(465)
Net profit for the year	<u>3,123</u>	<u>4,423</u>
Less: Forecast pre-acquisition profit *	(2,863)	-
Net profit after forecast pre-acquisition profit	<u>260</u>	<u>4,423</u>
Enlarged no. of ordinary shares of RM0.10 each in issue after the Listing ('000 shares) ⁽¹⁾	140,077	140,077
Gross EPS (sen) ⁽²⁾	2.27	3.30
Net EPS (sen) ⁽³⁾	2.23	3.16
Gross PE Multiple (times) ⁽⁴⁾	14.10	9.70
Net PE Multiple (times) ⁽⁴⁾	14.35	10.13

Notes:-

⁽¹⁾ Upon the completion of the Listing, there will be 140,077,200 TFP Shares in issue

⁽²⁾ Calculated based on the forecast consolidated PBT divided by the number of TFP Shares in issue after the completion of the Listing

⁽³⁾ Calculated based on the forecast consolidated net profit for the year before pre-acquisition profit divided by the number of TFP Shares in issue after the completion of the Listing

⁽⁴⁾ Calculated based on the theoretical ex-bonus price of RM0.32 per TFP Share

* We obtained control over the financial and operating policies of our Subsidiary Companies and Associate Company on 28 November 2007, in accordance with the SPA and the relevant supplemental agreements between the parties. Accordingly, the profit from 1 January 2007 to 28 November 2007 will be considered as pre-acquisition profit.

In accordance with the accounting policy adopted by us, consistent with the requirements of Financial Reporting Standard, FRS 3, Business Combination, the excess of the fair values of the net assets acquired over the consideration paid is recognized in the income statement as it arises.

The excess of the provisional fair values of the net assets acquired over the consideration paid (which should approximate the profits of our Subsidiary Companies and Associate Company from 1 January 2007 to 28 November 2007) arising from the acquisition of our Subsidiary Companies and Associate Company has not been accounted for in the above estimate as the gain is deemed to be a non-recurring income.

Please refer to Section 8.8 of this Prospectus for the Reporting Accountants' Letter on the consolidated profit forecasts for the FYE 31 December 2007 and 2008 together with its underlying bases and assumptions.

8 FINANCIAL INFORMATION (Cont'd)

8.6 DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

Our Directors have prepared and analysed the bases and assumptions used in arriving at the consolidated profit estimate and forecast of our Group for the FYE 31 December 2007 and 2008 and are of the opinion that the consolidated profit estimate and forecast are fair and reasonable in light of the future plans, strategies and prospects of our Group as set out in Section 7.1 of this Prospectus and after taking into consideration the estimated and forecasted gearing level, liquidity and working capital requirements of our Group.

Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside the control of our Group. Therefore, certain assumptions used in the preparations of our consolidated profit estimate and forecast may differ significantly from the actual situation after the date of this profit estimate and forecast.

Estimate FYE 31 December 2007

Our revenue for the FYE 31 December 2007 is estimated to increase by approximately 83% from RM5.97 million in the FYE 31 December 2006 to RM10.90 million. This is expected to be mainly due to the overall increase in all of our product segments. We estimate an increase in revenue from proprietary productivity solutions segment from RM2.30 million for FYE 31 December 2006 to RM3.48 million for FYE 31 December 2007, while revenue from ITO/SSO is expected to increase from RM0.93 million for the previous financial year to RM1.78 million for FYE 31 December 2007. During FYE 31 December 2007, MBP had undertaken a turnkey project which contributed RM1.70 million to our revenue.

We estimate approximately RM2.30 million of estimated revenue to be recurring in nature which is principally derived from annual licensing, technical support and maintenance fees, and income derived from ITO/SSO.

The estimated revenue of approximately RM10.90 million for FYE 31 December 2007 is based entirely on contracts already secured from which revenue is expected to be recognized in the financial year.

Our Directors are confident that our Group will be able to meet the profit estimate of RM3.12 million for FYE 31 December 2007.

Forecast FYE 31 December 2008

Our revenue for the FYE 31 December 2008 is forecasted to increase by approximately 9% from RM10.90 million in the FYE 31 December 2007 to RM11.93 million. This is expected to be mainly due to increased revenue from proprietary productivity solutions and ITO/SSO segments. Revenue from proprietary productivity solutions is expected to increase by approximately 35% from RM3.48 million estimated in FYE 31 December 2007 to RM4.56 million in FYE 31 December 2008.

ITO/SSO segment is also expected to contribute to the increase in revenue through a forecasted growth by approximately 94% to RM3.46 million compared to RM1.78 million estimated in FYE 31 December 2007.

We forecast approximately RM3.00 million of estimated revenue to be recurring in nature which is principally derived from annual licensing, technical support and maintenance fees, and income derived from ITO/SSO.

Forecast revenue for FYE 31 December 2008 of RM11.93 million are based on approximately RM2.70 million worth of contracts already secured and the balance of approximately RM9.23 million on the expected value of forecasted contracts to be secured in 2008. The expected value of potential contracts is based on the value of contracts for which the Company is in various stages of negotiations and consistent with our Directors' assessment on the achievability of such contracts.

8 FINANCIAL INFORMATION (Cont'd)

As at the LPD, we are not aware of any likely change in business and operating conditions that may have a material impact on our Group's estimate and forecast as disclosed above and Section 8.3.

8.7 DIVIDEND FORECAST AND POLICY

As at the date of this Prospectus, we have not recommended or proposed any dividend payments.

It is our policy that in recommending dividends to allow shareholders to participate in the profits of the Company, we take into consideration the cash flow requirements as well as leaving adequate reserves for future growth. Future dividends may be waived in the event of insufficient profits or retained profits to declare as dividends or insufficient cash flow to pay dividends.

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8 FINANCIAL INFORMATION (Cont'd)

8.8 REPORTING ACCOUNTANTS' LETTER ON OUR CONSOLIDATED PROFIT FORECASTS

(Prepared for the inclusion in this Prospectus)



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Chartered Accountants
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The Board of Directors
TFP Solutions Berhad
20-2 and 22-2, Jalan Puteri 1/2
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan

11 January 2008

Dear Sirs

TFP Solutions Berhad
Reporting accountants' letter on the consolidated profit forecasts for the years ending 31 December 2007 and 2008

We have reviewed the consolidated profit forecasts of TFP Solutions Berhad ("TFP") and its subsidiaries and associate ("the TFP Group") for the years ending 31 December 2007 and 2008 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the Standard on Auditing (AI 3400) applicable to the review of forecasts. The consolidated profit forecasts have been prepared for inclusion in the Prospectus to be dated 5 February 2008 in connection with the following proposals and should not be relied on for any other purposes.

- i. Proposed public issue of 24,000,000 new ordinary shares of RM0.10 each in TFP at an issue price of RM0.48 per ordinary share to selected investors, the general public and eligible directors, employees and business associates of the TFP Group;
- ii. Proposed bonus issue of 46,692,400 new ordinary shares of RM0.10 each in TFP on the basis of one (1) new ordinary share of RM0.10 each in TFP to be issued as fully paid up for every two (2) existing ordinary shares of RM0.10 held in TFP after the public issue; and
- iii. Proposed listing of and quotation for the entire enlarged issued and paid up share capital of TFP of RM14,007,720 comprising 140,077,200 ordinary shares of RM0.10 each in TFP on the MESDAQ Market of the Bursa Malaysia Securities Berhad

The above-mentioned proposals are hereinafter collectively referred to as "the Listing".

Our review has been undertaken to enable us to form an opinion as to whether the consolidated profit forecasts are, in all material respects, properly prepared on the basis of the assumptions made by the Directors of TFP and are presented on a basis consistent with the accounting policies adopted and disclosed by TFP and its subsidiaries and associate in their audited financial statements for the period ended 30 September 2007. The Directors of TFP are solely responsible for the preparation and presentation of the consolidated profit forecasts and the assumptions on which the consolidated profit forecasts are based.



TFP Solutions Berhad
Reporting Accountants' letter on the consolidated profit forecasts
for the years ending 31 December 2007 and 2008
11 January 2008

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

Subject to the matter stated in the preceding paragraph:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit forecasts; and
- (ii) in our opinion, the consolidated profit forecasts, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by TFP and its subsidiaries and associate in their audited financial statements for the period ended 30 September 2007.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants

Foong Mun Kong
Partner
Approval Number: 2613/12/08(J)

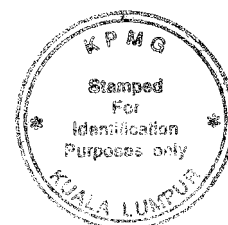
TFP SOLUTIONS BERHAD

**CONSOLIDATED PROFIT FORECASTS OF
TFP SOLUTIONS BERHAD (“TFP”) AND ITS SUBSIDIARIES AND
ASSOCIATE (“THE TFP GROUP”)
FOR THE YEARS ENDING 31 DECEMBER 2007 AND 2008**

The consolidated profit forecasts have been prepared for inclusion in the Prospectus to be dated 5 February 2008 in connection with the following proposals and should not be relied on for any other purposes.

- i. Proposed public issue of 24,000,000 new ordinary shares of RM0.10 each in TFP at an issue price of RM0.48 per ordinary share to selected investors, the general public and eligible directors, employees and business associates of the TFP Group;
- ii. Proposed bonus issue of 46,692,400 new ordinary shares of RM0.10 each in TFP on the basis of one (1) new ordinary share of RM0.10 each in TFP to be issued as fully paid up for every two (2) existing ordinary shares of RM0.10 held in TFP after the public issue; and
- iii. Proposed listing of and quotation for the entire enlarged issued and paid up share capital of TFP of RM14,007,720 comprising 140,077,200 ordinary shares of RM0.10 each in TFP on the MESDAQ Market of the Bursa Malaysia Securities Berhad

The above-mentioned proposals are hereinafter collectively referred to as “the Listing”.



8 FINANCIAL INFORMATION (Cont'd)

Based on the principal bases and assumptions set out below, the Directors forecast that the consolidated profit forecasts after tax of TFP Solutions Berhad (“TFP”) and its subsidiaries and associate namely SoftFac Sdn Bhd (“SoftFac”), ProDserv Sdn Bhd (“ProDserv”), ProXerv Sdn Bhd (“ProXerv”), MBP Solutions Sdn Bhd (“MBP”), SBOne Solutions Sdn Bhd (“SBOne”) and TenInfo Technology Sdn Bhd (“TenInfo”) (collectively “the TFP Group”) for the years ending 31 December 2007 and 2008 will be as follows:

	Years Ending	
	31.12.2007	31.12.2008
	RM'000	RM'000
Revenue	10,900	11,934
Profit before tax	3,183	4,620
Share of profit after tax of equity accounted associate	257	268
	<u>3,440</u>	<u>4,888</u>
Less: Tax expense	(317)	(465)
Net profit for the year	3,123	4,423
Less: Forecast pre-acquisition profit	Note (2,863)	-
Net profit for the year after forecast pre-acquisition profit	<u>260</u>	<u>4,423</u>
Enlarged no. of ordinary shares of RM0.10 each in issue	140,077,200	140,077,200
Earnings per share (RM)	*	0.03

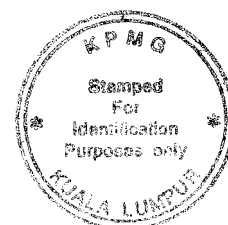
* Represents RM0.002

Note

TFP obtained control over the financial and operating policies of its subsidiaries and associate on 28 November 2007, in accordance with the Sale and Purchase Agreements and Supplemental Sale and Purchase Agreements between the parties. Accordingly, the profit from 1 January 2007 to 28 November 2007 will be considered as pre-acquisition profit.

In accordance with the accounting policy adopted by TFP, consistent with the requirements of Financial Reporting Standard, FRS 3, Business Combination, the excess of the fair values of the net assets acquired over the consideration paid is recognized in the income statement as it arises.

The excess of the provisional fair values of the net assets acquired over the consideration paid (which should approximate the profits of the subsidiaries and associate from 1 January 2007 to 28 November 2007) arising from the acquisition of subsidiaries and associate has not been accounted for in the above forecast as the gain is deemed to be a non-recurring income.



8 FINANCIAL INFORMATION (Cont'd)

The principal bases and assumptions upon which the above consolidated profit forecasts have been made are as follows:

Operating assumptions

1. There will be no significant changes in the prevailing economic and political conditions that will adversely affect the activities and performance of the TFP Group.
2. There will be no significant changes in the present legislation and governmental regulations which will adversely affect the operations of the TFP Group or the markets in which it operates.
3. Interest and inflation rates will remain at current levels.
4. There will be no significant changes in the principal activities, composition and structure of the TFP Group.
5. There will be no significant changes in the existing senior management and existing accounting, management and operational policies which will adversely affect the TFP Group.
6. Capital expenditure will be incurred as planned.
7. There will be no major disruption arising from industrial dispute, labour shortage, or any abnormal circumstances that will adversely affect the TFP Group's operations or disrupt its planned operations or the markets in which it operates.
8. There will be no material contingent liabilities and litigations which are likely to give rise to any proceedings which might materially affect the TFP Group's assets, financial position and operations and the profit forecasts.
9. There will be no major incidence of bad and doubtful debts.
10. There will be no significant changes in the level of technology that will render the products and services of the TFP Group obsolete.
11. The TFP Group has two significant partnership agreements i.e. the PartnerEdge Channel Agreement Value-Added Resellers signed between SBOne Solutions Sdn. Bhd. and SAP Malaysia Sdn. Bhd. and the Microsoft Solution Provider Agreement signed between MBP Solutions Sdn. Bhd. and Microsoft Regional Sales Corporation. There will be no significant variation in the terms and conditions of these agreements which may adversely affect the activities and performance of the TFP Group.
12. In 2007, MBP Solutions Sdn. Bhd. received a letter of demand from a customer for refund of the contract sum paid of RM396,344 for the implementation of an enterprise planning system. It is assumed that MBP will successfully defend the demand.



8 FINANCIAL INFORMATION (Cont'd)

Revenue assumptions

1. There will be no significant variations in the pricing of the TFP Group's products/services from those used in the forecasts, which will adversely affect the performance of the TFP Group.
2. There will be no new substitute products and services in the market that may significantly impact TFP Group's revenue.

Tax assumptions

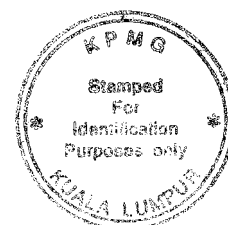
1. There will be no significant changes in the rate and basis of taxation other than the reduction in corporate tax rate from 27% to 26% in the year of assessment 2008 as announced in the 2007 Budget.
2. The subsidiaries with the Multimedia Super Corridor ("MSC") status will comply with all the requirements and terms set out by the Multimedia Development Corporation Sdn Bhd ("MDEC") and will enjoy the income tax exemption in 2007 and 2008.

Costs assumptions

1. The cost of software license fee, hardware costs, staff costs and overheads for the TFP Group's operations will not change materially from that as planned.
2. There will be no significant liquidated ascertained damages and material defect liability claims.
3. The increase in variable overhead expenses will not exceed the forecast rate of 5% per annum.
4. The increase in fixed overhead expenses such as depreciation charges, rental expenses and license fees will be in accordance with TFP Group's capital expenditure and business expansion plans.

Financing assumption

1. Financing facilities will remain available to the TFP Group and interest rates will not change significantly from those presently prevailing. In addition, the TFP Group will be able to obtain financing facilities at the present prevailing interest rates.



9 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

9.1 INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS

9.1.1 Shareholdings in TFP Solutions

Our promoters and substantial shareholders and their respective shareholdings in TFP Solutions before and after the Issues are as follows:-

	Nationality/ Country of Incorporation	Designation	No of TFP Shares Held Before the Issues		No of TFP Shares Held After the Issues	
			Direct	%	Direct	%
Promoters						
MPSB	Malaysia	-	42,023,172	60.57	63,034,758	45.00
Lim Lung Wen	Malaysian	Managing Director	3,237,349	4.67	4,856,024	3.46
Quah Teik Jin	Malaysian	Executive Director	2,829,126	4.08	4,243,689	3.03
Ow Poh Kwang	Malaysian	Executive Director	5,794	0.01	8,691	0.01
Substantial Shareholders						
MPSB	Malaysia	-	42,023,172	60.57	63,034,758	45.00
Lim Lung Wen	Malaysian	Managing Director	3,237,349	4.67	4,856,024	3.46
Quah Teik Jin	Malaysian	Executive Director	2,829,126	4.08	4,243,689	3.03
Ow Poh Kwang	Malaysian	Executive Director	5,794	0.01	8,691	0.01

Note:-
(a) Deemed interested by virtue of his substantial shareholdings in MPSB

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

9.1.2 Profile of Promoters and Substantial Shareholders**MPSB**

MPSB was incorporated in Malaysia on 7 July 2007 under the Act as a private limited company. The authorised share capital of MPSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM100 comprising 100 ordinary shares of RM1.00 each is issued and fully paid-up. MPSB's principal activity is that of investment holding.

The substantial shareholders of MPSB and their respective shareholdings are as follows:-

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Lim Lung Wen	Malaysian	60	60.0	-	-
Quah Teik Jin	Malaysian	32	32.0	-	-
Ow Poh Kwang	Malaysian	8	8.0	-	-

Arising from the Transfer of Shares, MPSB is our substantial shareholder holding 45.0% of our enlarged issued and paid up capital. The directors of MPSB are Lim Lung Wen, Quah Teik Jin and Ow Poh Kwang.

Lim Lung Wen, 48 years old
Managing Director

Lim Lung Wen is currently our Managing Director. He graduated with a Bachelor of Science in Computer Science and a Master in Business Administration (MBA) from University of Arkansas, United States of America. He has over 23 years of experience in the ICT industry, mainly engaging with the manufacturing and services industry.

He began his career in 1986 as a System Analyst in Edaran Otomobil Nasional Berhad. Thereafter, he joined PT Setia Sapta in Indonesia as a System Analyst and rose to the position of sales manager where he was responsible for the overall sales and marketing operation of the company. In 1996, he returned to Malaysia and joined HPD Systems Sdn Bhd ("HPD") as General Manager. Later in 2002, Lim Lung Wen was appointed as Senior Vice President of Patimas Computers Berhad ("Patimas"), a company listed on the Main Board of Bursa Securities as part of Patimas' acquisition of HPD.

His years of ICT business experience and deep understanding of ICT provided him with a wide repertoire of skills to engage in the ICT industry. In his current role as Managing Director, he oversees responsibility for all aspects of the operations comprising sales, marketing, consulting, support, education, R&D and customer care.

Quah Teik Jin, 36 years old
Executive Director, Vice President of Sales & Marketing

Quah Teik Jin is currently our Vice President of Sales & Marketing. He graduated with a Diploma in Information Technology from National Computing Centre (NCC), United Kingdom. He is the founder of MBP, one of our subsidiary companies which business focus is on providing ERP consultancy and EBS to the manufacturing and services industry.

He began his career with ISC Technology Sdn Bhd as a System Engineer in 1994 and rose up the ranks as Business Executive. In 1998, he left for HPD Systems Sdn Bhd ("HPD") and took up the role of Sales Manager where he was responsible for sales in the northern and east coast region of Peninsula Malaysia, and East Malaysia.

With the repertoire of sales and marketing skills acquired during his tenure in HPD, he has since steered and positioned our Group as a prominent solutions and services player for the manufacturing and services sector in Malaysia and ASEAN.

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

Ow Poh Kwang, 37 years old
Executive Director, Vice President of International Business

Ow Poh Kwang is currently our Vice President of International Business. He holds a Bachelor of Science in IT & Mathematics from Campbell University in North Carolina, USA in 1995.

Ow Poh Kwang began his career in Quantum Storage Sdn Bhd as a System Engineer in 1995. Thereafter, he joined MCSB Sdn Bhd as Senior Account Manager for three (3) years. In 1998, he joined Sapura System Malaysia Sdn Bhd as Branch Manager in Penang. In 2000, Ow Poh Kwang joined Hewlett Packard Sales Sdn Bhd as Senior Account Manager and later rejoined Sapura System Malaysia Sdn Bhd in 2001 as Business Development Manager.

He brings with him over 12 years of experience in IT sales management, marketing and business development. He is responsible for establishing our Group's business in Thailand, Indonesia and Vietnam.

9.1.3 Promoters' and Substantial Shareholders' Directorships and Substantial Shareholdings in Other Public Companies for the Past Two (2) Years

None of our Promoters and substantial shareholders as at the LPD hold or have held any directorship or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years.

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9 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**9.1.4 Changes in Substantial Shareholders and Promoters**

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

Name	As at 16 May 2007				As at the LPD			
	No. of TFP Shares		%		No. of TFP Shares		%	
	Direct	Indirect	Indirect	%	Direct	Indirect	Indirect	%
Substantial Shareholders								
Lee Yew Beng *	1	50.0	-	-	-	-	-	-
Nor Afida binti Ramelan *	1	50.0	-	-	-	-	-	-
MPSB	-	-	-	-	-	-	-	-
Lim Lung Wen	-	-	-	-	28,451,252	41.01	-	-
Quah Teik Jin	-	-	-	-	16,276,541	23.46	-	-
Ow Poh Kwang	-	-	-	-	3,367,648	4.85	-	-
Promoters								
MPSB	-	-	-	-	-	-	-	-
Lim Lung Wen	-	-	-	-	28,451,252	41.01	-	-
Quah Teik Jin	-	-	-	-	16,276,541	23.46	-	-
Ow Poh Kwang	-	-	-	-	3,367,648	4.85	-	-

Note:-

* Ceased to be substantial shareholder as at the LPD

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

Name	After the Public Issue				After the Bonus Issue				
	No. of TFP Shares		%		No. of TFP Shares		%		
	Direct	Indirect			Direct	Indirect			
Substantial Shareholders									
Lee Yew Beng *	-	-	-	-	-	-	-	-	-
Nor Afida binti Ramelan *	-	-	-	-	-	-	-	-	-
MPSB	42,023,172	(a) 42,023,172	45.00	45.00	63,034,758	(a) 63,034,758	45.00	45.00	45.00
Lim Lung Wen	3,237,349	(a) 42,023,172	3.46	45.00	4,856,024	(a) 63,034,758	3.46	45.00	45.00
Quah Teik Jin	2,829,126	(a) 42,023,172	3.03	45.00	4,243,689	(a) 63,034,758	3.03	45.00	45.00
Ow Poh Kwang	5,794	(a) 42,023,172	0.01	45.00	8,691	(a) 63,034,758	0.01	45.00	45.00
Promoters									
MPSB	42,023,172	-	45.00	-	63,034,758	-	45.00	-	-
Lim Lung Wen	3,237,349	(a) 42,023,172	3.46	45.00	4,856,024	(a) 63,034,758	3.46	45.00	45.00
Quah Teik Jin	2,829,126	(a) 42,023,172	3.03	45.00	4,243,689	(a) 63,034,758	3.03	45.00	45.00
Ow Poh Kwang	5,794	(a) 42,023,172	0.01	45.00	8,691	(a) 63,034,758	0.01	45.00	45.00

Note:-

* Ceased to be substantial shareholder as at the LPD

(a) Deemed interested by virtue of his substantial shareholdings in MPSB

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

9.2 INFORMATION ON DIRECTORS

9.2.1 Profiles of Directors

Lim Lung Wen
Managing Director

Please refer to Section 9.1 above.

Dr. Chew Seng Poh, 46 years old
Executive Director, Chief Technology Officer

Dr. Chew Seng Poh, is currently our Chief Technology Officer. He holds a Doctoral Degree in Business Administration (DBA) and a Master in Business Administration (MBA) from Southern Cross University, Australia. He also holds a Higher Diploma in Computer Studies from International Computers Limited, Beaumont, England.

He began his career in PDX Computers Sdn Bhd ("PDX") as a System Development Executive in 1985. After two (2) years, he joined Nixdorf Computers Sdn Bhd as a business software analyst and was promoted to project manager in 1988. He then rejoined PDX as Group Technical Manager and in the subsequent ten (10) years went on to hold various directorship positions in PDX's subsidiaries locally and overseas. He left PDX in 1998 as Group Technical Director to establish EIX Solutions Sdn Bhd ("EIX"), where he was a Director and shareholder. In 2001, he joined Patimas Computers Berhad ("Patimas") as part of Patimas' acquisition of EIX. In Patimas, Dr. Chew Seng Poh was Chief Technology Officer and Executive Vice President (Technology and Business Development).

During his professional career, he has accumulated over 22 years of management and technical ICT experience. His previous work engagement involve consulting IT companies in their strategic business direction, building technology synergy, business development as well as creating high level strategic alliances, partnerships and technology transfer. He also plays an active role in ensuring the adoption of technology within the local IT organisations in Malaysia.

His technical expertise covers area in software design and development, e-business solutions, ICT outsourcing, telecommunication and data networks, IT infrastructure solutions and consulting services.

Quah Teik Jin
Executive Director, Vice President of Sales & Marketing

Please refer to Section 9.1 above.

Ow Poh Kwang
Executive Director, Vice President of International Business

Please refer to Section 9.1 above.

Dato' Jamaludin bin Hassan, 58 years old
Independent Non-Executive Director

Dato' Jamaludin graduated from the University of Malaya with a Bachelor of Economics (Honours) degree and Post-graduate Diploma in Business Analysis, University of Lancaster, United Kingdom and attended a course on Policy for Public Enterprises in Developing Countries, Harvard Institute for International Development, Harvard University Boston, USA. He started his career in the Administrative and Diplomatic Service in 1974 and had served in various capacities in the public service including positions as Assistant Director, International Trade Division, Ministry of Trade and Industry, Assistant Trade Commissioner, Malaysian Trade Mission in Sydney Australia, Secretary Road Transport Licensing Board, Ministry of

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

Public Enterprises, Principal Assistant Secretary, International Economic Section, The Treasury, Special Officer to Secretary General, Ministry of Finance and Special Assistant to The Chairman, Malaysia Airlines System (MAS). Subsequently, he opted out to retire early from the Government Service and joined Malaysian Industrial Development Finance Berhad (MIDF) as General Manager, Corporate Affairs in 1994 and moving up to become the Chief Operating Officer of the Development Finance Division before retiring in 2007 and thereafter appointed as Advisor at the Group Managing Director's Office.

During his tenure with the Government of Malaysia and MIDF, Dato' Jamaludin had served on the Boards of Pahang State Economic Development Corporation, Kedah State Development Corporation, Amanah International Finance Sdn. Bhd., Amanah Factors Sdn. Bhd. and Malaysian Technology Development Corporation (MTDC). Whilst serving with the Treasury, he was also made Corporate Advisor of Sabah Gas Industry and Sabah Energy Corporation.

Edward Khor Yew Heng, 37 years old
Independent Non-Executive Director

Mr. Khor is a chartered management accountant by training. He is an Associate member of the Chartered Institute of Management Accountants, UK (CIMA) since 1996 and a registered chartered accountant with the Malaysian Institute of Accountants (MIA).

He has over 13 years of experience in areas of corporate affairs, corporate finance, strategy planning and financial management and has spent most of his years in the ICT industry. He has held various positions in the areas of corporate planning, corporate finance, business development, accounting operations, strategic marketing, debt and credit recovery and legal affairs.

He started his career as an auditor and management consultant with international public accountants, Deloitte Touche Tohmatsu. He also spent seven (7) years with the TIME Engineering Berhad Group which is the Technology & Engineering division of Renong Berhad Group (now known as UEM World Group).

Joseph Ting, 43 years old
Independent Non-Executive Director

Mr. Ting is a practicing lawyer. He was conferred his Bachelor of Social Science majoring in Law and Economics with Honours (Second Class Upper) from the University of Keele, England in 1989 and completed his Certificate of Legal Practice in 1990. He chambered in Messrs Chooi & Co and was called to the Bar in 1991.

He is currently practicing as a partner in Messrs Joseph Ting & Co, Advocates & Solicitors. His area of practice is mainly in civil litigation and the preparation of commercial documentations.

Mr. Ting is also the director of the charitable company Pusat Haemodialysis Manjung that he helped set up.

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

9.2.2 Shareholdings in TFP Solutions

The direct and indirect shareholdings of our Directors before and after the Issues are as follows:-

Name	Nationality/ Country of Incorporation	Designation	No. of TFP Shares Held Before the Issues		No. of TFP Shares Held After the Issues ^(a)	
			Direct	%	Direct	%
Lim Lung Wen	Malaysian	Managing Director	3,237,349	4.67	^(b) 42,023,172	60.57
Quah Teik Jin	Malaysian	Executive Director	2,829,126	4.08	^(b) 42,023,172	60.57
Ow Poh Kwang	Malaysian	Executive Director	5,794	0.01	^(b) 42,023,172	60.57
Dr. Chew Seng Poh	Malaysian	Executive Director	-	-	-	-
Dato' Jamaludin bin Hassan	Malaysian	Independent Non-Executive Director	-	-	-	-
Edward Khor Yew Heng	Malaysian	Independent Non-Executive Director	-	-	-	-
Joseph Ting	Malaysian	Independent Non-Executive Director	-	-	150,000	0.11
					4,856,024	3.46
					4,243,689	3.03
					8,691	0.01
					300,000	0.21
					112,500	0.08
					112,500	0.08
					63,034,758	45.00
					63,034,758	45.00
					63,034,758	45.00

Notes:-

^(a) Assumed that our Directors and key management subscribe for their respective allocation of Public Issue Shares under pink form allocation

^(b) Deemed interested by virtue of his substantial shareholdings in MPSB

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

9.2.3 Directors' Directorships and Substantial Shareholdings in Other Public Companies for the Past Two (2) Years

Save as disclosed below, none of our Directors hold or have held any directorships or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years preceding the date of this Prospectus, details of which are as follows:-

Name of Director	Name of company	< ----- Directorship ----- >		< -- Shareholding -- >	
		Date of appointment	Date of resignation	Direct %	Indirect %
Dato' Jamaludin bin Hassan	Oriental 1936 Berhad	17.07.2001	28.2.2007	-	-
Joseph Ting	Perduren (M) Berhad	26.02.2007	-	-	-
	Pusat Haemodialysis Manjung	06.08.1998	-	-	-

9.2.4 Directors' Remuneration and Benefits

The actual and estimated remuneration and benefit-in-kind of our Directors for services rendered in all capacities to our Group for the FYE 31 December 2006 to 2008 are as follows:-

	Directors					
	FYE 31 December 2006		FYE 31 December 2007		FYE 31 December 2008	
	Executive Directors	Non-executive Directors	Executive Directors	Non-executive Directors	Executive Directors	Non-executive Directors
Between RM1 and RM50,000	-	-	-	-	-	Dato' Jamaludin bin Hassan, Edward Khor Yew Heng and Joseph Ting
Between RM50,001 and RM100,000	-	-	-	-	-	-
Between RM100,001 and RM150,000	Quah Teik Jin and Ow Poh Kwang	-	-	-	-	-
Between RM150,001 and RM200,000	Lim Lung Wen	-	Quah Teik Jin and Ow Poh Kwang	-	-	-
Between RM200,001 and RM250,000	-	-	Lim Lung Wen	-	Quah Teik Jin and Ow Poh Kwang	-

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

	Directors					
	FYE 31 December 2006		FYE 31 December 2007		FYE 31 December 2008	
	Executive Directors	Non-executive Directors	Executive Directors	Non-executive Directors	Executive Directors	Non-executive Directors
Between RM250,001 and RM300,000	-	-	-	-	Dr. Chew Seng Poh	-
Between RM300,001 and RM350,000	-	-	-	-	-	-
Between RM350,001 and RM400,000	-	-	-	-	Lim Lung Wen	-

There is no contingent or deferred compensation accrued for the year.

- 9.2.5** All our Directors were appointed to the Board on 28 December 2007 and have served in their respective capacity since the date of appointment and are subject to retirement by rotation according to our Articles of Association.

In accordance to our Articles of Association, our Directors shall retire after a maximum term of three (3) years but are eligible for re-election. Under our Articles of Association, one third (1/3) of our Directors are subject to retirement at each annual general meeting of shareholders but are eligible for re-election. The Directors to retire in each year are those who have been in office the longest.

9.3 AUDIT, REMUNERATION AND NOMINATION COMMITTEES

9.3.1 Audit Committee

The composition of our Audit Committee is as follows:-

Name	Designation	Directorship
Dato' Jamaludin bin Hassan	Chairman of the Committee	Independent Non-Executive Director
Edward Khor Yew Heng	Member of the Committee	Independent Non-Executive Director
Joseph Ting	Member of the Committee	Independent Non-Executive Director

Our Audit Committee comprises three (3) Independent Non-Executive Directors. The major terms of reference for our Audit Committee include reviewing the financial statements and quarterly results of our Group before submission to our Board for approval, recommendations of the external auditors, reviewing the results and scope of the audit and other services provided by our external auditors. In addition, our Audit Committee reviews and evaluates our Group's internal audit and control functions. Our Audit Committee is also responsible for the assessment of financial risks and matters relating to related party transactions and conflict of interests. Our Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

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

9.3.2 Remuneration Committee

The composition of our Remuneration Committee is as follows:-

Name	Designation	Directorship
Edward Khor Yew Heing	Chairman of the Committee	Independent Non-Executive Director
Joseph Ting	Member of the Committee	Independent Non-Executive Director
Quah Teik Jin	Member of the Committee	Executive Director

Our Remuneration Committee comprising two (2) Independent Non-Executive Director and one (1) Executive Director and are responsible for reviewing and proposing, subject to the approval of the Board, the remuneration policy and terms and conditions of service of each Executive Director for his services as a member of the Board as well as Committees of the Board. Nevertheless, the remuneration of the non-executive Directors is a matter for the Board as a whole and the Directors are required to abstain from deliberation and voting on decisions in respect of his individual remuneration. The remuneration of Directors is generally based on market conditions, responsibilities held and the overall financial performance of our Group. Decisions and recommendations of our Remuneration Committee shall be reported back to our Board for approval and where required by rules and regulations governing our Company, for approval of shareholders at the annual general meeting.

9.3.3 Nomination Committee

The composition of our Nomination Committee is as follows:-

Name	Designation	Directorship
Joseph Ting	Chairman of the Committee	Independent Non-Executive Director
Dato' Jamaludin bin Hassan	Member of the Committee	Independent Non-Executive Director
Edward Khor Yew Heng	Member of the Committee	Independent Non-Executive Director

Our Nomination Committee comprises three (3) Independent Non-Executive Directors and are responsible for identifying and recommending new nominees to our Board as well as Committees of the Board. Our Nomination Committee will assess the effectiveness of our Board as a whole, our Board Committees and each individual Director on an annual basis. In developing such recommendations, our Nomination Committee will consult all Directors and reflect that consultation in any recommendation brought forward to our Board. Our Board makes all decisions on appointments after considering the recommendations of our Nomination Committee.

9.4 KEY MANAGEMENT**9.4.1 Profiles of Key Management**

Lim Lung Wen
Managing Director

Please refer to Section 9.1 above.

Dr. Chew Seng Poh
Executive Director, Chief Technology Officer

Please refer to Section 9.1 above.

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

Quah Teik Jin
Executive Director, Vice President of Sales & Marketing

Please refer to Section 9.1 above.

Ow Poh Kwang
Executive Director, Vice President of International Business

Please refer to Section 9.1 above.

Tan Man Siang, 46 years old
Vice President, Business Development

Tan Man Siang is currently our Vice President of Business Development. He holds a Bachelor of Science in Mathematics (minor in Business Administration and Computer Science) from the University of Texas, U.S.A. Mr Tan has over 21 years of experience in the ICT industry. He has held various executive and managerial positions in consulting, sales and channels management and business development.

Lye Poh Leong, 35 years old
Vice President, Technical Services

Lye Poh Leong is currently our Vice President of Technical Services. He is responsible for the ITO/SSO business unit. He is a certified IT professional for Microsoft and EMC. He brings with him over 13 years of technical expertise in the areas of IT Infrastructure deployment, operation and IT technology management.

Ooi Chee Hong, 42 years old
Vice President, R&D

Ooi Chee Hong is currently our Vice President of R&D. He assumes responsibility for all aspects of R&D operations of our Group. He underwent his tertiary education in Japan and holds a Diploma in Engineering from Tokyo Toritsu Nakano Technical College. He brings with him an extensive business networks with the business community in the industrial and manufacturing sector and a deep understanding of its business dynamics. His proficiency in the Japanese language allows him to engage and service the Multinationals Japanese clients in Malaysia. He has six (6) years of R&D IT experience with expertise in software architecture design and R&D management.

Tern Yen Soon, 38 years old
Vice President, Consulting Practice

Tern Yen Soon is currently our Vice President of Consulting Practice. He holds an Advanced Diploma in Computer Studies from Informatics Computer School and a Microsoft Certified Business Solutions Professional. He brings with him over 15 years of IT experience out of which 12 years was in ERP and business productivity consulting. His repertoire of IT skills includes technical consulting, software engineering and project management. He has developed a deep working knowledge of business processes and rules in manufacturing environments, supply chain distribution, warehousing-distribution, transportation, automotive, precious metal and gemstone distribution.

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

Choo Chuin Hui, 42 years old
Financial Controller

Choo Chuin Hui is a registered Chartered Accountant with the Malaysian Institute of Accountants (MIA) as well as an Associate with the Malaysian Institute of Certified Public Accountants (MICPA). She has over 20 years of accounts and audit experience and joined our Group as Financial Controller (FC). As the FC, she is responsible for the daily operations of finance and accounting. Her other responsibilities include performance monitoring and reporting of the different businesses, office administration support and she also manages the HR department. She has also led the due diligence team in prospective mergers and acquisitions.

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

9.4.2 Shareholdings in TFP Solutions

The direct and indirect shareholdings of our key management before and after the Issues are as follows:-

Name	Nationality/ Country of Incorporation	Designation	No. of TFP Shares Held Before the Issues		No. of TFP Shares Held After the Issues ^(a)	
			Direct	%	Direct	%
Lim Lung Wen	Malaysian	Managing Director	3,237,349	4.67	4,856,024	3.46
Quah Teik Jin	Malaysian	Executive Director	2,829,126	4.08	4,243,689	3.03
Ow Poh Kwang	Malaysian	Executive Director	5,794	0.01	8,691	0.01
Dr. Chew Seng Poh	Malaysian	Executive Director	-	-	300,000	0.21
Tan Man Siang	Malaysian	Vice President, Business Development	1,341,098	1.93	2,124,147	1.52
Lye Poh Leong	Malaysian	Vice President, Technical Services	1,352,502	1.95	2,148,753	1.53
Ooi Chee Hong	Malaysian	Vice President, R&D	-	-	112,500	0.08
Tem Yen Soon	Malaysian	Vice President, Consulting Practice	-	-	135,000	0.10
Choo Chuin Hui	Malaysian	Financial Controller	-	-	135,000	0.10

Note:-

^(a) Assuming our Directors and key management subscribes for their respective allocation of Public Issue Shares under pink form allocation
^(b) Deemed interested by virtue of his substantial shareholdings in MPSSB

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

9.5 INVOLVEMENT OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT IN OTHER BUSINESSES/CORPORATIONS

Save as disclosed below, none of our Executive Directors or key management has any interests in other businesses or corporations.

Executive Director	Name of Company	Principal Activities	Designation	Shareholding (%)
Lim Lung Wen	Adaptive Training & Consulting Sdn Bhd	Provision of training and education	Director	9.58
	Linear Beeline Plantations Sdn Bhd	Oil palm estate owner	Director	30.00
	MPSB	Investment holding	Director	60.00
	TTL	Provision of IT services to our Group	-	19.60
Quah Teik Jin	HumanEdge Management Consulting Sdn Bhd	Provision of recruitment services	Director	60.00
	Adaptive Training & Consulting Sdn Bhd	Provision of training and education	Director	90.42
	Prescience Solutions Sdn Bhd	Dormant	Director	49.00
	MPSB	Investment holding	Director	32.00
	TTL	Provision of IT services to our Group	-	9.80
Ow Poh Kwang	TTL	Provision of IT services to our Group	Director	19.60
	MPSB	Investment holding	Director	8.00
Ooi Chee Hong	Software Factory Sdn Bhd	Investment holding	Director	28.33

Lim Lung Wen, Quah Teik Jin, Ow Poh Kwang and Ooi Chee Hong allocate and commit a majority of their time to the affairs of our Group. They are not involved in the day-to-day management of the above companies. Qualified and experienced managers manage the day-to-day operations of these companies. As such, they do not spend a substantial amount of time in these companies save for attending the necessary board meetings. Their involvement in these other businesses do not negatively impact their ability to act as our Group's Managing Director, Executive Directors and key management.

9.6 DECLARATION OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT

None of our Promoters, Directors and key management personnel is or was involved in the following events, whether in or outside Malaysia:-

- (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

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

- (d) judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

9.7 RELATIONSHIPS AND ASSOCIATES

There are no other family relationships or associations amongst the substantial shareholders, Promoters, Directors and key management personnel.

9.8 SERVICE AGREEMENT

Save as disclosed below, as at the LPD, none of our other Directors or key management personnel and our Subsidiary Companies have entered into or proposed to enter into any service agreements with us and our Subsidiary Companies:-

We entered into a Service Agreement dated 11 January 2008 with Ooi Chee Hong ("Ooi") whereby we agree to appoint Ooi as the Vice President of Research and Development of our Company and Ooi agrees to serve our Group for a period of three (3) years ("Initial Term") commencing from 1 January 2008 and thereafter the appointment shall automatically continue for an indefinite period until the appointment is terminated by either party by giving 90 days notice in writing.

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