

PROSPECTUS

THIS PROSPECTUS IS DATED **28 JUNE 2010**



EA HOLDINGS BERHAD

(Company No. 878041-A)

(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 40,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN EA HOLDINGS BERHAD ("EAH SHARES") AT AN ISSUE PRICE OF RM0.25 PER SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:-

- I. 2,000,000 EAH SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- II. 7,000,000 EAH SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF EA HOLDINGS BERHAD AND ITS SUBSIDIARIES;
- III. 31,000,000 EAH SHARES AVAILABLE FOR APPLICATION BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS

AND

OFFER FOR SALE OF 18,000,000 EAH SHARES AT AN OFFER PRICE OF RM0.25 PER SHARE AVAILABLE FOR APPLICATION BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS

IN CONJUNCTION WITH THE LISTING OF EA HOLDINGS BERHAD ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Sponsor, Adviser, Underwriter and Placement Agent

OSK

OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER, SEE "RISK FACTORS" SET OUT IN SECTION 4 OF THIS PROSPECTUS

INVESTORS ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET MAY BE OF HIGH INVESTMENT RISK

EA HOLDINGS BERHAD

PROSPECTUS

HEAD OFFICE

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50480 Kuala Lumpur
Tel : 03-6204 0050
Fax : 03-6204 0051
Website : www.eah.com.my
E-mail : corporate@eah.com.my

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and the Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts, the omission of which would make any statement herein false or misleading.

OSK Investment Bank Berhad ("OSK"), being our Sponsor, Adviser, Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts on the initial public offering ("IPO").

STATEMENTS OF DISCLAIMER

Companies listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") may have a limited operating history or may not have any profit track record prior to listing. Such companies may be of high investment risk. As with all investments, you should be aware of all potential risks in investing in such companies and should make the decision to invest after giving due and careful consideration by referring to, among others, the Prospectus, latest financial statements and corporate announcements. You are strongly recommended to seek advice from a securities professional and/ or adviser.

Our IPO is an exempt transaction under Section 213 of the Capital Markets and Services Act, 2007 ("CMSA") and is therefore not subject to the approval of the Securities Commission of Malaysia ("SC"). However, we have registered a copy of this Prospectus with the SC.

The SC is not liable for any non-disclosure in this Prospectus by us and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN US. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Approval has been obtained from Bursa Securities for the listing of and quotation for our Shares (as defined herein). Admission to the official list of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our securities. You should not take the agreement by our underwriter to underwrite our IPO as an indication of the merits of our Shares.

We have also lodged a copy of this Prospectus, together with the application form with the Registrar of Companies, who takes no responsibility for its contents.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 236 of the CMSA, e.g. Directors and Advisers, are responsible.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities website at <http://www.bursamalaysia.com>.

The contents of the Electronic Prospectus are as per the contents of the copy of this Prospectus registered with the SC. A copy of this Prospectus so registered is available from the websites of Malayan Banking Berhad at www.maybank2u.com.my, CIMB Investment Bank Berhad at www.eipocimb.com, CIMB Bank Berhad at www.cimbclicks.com.my, Affin Bank Berhad at www.affinOnline.com and RHB Bank Berhad at www.rhbbank.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com).

You are advised that the internet is not a fully secure medium and that your Internet Share Application (as defined herein) is subject to the risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or the integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or the Issuing House, a paper/ printed copy of the Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/ printed copy of this Prospectus, the contents of the paper/ printed copy of this Prospectus which are identical to the copy of this Prospectus registered with the SC shall prevail. The Electronic Prospectus submitted to the SC and Bursa Securities is the same as the registered paper printed copy.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- i. We and our Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites and are not responsible for the availability of, or the content or any data, files or other material provided on the Third Party Internet Sites. You bear all risks associated with the access to or use of the Third Party Internet Sites;
- ii. We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites referred to in this Prospectus, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- iii. Any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the websites of the Internet Participating Financial Institutions, you are advised that:-

- i. The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the content of the Electronic Prospectus on the web servers of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or obtained from the web servers of the Internet Participating Financial Institutions and subsequently, communicated or disseminated in any manner to other parties.

- ii. While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium.

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the web sites of the Internet Participating Financial Institutions, and/ or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. We and our Adviser take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer or subscription or purchase or invitation to subscribe or purchase, any Shares under our IPO in any jurisdiction in which such offer or invitation in any jurisdiction or in any circumstances in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares in certain jurisdiction may be restricted by law. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

This Prospectus is prepared and published solely for the IPO in Malaysia under the laws of Malaysia. Our IPO Shares (as defined herein) are issued in Malaysia solely based on the contents of this Prospectus. We and our Adviser have not authorised anyone to provide you with information, which is not contained in this Prospectus.

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INDICATIVE TIMETABLE

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

Events	Tentative Dates
Opening of application for the IPO Shares	28 June 2010
Closing of application for the IPO Shares	8 July 2010
Balloting of the applications for the IPO Shares	12 July 2010
Allotment of the IPO Shares to successful applicants	15 July 2010
Tentative Listing date	20 July 2010

Note:-

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS OUR DIRECTORS, PROMOTERS AND/ OR OFFERORS TOGETHER WITH OUR UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

IN THE EVENT THE CLOSING DATE FOR APPLICATION IS EXTENDED, WE WILL ADVERTISE THE NOTICE OF THE EXTENSION IN A WIDELY-CIRCULATED ENGLISH AS WELL AS BAHASA MALAYSIA NEWSPAPER PRIOR TO THE ORIGINAL CLOSING DATE OF THE APPLICATION. FOLLOWING THIS, THE DATES FOR THE BALLOTING OF THE APPLICATION FOR THE IPO SHARES, ALLOTMENT OF THE IPO SHARES AND LISTING WOULD BE EXTENDED ACCORDINGLY.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

"Act"	:	The Companies Act, 1965
"Acquisitions"	:	The Acquisition of EASS and Acquisition of CSS MSC, collectively
"Acquisition of CSS MSC"	:	The acquisition by EAH of the entire issued and paid-up share capital of CSS MSC from the Vendors for a purchase consideration of RM6,000,000 to be satisfied via the issuance of 60,000,000 new EAH Shares to the Vendors
"Acquisition of EASS"	:	The acquisition by EAH of the entire issued and paid-up share capital of EASS from the Vendors for a purchase consideration of RM5,500,000 to be satisfied via the issuance of 55,000,000 new EAH Shares to the Vendors
"ADA"	:	Authorised Depository Agent
"ACE Market"	:	ACE Market of Bursa Securities
"AGM"	:	Annual General Meeting
"Application Form"	:	Printed application form for application of the Issue Shares
"ASEAN"	:	The Association of Southeast Asian Nations
"ATM"	:	Automated Teller Machine
"Authorised Financial Institution(s)"	:	The authorised financial institution(s), namely CIMB Investment Bank Berhad, CIMB Bank Berhad, Affin Bank Berhad, RHB Bank Berhad and Malayan Banking Berhad, participating in the Internet Share Application with respect to payments for the Issue Shares
"Board"	:	Our Board of Directors
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"Central Depositories Act"	:	The Securities Industry (Central Depositories) Act, 1991
"CMSA"	:	Capital Markets and Services Act, 2007
"CSS MSC"	:	CSS MSC Sdn Bhd (formerly known as Concorde Solutions & Services Sdn Bhd) (716106-M)
"CSS MSC Share(s)"	:	Ordinary share(s) of RM1.00 each in CSS MSC
"Director(s)"	:	Director(s) of our Company and shall have the meaning given in Section 4 of the Act
"EA MSC"	:	EA MSC Sdn Bhd (812544-M)

DEFINITIONS (CONT'D)

"EA MSC Share(s)"	:	Ordinary share(s) of RM1.00 each in EA MSC
"EAH" or the "Company"	:	EA Holdings Berhad (878041-A)
"EAH Group" or the "Group"	:	EAH and its subsidiary companies
"EAH Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.10 each in EAH
"EASS"	:	EASS Sdn Bhd (formerly known as Excellent Affair Sdn Bhd) (748335-K)
"EASS Share(s)"	:	Ordinary share(s) of RM1.00 each in EASS
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is used, circulated or disseminated via the Internet, and/ or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
"Electronic Share Application(s)"	:	Application(s) for the Issue Shares through a Participating Financial Institution's ATM
"EPS"	:	Earnings per Share
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended
"GDP"	:	Gross domestic product
"GLCs"	:	Government-linked companies
"IBM"	:	International Business Machines Corporation
"Internet Participating Financial Institution(s)"	:	Participating financial organisation(s) in the Internet Share Application
"Internet Share Application"	:	Application for the Issue Shares through an online share application service provided by Internet Participating Financial Institutions
"IPO"	:	Initial Public Offering comprising the Public Issue and Offer for Sale, collectively
"IPO Price"	:	Issue Price and Offer Price, collectively
"IPO Shares"	:	Issue Shares and Offer Shares, collectively
"Issue Price"	:	RM0.25 for each Issue Share
"Issue Share(s)"	:	All or part of the 40,000,000 new EAH Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of the Prospectus

DEFINITIONS (CONT'D)

"Listing"	:	Admission to the Official List of the Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of EAH comprising 155,001,000 EAH Shares on the ACE Market
"Listing Requirements"	:	The ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	The Share Split, Acquisitions, Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	18 May 2010, being the latest practicable date prior to the issuance of this Prospectus
"Malaysian Public"	:	Citizens of Malaysia, permanent residents of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
"Market Day(s)"	:	Any day(s) between Monday and Friday (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
"MI"	:	Minority interest
"Microsoft"	:	Microsoft Corporation
"MIH"	:	Malaysian Issuing House Sdn Bhd (258345-X)
"MITI"	:	Ministry of International Trade and Industry
"MDeC"	:	Multimedia Development Corporation Sdn Bhd (389346-D)
"MNCs"	:	Multi-national companies
"MOF"	:	Ministry of Finance
"MSC"	:	Multimedia Super Corridor Malaysia
"NA"	:	Net assets
"NBV"	:	Net book value
"NTA"	:	Net tangible assets
"Offeror(s)"	:	Mohammad Sobri Bin Saad and Norazian Binti Abdul Kudus, collectively
"Offer for Sale"	:	Offer for sale by the Offerors of 18,000,000 EAH Shares, representing approximately 11.6% of the enlarged issued and paid-up share capital of EAH at the Offer Price, subject to the terms and conditions of the Prospectus
"Offer Price"	:	RM0.25 for each Offer Share
"Offer Share(s)"	:	18,000,000 EAH Shares to be offered pursuant to the Offer for Sale, subject to the terms and conditions of the Prospectus
"Official List"	:	The official list of the ACE Market of Bursa Securities

DEFINITIONS (CONT'D)

"Oracle"	:	Oracle Corporation
"OSK"	:	OSK Investment Bank Berhad (14142-V)
"PAT"	:	Profit after taxation
"Participating Financial Institution(s)"	:	Participating financial institution(s) for the Electronic Share Application
"PBT"	:	Profit before taxation
"PRC"	:	The People's Republic of China
"Promoters"	:	Mohammad Sobri Bin Saad and Norazian Binti Abdul Kudus, collectively
"Public Issue"	:	Public issue of 40,000,000 new EAH Shares, representing approximately 25.8% of the enlarged issued and paid-up share capital of EAH at the Issue Price, subject to the terms and conditions of the Prospectus
"R&D"	:	Research and development
"ReadSoft"	:	Readsoft Asia Sdn Bhd (779253-P)
"RM" and "Sen"	:	Ringgit Malaysia and sen, respectively
"ROC"	:	Registrar of Companies, Malaysia
"Rules"	:	Rules of the Central Depository
"SAP"	:	SAP AG
"SAS"	:	SAS Institute Inc
"SC"	:	Securities Commission of Malaysia
"Share Split"	:	Sub-division of every one (1) ordinary share of RM1.00 each into ten (10) ordinary shares of RM0.10 each
"Underwriting Agreement"	:	Underwriting agreement dated 18 May 2010 entered into between EAH and OSK for the underwriting of 2,000,000 Issue Shares under the Public Issue
"US"	:	United States of America
"USD"	:	US Dollar
"Vendors"	:	Mohammad Sobri Bin Saad and Norazian Binti Abdul Kudus, collectively

GLOSSARY OF TECHNICAL TERMS

- "BI" or "Business Intelligence"** : Business Intelligence refers to skills, processes, technologies, applications and practices used to support decision making
- "BSI"** : British Standards Institutions or BSI, is a multinational business services provider whose principal activity is the production of standards and the supply of standards-related services
- "Change Management"** : The process to ensure that standardised methods and procedures are used for efficient and prompt handling of all changes, in order to minimise the impact of change-related incidents upon service quality, and consequently improve the day-to-day operations of the organisation
- "CRM"** : Customer relationship management is a broadly recognised, widely-implemented strategy for managing and nurturing a company's interactions with clients and sales prospects. It involves using technology to organise, automate and synchronise business processes, principally sales activities, but also those for marketing, customer service and technical support
- "Data warehouse(ing)"** : A data warehouse is a repository of an organisation's electronically stored data. Data warehouses are designed to facilitate reporting and analysis. This definition of the data warehouse focuses on data storage. However, the means to retrieve and analyse data, to extract, transform and load data, and to manage the data dictionary are also considered essential components of a data warehousing system. Many references to data warehousing use this broader context. Thus, an expanded definition for data warehousing includes Business Intelligence tools, tools to extract, transform, and load data into the repository, and tools to manage and retrieve metadata
- "ERP"** : Enterprise resource planning is an integrated computer-based system used to manage internal and external resources including tangible assets, financial resources, materials and human resources. It is a software architecture whose purpose is to facilitate the flow of information between all business functions inside the boundaries of the organisation and manage the connections to outside stakeholders
- "GHz"** : Gigahertz or equivalently ten to the ninth (10^9) of a hertz (Hz). The hertz is defined as the number of cycles per second of a periodic phenomenon
- "ICT" or "IT"** : Information and Communication Technology or Information Technology, respectively. ICT is defined as diverse set of technological tools and resources used to communicate, and to create, disseminate, store, and manage information. These technologies include computers, the Internet, broadcasting technologies (radio and television) and telephony. IT is the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware
- "IEEE"** : Institute of Electrical and Electronics Engineers is an international non-profit, professional organisation for the advancement of technology related to electricity

GLOSSARY OF TECHNICAL TERMS (CONT'D)

- "IEEE 802.15.4"** : IEEE 802.15.4 standard intends to offer fundamentally lower network layers of a type of wireless personal area network (WPAN) which focuses on low-cost, low-speed ubiquitous communication between devices (in contrast with other, more end user-oriented approaches, such as Wi-Fi). The emphasis is on very low cost communication of nearby devices with little to no underlying infrastructure, intending to exploit this to lower power consumption even more
- "ITIL"** : Information Technology Infrastructure Library, is a set of best practices gathered from users, consultants, practitioner, managers, as well as national IT services governance. ITIL is compiled and published by OGC. It is proven as the De-Facto standard for IT service management process. ITIL is non-proprietary but belongs to public domain, remains under constant development and monitored by ITSMF (IT Service Management Forum). They accord best practice processes in ITIL supports, and is supported by BSI's standard for IT Service Management (BS15000 or ISO 20000)
- "ITSM" or "IT Service Management"** : IT Service Management is a discipline for managing IT systems, philosophically centered on the customer's perspective of IT's contribution to the business. ITSM is process-focused and has ties and common interests with process improvement movement frameworks and methodologies. The discipline is not concerned with the details of how to use a particular vendor's product, or necessarily with the technical details of the systems under management. Instead, it focuses upon providing a framework to structure IT-related activities and the interactions of IT technical personnel with business customers and users
- "Java"** : Java is a programming language which is general-purposed, concurrent, class-based and object-oriented, and is specifically designed to have as few implementation dependencies as possible. It is intended to let application developers "write once, run anywhere"
- "Java EE" or "J2EE"** : Java Platform, Enterprise Edition or Java EE is a widely used platform for server programming in the Java programming language. The platform was known as Java 2 Platform, Enterprise Edition or J2EE until the name was changed to Java EE in version 5 and the current version called Java EE 6. A Java EE application server can handle transactions, security, scalability, concurrency and management of the components that are deployed to it, in order to enable developers to concentrate more on the business logic of the components rather than on infrastructure and integration tasks
- "Mainframe(s)"** : Mainframes are computers used mainly by large organisations for critical applications, typically for bulk data processing such as census, industry and consumer statistics, ERP and financial transaction processing. The term originally referred to the large cabinets that housed the central processing unit and main memory of early computers. Later the term was used to distinguish high-end commercial machines from less powerful units
- "Middleware"** : Middleware is computer software that connects software components or applications. The software consists of a set of services that allows multiple processes running on one or more machines to interact
- "mW"** : Milliwatt or equivalently one thousandth (1/1000) of a watt. The watt is a derived unit of power in the International System of Units (SI). Its unit symbol is W. The unit measures the rate of energy conversion

GLOSSARY OF TECHNICAL TERMS (CONT'D)

- "OEM"** : Original equipment manufacturing is the manufacturing of products or components that are purchased by a company and retailed under that purchasing company's brand name. OEM refers to the company that originally manufactured the product
- "OGC"** : Office of Government Commerce is an independent office of Her Majesty's Treasury, a department of state in the government of the United Kingdom. The purpose of the OGC is to support the procurement and acquisition process of public sector organisations in the United Kingdom through policy and process guidance and the negotiation of overarching service and provision frameworks. This is intended to improve value for money to the taxpayer, optimising the level of taxpayers equity directed towards the delivery of services
- "OLAP"** : On Line Analytical Processing is an approach to quickly answer multi-dimensional analytical queries. OLAP is part of the broader category of Business Intelligence, which also encompasses relational reporting and data mining. The typical applications of OLAP are in business reporting for sales, marketing, management reporting, business process management, budgeting and forecasting, financial reporting and similar areas
- "PC"** : Personal computer or PC is any general-purpose computer whose size, capabilities, and original sales price make it useful for individuals, and which is intended to be operated directly by an end user, with no intervening computer operator
- "PRINCE"** : Projects In Controlled Environments (PRINCE) is a project management method. It covers the management, control and organisation of a project as it defines the organisation structure for the project management team by dividing the project into manageable and controllable stages and is flexible to be applied at a level appropriate to the project
- "PRINCE2"** : PRINCE2 refers to the second major version of the method PRINCE and is a registered trademark of the OGC
- "RFID"** : Radio Frequency Identification involves the use of an object (typically referred to as an RFID tag) to track or identify the tag-bearing object using radio frequency. Further information on RFID technology is set out in Section 6.8 of this Prospectus
- "SOA"** : Service oriented architecture or SOA is a flexible set of design principles used during the phases of systems development and integration. Upon deployment, an SOA-based architecture will provide a loosely-integrated suite of services that can be used within multiple business domains
- "STRUTS"** : Apache Struts (STRUTS) is an open source web application framework for developing Java EE web applications. Apache Struts was later rebranded as Struts 2 by WebWork, a java-based application framework
- "System integration"** : In IT, systems integration is the process of linking together different computing systems and software applications physically or functionally
- "USB"** : USB or Universal Serial Bus is a specification to establish communication between devices and a host controller (usually personal computers)
- "WiFi"** : WiFi is a trademark of the Wi-Fi Alliance that may be used with certified products that belong to a class of wireless local area network (WLAN) devices based on the IEEE 802.11 standards

PRESENTATION OF INFORMATION

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include natural persons, firms, companies, bodies corporate and corporation, unless otherwise specified.

Any reference in this Prospectus to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force. Any reference to a time of a day in this Prospectus shall be reference to Malaysian time, unless otherwise stated.

Any references to "our Company" or "the Company" or "EAH" in this Prospectus are to EA Holdings Berhad (878041-A), reference to "Our Group" or "the Group" or "EAH Group" are to EA Holdings Berhad and its subsidiaries and reference to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, reference to "Management" are to our Executive Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industries in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industries in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:-

- i. demand for our products and services;
- ii. our business strategies;
- iii. plans and objectives of our Management for future operations;
- iv. our financial position; and
- v. our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:-

- i. the economic, political and investment environment in Malaysia and globally; and
- ii. government policy, legislation and regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 4 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Mohammad Sobri Bin Saad <i>(Group Chairman/ Chief Executive Officer/ Executive Director)</i>	40, Jalan Kubah U8/ 56 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Tan Siow Hui <i>(Executive Director)</i>	121, Jalan BK4/ 6 Bandar Kinrara 47100 Puchong Selangor Darul Ehsan	Company Director	Malaysian
Basir Bin Bachik <i>(Executive Director)</i>	7, Jalan Camar 4/ 26 Villa Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ow Pung Hock <i>(Independent Non- Executive Director)</i>	8, Lengkok Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur	Company Director	Malaysian
Azahar Bin Rasul <i>(Independent Non- Executive Director)</i>	33, Jalan 8/ 2B Desa Bakti Selayang 68100 Kuala Lumpur	Company Director	Malaysian
Abdul Fattah Bin Mohamed Yatim <i>(Independent Non- Executive Director)</i>	628, Jalan 8 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Choo Seng Choon <i>(Independent Non- Executive Director)</i>	22A, Jalan SU 2B Sering Ukay 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Choo Seng Choon	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (CONT'D)

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Member	Independent Non-Executive Director

COMPANY SECRETARY : Laang Jhe How (MIA 25193)
149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 5529
Fax: 03-7728 5948

REGISTERED OFFICE : 149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 1519
Fax: 03-7728 5948

HEAD OFFICE : Units J-3A-7 & J-3A-8
Level 3A, Block J
Solaris, Mont Kiara 2
50480 Kuala Lumpur
Tel: 03-6204 0050
Fax: 03-6204 0051
Website: www.eah.com.my
E-mail: corporate@eah.com.my

AUDITORS AND REPORTING ACCOUNTANTS : Chong & Co. (AF 0524)
Suite 3.03, 3rd Floor
Wisma TCL 470 Jalan Ipoh
3rd Mile, 51200 Kuala Lumpur
Tel: 03-4044 1788
Fax: 03-4044 1813

SOLICITORS FOR THE IPO : Ben & Partners
Advocates & Solicitors
7-2, Level 2, Block D2
Dataran Prima, Jalan PJU 1/ 39
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7805 2922
Fax: 03-7805 3922

1. CORPORATE DIRECTORY (CONT'D)

- PRINCIPAL BANKERS** : Hong Leong Bank Berhad (97141-X)
Ground Floor, 26, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 3716
Fax: 03-7728 6312
- Hong Leong Islamic Bank Berhad (686191-W)
Ground Floor, 26, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 3716
Fax: 03-7728 6312
- SPONSOR, ADVISER,
UNDERWRITER AND
PLACEMENT AGENT** : OSK Investment Bank Berhad (14142-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2333 8333
Fax: 03-2175 3217
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000
Fax: 03-7841 8150
- SHARE REGISTRAR** : Insurban Corporate Services Sdn Bhd (76260-W)
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 5529
Fax: 03-7728 5948
- LISTING SOUGHT** : ACE Market of Bursa Securities

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2. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT US AND THE IPO AND IS EXTRACTED FROM THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN US.

2.1 Our History and Business

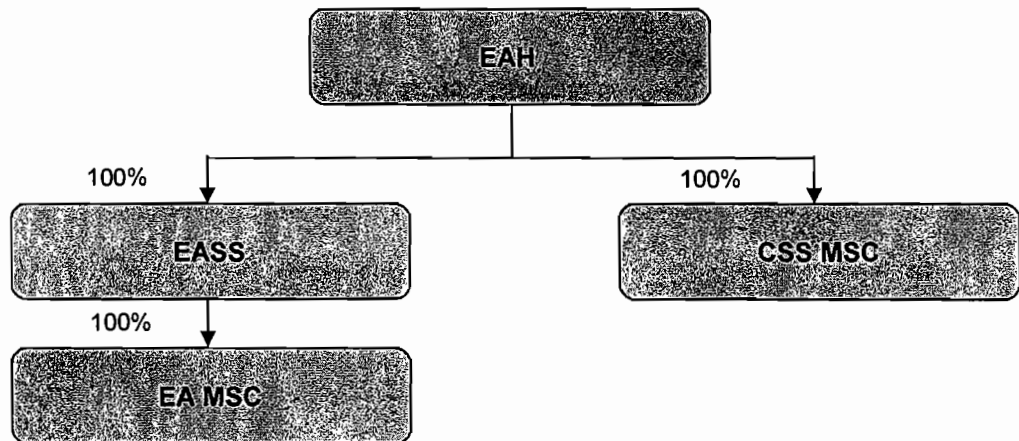
We were incorporated in Malaysia on 6 November 2009 under the Act as a private limited company under the name of EA Holdings Sdn Bhd. We were subsequently converted into a public limited company on 19 February 2010 and assumed our present name. We commenced operations as an investment holding, management and consultancy services company after the Acquisitions and to facilitate our Listing.

We had undertaken a restructuring exercise prior to our Listing, details of which are set out in Section 5.5 of this Prospectus. EASS and CSS MSC became our wholly-owned subsidiaries pursuant to the restructuring exercise, while EA MSC is a wholly-owned subsidiary of EASS.

Through our subsidiary companies, we are involved in the business activities as follows:-

- Provision of software solutions mainly in Business Intelligence and Data warehousing solutions and automated invoices processing solution;
- R&D, sales and distribution of RFID-based tracking systems and the provision of access control systems; and
- Provision of ICT services mainly in system and infrastructure integration services and ICT consultancy services.

As at the LPD, our corporate structure is as follows:-



Further information on our history, group structure, Listing Scheme and achievements are set out in Section 5 of this Prospectus.

2. INFORMATION SUMMARY (CONT'D)

2.2 Ownership and Management

Our Promoters, substantial shareholders, Directors, key management and technical personnel are set out below:-

2.2.1 Promoters

Name	Designation
Mohammad Sobri Bin Saad	Group Chairman/ Chief Executive Officer/ Executive Director
Norazian Binti Abdul Kudus	-

2.2.2 Substantial Shareholders

Name	Designation
Mohammad Sobri Bin Saad	Group Chairman/ Chief Executive Officer/ Executive Director
Norazian Binti Abdul Kudus	-

2.2.3 Directors

Name	Designation
Mohammad Sobri Bin Saad	Group Chairman/ Chief Executive Officer/ Executive Director
Tan Siow Hui	Executive Director
Basir Bin Bachik	Executive Director
Azahar Bin Rasul	Independent Non-Executive Director
Ow Pung Hock	Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Independent Non-Executive Director
Choo Seng Choon	Independent Non-Executive Director

2.2.4 Key Management and Technical Personnel

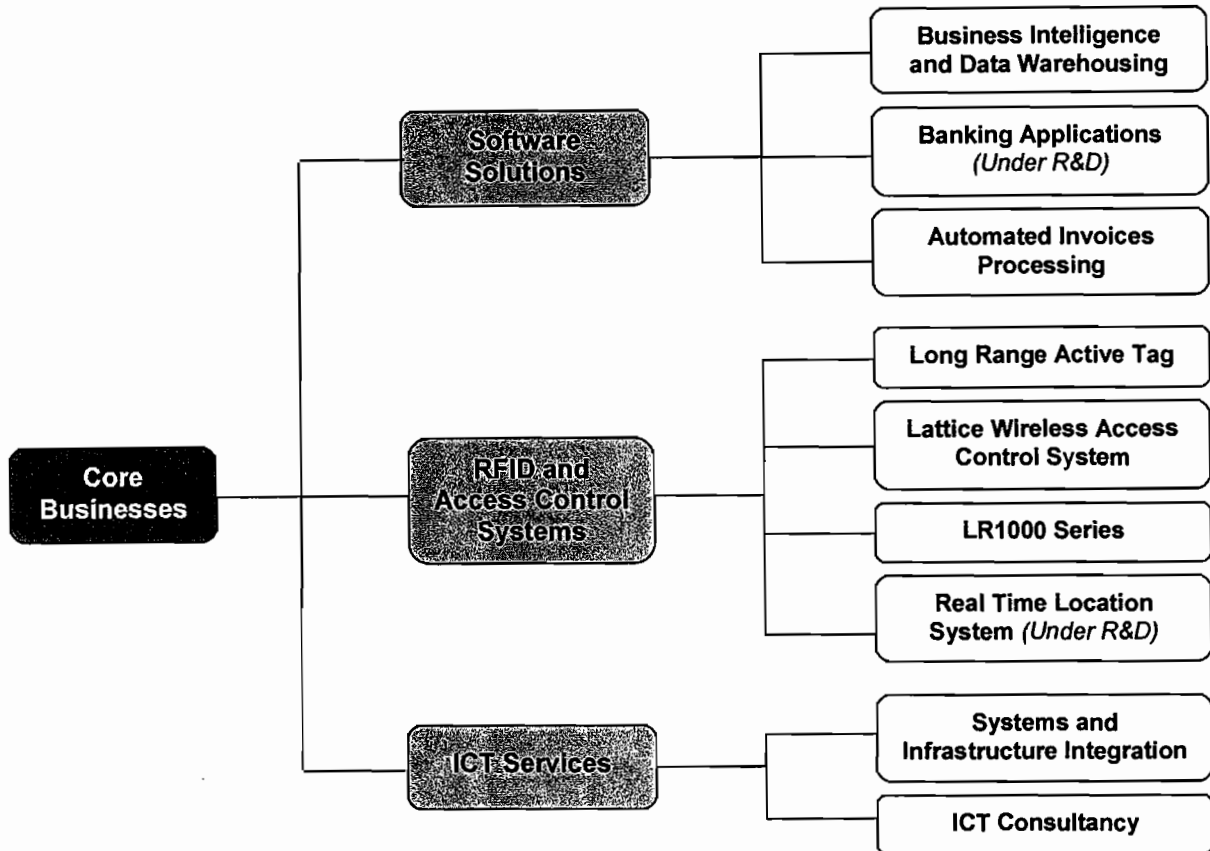
Name	Designation
Mohammad Sobri Bin Saad	Group Chairman/ Chief Executive Officer/ Executive Director
Tan Siow Hui	Executive Director
Basir Bin Bachik	Executive Director/ Chief Operating Officer (ICT Services)
Siah Jiin Shyang	Chief Operating Officer (Business Intelligence and Banking Solutions)
Eddy Lee Sin Ti	Chief Technology Officer (Business Intelligence and Banking Solutions)
Eugene Surendran Gopalan	Chief Technology Officer (RFID)
Tay Mun Kit	Manager (Accounts, Administration and Human Resource)

2. INFORMATION SUMMARY (CONT'D)

Further information on our Promoters, substantial shareholders, Directors, key management and technical personnel and their direct and indirect shareholdings in our Company are set out in Section 8 of this Prospectus.

2.3 Business Model

Our business model is depicted below:-



Further information on our business model are set out in Section 6.1 of this Prospectus.

2.4 Products and Services

The products and services that we are offering can be broadly categorised based on our core businesses, of which are set out below:-

2.4.1 Software Solutions

Business Intelligence and Data Warehousing Solutions

Our business has been traditionally focused on the provision of Business Intelligence and Data warehousing solutions to financial institutions. However, we are able to provide Business Intelligence solutions to other industries where business decision making is critical. Our consultancy services for financial institutions are a complete guided solution in any implementation of Business Intelligence, enterprise information system and Data warehousing software.

2. INFORMATION SUMMARY (CONT'D)

Banking Applications

We are currently in the midst of developing our banking applications and constantly improving them through adding new modules/ features and/ or developing new applications. As at the LPD, our ongoing R&D of banking applications includes a banking system, namely Concordian System, which serves as a base system for the financial services industry. The Concordian System is modular-based and can be rolled out on a module by module basis as well as can be implemented individually. The Concordian System, is on average, approximately 35% completed and is expected to be rolled-out in the year 2010 and 2011. The completion and roll-out of any particular module would largely depend on the market demand.

Automated Invoices Processing Solution

In partnership with ReadSoft, a leading provider of automated document processing solutions, we offer our customers the ReadSoft DOCUMENTS for Invoices solution which is an automated invoices processing solution. Automated invoices processing involves four (4) steps as follows:-

- Extraction of accounting data from paper invoices;
- Extracted information is transferred to the ReadSoft Invoice Cockpit for further processing within the client's ERP system;
- Validation workflow adapted to the rules of the company; and
- Archiving and viewing of the invoice images.

Automatic classification enables operators to scan all supplier invoices without the need for manual sorting. All invoices will be identified and processed automatically by the software developed by ReadSoft. With the intelligent text recognition/ optical character recognition technology, the software is able to extract data from invoices from new suppliers or suppliers who do not use the prescribed template.

2.4.2 RFID and Access Control Systems

Our rapidly emerging RFID-based business focuses on developing in-house hardware and its complementary software applications. Since its inception in April 2008, we have made debut in the RFID industry with our successful completion and commencement of marketing of the following key products:-

- i. Long Range Active Tag or RAIN Tag;
- ii. Lattice Wireless Access Control System or LWACS; and
- iii. LR1000 Series of products.

Our Group is currently developing the Real Time Location System or RTLS which is targeted to be completed by the end of year 2010.

2.4.3 ICT Services

Systems and Infrastructure Integration Services

We have the knowledge and expertise required to solve complex issues surrounding infrastructure integration for our customers. With a solution oriented approach, we work to provide our customers with results, and not only technologies.

2. INFORMATION SUMMARY (CONT'D)

With experiences in Data warehousing and web services technology, we also possess the knowledge and competency to perform System integration services based on platforms by major technological principals such as IBM, Microsoft and SAS.

ICT Consultancy Services

i. ICT Systems Consultancy

We assemble a team of experts, who bring extensive experience and specialise in certain highly-developed domain expertise to provide ICT systems consulting services. The valuable experience of our people, together with our innovations and creativity, will be able to drive changes in the way businesses are performed. The members of our ICT systems consultancy team are handpicked from our four (4) key areas of expertise as follows:-

- ICT infrastructure;
- IT systems management;
- Project management; and
- Mainframe services.

ii. IT Service Management Solutions

Based on the ITIL best practices, we engineer turnkey business processes together with technology automation, by leveraging on commercial and custom-developed software tools.

Our Group addresses the market demands on strategic planning, process improvement, enhancement of resource utilisation, as well as compliance of IT process management.

Further information on our products and services are set out in Section 6.2 of this Prospectus.

2.5 Competitive Strengths and Advantages

Our business is supported by the following strengths and competitive advantages to sustain our business as well as to support our growth. These competitive advantages are as set out below:-

- i. We have an experienced and proven management team;
- ii. We are infrastructure architects and application solutions provider who provide customisable total solutions;
- iii. We have the technical competence in RFID-based products and are able to conceptualise unique proprietary solutions;
- iv. We have a competitive cost structure for our RFID-based business and are not confined to any geographical markets;
- v. We have an advantage to tap into the lucrative GLC markets, with EASS being a Bumiputera contractor status company; and

2. INFORMATION SUMMARY (CONT'D)

- vi. We are able to take advantage of the synergies within our Group with an aim to be a one-stop ICT solutions provider.

Further information on our competitive strengths and advantages are set out in Section 6.4 of this Prospectus.

2.6 Our Principal Markets

Our Group's principal market is Malaysia, of which all our revenues were derived from Malaysia for the past three (3) FPE/ FYE 31 December 2009. We also have a market reach outside Malaysia through our channel partners (which include distributors and resellers) and we are currently distributing our RFID-based products to other Asian countries via resellers, namely Singapore and Indonesia. This is in line with our Group's objective to be a premier quality manufacturer and integrator for RFID-based products and solutions.

Further information on our principal markets are set out in Section 6.5 of this Prospectus.

2.7 Technologies Used

The technologies that we use in our products and solutions are segregated into our core businesses for technologies used in our software solutions and in our RFID and access control systems. Our ICT services does not utilise key technologies as our inputs mainly consist of skilled IT personnel for our operations. The following sets out the key technologies we use:-

Software Solutions

(a) Technology Used in Business Intelligence and Data Warehousing

Our Business Intelligence and Data warehousing solutions are designed and customised mainly based on software and applications provided by technology principals such as IBM, Microsoft and SAS. The technologies used to design our solutions for customers are as follows:-

- i. *Microsoft SQL Server;*
- ii. *Microsoft Office SharePoint Server;*
- iii. *SAS Data Integration (DI) Studio;*
- iv. *SAS OLAP Server;*
- v. *SAS Web Reporting Services/ Studio;*
- vi. *SAS Information Delivery Portal;*
- vii. *IBM Infosphere Warehouse Edition; and*
- viii. *IBM COGNOS BI and Performance Management.*

2. INFORMATION SUMMARY (CONT'D)

(b) Technology Used in Application Development

The application developed for turnkey solutions by our Group are based on the following technologies:-

- i. *J2EE Web Application Server – Eclipse;*
- ii. *J2EE Web Application Server – (JBoss or JBoss AS);*
- iii. *J2EE Web Application Server – IBM WebSphere; and*
- iv. *J2EE Apache Struts 2 (STRUTS).*

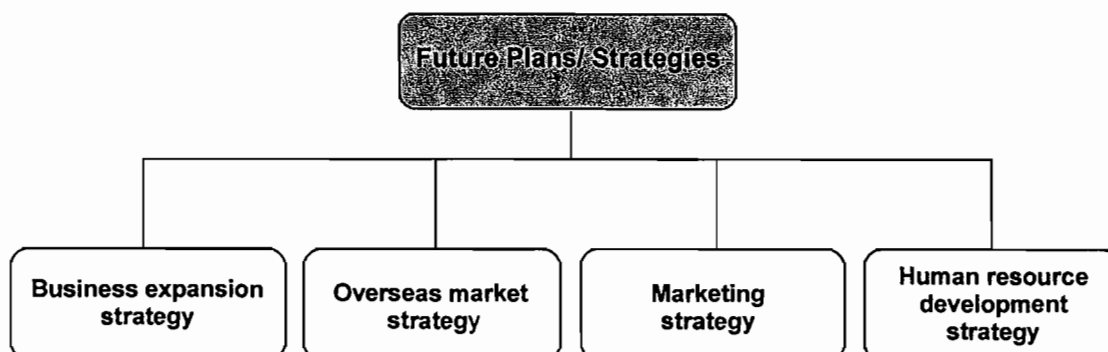
RFID and Access Control Systems

- (a) RFID technology;
- (b) Wireless mesh networking technology; and
- (c) Biometrics technology.

Further information on our key technologies used are set out in Section 6.8 of this Prospectus.

2.8 Future Plans and Strategies

Our future plans and strategies encompass the four (4) areas as follows:-



Further information on our future plans and strategies are set out in Section 7.10 of this Prospectus.

2. INFORMATION SUMMARY (CONT'D)

2.9 Financial Highlights

2.9.1 Proforma Consolidated Income Statements

The following table sets out a summary of the proforma consolidated income statements of our Group for the past three (3) FPE/ FYE 31 December 2009, prepared based on the assumption that our Group has been in existence throughout the financial period/ years under review. The proforma consolidated income statements are presented for illustrative purposes only and should be read in conjunction with the Accountants' Report and the Reporting Accountants' Letter together with the notes and assumptions accompanying on the proforma consolidated financial information set out in Sections 12 and 13 of this Prospectus, respectively.

FPE/ FYE 31 December	2007 RM'000	2008 RM'000	2009 RM'000
Revenue	4,377	8,289	13,892
Cost of sales	(2,524)	(6,137)	(8,126)
Gross profit	1,853	2,152	5,766
Other operating income	59	2,155 ²	950 ³
Operating expenses	(1,696)	(2,287)	(3,039)
Operating profit	216	2,020	3,677
Finance costs	-	-	-
PBT	216	2,020	3,677
Taxation	(50)	(76)	(36)
PAT	166	1,944	3,641
Number of ordinary shares in EAH had EAH Group been in existence ('000) ¹	115,001	115,001	115,001
EBITDA (RM'000)	235	2,092	3,871
Gross profit margin (%)	42.3%	26.0%	41.5%
PBT margin (%)	4.9%	24.4%	26.5%
PAT margin (%)	3.8%	23.5%	26.2%
EPS (sen)			
- Basic	0.14	1.69	3.17
- Diluted ⁴	-	-	-

Notes:-

¹ Based on the issued and paid-up share capital of 115,001,000 ordinary shares of RM0.10 each immediately prior to the Public Issue

² Other operating income for the FYE 31 December 2008 mainly consisted of the government agency grant disbursed during the financial year amounting to RM0.30 million granted to EA MSC and a one-off transaction from the sale of the programming source code for our Business Intelligence and Data warehousing solutions by CSS MSC to a third (3rd) party vendor amounting to RM1.70 million

³ Other operating income for the FYE 31 December 2009 mainly consisted of the balance of the government agency grant amounting to RM0.90 million

2. INFORMATION SUMMARY (CONT'D)

⁴ Diluted earnings per share is not provided as there were no potential ordinary shares to be issued throughout the financial period/ years under review

⁵ There were no exceptional or extraordinary items throughout the financial period/ years under review

⁶ There were no minority interest for all the financial period/ years under review

2.9.2 Proforma Consolidated Balance Sheets

The following table sets out a summary of the proforma consolidated balance sheets based on our consolidated financial statements as at 31 December 2009 to show the effects of the Acquisitions, the Public Issue, Offer for Sale and the proposed utilisation of proceeds from our Public Issue on the assumption that the transactions were completed on 31 December 2009. The proforma consolidated balance sheets are presented for illustrative purposes only and should be read in conjunction with the Reporting Accountants' Letter together with the notes and assumptions accompanying on the proforma consolidated financial information set out in Section 13 of this Prospectus.

	As at 31 December 2009 ² RM'000	Proforma I After the Acquisitions RM'000	Proforma II After I and the Public Issue and Offer for Sale RM'000	Proforma III After II and utilisation of proceeds RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	-	763	763	763
Goodwill on consolidation	-	1,765	1,765	1,765
	-	2,528	2,528	2,528
Current assets				
Inventories	-	245	245	245
Trade receivables	-	5,304	5,304	5,304
Other receivables	-	997	997	723
Cash and cash equivalents	- ¹	2,628	12,628	11,402
	- ¹	9,174	19,174	17,674
TOTAL ASSETS	- ¹	11,702	21,702	20,202
EQUITY AND LIABILITIES				
Share capital	- ¹	11,500	15,500	15,500
Share premium	-	-	6,000	4,500
Total equity	- ¹	11,500	21,500	20,000
Non-current liabilities				
Deferred tax liabilities	-	97	97	97
	-	97	97	97
Current liabilities				
Other payables	-	103	103	103
Provision for taxation	-	2	2	2
	-	105	105	105
Total liabilities	-	202	202	202
TOTAL EQUITY AND LIABILITIES	- ¹	11,702	21,702	20,202

2. INFORMATION SUMMARY (CONT'D)

	As at 31 December 2009 ² RM'000	Proforma I After the Acquisitions RM'000	Proforma II After I and the Public Issue and Offer for Sale RM'000	Proforma III After II and utilisation of proceeds RM'000
Number of shares ('000)	1 ²	115,001	155,001	155,001
NA (RM'000)	- ¹	11,500	21,500	20,000
NA per share (RM)	0.10	0.10	0.14	0.13
NTA (RM'000)	- ¹	9,735	19,735	18,235
NTA per share (RM)	0.10	0.08	0.13	0.12

Notes:-

¹ Representing RM100

² EAH was incorporated on 6 November 2009 with an issued and paid-up share capital of RM100 comprising of 100 shares of RM1.00 each in EAH. On 28 December 2009, our Company undertook a share split of 100 ordinary shares to 1,000 ordinary shares by sub-dividing the par value of our ordinary shares of RM1.00 per share into RM0.10 per share

Further information on our financial information are set out in Section 11 of this Prospectus.

2.10 Principal Statistics Relating to our IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

	RM
i. Share capital	
Authorised share capital:- 250,000,000 EAH Shares	<u>25,000,000</u>
Issued and paid-up share capital as at the date of this Prospectus:- 115,001,000 EAH Shares	11,500,100
Shares to be issued pursuant to the Public Issue:- 40,000,000 EAH Shares	4,000,000
Enlarged issued and paid-up share capital upon Listing:- 155,001,000 EAH Shares	<u>15,500,100</u>
Shares to be offered pursuant to the Offer for Sale:- 18,000,000 EAH Shares	<u>1,800,000</u>
ii. IPO Price for each IPO Share	0.25
iii. Market capitalisation of our Company based on the IPO Price upon Listing	38,750,250
iv. Proforma NTA based on our Proforma Consolidated Balance Sheet as at 31 December 2009	
Proforma NTA upon Listing ¹ ('000)	18,235
Proforma NTA per Share upon Listing ²	0.12

2. INFORMATION SUMMARY (CONT'D)

Notes:-

¹ After taking into account our Public Issue of 40,000,000 new EAH Shares at the Issue Price and after deducting estimated listing expenses of RM1.50 million

² Based on our enlarged issued and paid-up share capital after our Public Issue upon listing of 155,001,000 EAH Shares

We have only one (1) class of shares, namely ordinary shares of RM0.10 each. The IPO Shares shall rank *pari passu* in all respects with our existing issued shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made on or subsequent to the date of their allotment thereof.

Further information on our IPO are set out in Section 3 of this Prospectus.

2.11 Utilisation of Proceeds from the Public Issue

The gross proceeds from the Public Issue amounting to approximately RM10,000,000 will accrue entirely to us and are expected to be utilised in the following manner:-

Details of Utilisation	Timeframe for utilisation upon Listing	Amount RM'000	Percentage of gross proceeds %
Business expansion	Within 24 months	3,000	30.0
Enhance R&D capabilities	Within 24 months	2,000	20.0
Working capital	Within 24 months	3,500	35.0
Estimated listing expenses	Upon listing	1,500	15.0
		10,000	100.0

Further information on our utilisation of proceeds are set out in Section 3.11 of this Prospectus.

2.12 Risk Factors

An investment in shares listed or to be listed on Bursa Securities involves a number of risks. You should rely on your own evaluations and carefully consider the following risk factors (which may not be exhaustive) that may have a significant impact on our future performance, in addition to the other information contained elsewhere in this Prospectus, before applying for any of our IPO Shares, which are the subject of this Prospectus.

The risk factors that may affect our future financial profitability are not limited to financial risks and industry risks, and include the following:-

i. Risks relating to our IPO

- No prior market for our Shares
- Delay in or abortion of our Listing
- Trading price and volume of our Shares
- Future sale of our Shares by our controlling shareholder may adversely affect our Share prices
- Continued control by our Promoters
- Future fundraising may dilute shareholders equity or restrict our operations
- Payment of dividend is not assured

2. INFORMATION SUMMARY (CONT'D)

ii. Risks relating to our operations

- Limited operating history
- Business risk
- Competition risk
- Product risk
- Insurance coverage on assets
- Breakout of fire, energy crisis and other emergency crisis
- Reliance on the Malaysian market
- Intellectual property rights and trademarks infringement
- Dependence on Directors and key personnel
- Absence of long term contractual agreement with customers
- No assurance that our future plans will be commercially successful
- Change in or loss of MSC status
- Loss of MOF Bumiputera contractor status
- Project risks
- Risk of expansion into foreign markets

iii. Risks relating to our industry

- Security risks
- Rapid technological changes in the ICT industry
- Liability for material defects or errors in the IT solutions

iv. Other risks

- Political, economic and regulatory risk
- Investment activities risk
- Forward-looking statements

Further information on the risk factors are set out in Section 4 of this Prospectus.

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3. DETAILS OF THE IPO

3.1 Introduction

This Prospectus is dated 28 June 2010.

Our IPO is an exempt transaction under Section 213 of the CMSA and is therefore not subject to the approval of the SC.

However, we have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Form with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

We have obtained the approval from Bursa Securities, for admission to the Official List and for the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market on 26 April 2010. Official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as prescribed securities. Therefore, we will deposit the IPO Shares directly with the Bursa Depository and any dealings in our Shares will be carried out in accordance with the Central Depositories Act and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

In compliance with the Listing Requirements, at least 25% of the total number of our Shares for which listing is sought must be in the hands of 200 public shareholders holding not less than 100 Shares each, upon admission to the Official List. We expect to meet this public shareholding requirement at the point of Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all successful applications for our IPO.

You must have a CDS account when applying for our IPO Shares. In the case of an application by way of Application Form, you should state your CDS account in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account at an ADA prior to making an application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and you shall furnish your CDS account number to the Participating Financial Institutions by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account and an existing account with access to the internet financial services with Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS account number to the Internet Participating Financial Institutions by keying your CDS account number into the online application form. A corporation or institution cannot apply for the IPO Shares by way of Internet Share Application.

3. DETAILS OF THE IPO (CONT'D)

You should rely on the information contained in this Prospectus. Neither us nor our Adviser have authorised anyone to provide you with the information that is different and which is not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof.

Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

The distribution of this Prospectus and the sale of our IPO Shares in other jurisdictions outside Malaysia may be restricted by the law. If you have come into possession of this Prospectus, we require you to inform yourself of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation to subscribe for any IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation is not authorised or lawful. This Prospectus shall also not be used to make an offer or invitation of our Shares to any person to whom it is unlawful to do so.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinion or reports expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of our Company or our Shares.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN US. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN DOUBT ABOUT THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR SHARES.

3.2 Opening and Closing of Applications

Your applications will be accepted from 10.00 a.m. on 28 June 2010 and will close at 5.00 p.m. on 8 July 2010 or such other later time and date or dates as our Directors and our Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

3.3 Indicative Timetable

The indicative timing of events leading up to the Listing is set out below:-

Events	Tentative Dates
Opening of application for the IPO Shares	28 June 2010
Closing of application for the IPO Shares	8 July 2010
Balloting of applications for the IPO Shares	12 July 2010
Allotment of the IPO Shares to successful applicants	15 July 2010
Tentative Listing date	20 July 2010

3. DETAILS OF THE IPO (CONT'D)

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The application will close at the date stated above or such later date as our Directors, Promoters and/ or Offerors together with our Underwriter in their absolute discretion may decide.

In the event the closing date for application is extended, we will advertise the notice of the extension in widely-circulated English as well as Bahasa Malaysia newspaper prior to the original closing date of the application. Following this, the dates for the balloting of the applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly.

3.4 Purposes of the IPO

Our purpose and objective of the IPO are as follows:-

- i. To facilitate our Listing on the ACE Market;
- ii. To enable us to raise funds for our continued operations and expansion, details of which are elaborated in Section 7.10 of this Prospectus;
- iii. To enhance our business profile and future prospects through the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market;
- iv. To enable us to gain access to the capital market to source for funds, either through equity funding or borrowings, for our future expansion and continued growth of our Group;
- v. To provide an opportunity for the investing community, including the Malaysian Public, our eligible Directors and employees to participate in our equity; and
- vi. To enhance the liquidity of our Shares, to enhance transparency and discipline of our corporate management.

3.5 Share Capital

	RM
i. Share capital	
Authorised share capital:- 250,000,000 EAH Shares	<u>25,000,000</u>
Issued and paid-up share capital as at the date of this Prospectus:- 115,001,000 EAH Shares	11,500,100
Shares to be issued pursuant to the Public Issue:- 40,000,000 EAH Shares	4,000,000
Enlarged issued and paid-up share capital upon Listing 155,001,000 EAH Shares	<u>15,500,100</u>
Shares to be offered pursuant to the Offer for Sale 18,000,000 EAH Shares	<u>1,800,000</u>
ii. IPO Price for each IPO Share	0.25
iii. Market capitalisation of our Company based on the IPO Price upon Listing	38,750,250

3. DETAILS OF THE IPO (CONT'D)

	RM
iv. Proforma NTA based on our Proforma Consolidated Balance Sheet as at 31 December 2009	
Proforma NTA upon Listing ^{*1} ('000)	18,235
Proforma NTA per Share upon Listing ^{*2}	0.12

Notes:-

^{*1} After taking into account our Public Issue of 40,000,000 new EAH Shares at the Issue Price and after deducting estimated listing expenses of RM1.50 million

^{*2} Based on our enlarged issued and paid-up share capital after our Public Issue upon listing of 155,001,000 EAH Shares

You are to pay in full on application the IPO Price of RM0.25 for each IPO Share.

We have only one (1) class of shares, namely ordinary shares of RM0.10 each. The IPO Shares shall rank *pari passu* in all respects with our existing issued shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made on or subsequent to the date of their allotment thereof.

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

You are entitled to vote at any of our general meeting in person or by proxy or by attorney, and, on a show of hands, every person present in the general meeting, who is a shareholder shall have one (1) vote, and on poll, every shareholder presents in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every Share held. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

3.6 Details of the IPO

We will undertake the Public Issue and Offer for Sale in conjunction with our Listing on the ACE Market of Bursa Securities, details of which are set out below:-

3.6.1 Public Issue

Our Public Issue of a total of 40,000,000 Issue Shares, representing approximately 25.8% of our enlarged issued and paid-up share capital, at an issue price of RM0.25 per Issue Share shall be payable in full on application subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the manner as set out below:-

i. Malaysian Public

2,000,000 Issue Shares representing approximately 1.3% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public.

3. DETAILS OF THE IPO (CONT'D)**ii. Our eligible Directors and employees of our Group**

7,000,000 Issue Shares representing approximately 4.5% of our enlarged issued and paid-up share capital will be made available for application by our eligible Directors and employees of our Group.

All of the 7,000,000 Issue Shares have been allocated to our eligible Directors and employees based on their respective seniority, job position, length of service and degree of contribution to the success of our Group. Based on the criteria, there are 37 Directors and employees of our Group, who are eligible to take up the reserved Issue Shares, the breakdown of which are as set out below:-

	Number of persons	Number of Shares allocated
Directors	5	3,200,000
Employees	32	3,800,000

Details of the proposed allocation to our Directors are as follows:-

Directors	Designation	Number of Shares allocated
Basir Bin Bachik	Executive Director	1,300,000
Tan Siow Hui	Executive Director	1,000,000
Azahar Bin Rasul	Independent Non-Executive Director	300,000
Choo Seng Choon	Independent Non-Executive Director	300,000
Abdul Fattah Bin Mohamed Yatim	Independent Non-Executive Director	300,000

Details of the proposed allocation to our key management and/ or technical personnel, save for the Directors who are also the key management and technical personnel, are as follows:-

Key management and technical personnel	Designation	Number of Shares allocated
Siah Jiin Shyang	Chief Operating Officer (Business Intelligence and Banking Solutions)	1,000,000
Tay Mun Kit	Manager of Accounts, Administration and Human Resource	800,000
Eddy Lee Sin Ti	Chief Technology Officer (Business Intelligence and Banking Solutions)	300,000
Eugene Surendran Gopalan	Chief Technology Officer (RFID)	300,000

3. DETAILS OF THE IPO (CONT'D)

iii. Placement to identified investors

31,000,000 Issue Shares representing approximately 20.0% of our enlarged issued and paid-up share capital will be made available for application by way of placement to identified investors.

3.6.2 Offer for Sale

18,000,000 Offer Shares, representing approximately 11.6% of our enlarged issued and paid-up share capital, at an offer price of RM0.25 per Offer Share will be offered for sale by way of placement to identified investors. Details of the Offerors are set out in Section 3.7 of this Prospectus.

All the 2,000,000 Issue Shares available for application by the Malaysian Public in respect of Sections 3.6.1(i) of this Prospectus have been fully underwritten by our Underwriter.

All the 56,000,000 IPO Shares comprising 7,000,000 Issue Shares available for application by our eligible Directors and employees of our Group, 31,000,000 Issue Shares available for application by way of placement to identified investors and 18,000,000 Offer Shares available for application by way of placement to identified investors in respect of Section 3.6.1(ii), (iii) and 3.6.2 of this Prospectus are not underwritten. Irrevocable undertakings have been obtained from investors to subscribe for 31,000,000 Issue Shares and 18,000,000 Offer Shares available under the private placement and Offer for Sale respectively. The amount of IPO Shares will not be increased via any over-allotment or "greenshoe" option.

Any Issue Shares not subscribed for under Section 3.6.1(i) of this Prospectus will be made available for application by way of placement to identified investors. Thereafter, any remaining re-offered Issue Shares that are not subscribed for under Section 3.6.1(i) of this Prospectus will then be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement dated 18 May 2010. Please refer to Section 3.13 of this Prospectus for further details on the underwriting arrangements.

However, in the event that all Issue Shares under Section 3.6.1(i) of this Prospectus are over-subscribed, the IPO Shares not subscribed for under Section 3.6.1(ii), (iii) and 3.6.2 of this Prospectus, if any, will be made available for application by the Malaysian Public.

The minimum number of Shares to be subscribed after the IPO is all the IPO Shares available under the IPO in order for us to meet the public spread requirement i.e. at least 25% of our enlarged issued and paid-up share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our admission to the Official List.

All our IPO Shares to be issued pursuant to the IPO shall rank pari passu in all respects with our existing issued shares including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

3. DETAILS OF THE IPO (CONT'D)

3.7 Offerors

Our Promoters who are offering the Offer Shares pursuant to the Offer for Sale and their relationship with our Group for the past three (3) FPE/ FYE 31 December 2009 are set out below:-

Name and Address	Nature of relationship	After the Acquisitions		Shares offered pursuant to the Offer for Sale			After the IPO ³	
		No. of Shares	%	No. of Shares	% ¹	% ²	No. of Shares	% of share capital
Mohammad Sobri Bin Saad 40, Jalan Kubah U8/ 56 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Promoter, substantial shareholder, Director, key management and technical personnel	97,750,850	85.0	15,300,000	13.3	9.9	82,450,850	53.2
Norazian Binti Abdul Kudus 40, Jalan Kubah U8/ 56 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Promoter and substantial shareholder	17,250,140	15.0	2,700,000	2.3	1.7	14,550,140	9.4
Total		115,000,990	100.0⁴	18,000,000	15.7	11.6	97,000,990	62.6

Notes:-

¹ Based on our issued and paid-up share capital of 115,001,000 EAH Shares, immediately prior to the Public Issue

² Based on our issued and paid-up share capital of 155,001,000 EAH Shares, immediately after the Public Issue

³ The shareholdings shown in the table above have included the pink form allocation under the Public Issue

⁴ Approximately 100.0%

3.8 Basis of Arriving at the IPO Price

Prior to the IPO, there has been no public market for our Shares. The IPO price of RM0.25 per IPO Share was determined and agreed upon by our Directors, Promoters and/ or Offerors together with OSK, our Sponsor, Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:-

i. Our Financial History

Our Group recorded a proforma consolidated PAT of approximately RM3.64 million for the FYE 31 December 2009. Based on our IPO price of RM0.25 per IPO Share and our enlarged issued and paid-up share capital upon listing of 155,001,000 million EAH Shares, our proforma consolidated net EPS is 2.35 sen.

3. DETAILS OF THE IPO (CONT'D)

ii. Our Proforma Consolidated NA

Our Group's proforma consolidated NA of approximately RM20,000,100 or RM0.13 per Share after the Listing and the proposed utilisation of the proceeds raised from the Public Issue, assuming the Listing was completed on 31 December 2009.

iii. Our Proforma Price-earnings Multiple

Based on our existing issued and paid-up share capital prior to Listing of 115,001,000 Shares, our proforma consolidated net EPS for the FYE 31 December 2009 is 3.17 sen. Based on our IPO price of 0.25 per IPO Share, this will translate into a proforma net price-earnings multiple of approximately 7.89 times.

Based on our enlarged issued and paid-up share capital upon listing of 155,001,000 Shares, our proforma consolidated net EPS is 2.35 sen. Based on our IPO price of RM0.25 per IPO Share, this will translate into a proforma net PE multiple of approximately 10.64 times.

iv. Our Operating History and Nature of Business

Since our inception, we have completed notable ICT projects mainly for the government and GLCs, financial institutions and customers in the retail industries, as well as established a reseller network for our RFID products. Our competitive strengths and advantages, technology used and patents and trademarks filed, amongst others, has contributed to our achievements as at to date and provides a platform to strengthen our position in the ICT industry. Further information on our operating history and the nature of our business are set out in Sections 5 and 6 of this Prospectus.

v. Our Prospects and Future Plans

With the growth anticipated in the ICT industry, our future plans, which focuses on our business expansion, overseas market, marketing and human resource development strategies allows our Group to capitalise on our encouraging prospects. Further information on the prospects of the industry in which we operate in, future plans, strategies and our prospects are set out in Section 7 of this Prospectus.

vi. Prevailing Market Conditions

The Malaysian economy has recovered from the global crisis and turned around to record a positive growth in the fourth quarter of 2009, following which, is expected to strengthen in 2010. The prevailing market conditions includes, amongst others, current market trends and investor sentiments. Further information on the overview and outlook of the Malaysian economy are set out in Section 7.1 of this Prospectus.

Our Directors, Promoters and/ or Offerors together with OSK are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

You should note that the market price of our Shares upon listing on the ACE Market is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. You should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares.

3. DETAILS OF THE IPO (CONT'D)

3.9 Dilution

Dilution is computed as the difference between the IPO Price paid by the applicants for our IPO Shares and the proforma consolidated NA per Share of our Group immediately after the IPO.

Pursuant to the Public Issue in respect of 40,000,000 Issue Shares at the issue price of RM0.25 per Issue Share, our proforma NA per Share after the IPO and after taking into consideration the proposed utilisation of proceeds based on our enlarged issued and paid-up share capital of 155,001,000 Shares would have been RM0.13. This represents an immediate increase in NA per Share of RM0.03 to our existing shareholders and an immediate dilution in the NA per Share of RM0.12, representing approximately 48.0% dilution to our new investors.

The following table illustrates such dilution on a per Share basis:-

	sen
Issue Price	25
Proforma consolidated NA per share as at 31 December 2009 (after the Acquisitions)	10
Increase in proforma consolidated NA per Share attributable to the existing shareholders (after the Public Issue and proposed utilisation of proceeds)	3
Proforma consolidated NA per share after the Public Issue and proposed utilisation of proceeds	13
Dilution in NA per Share to new investors	12
Dilution in NA per Share to new investors as a percentage of the Issue Price	48.0%

The following table summarises the total number of Shares received by our Director/ substantial shareholders from the Acquisitions and the cost per Share to them and to the new public investors who subscribe for/ or purchase the IPO Shares pursuant to the IPO:-

Director/ Substantial shareholders	Number of Shares received pursuant to the Acquisitions	Total Consideration RM	Cost per Share RM
Mohammad Sobri Bin Saad	97,750,850	9,775,085	0.10
Norazian Binti Abdul Kudus	17,250,140	1,725,014	0.10
	Number of IPO Shares	Total Consideration RM	Cost per Share RM
New investors	58,000,000	14,500,000	0.25

Save for the Shares received by our Director/ substantial shareholders pursuant to the Acquisitions, there is no material acquisition of any existing Shares that involved cash in our Company by our Director, substantial shareholders, senior management or persons connected with them, or in which they have the right to acquire, during the past three (3) years prior to the date of this Prospectus.

3. DETAILS OF THE IPO (CONT'D)

3.10 Market Capitalisation upon Listing

Based on the IPO price of RM0.25 per IPO Share and our enlarged issued and paid-up share capital of 155,001,000 Shares, our market capitalisation upon Listing on the ACE Market will be RM38,750,250.

3.11 Utilisation of Proceeds from the Public Issue

The gross proceeds from the Public Issue amounting to approximately RM10,000,000 will accrue entirely to us and we shall bear all expenses relating to the listing of and quotation for our entire issued and paid-up share capital on the ACE Market.

The proceeds from our Public Issue are expected to be utilised in the manner as set out below:-

Details of Utilisation	Timeframe for utilisation upon Listing	Notes	Amount RM'000	Percentage of gross proceeds %
Business expansion	Within 24 months	i	3,000	30.0
Enhance R&D capabilities	Within 24 months	ii	2,000	20.0
Working capital	Within 24 months	iii	3,500	35.0
Estimated listing expenses	Upon Listing	iv	1,500	15.0
			10,000	100.0

Notes:-

i. Business expansion

Our aim is to be a one-stop ICT solutions provider in Malaysia and subsequently in the ASEAN region and beyond, with the intention of further improving the earnings base of our Group.

Our Group intends to utilise a portion of the proceeds to finance our local and overseas expansion in the next two (2) years. For our local expansion, we intend to increase our reseller base to increase our market of RFID products in Malaysia. Accordingly, we intend to allocate approximately RM1.50 million, representing 50.0% of our total allocated proceeds for business expansion for our local expansion, the estimated allocation of which are set out below:-

	RM'000
Sales and marketing costs	500
Trade fairs and exhibitions	400
Travelling and accommodation	300
Miscellaneous	300
Total	1,500

We also intend to expand our market base to penetrate the overseas market. As such, we intend to work with multinational system integrators and technology principals to scout for potential markets and sales channels for all our products and solutions. In addition, we also plan to set up regional offices overseas, starting with countries such as the PRC, to improve the coordination of our marketing efforts. Our Group, through EA MSC has already penetrated the ASEAN region via resellers in Singapore and Indonesia for our RFID-based products and through CSS MSC, have also implemented a software solutions project for a government department in Brunei Darussalam. As such, our Board is of the view that it is not necessary to set up regional offices in these countries in the immediate term basis and also after taking into consideration cost matters.

3. DETAILS OF THE IPO (CONT'D)

Our Group has selected the PRC as the first country for expansion beyond the ASEAN region due to the country's market potential. The marketing and distribution effort will initially be focused on the RFID products. We believe that the market growth cycle for RFID products is still in its infancy both in Malaysia and PRC, especially for active RFID products. With this in mind, we aim to grow both local and PRC's market concurrently in order to maximise the first movers' advantage and to build a business presence in both Malaysia and PRC. These concurrent efforts would involve the setting up of a regional office in the PRC, which is crucial for us to market our RFID-based products. Due to the geographical span, we are of the view that it is more efficient to setup a local office in PRC to oversee and monitor the operations. We intend to allocate approximately RM1.50 million, representing 50.0% of our total allocated proceeds for business expansion for our overseas expansion, the estimated allocation of which are set out below:-

	RM'000
Costs of setting up of office	250
Travelling and accommodation	250
Sales and marketing costs	250
Trade fairs, exhibitions, roadshows and workshops	250
Staffing	200
Location scouting and research	50
Miscellaneous	250
Total	1,500

Further information on our future plans and strategies are set out in Section 7.10 of this Prospectus.

ii. Enhance R&D capabilities

This amount will be utilised to fund our future development costs as well as R&D costs associated with the expansion of the range of our products and solutions by the development of new products, application and solutions whilst at the same time, improving our current offerings and services. Such expenses will include but is not limited to expenditure on software license, payment for external R&D collaborations, R&D manpower and other related expenses. Our current R&D focus is on our RFID products and banking solutions, whereby amongst others, for our RFID products, we are leveraging on our wireless technologies to further develop wireless solutions for other commercial products, whilst for our banking solutions, we are developing our banking solutions with increased functionalities to cater to our customers' increasing needs.

The estimated allocation for the purposes of enhancing our R&D capabilities are set out below:-

	RM'000
Development of new applications/ solutions – Banking solutions ^{*1}	750
Development of new applications/ solutions – RFID/ Wireless products ^{*1}	500
R&D staffing, training and resources	500
Other R&D related expenses ^{*2}	250
Total	2,000

Notes:-

^{*1} Includes amongst others, payment for external R&D collaborations and software licenses

^{*2} Includes, amongst others, re-packaging and certifications

Our Group would benefit from an expansion of product range and is constantly looking into the development of new applications/ solutions. Further information on our R&D are set out in Section 6.10 of this Prospectus.

3. DETAILS OF THE IPO (CONT'D)

iii. Working capital

The proceeds earmarked for working capital will be utilised to finance our day to day operations. These proceeds would be used to fund our future growth and expand our growth capacity as we expect our operational expenses to increase in response to the expected increase in revenues. These expenses include, amongst others, payment of staff related expenses such as salary, staff welfare and training, purchase of raw materials and third (3rd) party software for new projects, performance bonds for new projects, hardware and services, repayment of creditors and general expenses such as travelling and others. The proceeds allocated for working capital would be used to defray the abovementioned costs, amongst others.

The proceeds utilised will improve our cash flow and fund our operating expenses. Consequently, we would be able to increase our competitiveness among larger ICT providers as, aside from competing technically, we would be able to further compete financially, in terms of negotiating with technology principals, suppliers and customers.

Pending the utilisation of the proceeds from the Public Issue for the abovementioned purposes, the proceeds would be placed as deposits with banks or licensed financial institutions, or used for investments in short term deposits, money market or debt instruments, as our Directors may deem appropriate in their absolute discretion.

iv. Estimated listing expenses

We will bear all expenses and fees relating to the listing of and quotation for our entire issued and paid-up share capital on the ACE Market, which includes underwriting commission, brokerage fees, professional fees, and other fees as set out in Section 3.12 of this Prospectus.

Listing expenses are estimated at approximately RM1.50 million with the following estimated breakdown:-

	RM'000
Professional fees	1,040
Fees payable to authorities	65
Underwriting and placement fees	165
Brokerage fees	5
Printing and advertising fees	80
Issuing house expenses	80
Miscellaneous	65
Total	<u>1,500</u>

In the event of an excess/ deficit in the actual quantum of listing expenses, such amount will be adjusted against the amount allocated for working capital purposes accordingly.

The gross proceeds from the Offer for Sale amounting to approximately RM4.50 million will accrue entirely to our Offerors and they shall bear all expenses and fees incidental relating to the Offer for Sale, which amounts to approximately RM0.14 million.

3.11.1 Financial Impact Arising from the Utilisation of Proceeds

We expect the utilisation of proceeds of the Public Issue to:-

- i. Help enhance our R&D activities which will in turn help us expand our range of products and services offered as well as to help us in terms of market penetration. Our Company is expected to improve our competitive advantage and growth prospects by continuously funding our R&D activities;

3. DETAILS OF THE IPO (CONT'D)

- ii. Help expand our business in the domestic and overseas markets, which in turn is expected to increase our Group's revenue and earnings; and
- iii. Help strengthen our liquidity and cash flow position via the increase in our working capital.

3.12 Underwriting Commission, Brokerage, Placement Fees

3.12.1 Underwriting Commission

OSK, as our Underwriter has agreed to underwrite 2,000,000 Issue Shares to be made available for application by the Malaysian Public. We will pay an underwriting commission at the rate of 2.0% of the issue price of RM0.25 for each Issue Share in respect of the 2,000,000 Issue Shares.

3.12.2 Brokerage Fee

We will pay the brokerage fee in respect of the Issue Shares at the rate of 1.0% of the issue price of RM0.25 per Issue Share in respect of successful applications which bear the stamps of either OSK, a participating organisation of Bursa Securities, a member of Association of Banks in Malaysia, a member of the Malaysian Investment Banking Association and/or MIH. Brokerage fee in respect of the Offer Shares shall be borne by our Offerors.

3.12.3 Placement Fee

We will pay our Placement Agent a placement fee at the rate of 2.00% of the value of the Issue Shares at the issue price of RM0.25 per Issue Share to be placed out to placees identified by our Placement Agent and a placement fee at the rate of 0.75% of the Issue Shares at the issue price of RM0.25 per Issue Share to be placed out to placees identified by our Group. Placement fee in respect of the Offer Shares shall be borne by our Offerors.

3.13 Salient Terms of the Underwriting Agreement

We had on 18 May 2010 entered into an Underwriting Agreement with OSK, whereby OSK had agreed to underwrite 2,000,000 Issue Shares at the Issue Price based on some of the salient terms set out below:-

The following terms are reproduced from the Underwriting Agreement. Unless otherwise stated, the capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement.

"2. AGREEMENT TO UNDERWRITE

- 2.1 *In consideration of the payment by the Company of the Underwriting Commission, the Sole Underwriter, hereby relying upon each of the representations, warranties and undertakings by the Company set out in Clause 3, agrees to underwrite the Underwritten Shares as set out in the First Column of the FIRST SCHEDULE upon the terms and conditions hereinafter contained.*

3. DETAILS OF THE IPO (CONT'D)

- 2.2 *The Sole Underwriter shall not be responsible for any failure by the Company to meet its obligations hereunder nor shall such failure relieve the Company of its obligations hereunder and nothing in this Agreement shall be construed as constituting or evidencing a partnership between the Sole Underwriter and the Company.*
- 2.3 *The obligations of the Sole Underwriter under this Agreement are conditional upon:-*
- 2.3.1 *this Agreement having been duly executed by all the Parties hereto and duly stamped;*
- 2.3.2 *there having been on or prior to the Closing Date, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of the Company and any company within the Group, which is material in the context of the Public Issue and/ or Offer for Sale from that set forth in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of the Sole Underwriter, which makes any of the representations and warranties contained in Clause 3 untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3;*
- 2.3.3 *the delivery to the Sole Underwriter:-*
- 2.3.3.1 *prior to the date of the registration of the Prospectus, a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; and*
- 2.3.3.2 *a certificate, in the form or substantially in the form contained in the SECOND SCHEDULE, dated the date of the Prospectus signed by duly authorised officer of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 2.3.2.*
- 2.3.4 *the Prospectus being in the form and substance satisfactory to the Sole Underwriter;*
- 2.3.5 *the delivery to the Sole Underwriter on the Closing Date of such reports and/ or confirmations dated the Closing Date from the Directors of the Company as the Sole Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company and the companies within the Group;*

3. DETAILS OF THE IPO (CONT'D)

- 2.3.6 *the Sole Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 12;*
- 2.3.7 *the Public Issue and Offer for Sale not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;*
- 2.3.8 *the Company having complied and that the Public Issue and Offer for Sale is in compliance with the policies, guidelines and requirements of Bursa Securities and/ or the SC and all revisions, amendments and/ or supplements thereto;*
- 2.3.9 *the Company having fully complied with all the conditions which are required to be complied with prior to the issuance of the Prospectus or the Closing Date imposed by the SC and/ or Bursa Securities (if any) in respect of the Public Issue and the Company's proposed listing on the ACE Market of Bursa Securities;*
- 2.3.10 *the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the Public Issue and Offer for Sale and the lodgement of the Prospectus with the CCM on or before its release under the Public Issue and Offer for Sale;*
- 2.3.11 *Bursa Securities has agreed and approved in principle on or prior to the Closing Date to the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Securities and the SC (as the case may be) having registered the Prospectus and if such registration shall be conditional, all conditions thereto being in terms acceptable to the Sole Underwriter on or prior to the Closing Date being reasonably satisfied and such registration not being withdrawn, revoked, suspended, terminated or lapsed and that such listing and quotation shall be granted two (2) clear Market Days after the submission to Bursa Securities of the relevant documents including the receipt of confirmation from the Bursa Depository confirming that the Securities Accounts of all successful applicants have been duly credited and the Issuing House has confirmed that the notices of allotment have been despatched to entitled holders;*
- 2.3.12 *the Prospectus having been issued within two (2) months of the date hereof or within such extended period as may be determined in writing by the Sole Underwriter;*
- 2.3.13 *the issue of the Issue Shares having been approved by Bursa Securities, SC and any other relevant authorities and the shareholders of the Company in a general meeting and such authorisation has not been withdrawn, revoked, suspended, terminated or lapsed; and*
- 2.3.14 *all necessary approvals and authorisations required in relation to the Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect provided always that such waiver (if given) shall be in writing.*

3. DETAILS OF THE IPO (CONT'D)

2.4 *If any of the conditions set out in Clause 2.3 is not satisfied by the Closing Date, the Sole Underwriter shall thereupon be entitled to terminate this Agreement and in that event, except for the liability of the Company for the payment of costs and expenses as provided in Clause 12 incurred prior to the termination and any claims pursuant to Clause 3.3.1, there shall be no further claims by the Sole Underwriter against the Company, and the Parties shall be released and discharged from their respective obligations hereunder PROVIDED THAT the Sole Underwriter may at its discretion with respect to its obligations waive compliance with any of the provisions of Clause 2.3.*

8. TERMINATION/ LAPSE OF AGREEMENT

8.1 *Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:-*

8.1.1 *there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated by the Sole Underwriter in writing to the Company or as stipulated in the notice informing the Company of such breach or by the Closing Date, whichever is earlier; or*

8.1.2 *there is withholding of information which is required to be disclosed "by" or "to" the Sole Underwriter, which is required to be disclosed pursuant to this Agreement, and if capable of remedy, is not remedied within such number of days as stipulated by the Sole Underwriter in writing to the Company or as stipulated in the notice informing the Company of such breach which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue and/ or Offer for Sale, or the distribution or sale of the Issue Shares; or*

8.1.3 *there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group; or*

8.1.4 *there shall have occurred, happened or come into effect any of the following circumstances:-*

(a) *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*

(b) *any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);*

3. DETAILS OF THE IPO (CONT'D)

which, (in the reasonable opinion of the Sole Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/ or materially prejudice the business or the operations of the Company or the Group, the success of the Public Issue and/ or Offer for Sale, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or

8.1.5 *there is failure on the part of the Company to perform any of its obligations herein contained which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated by the Sole Underwriter in writing to the Company or as stipulated in the notice informing the Company of such breach or by the Closing Date, whichever is earlier.*

8.2 *In the event of termination pursuant to Clause 8(1) hereof, the respective Parties hereto shall, save and except for any antecedent breach, be released and discharged from their obligations hereunder whereupon this Agreement shall be of no further force or effect subject to the following:-*

8.2.1 *the liability of the Company for the payment of costs and expenses as provided in Clause 12 hereof incurred prior to or in connection with such termination shall remain;*

8.2.2 *the liability of the Company for the payment of the Underwriting Commission as provided in Clause 6 hereof shall remain;*

8.2.3 *subject thereto, the Company shall return any moneys paid without interest thereon to the Sole Underwriter within three (3) Market Days of the receipt of such notice of termination from the Sole Underwriter;*

Provided that the Sole Underwriter may at its discretion waive compliance with or modify any of the provisions of this Clause without prejudice to its powers, rights and remedies under this Agreement.

8.3 *In the event that this Agreement is terminated pursuant to Clause 8.1.4, the Sole Underwriter and the Company may confer with a view to defer the Public Issue and/ or Offer for Sale by amending its terms or the terms of this Agreement and may enter into a new underwriting agreement accordingly, but neither the Sole Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.*

8A **FORCE MAJEURE**

8A.1 *Notwithstanding anything herein contained, it will be an event of force majeure if one of the following occurs:-*

8A.1.1 *any material change in any law, regulation, directive, policy or ruling in any jurisdiction which seriously affects or will seriously affect the business of the Company and/ or the companies within the Group;*

3. DETAILS OF THE IPO (CONT'D)

- 8A.1.2 *any change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia or overseas) or currency exchange rates or an occurrence as a result of an act or acts of God or in the event of national disorder, armed conflict or serious threat of the same, hostilities, acts of terrorism, embargo, severe economic dislocation, natural catastrophe, earthquake, typhoon, tsunami, outbreak of war, outbreak of disease or the declaration of a state of national emergency;*
- 8A.1.3 *the Kuala Lumpur Composite Index falling below 1,000 points and remaining below 1,000 points for three (3) consecutive Market Days;*
- 8A.1.4 *the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for three (3) consecutive Market Days.*
- 8A.2 *In the event of a force majeure pursuant to Clause 8A.1, the Sole Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date:-*
- 8A.2.1 *terminate this Agreement by giving notice to the Company in the manner as set out in Clause 13; or*
- 8A.2.2 *request for the Closing Date to be extended to such reasonable date as the Sole Underwriter may decide.*
- 8A.3 *Upon delivery of the notice of termination pursuant to Clause 8A.2.1 and in the manner as set out in Clause 13, this Agreement will terminate whereafter each Party's rights and obligations will cease and none of the Parties will have any claim against each other save and except such claims in respect of the costs and expenses of the Sole Underwriter and Underwriting Commission set out in Clause 12 hereof.*
- 8A.4 *In the event of a delivery of a request under Clause 8A.2.2, the Company shall consent to such request for the extension of the Closing Date.*
- 8A.5 *The delivery of a request under Clause 8A.2.2 shall not preclude the Sole Underwriter from giving any further request(s) for extension pursuant to Clause 8A.2.2 or giving a notice to terminate pursuant to Clause 8A.2.1."*

4. RISK FACTORS

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

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

4.1 Risks Relating to Our IPO

4.1.1 No Prior Market for our Shares

Prior to this IPO, there has been no prior market for our Shares. There can be no assurance that an active market in our Shares will be developed or be sustained after the IPO and Listing. Our IPO Price was determined by agreement between our Directors, our Promoters, our Offerors and our Sponsor, Adviser, Underwriter and Placement Agent based on several factors and may not be an indication of the market price of our Shares upon or subsequent to our Listing.

We can give no assurance that the market price of our Shares will not decline below the IPO Price. We believe that a number of factors could cause our Share price to fluctuate, including but not limited to our operating and financial history, our proforma consolidated NTA per Share, our earnings potential, our quality and strength of the management team, prevailing market conditions, sales of substantial amounts of our Shares in the public market in the immediate future, announcements of developments relating to our business, fluctuations in our operating results and sales levels, and general industry conditions or the world-wide economy.

In addition, in recent years, the stock market in general has experienced extreme price fluctuations which have often been unrelated to the operating performance of the companies. Such fluctuations may adversely affect the market price of our Shares.

4.1.2 Delay in or Abortion of our Listing

The success of our listing on the ACE Market is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:-

- i. our Underwriter exercising their rights pursuant to the Underwriting Agreement in discharging themselves from their obligations thereunder;
- ii. the placees under the private placement tranche fail to acquire the IPO Shares allocated to them; and
- iii. we are unable to meet the public shareholding spread requirements i.e. at least 25% of our enlarged issued and paid-up share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our admission to the Official List of Bursa Securities.

4. RISK FACTORS (CONT'D)

The above risks are mitigated by the following:-

- i. The identified investors have provided irrevocable undertakings to subscribe for their respective portion of the IPO Shares to be placed to them; and
- ii. Our Directors and OSK, as the Sponsor and Adviser, will endeavour to ensure that our Company is able to meet the public spread requirement by allocating the Issue Shares applied for by the Malaysian Public to the required number of public shareholders during the balloting process. The Issue Shares allocated to the Malaysian Public are fully underwritten.

In the event of the failure of our Listing on the ACE Market, all monies paid in respect of any application accepted from you will be returned in full without interest within 14 days, failing which, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.1.3 Trading Price and Volume of our Shares

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our quoted Shares. Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of securities listed on Bursa Securities.

4.1.4 Future Sale of our Shares by our Controlling Shareholder may Adversely Affect our Share Prices

Any future sale or availability of our Shares by our controlling shareholder can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Save for the moratorium imposed on our controlling shareholder, there will be no restrictions imposed on our controlling shareholder to dispose of his shareholdings.

4. RISK FACTORS (CONT'D)

4.1.5 Continued Control by our Promoters

Upon completion of this IPO, our Promoters namely, Mohammad Sobri Bin Saad and Norazian Binti Abdul Kudus will collectively hold an aggregate of 97,000,990 EAH Shares, representing approximately 62.6% of our enlarged issued and paid-up share capital. As a result, these shareholders, acting together, will be our controlling shareholders and have voting control over us and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting by law and/ or by the relevant guidelines or regulations.

Nevertheless, as a step towards good corporate governance, we have appointed four (4) independent directors and established an Audit Committee to ensure any future transactions involving related parties are entered into on arms-length basis or normal commercial terms that are not more favourable to the related parties than those generally available to third parties and/ or not to the detriment of our minority shareholders.

4.1.6 Future Fundraising may Dilute Shareholders Equity or Restrict our Operations

We may require additional funding for our future growth. This may result in dilution of our shareholders' equity, or restrictions imposed by additional debt funding such as maintenance of a certain level of current ratio, gearing ratio and/ or dividend payouts, amongst others, by creditors.

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our production facilities. Thus, we may need additional capital expenditure for mergers and acquisitions or investments. An issue of Shares or other securities to raise funds will dilute shareholders' equity interest and may, in the case of a rights issue, require additional investments by shareholders.

4.1.7 Payment of Dividend is not Assured

We conduct all our operations through our subsidiaries. Accordingly, our main source of income and consequently an important factor in our ability to pay dividends on our Shares are the receipt of dividends and other distributions to us from our subsidiaries. Our ability to pay dividends or make other distributions to our shareholders may also be subject to restrictions contained in our existing and/ or future loan agreements, the future financial performance and cash flow position of our Group and subject to us having profits and sufficient funds which are above our requirements to fund our operations, other obligations or business plans.

There is no assurance that our Company will be able to distribute dividends to our shareholders as a result of the abovementioned factors. There is also no assurance that we will be able to record profits and have sufficient funds for our funding requirements, other obligations and business plans to declare dividends to our shareholders.

4. RISK FACTORS (CONT'D)

4.2 Risks Relating to Our Operations**4.2.1 Limited Operating History**

Our Group's operations can be traced back to 2005 with the incorporation and commencement of operations of CSS MSC. Although our Group is currently profitable, there can be no assurance that our Group will remain profitable in the future, or that it will achieve increasing or consistent levels of profitability. Our Group's revenue and operating results could be adversely affected by many factors which include, amongst others, market acceptance of new products and services, delay in expansion plans, ability to control costs, and other business risks common to going concern.

Our Directors believe that we should be able to maintain our record of profitability. Our Group's cash flow management includes regular monitoring of our debtors position, having long term relationships with our customers and business partners, close monitoring of operating expenditure, and careful consideration of any proposed capital expenditure and its effect on our Group.

4.2.2 Business Risk

Our business is subject to certain risks inherent in the ICT industry at large. These may include, amongst others, entry of new players, shortage in skilled workforce, increase in cost of labour, cost of operations and raw materials, changes in government policies affecting the industries, changes in general economic, business and credit conditions and introduction of new technologies.

Whilst we seek to limit these risks through our continued initiative in R&D for new products, employment of highly skilled technical personnel, implementing prudent business strategies and carrying out continuous review of our operations, there can be no assurance that any change to these risks would not have a material adverse impact on our business.

4.2.3 Competition Risk

Our Group may face intense competition from existing competitors and new entrants into the market in the future, both locally and internationally which offer similar products and services.

In view of this, our Group intends to sharpen our competitive edge by continually developing new measures to counter competition which will include, amongst others, product differentiation and innovation in products and services. We will continue to focus on providing highly reliable technology that is able to handle high capacities and also investments in products innovation to ensure our competitiveness in capturing market share and garnering market acceptance. However, there can be no assurance that we would be able to sustain our competitiveness against current and future competitors.

4. RISK FACTORS (CONT'D)

4.2.4 Product Risk

Our Group's future results will substantially depend on continuing market acceptance and ability of our new products developed and to be developed by our Group to meet the changing needs of the market. A reduction in demand or an increase in competition in the market for our Group's products will adversely impact our Group's business and financial performance.

Our Group plans to continuously enhance the features and performances of our existing products and at the same time introduce new products to ensure ongoing acceptance and competitiveness of our products in the market. However, there can be no assurance that our Group will not be affected by the new products introduced by other market players within the same industry in which our Group operates.

4.2.5 Insurance Coverage on Assets

Our Group believes that we have an adequate insurance coverage on our assets. Although our Group reviews our insurance policies on a regular basis to ensure that there is adequate coverage on our assets, there can be no assurance that the coverage would be adequate for the replacement cost of our assets or any consequential loss arising therefrom.

4.2.6 Breakout of Fire, Energy Crisis and Other Emergency Crisis

Our Group believes that we have adequate safety and fire-fighting equipment installed at our premises to ensure that the risk of fire is contained. Our employees have been educated on safety measures particularly during fire or other emergency drills organised by the building management. In the event of a power failure, we have in place back-up systems for our data storage and servers. In addition, our employees are able to share office space among our various office locations situated in Bukit Jalil, Mon't Kiara and Bandar Utama, Malaysia, should any of our offices be unusable. Save for EA MSC's operations, we are also not reliant on office space for our continued operations as the majority of our work is done at our customer's premises.

4.2.7 Reliance on the Malaysian Market

Our products and services are mainly catered for the domestic market. Our Directors anticipate that our sales in the domestic market will continue to represent a substantial proportion of our Group's turnover in the near future. Any significant decline in the conditions of the Malaysian economy may result in our profitability and prospects being adversely affected if we are unable to find new markets for our products and services or divert our products and services to other markets outside Malaysia on a timely basis.

4. RISK FACTORS (CONT'D)

4.2.8 Intellectual Property Rights and Trademarks Infringement

Our commercial success is dependent to a certain degree on our ability to protect our intellectual property rights. We have filed for the registration in Malaysia for one (1) trademark and two (2) patents to protect ourselves against third (3rd) party copying, details of which are set out in Section 6.13 of this Prospectus. In addition, we will also file applications for our trademarks and patents, if necessary, in the countries in which we intend to expand our business presence to in the future. However, existing copyright, trademark, trade secret laws and other intellectual and industrial property laws can only offer limited practical protection. There may also be delays in the trademark and patent registration process and there can be no assurance that such applications will be successful.

Notwithstanding that we have applied for the registration of our trademarks and patents, it may be possible for third (3rd) parties to unlawfully pass-off their products as ours or to infringe our intellectual property rights in the design and/ or manufacture of their products even upon such registration. In the event that third (3rd) parties infringe upon our intellectual property rights by unlawfully passing off their products as our products, imitating or using our intellectual property without authorisation from us, we may face considerable difficulties and costly litigation in order to fully protect these intellectual property rights, which may affect our reputation, business and financial performance.

In addition, there is no assurance that we can renew our registration of our intellectual properties upon their expiry. However, we may still be able to enforce our rights in such intellectual properties notwithstanding its registration expiry if it can be proven that such intellectual properties contain a reasonable degree of goodwill. In the event that we are unable to do so, our business and financial performance may be adversely affected.

Further, there is no assurance that our products unwittingly infringes or will infringe other registered trademarks or intellectual property rights belonging to third (3rd) parties. As such, we may be subject to legal proceedings and claims relating to such infringement. The occurrence of any claims or litigation involving infringement of the intellectual property rights of third (3rd) parties, whether with or without merit, could result in a diversion of our management time and resources, and our business operations may be materially and adversely affected. In addition, any successful claim against us arising out of such proceedings could result in substantial monetary liability and will materially affect our reputation and the continued sale of the affected products and consequently, our financial performance.

To further mitigate the risk of misappropriation, our Group has a confidentiality clause in our employee's appointment letter which states that the employee shall not, at any time during his/ her engagement with our Group or afterward, make public, divulge or disclose to any person(s) any information pertaining to the business dealing(s) or affair(s) of our Group or any other matters relating, concerning our Group which may come to his/ her knowledge in the course of his/ her contract with our Group.

4. RISK FACTORS (CONT'D)

4.2.9 Dependence on Directors and Key Personnel

Our continued success will depend significantly on the ability, expertise and continued efforts of our existing Directors and key personnel. The departure of any of these individuals may, to a certain extent, affect our future business operations and financial performance. Our future success also depends on our ability to attract, hire, train and motivate sufficient skilled personnel.

Recognising the importance of our personnel, we will continuously consider appropriate measures to attract and retain our key personnel. Our Directors believe that by offering a competitive salary package, training and conducive working environment should mitigate this risk further. We believe that by increasing our profile through our Listing, we will be able to attract more qualified personnel to continuously play an active role in the growth of our Group.

4.2.10 Absence of Long Term Contractual Agreement with Customers

Our Group does not have any long term contract with our customers. Although there are no long term contractual agreements with our customers, we have established a close working relationship with our customers. As at the date of this Prospectus, there is no legal action taken by our Group against our customers for wrongful termination of orders.

Our Group seeks to limit this risk by maintaining a close working relationship with our existing customers and also by employing various strategies to broaden our customer base which includes, venturing into new markets and developing new products and services. Our Group believes that by providing quality products and services, on-time delivery, competitive pricing and value added services, our Group will be able to maintain a firm relationship with our customers.

4.2.11 No Assurance that our Future Plans will be Commercially Successful

In order to achieve our future plans, our Group relies on the availability of management, financial, customer support, operational and other resources. The success of our future plans will be dependent upon, amongst others, our ability to successfully develop and commercialise further applications of our technology. Whilst we may utilise significant resources in our business expansion plans, there is no assurance that we will be successful in increasing our revenue through such business expansion. Any failure to do so may lead to a material adverse effect on our financial performance.

Further, to manage any future growth of our operations and personnel resulting from our business expansion, we will improve and effectively utilise our existing operational, management, marketing and financial systems and successfully recruit, hire, train and manage additional personnel. Our failure to manage our business expansion and growth may materially and adversely affect our business operations and financial performance.

4. RISK FACTORS (CONT'D)

4.2.12 Change in or Loss of MSC Status

Certain of our subsidiaries, namely EA MSC and CSS MSC were granted MSC status. This status accords EA MSC and CSS MSC with certain incentives under the Malaysian government's Bill of Guarantees for MSC status companies, which include a five (5) years exemption from Malaysian income tax commencing from the date when the company starts generating income, renewable for another five (5) years.

MDeC, the body responsible for monitoring all MSC status designated companies, has the right to revoke any company's MSC status at any time if the company does not comply with the conditions of grant as imposed by MDeC. Revocation of the MSC status may affect our future after tax earnings.

4.2.13 Loss of MOF Bumiputera Contractor Status

Our subsidiary company, EASS was granted Bumiputera contractor status by MOF in 2007 and was further renewed until 16 January 2013. MOF, the body responsible for monitoring companies accorded with Bumiputera status, has the right to revoke any company's Bumiputera status at any time if the company does not comply with the conditions imposed by MOF. Revocation of the Bumiputera contractor status may restrict EASS from participating in tenders for government contracts reserved for Bumiputera companies in federal, state governments and semi-government agencies, which may affect our future business, revenues and subsequent profitability.

Whilst we endeavour to comply with all conditions in relation to the Bumiputera status, we can give no assurance that we will continue to retain our Bumiputera contractor status or that we will continue to enjoy the privileges and benefits accorded to companies with Bumiputera contractor status. Any adverse changes in and/ or the loss of our Bumiputera contractor status could materially and adversely affect our Group's business, operating results and financial condition.

4.2.14 Project Risks

Some of our Group's contracts with clients are entered into on a project basis. Due to the complexity of the project that our Group undertakes, the projects are subjected to the following risk factors:-

- i. Most of our Group's services are based on fixed price contracts of which the price is determined at bid time, based on estimates. Our Group may underestimate project costs in tendering or bidding for a project. In such events, our Group may incur cost overruns which will reduce profits and incur losses;
- ii. Clients may delay or cancel their projects. Delays may arise from incomplete specifications or unanticipated difficulties in developing the solutions. Project delays will affect profit margins as time spent negotiating and resolving issues will delay the recognition of revenues. Additional costs may also be incurred as a result of these delays. Further, any changes in the clients' management may also cause cancellation of awarded projects;

4. RISK FACTORS (CONT'D)

- iii. Failure to implement projects that fully satisfy the requirements and expectations of the clients may lead to claims being made against our Group, which will be adversely affecting the profitability of our Group. This usually varies from technology deficiencies, staff turnover, human errors, misinterpretation of information and failure to adhere to specifications and procedures. However, the risk of potential claims made by our customers will be limited to a percentage of the amount of the contract value; and
- iv. The global financial crisis may increase the risk that our customers terminate or are otherwise unable to fulfil their contractual obligations to us. Our Group's business may be adversely affected by such an event.

To mitigate the above risks, our Group will conduct studies on the complexity and the specification of each project in order to ensure smooth implementation and minimise cost overrun. Also, we emphasise on our marketing strategies to attract new customers. Details of our marketing strategies are included in Section 6.11 of this Prospectus. We conduct a thorough understanding of the system requirements via a system study before any quotation is given. Project costs are monitored closely to provide management with feedback on the profitability of each project. Hence, the risk of a project's fee quotation being underestimated is minimised. We normally accept an initial upfront payment before work commences and apportion our billings based on various stages of completion to address the risk of premature termination and project delays. As at the LPD, we have not experienced any claim from our customers resulting from our inability to fulfill our contractual obligations or our customers' requirements.

4.2.15 Risk of Expansion into Foreign Markets

Since early of the year 2010, our Group has penetrated the ASEAN region via resellers in Singapore and Indonesia for our RFID-based products and have also implemented a software solutions project for a government department in Brunei Darussalam. In addition, our Group has intentions to further expand our operations within the region and to other foreign markets, where we plan to set up regional offices overseas, starting off with the PRC. However, there can be no assurance that our Group will be able to successfully penetrate the aforementioned new markets. Furthermore, such future expansion could expose our Group to foreign economic, political, legislative and other risks. Any failure to accurately assess these issues could affect our Group's business, financial condition and operating results.

In mitigating the above, our Group will carefully implement our expansion plans. Our management will continue to monitor closely our Group's operating and financial performance and will only invest in the new markets after feasibility studies have been carried out to determine the viability of such investments.

4.3 Risks Relating to Our Industry

4.3.1 Security Risks

Our Group operates in a high technology environment where our operations are vulnerable to various risks such as in the form of computer viruses, industrial espionage, hacking and fraud.

4. RISK FACTORS (CONT'D)

Our Group has several preventive or precautionary measures in place including setting up firewalls, server intrusion prevention and detection tools ensuring our anti-viruses programmes are updated to minimise the risk of any potential security breaches. However, there can be no assurance that the present measures are adequate to counter any potential security breaches that may materially affect our operations and performance.

4.3.2 Rapid Technological Changes in the ICT Industry

Our Group operates in a market where the products and services are prone to evolving industry standards and frequent new product introductions and enhancements. Our Group's future growth and success would depend on our ability to develop new products and services to meet the needs of our customers.

The development of new or enhanced products and services is a complex and uncertain process. Furthermore, we may also experience design, marketing and other difficulties that could delay or prevent the development of existing products and services and the introduction or marketing of new or enhanced products and services. Our businesses, operating results and financial conditions could be adversely affected if the competitors are able to develop new or enhanced products and services, on a timely manner and cost-effective basis that meet or best suit our customers' needs.

Our Group seeks to limit these risks by actively engaging in R&D activities that focuses on developing new products and services as well as enhance our in-house proprietary solutions. However, there can be no assurance that we would be able to develop new products and services on a timely manner and cost effective basis. Such circumstances may in turn adversely affect our business operations and financial performance.

The risk is further mitigated as prior to the commencement of any projects, extensive and in-depth technological requirements and discussions would be held with our customers. These discussions would consider any foreseeable potential changes in the technology employed and to adjust the project scope accordingly.

Notwithstanding that, our Group's projects normally span a short period of time ranging from three (3) months to six (6) months. Hence, any changes in technology are not expected to have any material impact on work-in-progress for any projects undertaken by our Group.

4.3.3 Liability for Material Defects or Errors in the IT Solutions

Any material defects or errors in IT solutions developed by us or failure to meet clients' specifications or expectations could adversely affect our financial results as many of the IT solutions we develop are critical to the operations of our clients' businesses. Although we have not encountered such material defects, there can be no assurance that this may not occur in the future.

4. RISK FACTORS (CONT'D)

This risk is mitigated as we have included relevant and reasonable clauses in our contracts with our customers to protect our interests, which include, amongst others, that the damages for delay (which includes delay arising from our negligent conduct causing such material defects or errors in IT solutions) are limited to the value of the contract. In addition, our Group will undergo several tests on the IT solutions, namely unit test, Systems integration test, user acceptance test and subsequently acceptance from our customers for the IT solutions, prior to the installation of the IT solutions.

4.4 Other Risks**4.4.1 Political, Economic and Regulatory Risk**

Our financial and business prospects and the industry in which we operate in, will depend to some degree on the developments in the political and regulatory front in Malaysia. Amongst the political, economic and regulatory factors are changes in inflation rates, interest rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in the governments' policies such as licensing regulation.

We will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect our Group's business.

4.4.2 Investment Activities Risk

Our Group may invest in new ventures or activities in order to increase our revenue base and ultimately enhance our shareholders' value. As such, there is a potential risk that these new investments may have longer than expected gestation period or may not be entirely successful. In this event, we may take time to recover or be unable to recover our initial investments. In addition, new ventures may cause our Group to seek additional capital, which may or may not be available on satisfactory terms.

As such, to mitigate this risk in the future, we will exercise due care in the evaluation of such ventures. Nevertheless, there can be no assurance that such ventures will yield positive returns to our Group.

4.4.3 Forward-Looking Statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions made by our Group and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors set out in Section 4 of this Prospectus. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

5. INFORMATION ON OUR GROUP

5.1 Our History and Business

We were incorporated in Malaysia on 6 November 2009 under the Act as a private limited company under the name of EA Holdings Sdn Bhd. We were subsequently converted into a public limited company on 19 February 2010 and assumed our present name. We commenced business as an investment holding, management and consultancy services company after the Acquisitions and to facilitate our Listing.

We had undertaken a restructuring exercise prior to our Listing, details of which are set out in Section 5.5 of this Prospectus. EASS and CSS MSC became our wholly-owned subsidiaries pursuant to the restructuring exercise, while EA MSC is a wholly-owned subsidiary of EASS.

Through our subsidiary companies, we are involved in the business activities as follows:-

- Provision of software solutions mainly in Business Intelligence and Data warehousing solutions and automated invoices processing solution;
- R&D, sales and distribution of RFID-based tracking systems and the provision of access control systems; and
- Provision of ICT services mainly in system and infrastructure integration services and ICT consultancy services.

Our history can be traced back to 2006 when Mr Mohammad Sobri Bin Saad, our Group Chairman/ Chief Executive Officer/ Executive Director, founded EASS. Prior to founding EASS, Mr Mohammad Sobri Bin Saad had assumed various senior roles in several MNCs. The wide range of practical experience and in-depth knowledge that Mr Mohammad Sobri Bin Saad gained and the industry network that he established while working with these MNCs prompted Mr Mohammad Sobri Bin Saad to set up his own ICT solutions business.

A visionary and highly motivated individual, Mr Mohammad Sobri Bin Saad, has been instrumental in the growth and development of our Group. With approximately 25 years of experience in the ICT industry, Mr Mohammad Sobri Bin Saad has successfully led our Group to become a reputable player in the ICT industry.

EASS' mission is to be a leading one-stop ICT solutions provider through the development and deployment of ICT solutions. With infrastructure integration services as its core services, EASS' main market focuses on the GLCs, of which EASS' personnel has extensive experience on the scale of implementation and had established as well as maintained good customer relationships.

A noteworthy achievement in the first year of operation of EASS was the winning of the Java Application Development Resources project from an Islamic Takaful institution, which became the first client of EASS. Over the years, EASS added more GLCs into its list of customers, amongst others, was the implementation of the Server and Storage Expansion project for a GLC involved in the utility industry and the implementation of the Disaster Recovery Process Improvement Using Storage Mirroring project for a local financial institution.

5. INFORMATION ON OUR GROUP (CONT'D)

EASS' latest venture was into the automated invoices processing solution of which EASS was appointed as an Associate Partner of ReadSoft, a subsidiary of ReadSoft AB, a leading supplier of document automation solutions based in Helsingborg, Sweden, in 2007. As an Associate Partner, EASS promoted and marketed ReadSoft's products in return for commission from any sales secured for ReadSoft. The collaboration with ReadSoft was further strengthened when EASS was appointed as ReadSoft's Solution Partner for Malaysia in 2009 and subsequently rebranded to become ReadSoft's Platinum Partner effective from 1 January 2010, based on ReadSoft's new reseller partner programme. The tie-up with ReadSoft as a Solution Partner/ Platinum Partner provided EASS the rights to sell and install ReadSoft's products and/ or solutions and supply 1st level of support to customers of EASS in Malaysia. At present, EASS is one of the pioneer partners of ReadSoft in Malaysia for the automated invoices solutions.

In addition, EASS was granted the Bumiputera contractor status by the MOF in 2007. This status allows EASS to bid for tenders reserved for Bumiputera companies and has accorded EASS a foothold in the lucrative GLCs sector.

While working with the GLCs on automated invoice processing projects, EASS realised the potential of RFID applications in the local market. EASS then started a RFID division, founded by Mr Mohammad Sobri Bin Saad and Mr Tan Siow Hui, our Executive Director, which subsequently became a wholly-owned subsidiary of EASS, namely EA MSC.

EA MSC developed its software and products internally and marketed and distributed these products individually or as a bundle solution within Malaysia and has since built a solid reputation for itself. As at the LPD, EA MSC's customers include leading GLCs such as Bursa Malaysia Berhad, Tenaga Nasional Berhad and a leading local oil and gas company.

The potential and viability of EA MSC's products and business model was given further credence when EA MSC received the MSC status in 2008 and received a government agency grant within the same year to undertake the research of the RFID real-time location system.

With the incorporation of EA MSC, EASS is able to focus on the GLCs market, which mainly consists of high-value contracts. Meanwhile, EA MSC is expected to focus on growing recurring revenues via its reseller network for its RFID products.

Through the Acquisition of CSS MSC, we expanded the breadth of our Group's ICT solutions and products to incorporate software solutions, System integrations, Business Intelligence and Data warehousing solutions and IT Service Management and business process consulting, with a focus on the financial services industry. Nevertheless, CSS MSC's products and services can be used by any other organisations, especially where business decision making is critical, and may include organisations in the government, commercial and financial services sectors.

CSS MSC was founded in 2005 by Mr Siah Jjin Shyang, our Chief Operating Officer (Business Intelligence and Banking Solutions). In 2008, Mr Mohammad Sobri Bin Saad became a major shareholder of CSS MSC, bringing with him a wealth of experience and networking connections to spur the growth of CSS MSC.

5. INFORMATION ON OUR GROUP (CONT'D)

In 2009, Mr Mohammad Sobri Bin Saad and Ms Norazian Binti Abdul Kudus purchased the entire equity interest in CSS MSC from Mr Siah Jiin Shyang. By virtue of CSS MSC being a wholly-owned Bumiputera company, CSS MSC would therefore be able to compete for projects allocated for Bumiputera companies. Nevertheless, Mr Siah Jiin Shyang continues to remain as a director in CSS MSC under the directions and tutelage of Mr Mohammad Sobri Bin Saad.

Our team in CSS MSC has a proven track record and experience in technology implementation for various banks as well as implementing ITIL Service Management consultancy and services for business process management solutions to leading corporations.

Amongst the notable projects implemented by CSS MSC are SAP Consulting for IBM, Business Impact Analysis Consulting for a leading oil and gas company and Business Intelligence and Data warehousing projects for several local financial institutions and a local monetary authority.

Being an active player in the ICT industry, CSS MSC has found its niche by deploying reputable technology brands and developing strategic partnerships with Business Intelligence principals. This allows CSS MSC to establish a market presence in the Asian region. CSS MSC was awarded the MSC status in July 2009.

We have completed projects with a total value of RM4.38 million, RM8.29 million and RM13.89 million for the year 2007, 2008 and 2009 respectively. The list of major projects completed by our Group for the year 2007, 2008 and 2009 are as set out below:-

Year	Company	Segment	Descriptions of Projects
2007	CSS MSC	ICT Services	Provision of training and consultancy for CA Clarity software (a software of CA Inc) and products comprising orientation and training on implementation, project planning and installation
2007	CSS MSC	ICT Services	Provision of consultancy services for SAP solutions, namely SAP Financials/ Controlling Modules
2007	CSS MSC	Business Intelligence and Data Warehousing	Design, implementation and provision of support for Data warehousing solutions
2007	EASS	Systems and Infrastructure Integration	Integrating, testing and commissioning of security system and solutions
2007	EASS	Systems and Infrastructure Integration	Provision of consulting and implementation services for JAVA application development
2008	CSS MSC	Business Intelligence and Data Warehousing	Provision of consulting and implementation services for Business Intelligence and project management
2008	CSS MSC	ICT Services	Provision of consultancy services for SAP solutions, namely SAP Financials/ Controlling Modules

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Company	Segment	Descriptions of Projects
2008	CSS MSC	Business Intelligence and Data Warehousing	Design, implementation and provision of Business Intelligence solutions and Data warehousing solutions
2008 - 2009	EASS	Automated Invoice Processing	Provision of implementation and support services for the centralised account payable system using ReadSoft solutions
2008	EASS	Systems and Infrastructure Integration	Provision of consulting, implementation and support services for the Disaster Recovery Using Storage Mirroring project
2008	EASS	Systems and Infrastructure Integration	Provision of consulting and implementation services for the server and storage expansion project
2009	EA MSC	Systems and Infrastructure Integration	Design, implementation, provision, integration, testing and commissioning of RFID-based solutions, raised flooring and access control system
2009	CSS MSC	ICT Services	Provision of consultancy services for SAP solutions, namely SAP Financials/ Controlling Modules
2009	CSS MSC	Business Intelligence and Data Warehousing	Implementation and provision of support for Data warehousing solutions
2009	CSS MSC	Business Intelligence and Data Warehousing	Design, implementation and provision of Business Intelligence solutions, namely the Risk Management Data Mart
2009	CSS MSC	Business Intelligence and Data Warehousing	Design, implementation and provision of Business Intelligence solutions, namely the Borrower Credit Information Data Mart
2009	CSS MSC	Business Intelligence and Data Warehousing	Design, implementation and provision of Business Intelligence solutions, namely the Activity Based Costing
2009	EASS	Systems and Infrastructure Integration	Provision of consulting, implementation, support and training services for the Human Resource system

5.2 Share Capital and Changes in Share Capital

As at the LPD, we have an authorised share capital of RM25,000,000 comprising 250,000,000 EAH Shares, of which RM11,500,100 comprising 115,001,000 EAH Shares have been issued and fully paid-up. Upon completion of the Public Issue, our enlarged issued and paid-up share capital will increase to RM15,500,100 comprising 155,001,000 EAH Shares.

5. INFORMATION ON OUR GROUP (CONT'D)

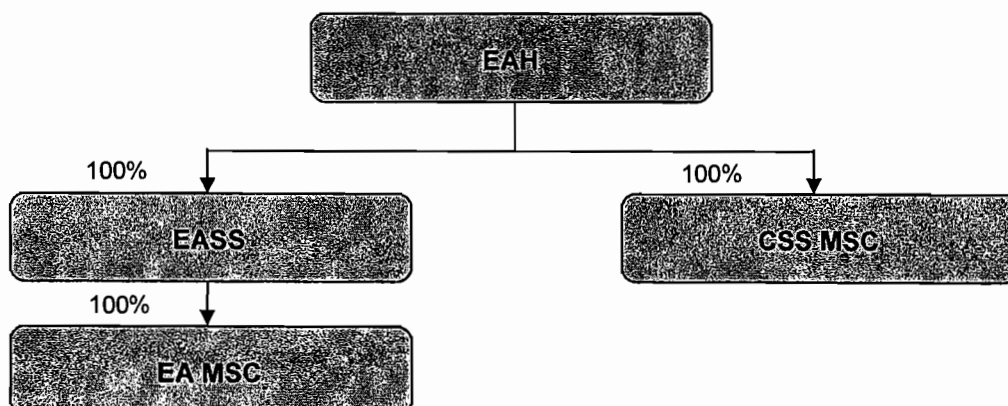
The details of the changes in our issued and paid-up share capital since our date of incorporation are as follows:-

Date of allotment	No. of EAH Shares allotted	Par Value RM	Consideration	Cumulative issued and paid-up share capital RM
06.11.2009	100	1.00	Cash	100
28.12.2009	1,000	0.10	Share Split	100
08.02.2010	115,000,000	0.10	Acquisition of EASS and CSS MSC	11,500,100

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital of our Company. In addition, there are no discount, special term or installment payment term applicable to the payment of the consideration for the allotment.

5.3 Group Structure

As at the LPD, our corporate structure is as follows:-



Our subsidiaries and their principal activities are as follows:-

Subsidiaries	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
EASS	22.09.2006 Malaysia	2,000,000	100	Provision of E-business consultancy and hardware system integration specialists
CSS MSC	28.11.2005 Malaysia	2,000,000	100	Provision of Business Intelligence software and development, IT service and management consulting and system integrations
EA MSC	04.04.2008 Malaysia	300,000	100	Research, design, development, sales and distribution of RFID-based tracking systems and its related activities

5. INFORMATION ON OUR GROUP (CONT'D)

5.4 Subsidiary Companies

5.4.1 EASS

EASS was incorporated in Malaysia under the Act on 22 September 2006 as a private limited company under the name of Excellent Affair Sdn Bhd. Its name was subsequently changed to EASS on 13 January 2010. EASS is principally involved in the provision of E-business consultancy and hardware system integration specialists. EASS commenced operations in March 2007.

In addition, EASS is a registered contractor as well as a Bumiputera contractor with the MOF for providing PC related peripheral and services, small to large multi-user systems and services, workstations and related peripheral and services, software products and services, networking products and services and other computer related services.

As at the LPD, the authorised share capital of EASS is RM5,000,000 comprising 5,000,000 EASS Shares, of which RM2,000,000 comprising 2,000,000 EASS Shares have been issued and fully paid-up. The details of the changes in the issued and paid-up share capital of EASS since its incorporation are as follows:-

Date of allotment	No. of EASS Shares allotted	Par Value RM	Consideration	Cumulative issued and paid-up share capital RM
22.09.2006	2	1.00	Cash	2
11.12.2006	1,999,998	1.00	Cash	2,000,000

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital of EASS. In addition, there is no discount, special term or installment payment term applicable to the payment of the consideration for the allotment.

As at the LPD, EASS has one (1) subsidiary company, namely EA MSC and does not have any associated companies.

5.4.2 CSS MSC

CSS MSC was incorporated in Malaysia under the Act on 28 November 2005 as a private limited company under the name of Concorde Solutions & Services Sdn Bhd. Its name was subsequently changed to CSS MSC on 19 January 2010. CSS MSC is principally involved in the provision of Business Intelligence software and development, IT service and management consulting and system integrations. CSS MSC commenced operations in November 2005 and was granted MSC status in July 2009. In addition, CSS MSC is a registered contractor with the MOF.

As at the LPD, the authorised share capital of CSS MSC is RM5,000,000 comprising 5,000,000 CSS MSC Shares, of which RM2,000,000 comprising 2,000,000 CSS MSC Shares have been issued and fully paid-up. The details of the changes in the issued and paid-up share capital of CSS MSC since its incorporation are as follows:-

5. INFORMATION ON OUR GROUP (CONT'D)

Date of allotment	No. of CSS MSC Shares allotted	Par Value RM	Consideration	Cumulative issued and paid-up share capital RM
28.11.2005	100	1.00	Cash	100
05.09.2009	99,900	1.00	Bonus issue	100,000
22.09.2009	1,400,000	1.00	Cash	1,500,000
28.10.2009	500,000	1.00	Cash	2,000,000

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital of CSS MSC. In addition, there is no discount, special term or installment payment term applicable to the payment of the consideration for the allotment.

As at the LPD, CSS MSC does not have any subsidiary companies and associated companies.

5.4.3 EA MSC

EA MSC was incorporated in Malaysia under the Act on 4 April 2008 as a private limited company under its present name and is a wholly-owned subsidiary of EASS. EA MSC is principally involved in the research, design, development, sales and distribution of RFID-based tracking systems and its related activities. EA MSC commenced operations in April 2008 and was granted the MSC status during the same month.

As at the LPD, the authorised share capital of EA MSC is RM5,000,000 comprising 5,000,000 EA MSC Shares, of which RM300,000 comprising 300,000 EA MSC Shares have been issued and fully paid-up. The details of the changes in the issued and paid-up share capital of EA MSC since its incorporation are as follows:-

Date of allotment	No. of EA MSC Shares allotted	Par Value RM	Consideration	Cumulative issued and paid-up share capital RM
04.04.2008	300,000	1.00	Cash	300,000

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital of EA MSC. In addition, there is no discount, special term or installment payment term applicable to the payment of the consideration for the allotment.

As at the LPD, EA MSC does not have any subsidiary companies and associated companies.

5. INFORMATION ON OUR GROUP (CONT'D)

5.5 Restructuring Scheme

In conjunction with, and as an integral part of our Listing, we have implemented a restructuring exercise prior to our Listing, of which are set out as follows:-

5.5.1 Share Split

We had on 28 December 2009 implemented a share split of 100 ordinary shares to 1,000 ordinary shares by sub-dividing the par value of the ordinary share of RM1.00 per share in our Company to RM0.10 per share.

Upon completion of the sub-division of our Shares, our issued and paid-up share capital became RM100 comprising of 1,000 EAH Shares.

5.5.2 Acquisitions

We had, on 8 February 2010 entered into a sale and purchase of shares agreement with the Vendors for the acquisition of 2,000,000 EASS Shares, representing 100% of the issued and paid-up share capital of EASS for a purchase consideration of RM5,500,000.

We had also, on 8 February 2010 entered into a sale and purchase of shares agreement with the Vendors for the acquisition of 2,000,000 CSS MSC Shares, representing 100% of the issued and paid-up share capital of CSS MSC for a purchase consideration of RM6,000,000.

The total purchase consideration of RM11,500,000 for the Acquisitions were satisfied via the issuance of 115,000,000 new EAH Shares at par ("Consideration Shares") to the Vendors in the manner as set out below:-

	Shareholdings in EASS		Consideration Shares received		Shareholdings in CSS MSC		Consideration Shares received		Total Consideration Shares received	
	No. of EASS Shares	%	No. of EAH Shares	%	No. of CSS MSC Shares	%	No. of EAH Shares	%	No. of EAH Shares	%
	'000		'000		'000		'000		'000	
Mohammad Sóbri Bin Saad	1,700	85.0	46,750	85.0	1,700	85.0	51,000	85.0	97,750	85.0
Norazian Binti Abdul Kudus	300	15.0	8,250	15.0	300	15.0	9,000	15.0	17,250	15.0
Total	2,000	100.0	55,000	100.0	2,000	100.0	60,000	100.0	115,000	100.0

The purchase considerations for the Acquisition of EASS and Acquisition of CSS MSC were arrived at on a willing-buyer willing-seller basis based on the audited NA of EASS and CSS MSC as at 31 December 2009 of RM4.49 million and RM5.25 million respectively. The Acquisitions were completed on 8 February 2010. The following sets out the audited NA, purchase considerations and premiums for EASS and CSS MSC:-

5. INFORMATION ON OUR GROUP (CONT'D)

	Audited NA RM'000	Purchase Consideration RM'000	Premium RM'000
EASS	4,486	5,500	1,014
CSS MSC	5,248	6,000	752
Total	9,733	11,500	1,766

The premium paid for the Acquisitions were based on, amongst others, the following:-

- i. The growth potential of our Group and of which the Acquisitions were based on the price-to-earnings ratio of 3.2 times and a price-to-book ratio of 1.2 times at a purchase consideration of RM11.50 million;
- ii. Ownership of the proprietary solutions by EA MSC and CSS MSC, namely its RFID products, Business Intelligence and Data warehousing solutions and banking applications, where EA MSC has filed one (1) trademark and two (2) patents in relation to its RFID products; and
- iii. The current pipeline of projects of our Group as set out in Section 11.5 of this Prospectus.

Upon completion of the Acquisitions, our issued and paid-up share capital increased from RM100 comprising 1,000 EAH Shares to RM11,500,100 comprising 115,001,000 EAH Shares.

5.6 Listing Scheme

5.6.1 Public Issue

In conjunction with our Listing, we will undertake a public issue of 40,000,000 new EAH Shares, representing approximately 25.8% of our enlarged issued and paid-up share capital, at an issue price of RM0.25 per Issue Share to be allocated in the following manner:-

- i. 2,000,000 Issue Shares will be made available for application by the Malaysian Public;
- ii. 7,000,000 Issue Shares will be made available for application by the eligible Directors and employees of our Group; and
- iii. 31,000,000 Issue Shares will be made available for application by way of placement to identified investors.

The Issue Shares will rank *pari passu* in all aspects with the existing EAH Shares, except that the new EAH Shares will not be entitled to any dividends, rights, allotment or other distribution, the entitlements of which is prior to the date of allotment of the said EAH Shares.

Upon completion of the Public Issue, our issued and paid-up share capital will increase from RM11,500,100 comprising 115,001,000 EAH Shares to RM15,500,100 comprising 155,001,000 EAH Shares.

5. INFORMATION ON OUR GROUP (CONT'D)

5.6.2 Offer for Sale

In conjunction with our Listing, 18,000,000 Offer Shares, representing 11.6% of our enlarged issued and paid-up share capital, at an offer price of RM0.25 per Offer Share will be offered for sale by way of placement to identified investors.

5.6.3 Listing

Upon completion of steps in Sections 5.6.1 to 5.6.2 above, our Company shall be admitted to the Official List, and our entire enlarged issued and paid-up share capital of RM15,500,100 comprising 155,001,000 EAH Shares shall be listed and quoted on the ACE Market.

5.7 Capital Expenditures and Divestitures

Save for the Acquisitions as set out in Section 5.5.2 above, our Company has not incurred any other material capital expenditures and divestitures (including interests in other corporations), since the incorporation of our Company to the date of this Prospectus and there are no material capital expenditures and divestitures currently in progress, within or outside Malaysia.

5.8 Key Achievements/ Milestones/ Awards

EASS

Year	Achievements/ Milestones/ Awards
2006	EASS was incorporated
2007	EASS was registered as a contractor as well as a Bumiputera contractor with the MOF EASS was awarded a Java Application Development Resources project for an Islamic Takaful institution under the systems and infrastructure integration segment EASS became an Associate Partner to ReadSoft
2008	EASS successfully implemented the Disaster Recovery Process Improvement Using Storage Mirroring project for a local financial institution under the systems and infrastructure integration segment ReadSoft awarded EASS the implementation and support services contract for Centralised Accounts Payable System project for a leading oil and gas company in Malaysia under the automated invoices processing segment EASS successfully implemented a Human Capital Management System project for a local financial institution under the systems and infrastructure integration segment EASS was awarded a Server and Storage Expansion project for a local utility company under the systems and infrastructure integration segment
2009	EASS became a Solution Partner to ReadSoft EASS was awarded the Human Resource System project for a local financial institution under the systems and infrastructure integration segment
2010	EASS became a Platinum Partner to ReadSoft

5. INFORMATION ON OUR GROUP (CONT'D)

CSS MSC

Year	Achievements/ Milestones/ Awards
2005	CSS MSC was incorporated
2006	<p>Provided SAP consulting services to IBM under the ICT services segment</p> <p>Performed Business Impact Analysis Consulting on a leading oil and gas company in Malaysia under the ICT services segment</p> <p>Implemented Data warehouse project for a local financial institution under the Business Intelligence and Data warehousing segment</p>
2007	Implemented CA Clarity (software of CA Inc) for the ministry of finance of a neighbouring country under the ICT services segment
2008	<p>Implemented Data warehouse project for a local financial institution under the Business Intelligence and Data warehousing segment</p> <p>CSS MSC was registered as a contractor with the MOF</p>
2009	<p>CSS MSC was awarded MSC status</p> <p>Supported the Risk Management Data Mart for a local financial institution under the Business Intelligence and Data warehousing segment</p> <p>Implemented Borrower Credit Information Data Mart for a local monetary authority under the Business Intelligence and Data warehousing segment</p>

EA MSC

Year	Achievements/ Milestones/ Awards
2008	<p>EA MSC was incorporated as a subsidiary of EASS</p> <p>EA MSC was awarded MSC status</p> <p>EA MSC completed and commenced marketing its Long Range Active Tag and Lattice Wireless Access Control System</p>
2009	EA MSC completed and commenced marketing its LR1000 series of RFID products which incorporates biometrics and smart card application for Security Door Access and Time and Attendance system

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5. INFORMATION ON OUR GROUP (CONT'D)

5.9 Property, Plant and Equipment

5.9.1 Summary of Our Properties Used

Our Group does not own any properties. A summary of the properties rented by our Group for our operations are as follows:-

Tenant	Registered Owner	Location	Tenure/ Date of Expiry of Lease	Description and Existing Use	Total Built Up Area square feet	Yearly Rental RM	Restrictions and Special Conditions/ Major Encumbrances
EAH	Bandar Utama Technology Park Sdn Bhd	Lot 6.13A, Level 6 One Tech Park Jln Tanjung Bandar Utama Bandar Utama Petaling Jaya	Two (2) years from 18.02.2010 to 17.02.2012 with an additional renewal period till 17.02.2013	6th floor of a seven (7) storey office building. The office premises are being used by EA MSC and CSS MSC as their R&D offices	1,563	78,775	Strictly to be utilised as an office only
EASS	Lim Voon Nee	10-9-1, Jalan 15/ 155B Taman Esplanad Commercial Centre Bukit Jalil 57000 Kuala Lumpur	Two (2) years from 01.05.2008 to 30.04.2010 with an option for renewal of two (2) years	3rd floor of a three (3) storey commercial building. The office premises are used as EA MSC's sales and marketing office	1,560	16,800	Use of premises is for security system and marketing office only
EASS	Thye Choon Wah	10-11-1, Jalan 15/ 155B Taman Esplanad Commercial Centre Bukit Jalil 57000 Kuala Lumpur	Two (2) years from 15.07.2008 to 14.07.2010 with an option for renewal of two (2) years	3rd floor of a three (3) storey commercial building. The office premises are used as EASS' office	1,560	20,400	Use of premises is for security system and marketing office only
CSS MSC	Immanuel Chiang	Units J-3A-7 & J-3A-8 Level 3A, Block J Solaris, Mont Kiara 2 50480 Kuala Lumpur	One (1) year from 01.08.2009 to 31.07.2010 with an additional renewal period till 31.07.2011	4th floor of a nine (9) storey office building. The office premises are used as our Company's head office	3,390	108,000	Use of premises is for an office only (or such other business as the landlord shall permit)

5. INFORMATION ON OUR GROUP (CONT'D)

The above properties rented by our Group have been issued with the relevant certificate of fitness as at the LPD. As at the LPD, as far as we are aware, our Group is not in breach of any law, rules and building regulations in relation to the use of the properties above. The abovementioned properties rented by our Group are not subject to any regulatory requirement and environmental issues which may materially affect our Group's operations and utilisation of assets.

5.9.2 Material Tangible Fixed Assets Other Than Property

As at the LPD, our Group does not have any material tangible fixed assets.

5.9.3 Material Plans to Construct, Expand or Improve Facilities

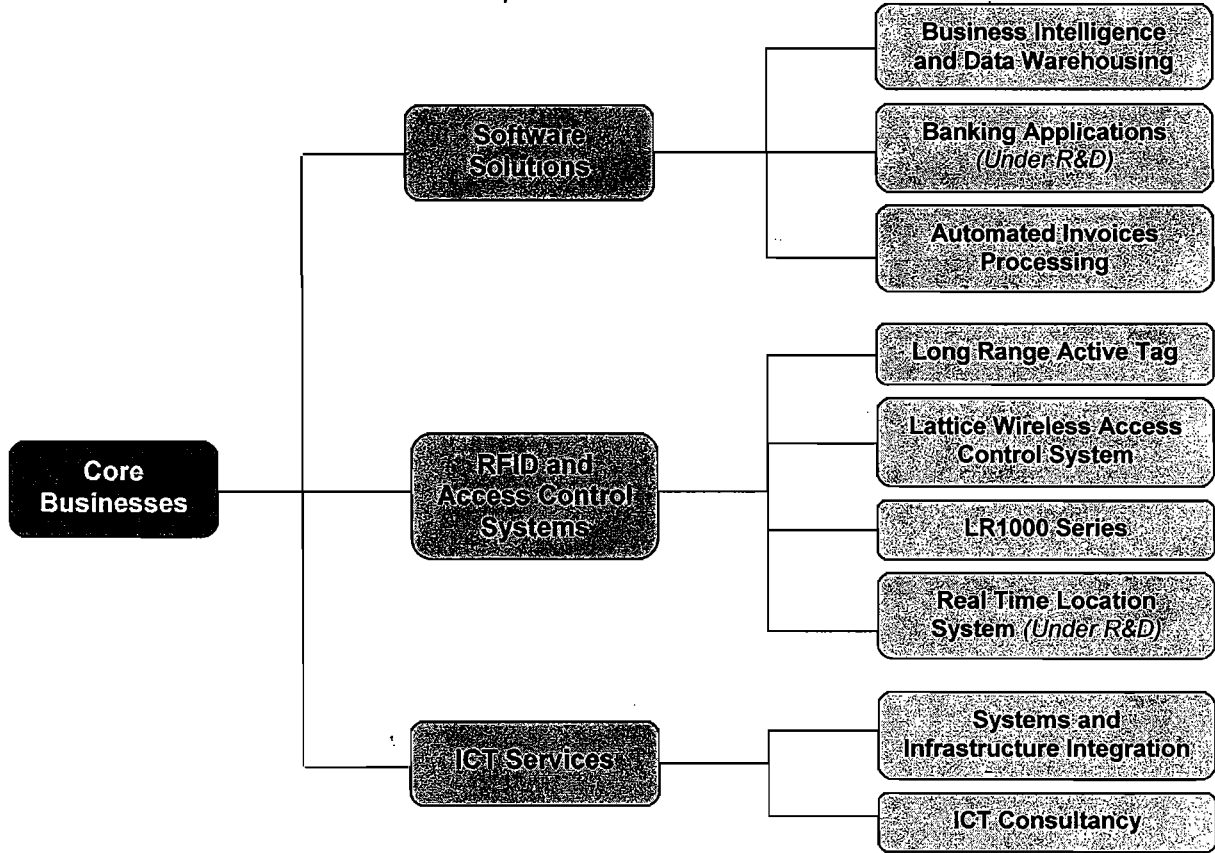
As at the LPD, our Group does not have any material plans to construct, expand or improve our facilities.

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6. BUSINESS OVERVIEW

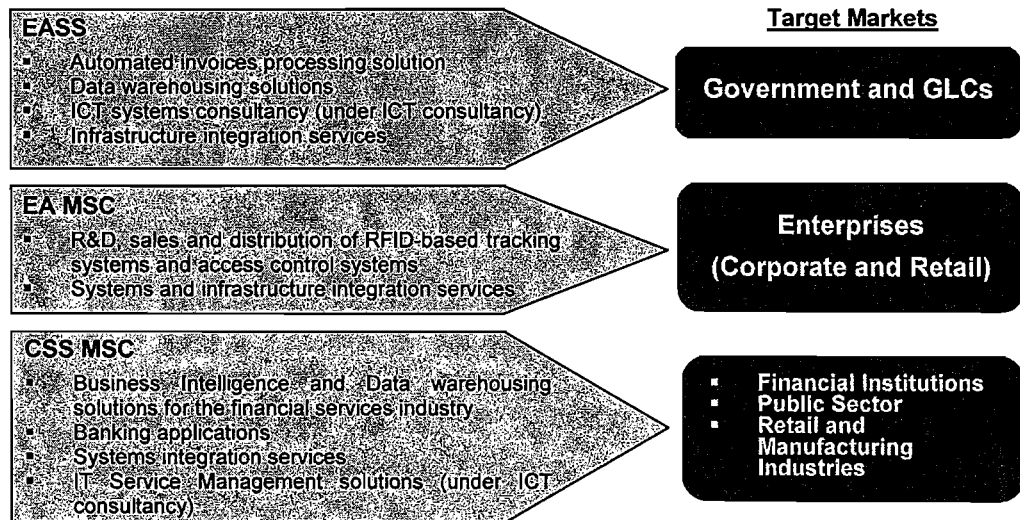
6.1 Business Model

Our business model is depicted below:-



We are primarily involved in the ICT business. Our business is built on the foundation of our traditional core businesses, which mainly involves the provision of software solutions as well as ICT services. In addition, our rapidly emerging RFID and access control systems segment is our growing source of revenue and is expected to steer the future growth of our Group.

Our business model can be further segregated by each of our subsidiaries with their respective target markets, as follows:-



6. BUSINESS OVERVIEW (CONT'D)

6.2 Products and Services

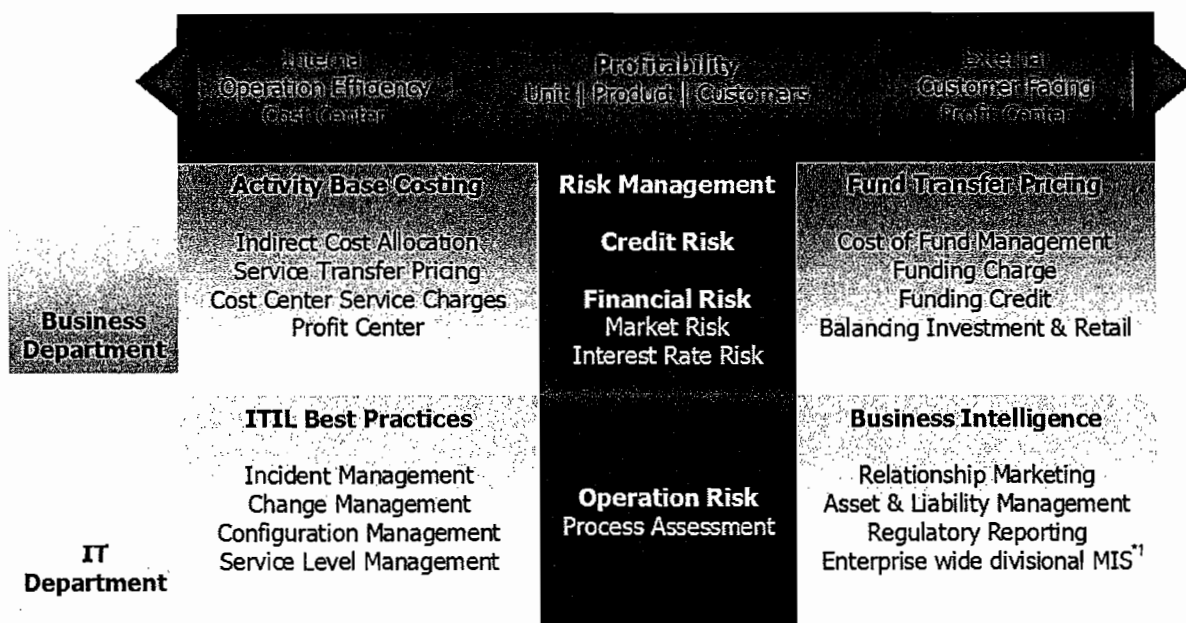
The products and services that we are offering can be broadly categorised based on our core businesses, of which are elaborated below:-

6.2.1 Software Solutions

Business Intelligence and Data Warehousing Solutions

Our business has been traditionally focused on the provision of Business Intelligence and Data warehousing solutions to financial institutions. However, we are able to provide Business Intelligence solutions to other industries where business decision making is critical. Our consultancy services for the financial institutions are a complete guided solution in any implementation of Business Intelligence, enterprise information system and Data warehousing software. We have the capabilities based on our experience gained from various successful implementations of Business Intelligence and Data warehousing software for financial institutions.

A summary of the framework of our Business Intelligence solution for the financial services industry is set out below:-



Note:-

* MIS – Management Information System

The integrated framework depicted above, which forms the foundation of our typical Business Intelligence solution, is configured to provide a holistic bank-wide profitability overview by taking into consideration the business and IT operations as well as the risks assumed by the bank. By combining the business key performance index/ indices ("KPI") of a bank with its IT process management and risk management, we equip our banking customers with risk-weighted performance measurement to help them make critical business decisions.

6. BUSINESS OVERVIEW (CONT'D)

Our business KPI measurement incorporates fund transfer pricing, activity-based costing as well as business risks such as credit, financial, market and interest rate risks into daily transactions. Measurement of the performance of IT operation, which facilitates all the Business Intelligence needs of various business divisions, includes the assessment of IT process management and IT operational risk.

In summary, this framework combines various measurements and information into one (1) concise dashboard to improve internal efficiencies and ensure business activities are profitable.

The various modules of our Business Intelligence and Data warehousing solutions for the financial services industry are set out below:-

a) Financial/ Banking Data Warehouse

The financial/ banking Data warehouse module is a solution that assembles data and information from various platforms, database systems and file formats in order to support an enterprise-wide reporting and analysis. The module comprises various solutions as follows:-

Solution 1: ETL (Extract, Transform and Load)

This part encompasses the data profiling, data verification, data transformation and data population process. Its primary function is to perform profiling, extraction, transformation and loading of data from various operating systems in the organisation to ensure data consistency and union of data. ETL will incorporate transformation rules and data changes to transform the data extracted to a unified Data warehouse.

Solution 2: Building an Organisation-wide Data Warehouse

The scope of building a Data warehouse involves meticulous studies on all reporting and business requirements of the organisation, which subsequently deduces the relational database design of the Data warehouse to achieve its objective and purpose. This also includes designing specific ETL processes to transform raw data into business information required in the Data warehouse. More often, the Data warehouse model and design is the most important part of the solution.

Solution 3: Developing OLAP for Business Intelligence Deliveries

Business Intelligence is primarily the exploitation of the Data warehouse via Business Intelligence applications and solutions. Based on the organisation's needs, an OLAP reporting server will be built to serve as the central depository for all dynamic reporting and information distribution channel. The OLAP server will hold OLAP cubes and fact table queries as well as support all dynamic OLAP pivot table reporting and web listing reports.

6. BUSINESS OVERVIEW (CONT'D)

Solution 4: Reporting Front-Ends

All information processed and generated will be channeled to the respective users through web-based reporting tools which are fast and efficient. The reporting front-ends are equipped with the ability to drill-down details, generate summations, drag-drop required dimensions, operate multi-dimensional query and publish flexible graphical presentations. The report servers are strictly controlled as only authorised users are allowed to access the system.

b) Customer Demographic Analysis

Customer Demographic Analysis solutions collects and analyses historical data, sales transactions and customer demographic information to provide an organisation with a 360-degree customer view and market intelligence such as customers' purchasing behaviours, purchasing cycle, brand preferences and brand loyalty. The analysis is performed by using statistical tools and data mining software.

c) Credit Scoring Models

A credit score is a numerical expression to reflect the creditworthiness of a person. Hence, the credit score is used as a statistical (or quantitative) method to predict the probability that a loan applicant or existing borrower will default or become delinquent.

We construct intelligent credit scoring models to help credit providers to make the right credit decisions, calculate the most appropriate interest rate and reduce the risk of default or delinquency. Credit scoring models are developed by analysing statistics and picking out characteristics that are deemed creditworthiness-related.

d) Banking Performance Management

The Banking Performance Management module is a comprehensive integrated solution that addresses all closely related issues in one unified manner, such as funding interest, activity-based costing, risk weights and profitability in the retail and corporate banking environment. This technology-independent solution can be implemented on various technology platforms.

Banking Applications

We are currently in the midst of developing our banking applications and constantly improving them through adding new modules/ features and/ or developing new applications. As at the LPD, our on-going R&D of banking applications includes a banking system, namely Concordian System, which serves as a base system for the financial services industry. The Concordian System is modular-based and can be rolled out on a module by module basis as well as can be implemented individually. The Concordian System, is on average, approximately 35% completed and is expected to be rolled-out in the year 2010 and 2011. The completion and roll-out of any particular module would largely depend on the market demand. Currently, the modules in the Concordian System comprise of the following together with their estimated percentage of completion and targeted roll-out timeframe:-

6. BUSINESS OVERVIEW (CONT'D)

Modules	Estimated % of Completion	Targeted Roll-Out Timeframe
Branch Teller System	20%	2010
Structured Deposit Management System	40%	2010
Equity & Foreign Exchange Derivatives Transaction System	40%	2011
Deposit & Loan Banking	40%	2011

The speed of the roll-out and the respective contributions from these solutions would largely depend on the availability of projects/ demand from customers for the modules.

Designed to interface seamlessly with various technology platforms, our Concordian System is built with a scalable framework that serves as the heart of the entire banking IT system. It is riding on an open platform middleware system, as well as a unified front end portal that incorporates ratings, deliveries, loan originations, credit control, CRM and others.

Automated Invoices Processing Solutions

In partnership with ReadSoft, a leading provider of automated document processing solutions, we offer our customers the ReadSoft DOCUMENTS for Invoices solution, which is an automated invoices processing solution. Automated invoices processing involves four (4) steps as follows:-

- Extraction of accounting data from paper invoices;
- Extracted information is transferred to the ReadSoft Invoice Cockpit for further processing within the client's ERP system;
- Validation workflow adapted to the rules of the company; and
- Archiving and viewing of the invoice images.

Automatic classification enables operators to scan all supplier invoices without the need for manual sorting. All invoices will be identified and processed automatically by the software developed by ReadSoft. With the intelligent text recognition/ optical character recognition technology, the software is able to extract data from invoices from new suppliers or suppliers who do not use the prescribed template.

The ReadSoft DOCUMENTS for Invoices is also able to identify and process data from multiple-page invoices. Attachment, supporting documents and even general documents such as letters and correspondence, can be identified and classified accordingly. This unique feature allows the placement of images and data of multiple-page invoices and its respective attachments in a single folder. Data extracted from the invoices can be transferred directly to an enterprise resource planning system, a computer-based management tool commonly adopted by large corporations, or accounting software through a software extension.

6. BUSINESS OVERVIEW (CONT'D)

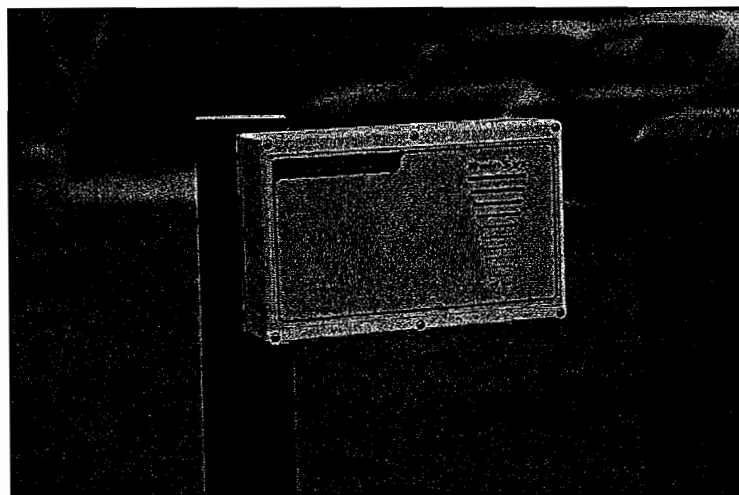
The key benefits of automated invoice processing, among others, are as follows:-

- Improved control of cash and invoices;
- Increased control of delivered and invoiced goods;
- Decreased manual work;
- Shorter total processing time;
- Decreased costs for invoice handling; and
- Early notification of errors (arising from more time available for problem solving).

6.2.2 RFID and Access Control Systems

Our rapidly emerging RFID-based business focuses on developing in-house hardware and its complementary software applications. Since its inception in April 2008, we have made debut in the RFID industry with our successful completion and commencement of marketing of the following key products:-

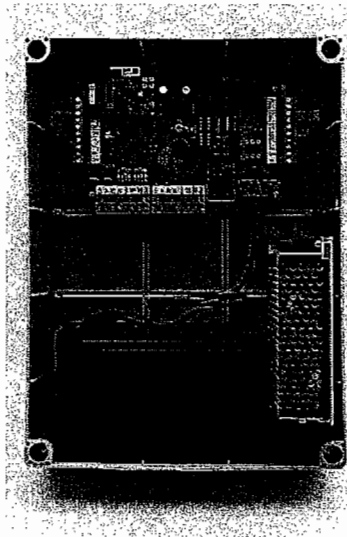
- Long Range Active Tag or RAIN Tag**, which we completed and commenced marketing in May 2008. It has a reading range of up to five (5) meters for car parking applications. We have successfully implemented our RAIN Tag for Bursa Malaysia Berhad's staff parking system in March 2009 via our reseller.



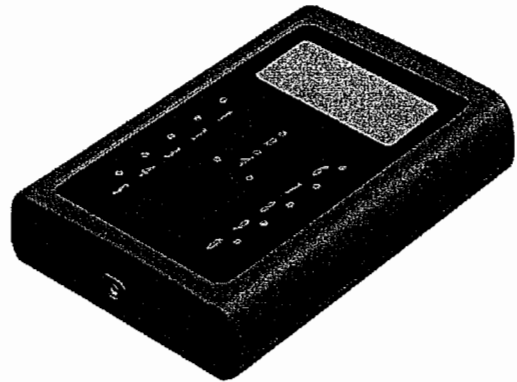
Long Range Active Tag

- Lattice Wireless Access Control System or LWACS**, which we completed and commenced marketing in July 2008, is a Security Card Access and Time and Attendance System. Its novelty lies in its method of communication to the server which uses our in-house developed mesh networking technology. This saves wiring cost and provides a competitive advantage over other similar products.

6. BUSINESS OVERVIEW (CONT'D)



Lattice Wireless Access Control System



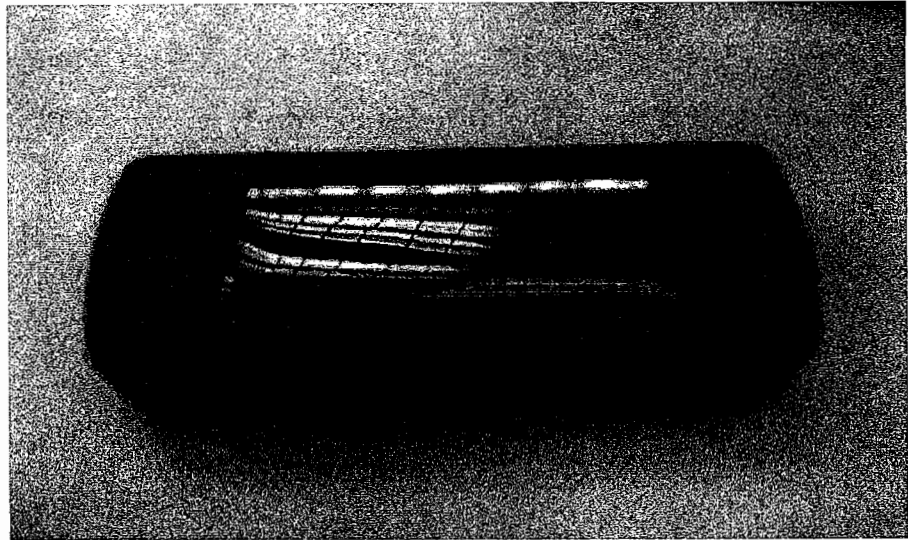
LR1000 Series Biometric Reader

- iii. In addition, we completed and commenced marketing our **LR1000 Series** of products, which is a combination of RFID readers and includes optional biometric feature, in May 2009. LR1000 Series marks the beginning of our Group's foray into biometrics and the high ended access control market segment.
- iv. By combining wireless mesh networking and active RFID, our Group is able to create a new technology for our **Real Time Location System** or **RTLS**. This system will leverage on past technologies developed like mesh networking, battery savings and active RFID.

Currently, most of the available location tracking systems are global positioning system ("GPS") based. The main disadvantages with GPS based systems are the prohibitive cost, large sized electronics and antenna, high battery consumption and the inability to work indoors, which makes it impractical to tag equipment and people. What is required is a battery powered tag which can work indoors, easy to roll out systems, longer battery life and small-sized tags in order to minimise costs and at the same time maintain practicality.

Our Group is currently developing the RTLS which is targeted to be completed by the end of year 2010. The range of the RTLS is approximately 30 to 80 metres. Applications include uses in the healthcare industry, production lot tracking in manufacturing activities, location tracking for airports, warehouse and other uses. The applications are limitless for such location tracking products.

6. BUSINESS OVERVIEW (CONT'D)



RTLS Tag with Solar Power

In addition, we have developed a series of software applications such as Time and Attendance, Security Door Access as well as Finger Print Management modules to complement our RFID based hardware. This is essential as the full functioning of the system is reliant on the software that programs the RFID hardware.

The manufacturing of our RFID products are via contract manufacturing, where we outsource the following works to the manufacturers below for cost efficiencies:-

- i. Circuit Image Sdn Bhd – for the manufacturing of printed circuit boards;
- ii. Wisdom Plus (M) Sdn Bhd – for Lattice readers, controllers and RAINTag; and
- iii. Yato Precision Engineering Sdn Bhd – for the plastic parts for all products.

The products manufactured by the contractors are then sent to EA MSC for the advanced works consisting of the downloading of programme codes and solutions into the systems, testing and quality control procedures before being marketed or delivered to our resellers and/ or direct customers.

6.2.3 ICT Services

Systems and Infrastructure Integration Services

In a climate of rapid change, it is often easy to lose sight of organisational goals and become entangled in the overwhelming issues involved with the implementation of new technologies. Integration of computer systems, database management tools and network configurations, along with a host of other issues require significant investments of time and expertise, which are unavailable during an initial implementation of the new technologies.

6. BUSINESS OVERVIEW (CONT'D)

We have the knowledge and expertise required to solve complex issues surrounding infrastructure integration for our customers. With a solution oriented approach, we work to provide our customers with results, and not only technologies. From initial infrastructure design, we focus on our customers' long term requirement for systems, database and networking facilities as well as identify scalable solutions which can be implemented within the framework of our customers' existing IT environment.

With experiences in Data warehousing and web services technology, we also possess the knowledge and competency to perform system integration services based on platforms by major technological principals such as IBM, Microsoft and SAS. By selecting and integrating functional application software from these principals based on a best of breed approach, we are able to deliver high value system integration services to our customers.

ICT Consultancy Services

i. ICT Systems Consultancy

Many managers are unfamiliar with the technology adoption process and its technicalities when introducing a new technology into the business operations. We assemble a team of experts, who bring extensive experience and specialise in certain highly-developed domain expertise to provide ICT systems consulting services.

The valuable experience of our people, together with our innovations and creativity, will be able to drive changes in the way businesses are performed. The members of our ICT systems consultancy team are handpicked from our four (4) key areas of expertise as follows:-

a) ICT Infrastructure

Our ICT Systems Consultancy team provides turnkey services for complete infrastructure works such as data centre, network, servers and storage. We design, build and relocate data centre, which includes complying with the necessary environmental requirement such as power, cooling, humidity, fire protection and security systems befitting of a data centre up to Tier 4 specifications. Tier 4 specifications is the most stringent level of a data center, designed to host mission critical computer systems, with fully redundant subsystems and compartmentalised security zones controlled by biometric access controls methods.

We also provide structured cabling systems for both wide area network and local area network requirements encompassing fibre optics, copper and UTP or Unshielded Twisted Pair cable (a common cable used in computer networking) cabling. In addition, we provide networking solutions including network equipment and appliances. We also provide servers and storage solutions for any intended applications, virtualisation solutions and services to assist organisations to achieve greater savings in environmental cost (such as humidity, cooling and heating requirements) and total cost of ownership.

6. BUSINESS OVERVIEW (CONT'D)

b) IT Systems Management

We provide consultancy services to enable organisations to provide effective IT services in line with their business needs, according to industry standards such as ITIL. We are able to assist organisations to either implement selective areas of IT systems management, or provide IT services entirely as an outsourced service.

c) Project Management

We provide consultancy services in project management based on the PRINCE2 methodology for projects of any size. Our other services include the establishment of a project management office.

d) Mainframe Services

As Mainframe users in Malaysia now become more knowledgeable and mature, customers seek for better service options, by bringing in reliable Mainframe service providers that offers quality service with a reasonable price.

Our Mainframe services include the following:-

- Health check, performance review and tuning of the Mainframe;
- Installation, customisation and migration of the Mainframe;
- Maintenance services and assurance support;
- Mainframe system design review and consultation;
- Support for resolving problems and support during critical periods;
- Consultation for advanced functions and enabling services; and
- System technical training and consultation.

ii. IT Service Management Solutions

Based on the ITIL best practices, we engineer turnkey business processes together with technology automation, by leveraging on commercial and custom-developed software tools.

Our Group addresses the market demands on strategic planning, process improvement, enhancement of resource utilisation, as well as compliance of IT process management. Our team provides consultancy as well as tool implementation services to clients. The solutions that we are offering are as follows:-

- Concorde Service Desk
- Concorde Incident Management

6. BUSINESS OVERVIEW (CONT'D)

- Concorde Problem Management
- Concorde Configuration Management
- Concorde Change Management
- Concorde Release Management
- Concorde Capacity Management
- Concorde Availability Management
- Concorde IT and Business Continuity Management
- Concorde IT Financial Management
- Concorde Service Level Management

Services offered for the solutions above comprise of trainings, compliance assessments, requirement analysis for maturity compliance (to determine how advanced the level of ICT is in a company), process design and configuration, tool development and customisation, as well as process implementations. Details of our IT Service Management framework, namely Project and Portfolio Management System, and IT Service Management consultancy services are set out below:-

a) Project and Portfolio Management System

Our Project and Portfolio Management System bundles various management instruments to provide our customers better control over one-off and ongoing projects. Complex projects would be virtually divided into several sub-projects for the ease of progress tracking, but could be reassembled into a single representation to symbolise the status and progress of the whole portfolio.

Our solution covers key areas of project implementation such as resource management, financial and cost management, return-on-investment control, project risk control, new pipeline management, project demand management, portfolio management, project timeline and project benefit scoring.

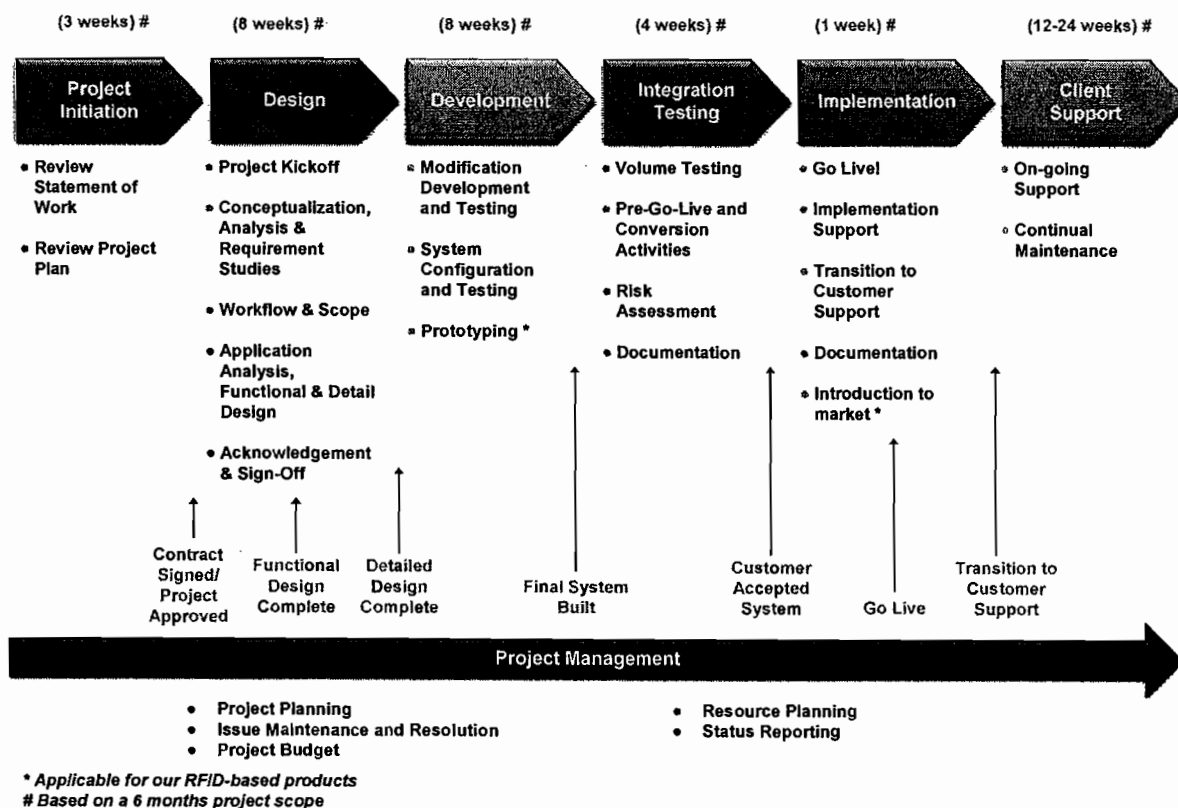
6. BUSINESS OVERVIEW (CONT'D)

b) IT Service Management Consultancy Services

Our IT Service Management consultancy services include the training, assessment and implementation of ITIL. ITIL is a widely adopted best-practice, which includes consistent, documented, and repeatable processes that IT service providers are able to tap on to improve their service delivery and support. Our ITIL service management solutions involves process reengineering, reorganisation of the client company's structure, process design and establishment, system management's tool implementation, BSI compliance as well as process design and development in accordance with ITIL best practices. We also provide business process consultancy such as business impact analysis, business continuity management, as well as Change Management consulting.

6.3 Product/ Solutions Development Methodology

We adopt the following approach towards all of our products/ solutions development to ensure that all products/ solutions made and supplied by us are consistently of the highest quality:-



- i. **Project Initiation** - This is the preliminary stage whereby the project description will be scoped out and reviewed. Thereafter, the necessary resources will be channeled to work on the project based on its requirements.

6. BUSINESS OVERVIEW (CONT'D)

- ii. **Design** - This stage entails translating clients'/ users' requirements into technical details and specification. Discussion meetings will be held with the clients/ users to confirm the technical and feasibility details. The finalised specifications are documented and clients/ users will sign-off to signify acceptance.
- iii. **Development** - Programme development, coding, testing, customisations and system configuration will take place at this stage, in conformance with the technical specifications agreed upon earlier. For our RFID-based products, these may entail prototyping the conceptual products for testing and compliance.
- iv. **Integration Testing** - The products/ solutions developed will be customised and integrated to the clients/ users systems for parallel runs. Further tests will be performed on the integrated products/ solutions to ensure that the desired results are achieved from the various inputs. All bugs and errors will be rectified at this stage.
- v. **Implementation** - This is the crucial Go Live stage of the development cycle whereby the tried and rigorously tested products/ solutions are put into full operational run. Implementation support will be provided in the form of standby personnel to handle any problems that may arise. Training will also be provided to the clients/ users to ensure familiarisation with the products/ solutions, including train-the-trainer sessions. These will facilitate the transition from vendor support to internal customer support. The finalised project documents and manuals will be handed over to the clients/ users for their reference. For our RFID-based products, this will involve the marketing and distribution of the new products developed.
- vi. **Client Support** - We will continue to provide technical support, either remote or on-site, depending on the severity of the problems after the handing over of the products/ solutions to clients.
- vii. **Project Management** - This is the process that will drive and manage the whole project by keeping track and managing the project budget, resources and progress of each stage to ensure compliance with the agreed plan and scope of the project. The project management team will be staffed with a project manager and assisted by several senior staff to supervise the project.

The timeframe from the project initiation stage to the implementation stage for our project-based segments and RFID products would generally take approximately three (3) to six (6) months, and in some instances, it could take a longer period of more than one (1) year, depending on the size and complexity of the project.

6.4 Competitive Strengths and Advantages

Our business is supported by the following strengths and competitive advantages to sustain our business as well as to support our growth. These competitive advantages are detailed below:-

i. **We have an experienced and proven management team**

Our Directors and key management have proven track records in their respective industry. They have gained extensive experience in the ICT industry and are able to provide valuable guidance. More importantly, our Directors and key management have established client bases, both locally and regionally, which they can tap on for the purposes of promoting our services and solutions.

6. BUSINESS OVERVIEW (CONT'D)

ii. We are infrastructure architects and application solutions provider who provide customisable total solutions

Generally, the traditional infrastructure integrators tend to focus on assembling ICT hardware together whereas resellers tend to focus on providing software solutions. Such standard hardware configuration or applications are not entirely compatible to the customers in Malaysia and the Asia Pacific region.

In contrast, our consultancy and implementation experts have domain knowledge across various key areas allowing us to achieve a high success rate in delivering our infrastructure and invoices processing solutions. Our team consists of IT professionals who are one of the active providers in the development and delivery of Business Intelligence solutions for financial institutions in Malaysia.

Beyond providing technological products, we adopt a pro-active and holistic approach and focus on delivering quantifiable results to our customers. Throughout the infrastructure design and application customisation process, we focus on our customers' long term requirements for infrastructure, database and networking facilities as well as identify scalable solutions which can be implemented within the framework of our customers' existing IT environment.

iii. We have the technical competence in RFID-based products and are able to conceptualise unique proprietary solutions

Our RFID-based products and the software applications that complement these products are developed by our in-house R&D department. As such, we are able to leverage on our technical competence to customise our solutions according to the specific requirements when bidding for or fulfilling large-scale projects.

iv. We have a competitive cost structure for our RFID-based business and are not confined to any geographical markets

Our RFID-based business has a competitive cost structure as we use only internally developed and royalty-free products. In addition, being the developer of these products also ensure that we are not confined to any geographical markets due to any exclusive marketing agreement.

In addition, our own intellectual property allows worldwide commercialisation of our products. As EA MSC is the sole beneficiary of its intellectual property which is the result of its R&D activities, we would be able to market our products globally without restrictions. As such, we aim to expand our geographical markets to key cities in Asia Pacific, Middle East, Africa, Europe and the US.

v. We have an advantage to tap into the lucrative GLC markets, with EASS being a Bumiputera contractor status company

Since the inception of EASS in 2006 and the granting of our Bumiputera contractor status in 2007, EASS has been able to bid for tenders and secure high-value contracts from GLCs as well as from the government sector. As the government is transforming the GLCs as part of an ongoing effort to become more efficient and cost-effective, we believe the best market to focus on are the GLC markets.

6. BUSINESS OVERVIEW (CONT'D)

vi. We are able to take advantage of the synergies within our Group with an aim to be a one-stop ICT solutions provider

By having three (3) companies under our Group catering to different market segments, we expect to be able to meet our customers' diverse needs in all three (3) areas, whereby EASS provides hardware and services, EA MSC provides RFID hardware and its complementary software and System integration services and CSS MSC provides software solutions and services. The points of synergy in our Group are as follows:-

a) Cross-marketing

Each of our subsidiary is able to tap into another subsidiary's expertise and cross-market each other's products and services. For example, through EASS, EA MSC and CSS MSC is able to tap into the GLCs and government sector by cross-selling their products and services to the existing clients of EASS. Likewise, CSS MSC is able to provide EASS and EA MSC an opportunity to sell their products and services to the financial services industry.

b) Multiple focus markets

The different yet complementary focus markets of our subsidiaries ensures that our Group is not highly dependent on any single market for our revenues. The current composition of our Group ensures that our Group's revenues are derived from three (3) main focus markets, namely from the GLCs, financial services industry primarily from banking institutions and corporate and retail in the enterprise markets.

c) Complementary revenue streams

Whilst the revenues of EASS and CSS MSC are primarily project-based, the revenues of EA MSC from its RFID-based products are recurring in nature via its resellers, thereby giving our Group a complementary mix of revenue streams. Going forward, as our management believes that customers are increasingly looking towards having a total solution from a single provider for all their hardware, software, services and other ICT needs, it is with this direction that our Group was founded. The vision of our Group is to be a one-stop ICT solutions provider, catering to different market segments yet complementary in terms of meeting our customers' needs and demands for a range of products, services and solutions.

6.5 Principal Markets

Our Group's principal market is Malaysia, of which all our revenues were derived from Malaysia for the past three (3) FPE/ FYE 31 December 2009. We also have a market reach outside Malaysia through our channel partners (which include distributors and resellers) and we are currently distributing our RFID-based products to other Asian countries via resellers, namely Singapore and Indonesia. This is in line with our Group's objective to be a premier quality manufacturer and integrator for RFID-based products and solutions. Our key local and overseas resellers are set out below:-

No.	Local Resellers	Length of relationship
1.	Andeen Sdn Bhd	More than one (1) year
2.	Cabnet Sdn Bhd	More than one (1) year

6. BUSINESS OVERVIEW (CONT'D)

No.	Local Resellers	Length of relationship
3.	Conceptine Sdn Bhd	More than one (1) year
4.	Holloway Sdn Bhd	More than one (1) year
5.	Mass Intelligent Provider Sdn Bhd	More than one (1) year
6.	R&S Niaga Sdn Bhd	Less than one (1) year
7.	Supergenics Solutions Sdn Bhd	More than one (1) year
No.	Overseas Resellers	Length of relationship
1.	PT Saka Technology Indonesia	Less than one (1) year
2.	Scanplus Pro Technology Pte Ltd	Less than one (1) year
3.	Elid Technology International Pte Ltd	Less than one (1) year

The overseas resellers mentioned above have been appointed by our Group only in the first quarter of year 2010. Due to the availability of our resellers, both local and overseas market and the availability of other potential resellers, we are not dependent on any single reseller.

While our Group targets enterprises in the corporate and retail industries for our RFID-based products, our Group also focuses on the GLCs and financial services industry for our software solutions and ICT services. In addition, we are able to expand to almost any other industry due to our customisable ICT solutions for our Business Intelligence and Data warehousing, RFID and access control systems and ICT services and the pre-requisite for ICT in most large corporations.

6.6 Seasonality of Our Business

Our operations are not materially affected by any seasonal or cyclical factors other than the general economic environment in which we operate.

6.7 Types, Sources and Availability of Inputs/ Raw Materials

The principal inputs for our Business Intelligence, System integration and software solutions and ICT services projects consist of third (3rd) party software and hardware as well as human capital. The inputs are dependent on the scale and requirements for each project and will differ from project to project. However, our products are built and designed based on open standards like Java technologies, which supports multiple platforms provided by any of the major suppliers in the industry such as IBM, Oracle, Hewlett Packard Company, Sun Microsystem Inc and Microsoft.

This has mitigated the risk of being dependent on a single supplier and price volatility as we can switch platforms at any point of time.

For our RFID tags and access control systems, the electronic components that are used in our products such as microchips, transistors and capacitors, which forms part of the internal circuitry of our products, as well as liquid crystal display screens and polyvinyl chloride casings, which form the external component, are easily available in the market and are not proprietary to any single manufacturer. These products are sourced both locally and imported at competitive prices. Hence, we are not subject to any high volatility in the prices of our raw materials.

6. BUSINESS OVERVIEW (CONT'D)

6.8 Technologies Used

The technologies that we use in our products and solutions are segregated into our core businesses for technologies used in our software solutions and in our RFID and access control systems. Our ICT services does not utilise key technologies as our inputs mainly consist of skilled IT personnel for our operations. The following sets out the key technologies we use:-

Software Solutions**a) Technology Used in Business Intelligence and Data Warehousing**

Our Business Intelligence and Data warehousing solutions are designed and customised mainly based on software and applications provided by technology principals such as IBM, Microsoft and SAS. The technologies used to design our solutions for customers are as follows:-

- i. **Microsoft SQL Server** is a relational model database server produced by Microsoft. It aims to make data management self-tuning, self organising and self maintaining with the development of SQL Server Always On technologies.
- ii. **Microsoft Office SharePoint Server** is produced by Microsoft and builds on Windows SharePoint Services by adding both core features as well as end user web parts. It enables an organisation's information to be organised and aggregated in one central, web-based application and it provides corporate data arrangements.
- iii. **SAS Data Integration (DI) Studio** is a visual design tool that simplifies the construction, execution and maintenance of enterprise data integration processes which is produced by SAS.
- iv. **SAS OLAP Server** is a multidimensional data store designed from the outset to provide quick access to pre-summarised data generated from vast amounts of detailed data which is produced by SAS.
- v. **SAS Web Reporting Services/ Studio** provides a fast and simple access to query and reporting capabilities on the Web which is produced by SAS.
- vi. **SAS Information Delivery Portal** provides a single access point for aggregated information via an easy-to-use Web-based interface which is produced by SAS.
- vii. **IBM Infosphere Warehouse Edition** is a complete Data warehousing platform that delivers superior scalability and availability, design, build and management tooling as well as business analytics which is produced by IBM.
- viii. **IBM COGNOS BI and Performance Management** is designed to help make decisions that drive better performance in a corporation which is produced by IBM.

6. BUSINESS OVERVIEW (CONT'D)

b) Technology Used in Application Development

The application developed for turnkey solutions by our Group are based on the following technologies:-

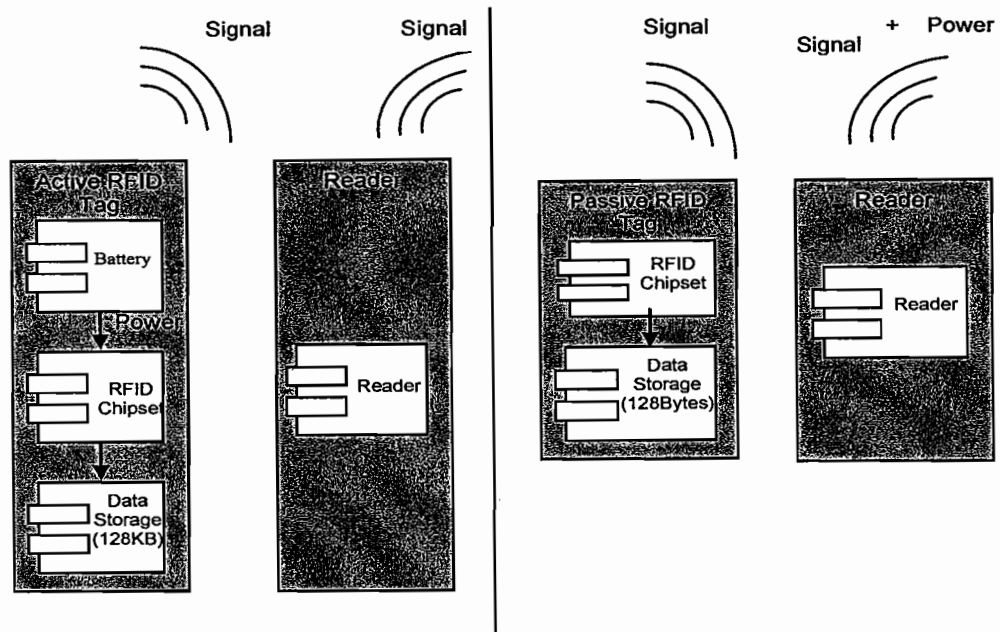
- i. **J2EE Web Application Server – Eclipse** is a multi-language software development platform comprising an integrated development environment and a plug-in system to extend it for creating Java EE applications. It is written primarily in Java and can be used to develop applications in Java and, by means of the various plug-ins, in other programming languages as well. This plug-in mechanism is a lightweight software component-by-component framework. The plug-in architecture supports writing any desired extension to the environment, such as for configuration management.
- ii. **J2EE Web Application Server – (JBoss or JBoss AS)** is an open source framework and Java EE certified platform for developing and deploying enterprise Java applications, web applications and portals which is produced by Java. It comprises a set of offerings for enterprise customers who are looking for pre-configured profiles of JBoss Enterprise Middleware components that have been tested and certified together to provide an integrated experience. The readily available source code gives the user the flexibility to create customised versions for their personal or business use.
- iii. **J2EE Web Application Server – IBM WebSphere** is a family of software for SOA platforms that links business processes and application infrastructures produced by Java. WebSphere is designed to set up, operate and integrate electronic business applications across multiple computing platforms, using Java-based Web technologies. The suite of products available under the branding of Websphere is widespread and designed to cover every enterprise level demands and needs.
- iv. **J2EE Apache Struts 2 (STRUTS)** is an extensible framework for creating Java EE web applications and is designed to streamline the full development cycle, from building to deploying to maintaining applications which is produced by Java. It encourages developers to adopt a model-view-controller (MVC) architecture. A web application can interact with databases and business logic engines to customise a response, differing from conventional websites which deliver mostly static pages. The goal of STRUTS, as a MVC architecture, is to separate the model (application logic that interacts with a database) from the view (web pages presented to the client) and the controller (the application that passes information between view and model).

6. BUSINESS OVERVIEW (CONT'D)

RFID and Access Control Systems

a) RFID Technology

RFID technology involves the use of an RFID tag to track or identify the tag-bearing object using radio frequency. All RFID technology can be broadly classified into two categories, namely active RFID and passive RFID. The figure below illustrates the basic component of an active RFID system and a passive RFID system:-



Systems based on active RFID (left) and passive RFID (right) technologies

The key differences between active RFID and passive RFID is set out below:-

	Active RFID	Passive RFID
Tag power source	Internal	Energy transferred from reader via RF
Availability of signal from tag	Continuous	Only within field of reader
Communication range	Long range (100 m or more)	Very short range (3 m or less)
Multi-tag communication	Up to thousands tags over 7 acre region	Up to hundreds tags within radius of 3 meters
Data storage	128KB	128 Bytes

An active RFID tag contains a battery within the device and is capable of continuously communicating with a reader which is more than 100 meters away. In contrast, a passive RFID tag is dependent on a reader to transfer energy to the device via strong radio frequency, before the tag is able to start transmitting signal. Due to the need for the device to draw power from the reader, a passive RFID tag is only able to communicate with the reader when both devices are in close proximity (three (3) meters distance or less).

6. BUSINESS OVERVIEW (CONT'D)

The RAIN Tag developed by us is an active RFID whereby a battery is embedded in the transponder. For the purpose of battery conservation, the transponder only transmits the data in the vicinity of the reader, which broadcasts a "wake-up signal" to activate the tag. Once activated, the transponder will broadcast identification back to the reader.

Due to the difference in features, active RFID and passive RFID can each be used for its distinct purposes and not interchangeably. Active RFID may be used for real time location tracking such as for asset and inventory management, while passive RFID are mainly used for applications such as contactless payment cards and electronic toll collections.

Other than the use of RFID technology via smart tags in the consumer goods packaging industry, advanced tracking techniques in RFID have resulted in various applications in supply chain management, manufacturing and logistics. Expansion into new end-user markets such as animals and farming, books, library book checkout, airport baggage routing, and others are several new applications.

The use of RFID in advanced and high-end applications such as medical diagnosis and military, patient tracking, call up records, waste management, asset, document, record tracking, medicine disposals, drug tracking and prevention of counterfeiting prescription drugs, amongst others, are encouraging the deployment of RFID in pharmaceuticals and healthcare. The market for high-end automotive technologies is expected to lead to the increased use of RFID in applications like anti-theft immobilizer.

RFID is often compared with barcode technologies due to its similarities in automatic identification and data collection applications. The key advantages of RFID over barcode technologies include no line of sight requirement for RFID, the RFID tag is able to stand harsh environments, have longer read ranges, is a portable database, able to read/ write multiple tags simultaneously and able to track people, items and equipment in realtime. In addition, RFID technologies are more suitable for security applications.

b) **Wireless Mesh Networking Technology**

A novelty of all our RFID-based systems is the usage of wireless mesh networking for its product communications. Mesh networking is a type of networking where each node in the network may act as an independent router, regardless of whether it is connected to another network or not. It allows for continuous connections and reconfiguration around broken or blocked paths by "hopping" from node to node until the destination is reached.

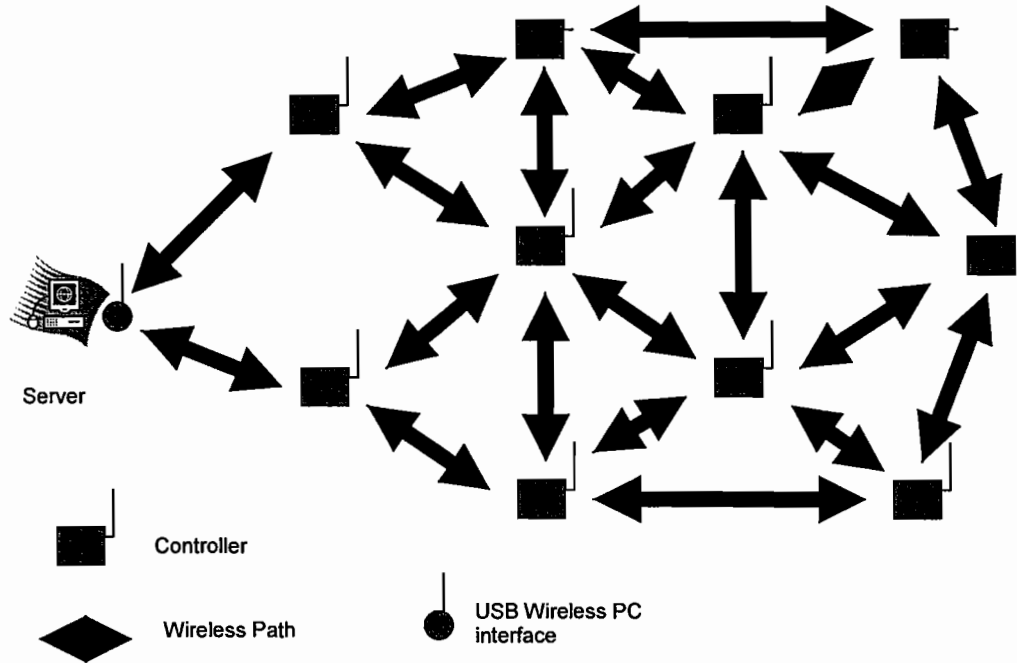
Mesh networks are self-healing where the network is still able to operate if one node or a connection breaks down. As a result, the network may typically be very reliable, as there is often more than one path between a source and a destination in the network. Although mostly used in wireless scenarios, this concept is also applicable to wired networks and software interaction.

6. BUSINESS OVERVIEW (CONT'D)

Examples of how the wireless mesh networking technology functions in our products and systems are set out as follows:-

Lattice Wireless Access Control System

LWACS is one of the next generation of access control systems and is one of the first access control system to implement wireless mesh networking based on the IEEE 802.15.4 standards. The following diagram sets out the wireless mesh networking path and how the devices interact with each other:-



Lattice Wireless Access Control System

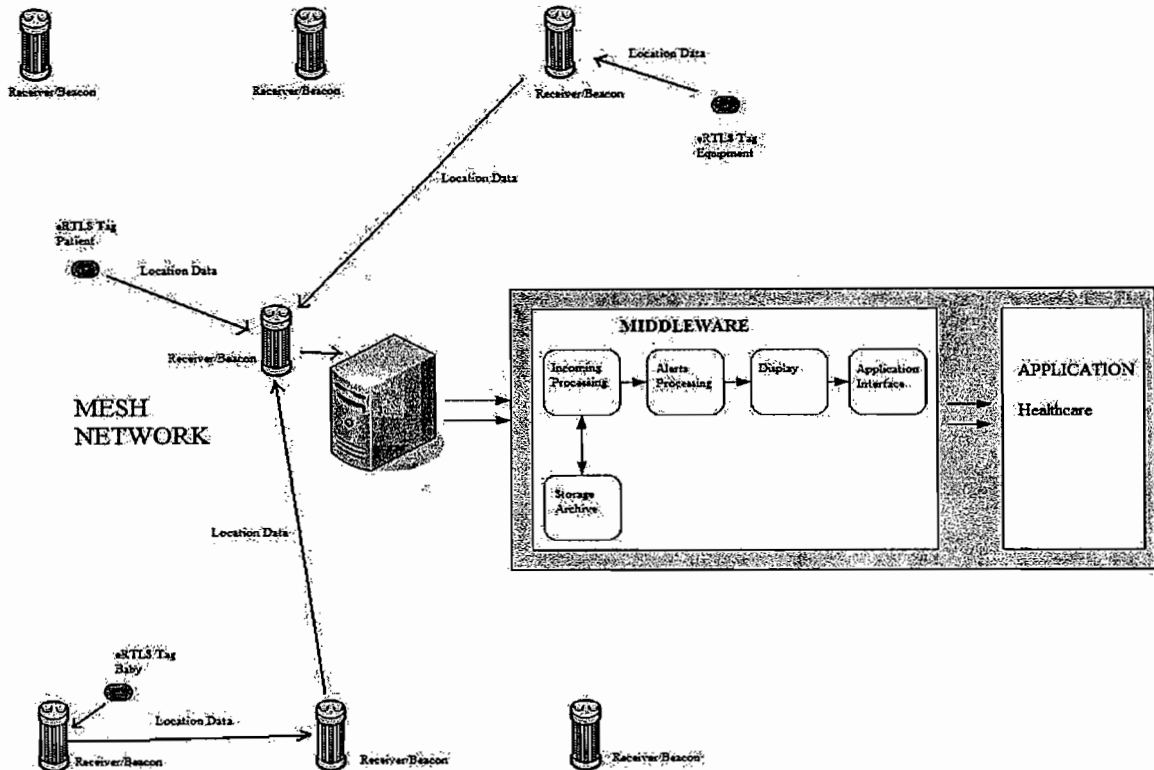
Each LWACS controller functions as a node in the network and the server is connected to the USB wireless interface. When the server communicates to any controller, the network automatically routes the data packets through the shortest number of nodes until it reaches its intended target. A reply from the controller is automatically routed to the server via the shortest number of nodes. If there are any controller failures on the network, the data is routed via an alternate route.

Real Time Location System

We are developing our RTLS (or eRTLS) based on the 2.4GHz recently rectified IEEE 802.15.4 low power radio standards. Although the frequency is the same with WiFi, the RTLS operates on a lower bandwidth, thus consuming less power. A RTLS tag typically transmits at 1mW, as compared to WiFi tags which transmits at 50-100mW. There is also up to 50 to 100 times of savings on battery life.

6. BUSINESS OVERVIEW (CONT'D)

The following diagram sets out an overview of the eRTLS and how the devices interact with each other:-



Overview of the eRTLS

Receivers are designed to conform to the IEEE 802.15.4 standards and are low powered and easy to install. An innovation to our design is to enable each receiver to automatically act as a router for other receivers, thus creating a mesh network. This will enable low cost implementation as each receiver is not required to be wired to the network.

c) Biometrics Technology

Biometrics technologies are concerned with the physical parts of the human body or the personal traits of human beings, and the recognition of individuals based on those parts. Currently, our LR1000 Series Biometrics Reader uses the fingerprint type of biometric technology for identification and authentication purposes.

Fingerprint recognition technology uses the impressions made by ridges and minutiae points which are found on the fingertips. The minutiae points used are the end of the ridges of the fingers. Our biometric readers use the complementary metal-oxide semiconductor ("CMOS") sensor to take an image of the fingerprint.

Our focus on this fingerprint system is to provide a high level of accuracy by incorporating additional features such as two (2) fingerprints tap, card and fingerprint mode as well as pin number and fingerprint mode. The key advantages of this technology include a high level of security achieved (as no two (2) fingerprints have been found to be identical), convenience, reduces thefts, highly reliable and accurate in several applications, high degree of traceability of users' access to computers or systems and prevents fraud.

6. BUSINESS OVERVIEW (CONT'D)

6.9 Quality Control Procedures

For quality control, we plan to adopt the relevant ISO 9001 certifications by 2011 for our RFID-based products and access control system. Similarly, for our manufacturing of RFID products, we endeavour to outsource to plants which possess similar ISO certifications. Products manufactured by the manufacturing company are tested vigorously by us for quality, durability and reliability prior to distribution and installation. Amongst the tests conducted are stress test and functionality test in an environment that is comparable to actual scenarios.

In addition, our Group focuses on excellence, timeliness and expertise to constantly deliver products and services that are of the highest quality. We strive to achieve the highest quality in terms of reliability and suitability, constantly delivering our projects on time, immediately responding to customer's requests and by leveraging from a large pool of expertise from our personnel and from our collaboration with various technological and training partners such as IBM, Microsoft and SAS. These values have been incorporated into our Group's day-to-day operations.

Our quality control practices enable us to provide assurance to our customers that the products and solutions developed by our Group are reliable and efficient.

6.10 R&D

a) Policy on R&D

In line with our corporate vision to be a one-stop ICT solutions provider, our policies on R&D for the past three (3) years have been focused on providing our Group with a comprehensive suite of solutions and services that will cater to the need of our customers whilst at the same time, creating and sustaining our competitiveness.

Our R&D is focused on two (2) areas as follows:-

- i. Enhancement of existing products and solutions; and
- ii. Broadening our range of products and solutions via the development of new products.

b) Facilities and Personnel

Our R&D is an ongoing process which involves every level of staff, comprising of software engineers and programmers of various experiences and strengths in system designs and programming, coding, analysis and testing. At the management level, this process is spearheaded by our Directors and/ or key management, namely Mr Mohammad Sobri Bin Saad, Mr Tan Siow Hui and Mr Siah Jiin Shyang and led operationally by our Chief Technology Officers, namely Mr Eddy Lee Sin Ti and Mr Eugene Surendran Gopalan. Details on their respective profiles are set out in Sections 8.2.2 and 8.4.2 of this Prospectus.

Our R&D facilities include a R&D office located in One Tech Park, Bandar Utama, development kits for RFID, wireless, design software and other electronic equipment such as oscilloscope and wireless development kits.

6. BUSINESS OVERVIEW (CONT'D)

c) On-going and Future R&D

As R&D plays an important role in our development of products and solutions, we undertake R&D on an on-going basis and have plans to further develop our existing products as well as increase our product and solutions range. Apart from the on-going R&D on RTLS and our development of banking applications, which has been elaborated in Section 6.2 of this Prospectus, the following includes our other future R&D plans:-

i. RFID Products

We will further leverage on our wireless technology to further develop commercial products which currently uses traditional wires. Equipment which are identified to be developed include building automation equipment, perimeter intrusion and monitoring sensors. By having a wireless alternative, we are able to create an entirely new industry.

ii. Banking Solutions

In addition, we are also developing our banking solutions to increase its functionalities to cater to our customers' various increasing needs. The key features being developed/ to be developed include, *inter alia*, the following:-

- To build the banking solutions on an open-platform architecture and subsequently to be able to operate in a Mainframe system;
- To have shorter development cycles for our solutions;
- To be SOA compliant and easy to integrate with message formats of new technologies;
- To accomplish Basel II data-readiness and satisfactory IT audit readiness;
- By utilising our business experience in risk management, performance management, as well as Activity Based Costing (a costing model that identifies activities in an organisation and assigns the cost of each activity resource to all products and services according to the actual consumption by each), our new banking data model will encapsulate new business needs such as reporting, simulation and others;
- While the traditional banking system has a fixed product definition, our new development will be able to accommodate various business products based on individual needs; and
- Our new software model should be expandable and easily portable from Windows to UNIX, as well as to the Mainframe according to the customers' needs. It will be a cross platform using the J2EE technology.

6. BUSINESS OVERVIEW (CONT'D)

d) R&D Expenditure for the past three (3) FPE/ FYE 31 December 2009

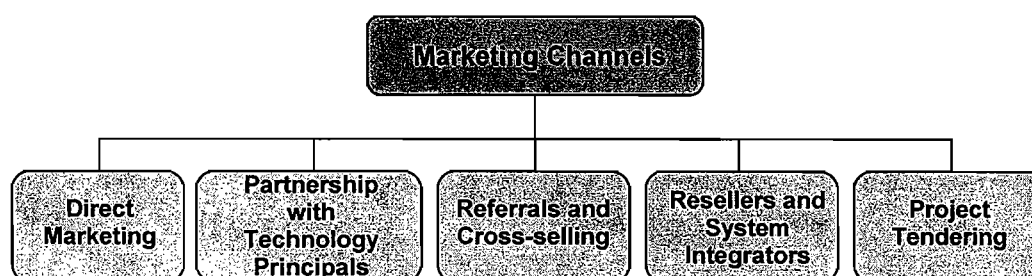
Our Group's expenditure on R&D as a percentage of net revenue for the past three (3) FPE/ FYE 31 December 2009 are as follows:-

FPE/ FYE 31 December	2007 RM'000	2008 RM'000	2009 RM'000
R&D Expenditure by products:-			
Banking applications/ Business Intelligence and Data warehousing solutions	313	185	223
RFID-based products	-	440	765
Total R&D Expenditure	313	625	988
% of revenue	7.2	7.5	7.1

6.11 Modes of Marketing/ Distribution/ Sales

As at the LPD, our sales and marketing team comprise of eight (8) personnel. In addition to the marketing staff, our management have had experience in managing similar operations and have established customer bases which they can tap on for the purposes of promoting our services and solutions.

We carry out the following marketing activities for the purposes of securing new customers and to sell our systems and infrastructure integration and ICT consultancy services as well as invoices processing, Business Intelligence and RFID solutions to new and existing customers. The distribution channel strategy of our Group is depicted in the diagram below:-



The marketing channels for each of our products and solutions are as set out below:-

	Business Intelligence and Data warehousing	Automated Invoices Processing	RFID and Access Control Systems	ICT Services (Systems and Infrastructure Integration and ICT Consultancy)
Direct Marketing	✓	✓	✓	✓
Partnership with Technology Principals	✓	✓		✓
Referrals and Cross-selling	✓		✓	✓
Resellers and System Integrators			✓	
Project Tendering	✓		✓	✓

6. BUSINESS OVERVIEW (CONT'D)

i. Direct Marketing

Our sales and marketing team conducts pre-sale presentations to potential customers to demonstrate the benefits of our solutions. In addition, our technical team may be requested to conduct complementary assessments to identify the areas that require special attention and subsequently demonstrate how customers can resolve these issues with our comprehensive solutions. Our sales and marketing team also visits our existing customers to maintain customer relationships, understand the needs of these customers and propose our solutions.

While we recognise that a network of brick-and-mortar stores would serve us better for our RFID and biometrics-based products that are mainly not off-the-shelf products, we have also established a presence on the internet via virtual stockfronts at leading business-to-business platforms such as Alibaba.com and Global Sources as we believe that the online platforms would help to reach out to businesses beyond our marketing network.

ii. Partnership with Technology Principals

We seek to create awareness for our Business Intelligence and Data warehousing solutions and banking applications amongst interested members of the business community through seminars, forums and technology boot camps. These events are usually organised in partnership with our technology principals such as IBM, Microsoft and SAS. The live demonstration of our solutions and software applications is useful in helping the participants to observe and assess the merits of our solutions. We also market our automated invoices processing solutions in partnership with ReadSoft.

Our team with expertise in Business Intelligence and Data warehousing, banking applications and automated invoices processing solutions possesses in-depth knowledge and the business know-how for implementing solutions and providing services to financial institutions and other corporations. As such, we have been benefiting from the business leads provided by our technology principals.

iii. Referrals and Cross-selling

Our technical team conducts vigorous testing on our customised solutions prior to deployment to ensure a problem-free implementation. We strive to provide extensive after-sales service and resolve any technical issues in a timely manner. As a result of our excellent services, our customers often view us as their trusted partner in ICT and have been referring business to us.

We also attempt to foster cross-selling between our subsidiaries. For example, we market our RFID products to existing clients of EASS or CSS MSC, where opportunities exist.

6. BUSINESS OVERVIEW (CONT'D)

iv. Resellers and System Integrators

Presently, we sell our RFID based products via resellers and system integrators. In line with our goal to grow our rapidly emerging RFID business, we intend to recruit more resellers both local and overseas to ensure that our products will be available at almost every part of the domestic and overseas market.

In addition, we also aim to collaborate and partner with several large multi-national system integrators to enable our products to penetrate the international market. Besides bundling our products with the complementing software, we also sell our RFID and biometrics products to third-party developers for their integration projects.

v. Project Tendering

For our RFID-related products, we also directly tender for projects that require highly customised solutions. With successful project tenders, we are able to demonstrate our customisation skills based on our customers' requirements and further command a higher margin on our products and solutions as a whole. Amongst the projects successfully awarded and implemented via tender are the Server and Storage Expansion Project for a GLC in the utility industry and the Human Resource System project by a local financial institution.

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6. BUSINESS OVERVIEW (CONT'D)

6.12 Approvals, Major Licences and Permits Obtained

Details of the approvals, major licences and permits obtained by us for the business and operations of our Group are as follows:-

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Date:	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
EA MSC	MOF and MITI	Issue 15.05.2008 Validity: 15.05.2008	From	MSC Status	Certificate No. 1554	<ul style="list-style-type: none"> Locate the implementation and operation of the MSC Qualifying Activities in the Designated Zone in Cybercity with a minimum office space of 1,500 square feet. within six (6) months from the letter and to obtain MDeC's approval in the event of any changes in the location or address of the company. Ensure that 15% of the number of the employees of MSC Status Company shall be knowledge workers. Ensure that the products produced to the MSC Qualifying Activities are original and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third (3rd) party or constitutes a misappropriation of know how belonging to any third (3rd) party. Submit to MDeC copy of the MSC Status Company Annual Report and Audited Statements together with submission to the CCM. 	Complied

6. BUSINESS OVERVIEW (CONT'D)

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
EA MSC	MITI	Issue Date: 21.01.2009 Validity: From 15.05.2008 to 14.05.2013, extendable for a further five (5) years	Pioneer Status under Section 14A(3) of Promotion of Investments Act, 1986	No: 3250 Letter dated 21.01.2009	<ul style="list-style-type: none"> Inform MDeC of any change in the equity structure or shareholding structure of the MSC Status Company or such other changes that may affect the direction or operation of the MSC Status Company. MDeC must be informed of any change before steps are taken to effect such change. Comply with all such statutory, regulatory, and/ or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003 and such other amendments as may be applicable from time to time. 	Complied
CSS MSC	MOF and MITI	Issue Date: 02.07.2009 Validity: From 02.07.2009	MSC Status	Certificate No. 2247	<ul style="list-style-type: none"> Locate the implementation and operation of the MSC Qualifying Activities in the Designated Zone in Cybercity with a minimum office space of 800 square feet. within six (6) months from the letter and to obtain MDeC's approval in the event of any changes in the location or address of the company. 	Complied

6. BUSINESS OVERVIEW (CONT'D)

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
					<ul style="list-style-type: none"> Ensure that 15% of the number of the employees of MSC Status Company shall be knowledge workers. To ensure that before the 3rd Year of operations, at least 50% of the products and services produced pursuant to the MSC Qualifying Activities are exports, namely products and services that are outbound or sold to multi national companies. And that at least 70% of staff are knowledge workers. 	Complied
					<ul style="list-style-type: none"> Ensure that the products produced to the MSC Qualifying Activities are original and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third (3rd) party or constitutes a misappropriation of know how belonging to any third (3rd) party. 	Complied
					<ul style="list-style-type: none"> Submit to MDeC copy of the MSC Status Company Annual Report and Audited Statements together with submission to the CCM. 	Complied
					<ul style="list-style-type: none"> Inform MDeC of any change in the equity structure or shareholding structure of the MSC Status Company or such other changes that may affect the direction or operation of the MSC Status Company. MDeC must be informed of any change before steps are taken to effect such change. 	Complied

6. BUSINESS OVERVIEW (CONT'D)

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
EASS	MOF	Issue Date: 14.04.2010 This certificate was first issued on 17.01.2007 and has been renewed on several occasions	Akuan Pendaftaran Kontraktor (Contractor Registration Certificate)	Registration Reference No. 357-02078439 Serial No. 338227 File No. 357-02078439	<ul style="list-style-type: none"> Comply with all such statutory, regulatory, and/ or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003 and such other amendments as may be applicable from time to time. The Licensee is not allowed to make any changes to the ownership and directorship of the Licensee within the first six (6) months from the first application date. The Licensee has to ensure that the categories of work which are registered for with MOF are not the same with any other companies registered with MOF and belonging to the Shareholders and Directors or Management of the Licensee. 	Complied
EASS	MOF	Issue Date: 16.11.2009 This certificate was first issued on 16.05.2007 and has been renewed on several occasions	Akuan Pendaftaran Bumiputera (Contractor Registration Certificate with Bumiputera Status)	Registration Reference No. 357-02078439 Serial No. BP 201744 File No. 357-02078439	<ul style="list-style-type: none"> That the equity and membership of Bumiputera participation in the directors and staff of the company at management level and employees of the Licensee exceed 51%. 	Complied

6. BUSINESS OVERVIEW (CONT'D)

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
		The current validity period is up to 16.01.2013			<ul style="list-style-type: none"> That majority of the Bumiputera plays an essential role in the business of the Company including the financial affairs, important decision making and represents the company at meetings and other official business of the Licensee. If any of the above changes are made, the MOF has to be immediately notified to ensure that amendments can be made to the registry. Any failure to provide necessary information will raise doubt on the validity of the Bumiputera status of the Licensee. 	Complied
					<ul style="list-style-type: none"> The MOF is entitled to obtain the Licence if the Bumiputera status has been revoked, the registered status of the Company has been suspended or terminated or there are any amendments to the Registration Certificate with intentions of fraud or otherwise. 	Noted
CSS MSC	MOF	Issue Date: 14.04.2010 Validity: From 06.05.2008 to 05.05.2011	Akuan Pendaftaran Kontraktor (Contractor Registration Certificate)	Registration Reference No. 357-02096213 Serial No. 338201 File No. 357-02096213	<ul style="list-style-type: none"> The Licensee is not allowed to make any changes to the ownership and directorship of the Licensee within the first six (6) months from the initial application date the Licensee is registered with MOF. The Licensee has to ensure that the categories of work which are registered for with MOF are not the same with any other companies belonging to the Shareholders and Directors or Management of the Licensee. 	Complied


6. BUSINESS OVERVIEW (CONT'D)

Company	Approving Authority/ Issuer	Commencement/ Issue Date and Expiry Date	Type of Licence and Certificate	Licences and Certificate No.	Major Conditions Imposed	Status of compliance
EA MSC	SIRIM QAS International Berhad	Approval Date: 17.02.2010 Expiry Date: 16.02. 2011	Certificate of Conformity (in respect of wireless security device with brand name Lattice model LSF1000 (frequency 125 kHz))	Registration No. E00176 (SQASI/NAV 10/0100) Serial No. B04492	• Nil	-
EA MSC	SIRIM QAS International Sdn Bhd	Approval Date: 17.02.2010 Expiry Date: 16.02. 2011	Certificate of Conformity (in respect of wireless security device with brand name Lattice model RS-5M-CW (frequency 125 kHz & 2.4 GHz))	Registration No. E00176 (SQASI/NAV 10/0099) Serial No. B04493	• Nil	-
EA MSC	SIRIM QAS International Sdn Bhd	Approval Date: 01.03.2010 Expiry Date: 28.02. 2011	Certificate of Conformity (in respect of wireless security device with brand name Lattice model RS-3000 (frequency 2.4 GHz))	Registration No. E00176 (SQASI/NAV 10/0098) Serial No. B04574	• Nil	-
EA MSC	SIRIM QAS International Sdn Bhd	Approval Date: 01.03.2010 Expiry Date: 28.02. 2011	Certificate of Conformity (in respect of wireless security device with brand name Lattice model WCPI (frequency 2.4 GHz))	Registration No. E00176 (SQASI/NAV 10/0097) Serial No. B04575	• Nil	-

6. BUSINESS OVERVIEW (CONT'D)

6.13 Brand Names, Patents, Trade Marks, Technical Assistance Agreements, Franchises and Other Intellectual Property Rights

Save as disclosed below, as at the LPD, we do not have any other brand names, patents, trade marks, technical assistance agreements, franchises and other intellectual property rights for our business operations:-

Company	Trade Mark/ Patents	Class	Application Number
EA MSC		09	09019459
	<ul style="list-style-type: none"> ▪ A method for extending the battery life for an active RTLS using tag ▪ A method for self calibration of a RTLS^{*1} 		<p>PI 20094667</p> <p>PI 20094666</p>

Note:-

^{*1} Presently, RTLS tags are tracked using radio frequency, of which its tracking accuracy may be affected by environmental elements such as humidity, temperature and the weather. This self-calibration method patented by EA MSC will enable an RTLS tag to measure its position (self calibration) by measuring and processing its relative distances from several location beacons, thereby providing a more accurate reading

We had, on 5 November 2009, submitted the respective applications to register the above trade mark and patents in Malaysia to the Registrar of Trade Marks, Intellectual Property Corporation of Malaysia (Perbadanan Harta Intelek Malaysia).

6.14 Dependency on Patents, Licences, Industrial, Commercial or Financial Contracts or Arrangements

Save for the licenses as disclosed in Sections 6.12 and 6.13 of this Prospectus and as disclosed below, we are not highly dependent on any other patents, licenses, industrial, commercial or financial contracts or arrangements that could materially affect our business or profitability:-

A Reseller Partner Agreement (Platinum) dated 1 January 2010 made between EASS as partner and ReadSoft, whereby ReadSoft granted EASS a non-exclusive and non-transferable right to distribute and sublicense various software known as INVOICES COCKPIT SUITE (FOR SAP®), PROCESS DIRECTOR (FOR SAP®) and INVOICES ("Software") to end users within Malaysia for a period of two (2) years commencing from 1 January 2010 and thereafter automatically extended for periods of one (1) year unless earlier terminated by the parties, subject to the terms and conditions as stated in the Agreement.

With the signing of this Agreement, our cooperation with ReadSoft is elevated to the status of Platinum Partner, which is the highest level of commitment. As a Platinum Partner, EASS is able to sell and install ReadSoft products and/ or solutions and supply first (1st) level support to customers. EASS will also be provided with sales and technical training and certification for the products and solutions to successfully sell, configure, install and document, provide training and support to end-users.

Our dependency on the Agreement above is mitigated as our business also includes other segments such as other software solutions, RFID products and ICT services.

6. BUSINESS OVERVIEW (CONT'D)**6.15 Interruptions in Business for the Past 12 Months**

We have not experienced any business interruption in the form of trade disputes or major operational breakdown occurring within and/ or outside our Group that may have a significant effect on our operations during the 12 months preceding the date of this Prospectus.

6.16 Major Customers

Our major customers (i.e. those individually contributing 10% or more of our revenue for each of the past three (3) FPE/ FYE 31 December 2009) are as follows:-

FPE 31 December 2007

Customers	Segment of Products/ Services Provided	Country of Origin	Turnover RM'000	Percentage of Turnover %
IBM	ICT consultancy	Malaysia	1,588	36.3
iPerintis Sdn Bhd	Systems and infrastructure integration	Malaysia	898	20.5
SAS Institute Sdn Bhd	Business Intelligence and Data warehousing	Malaysia	595	13.6

FYE 31 December 2008

Customers	Segment of Products/ Services Provided	Country of Origin	Turnover RM'000	Percentage of Turnover %
Bank Simpanan Nasional	Systems and infrastructure integration and Business Intelligence and Data warehousing	Malaysia	4,044	48.8
IBM	ICT consultancy	Malaysia	1,786	21.5

FYE 31 December 2009

Customers	Segment of Products/ Services Provided	Country of Origin	Turnover RM'000	Percentage of Turnover %
Bandar Utama City Sdn Bhd	Systems integration for RFID and access control systems	Malaysia	6,109	44.0
Bank Simpanan Nasional	Systems integration	Malaysia	1,669	12.0
SAS Institute Sdn Bhd	Business Intelligence and Data warehousing	Malaysia	1,618	11.7

6. BUSINESS OVERVIEW (CONT'D)

As at the LPD, the length of relationship of our major customers with our Group are as follows:-

No.	Major Customers	Length of relationship
1.	IBM	More than three (3) years
2.	iPerintis Sdn Bhd	More than two (2) years
3.	SAS Institute Sdn Bhd	More than three (3) years
4.	Bank Simpanan Nasional	More than one (1) year
5.	Bandar Utama City Sdn Bhd	Less than one (1) year

Our Group is not dependent on any particular customer such as Bank Simpanan Nasional and Bandar Utama City Sdn Bhd and does not expect to be in the future as we plan to grow our customer base over the next three (3) years. Furthermore, a majority of our past years' revenues were derived from project-based revenues, which are non-recurring in nature and the contribution by major customers are dependent on the contract value of the projects. As we grow our RFID and biometrics business, we expect to generate more recurring revenues in the future.

6.17 Major Suppliers

Our major suppliers (i.e. those individually contributing 10% or more of our total purchases for each of the past three (3) FPE/ FYE 31 December 2009) are as follows:-

FPE 31 December 2007

Suppliers	Products/ Services Supplied	Country of Origin	Purchases RM'000	Percentage of Purchases %
First Solutions Sdn Bhd	Hardware, software and technical services for various projects	Malaysia	600	23.8
ECS Pericom Sdn Bhd	Hardware, software and technical services for various projects	Malaysia	520	20.6

FYE 31 December 2008

Suppliers	Products/ Services Supplied	Country of Origin	Purchases RM'000	Percentage of Purchases %
First Solutions Sdn Bhd	Hardware, software and technical services for various projects	Malaysia	3,056	48.0
IBM Malaysia Sdn Bhd	Hardware, software and technical services for various projects	Malaysia	750	11.8

6. BUSINESS OVERVIEW (CONT'D)**FYE 31 December 2009**

Suppliers	Products/ Services Supplied	Country of Origin	Purchases RM'000	Percentage of Purchases %
Changzhou Wujin Zhongtian Computerroom Equipment Co. Ltd	Hardware, software and technical services for the Bandar Utama City Sdn Bhd project	PRC	4,663	57.3
EPA Solutions Sdn Bhd	Implementation services and consultancy for a local financial institution's project	Malaysia	1,010	12.4

As at the LPD, the length of relationship of our major suppliers with our Group are as follows:-

No.	Major Suppliers	Length of relationship
1.	First Solutions Sdn Bhd	More than three (3) years
2.	ECS Pericomp Sdn Bhd	More than two (2) years
3.	IBM Malaysia Sdn Bhd	More than two (2) years
4.	Changzhou Wujin Zhongtian Computerroom Equipment Co. Ltd	Less than one (1) year
5.	EPA Solutions Sdn Bhd	Less than one (1) year

As our principal inputs for our Business Intelligence, system integration and software and services projects are built and designed based on open standards which support multiple platforms provided by any of the major suppliers in the industry, we are not dependent on any single supplier for our software solutions as we can switch platforms at any point of time.

We are also not dependent on any single manufacturer for the components of our RFID tags and access control systems, as the electronic components that we use are easily available in the market and are not proprietary to any single manufacturer. We source these products both locally and imported at the best prices available to us. Whenever possible, EA MSC will establish two (2) suppliers for each raw material.

Our Group is not dependent on any particular supplier such as First Solutions Sdn Bhd and Changzhou Wujin Zhongtian Computerroom Equipment Co. Ltd, and does not expect to be in the future as a majority of our past years' purchases were dependent on the projects undertaken, which are non-recurring in nature.

7. INDUSTRY OVERVIEW AND OUTLOOK

7.1 Overview and Outlook of the Malaysian Economy

The Malaysian economy registered a positive growth of 4.5% in the fourth (4th) quarter, amid strengthened domestic and external demand. Sustained growth in private consumption and increased public sector spending contributed to higher domestic demand. The implementation of the fiscal stimulus measures had gained further momentum during the quarter, providing an additional impetus to growth. Meanwhile, Malaysia's export performance benefited from improvements in external demand, particularly from the regional economies, and from stronger commodity prices. On the supply side, all economic sectors recorded positive growth, with the exception of the mining sector. For the year as a whole, the Malaysian economy contracted by 1.7%.

During the quarter, domestic demand increased by 3.0% following sustained growth in private consumption and higher public sector spending. Private consumption spending, which expanded by 1.7%, was supported by better conditions in the labour market, a low level of inflation and higher spending for the year-end festive season amid improved consumer sentiments. The public sector continued to provide impetus to growth, with public consumption expanding by 1.3% supported by the expenditure on emoluments and supplies and services. Following accelerated implementation of the stimulus measures during the quarter, public sector capital expenditure also increased further. The bulk of the development expenditure was channeled into the trade and industry, public utilities, education and transportation sectors. Although private capital spending remained weak, there were signs of stabilisation as business sentiment continued to improve. As a result, gross fixed capital formation turned around to register a positive growth of 8.2% during the quarter.

On the supply side, all economic sectors registered improved performance during the quarter. In the services sector, growth was higher at 5.1%, driven primarily by strong performance in the finance and insurance, wholesale and retail trade, and real estate and business services sub-sectors. The manufacturing sector recovered to record a positive growth of 5.3% during the quarter, reflecting improvements in both external and domestic demand. Meanwhile, the construction sector expanded further by 9.2%, supported mainly by the continued progress in the implementation of projects under the stimulus packages. Growth in the agriculture sector was driven mainly by higher production of industrial crops, while the mining sector contracted at a slower pace due to lower production of crude oil.

The financial sector remained resilient with strong capitalisation, improving non-performing loan ratio and ample liquidity. The banking, insurance and takaful sectors recorded improved profitability in the fourth quarter of 2009. This enabled the financial sector to continue to support financing activity and to provide the necessary financial services to the economy.

The recovery in the global economy had improved further in the fourth quarter of 2009. The advanced economies experienced a gradual pick-up in growth benefiting from the policy support, while the regional economies recorded a stronger recovery supported by favourable domestic demand and an increase in intra-regional trade. This positive trend is expected to continue in 2010, although the pace of the global recovery is expected to be gradual and uneven. The prospect for sustained global growth will depend importantly on the recovery in private sector demand, particularly when the effects of policy measures begin to diminish.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

The Malaysian economy has recovered from the global crisis and turned around to record a positive growth in the fourth quarter. Going forward, the improvement experienced in the second half of 2009 is expected to strengthen in 2010. Higher domestic demand, particularly private consumption spending, is expected given the stable labour market conditions, improved consumer and business confidence, and continued access to financing. Further improvements in external demand, following the gradual recovery in the global economy, is also expected to provide further impetus to the domestic economy.

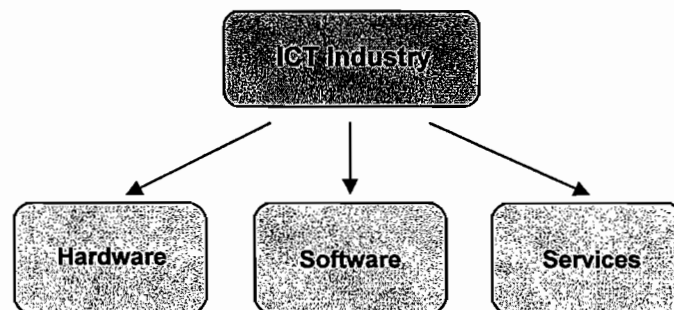
(Source: Bank Negara Malaysia Quarterly Bulletin – Fourth Quarter 2009)

After a challenging beginning to this year, Malaysia is now gradually moving on a path of recovery supported by strong macroeconomic fundamentals and a sound financial sector. Economic activity has continued to show a marked improvement in the third quarter, with positive growth expected in the fourth quarter. This improvement has been underpinned by a recovery in domestic demand, particularly in consumption, supported by better employment conditions, the accelerated implementation of fiscal measures, the accommodative monetary environment and the continued access to financing. In 2010, the Malaysian economy is expected to sustain the growth momentum, driven by domestic economic activity and reinforced by improvements of growth of our major trading partners.

(Source: Governor's Keynote Address at the Financial Industry Conference 2009, Mandarin Oriental, Kuala Lumpur, 17 November 2009)

7.2 Overview of the Structure of the ICT Industry

The ICT industry is a dynamic and constantly evolving industry, one which constantly improves and progressively upgrades itself. A broad classification of the various segments of the ICT industry is as depicted below:-



Players in the ICT industry can opt to focus one particular area of strength, or may choose to diversify into other areas to offer its clients a more comprehensive set of products and solutions. It is not uncommon to find strategic partnerships being formed constantly as the demands of the ICT industry's customers are inexhaustive and may prove to be beyond the capability of one single company.

The hardware segment consists of, amongst others, desktops, servers, storage hardware, as well as network infrastructure components which include wireless and mobile devices such as devices using RFID, WiFi and others.

The software segment consists of, amongst others, system software, application software, programming software, utility software and data management software.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

The services segment, as provided by IT professionals, consists of, amongst others, Business Intelligence and Data warehousing, CRM, supply chain management, ERP, storage and data management services, IT Service Management consulting, infrastructure and Systems integration services and others.

Based on the broad classification above, our Group is involved in all three (3) segments of the ICT Industry, where we offer total solutions to our customers.

In terms of positioning of the ICT industry in Malaysia, the general consensus are that ICT is a key catalyst for the emergence of a new economy, both as a sector and enabler for enhancing efficiency and productivity, according to the National Strategic ICT Roadmap for Malaysia.

7.3 Overview and Outlook of the ICT Industry in Malaysia

The National ICT Association of Malaysia ("PIKOM"), has released its annual analysis of ICT spending that it moderated for the previous year and projects an encouraging 8.0% overall growth for the industry in 2010. Overall for 2009, moderate growth in the industry was recorded but it is clear that all sectors involved showed curtailment in spending brought on by the recession.

Of particular note, spending on hardware, although slightly improved from 2008 recorded a negative growth of 5.0%. CJ Ang, president of PIKOM, said that this was not surprising as hardware is a major purchase decision and many consumers and businesses would hold off on upgrades or new equipment until better times. The outlook for this sector however, looks bright and PIKOM expects it to rebound into positive growth for 2010.

Describing PIKOM's 8.0% growth projection for the year as cautiously optimistic, Ang elaborated that three main factors had determined the projection:-

"Government action: The incentives and tax breaks provided by the government will accelerate growth. We are encouraged by government spending to drive demand and stimulate other sectors. Unutilised allocation from the 9th Malaysia Plan for ICT must be utilised by year's end. Furthermore, there are tax reliefs on broadband subscription as well as the 1.0% reduction of income tax for selected groups which means higher disposable income for purchases. The implementation of loans to civil servants for PC purchases every three (3) years instead of the previous five (5) years will also stimulate demand. There's also the provision of Netbooks for university students whereby up to 100,000 students will be provided with a Netbook and broadband connection for a mere RM50 a month for two (2) years. The government's strong focus on Islamic banking will further spur this sector and result in more implementation of ICT."

"New applications: Then, there's the expected growth in online and mobile applications and usage. This, coupled with the rollout of broadband and high speed broadband ("HSBB") and related services would rally the industry. Similarly the launching of new applications such as the implementation of the petrol subsidy system will require ICT to enable it. Also, preparation work for the introduction of GST will also require investments in ICT," he said.

Ang added, "Purchase cycle was the final factor. We have also not discounted natural consumer spending behaviour which will express itself as pent-up demand for ICT products, especially for hardware. This augurs well for the industry and translates into a more positive outlook for our industry."

(Source: "PIKOM: 8% Overall Growth in ICT Spending Estimated for 2010", PIKOM website at www.pikom.org.my, 15 January 2010)

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

PIKOM estimates the ICT industry to be growing from a RM40 billion industry in year 2007 to RM80 billion by year 2012.

(Source: ICT Sectoral Outlook, 11th Malaysian Strategic Outlook Conference by PIKOM, 15 January 2009)

Based on PIKOM's estimation, our management estimates the present size of the ICT sector in Malaysia to be approximately RM40 billion to RM45 billion.

(Source: Management)

The current global economic recession has struck all sectors of the Malaysian economy, and even the ICT sector has not been spared. Malaysia's ICT industry annual growth in 2009 has slowed to 5.0% as opposed to the original forecast of 7%. Based on the five (5)-year plan of PIKOM, our ICT sector should have attained a size of RM50 billion per year but sadly, as of today, we are nowhere near this now seemingly lofty goal.

Recently, Prime Minister Datuk Seri Najib Razak laid out the stark economic reality for Malaysians, that our country needs to develop a new economic model in order to survive the future. Malaysia must elevate its national income to a much higher level in order to spur domestic consumption.

To ensure future prosperity and growth, Malaysia clearly needs to innovate its way out of this recession and beyond. An innovation-based growth strategy that focuses on investments in R&D and technology creation offers the greatest potential for economic growth. The government has already laid its foundation towards attaining the K-economy (K for knowledge) with cross cooperation between the Ministry of Science, Technology and Innovation and other ministries, as well as strategic thrusts in the Ninth Malaysia Plan. However, more needs to be done to ensure timely execution and delivery of those strategies.

(Source: "The way forward for the ICT industry", The Edge Malaysia, 4 January 2010)

Asia Pacific remains the bright spot in the global marketplace due to the fact that businesses look towards leveraging IT to drive business process optimisation. Among the government's effort to boost domestic consumption saw the acceleration of the HSBB project under the first (1st) economic stimulus package. The HSBB project aims to boost domestic consumption by targeting 50% broadband penetration by 2010. This provides an immense opportunity for local ICT companies, and potentially opens up new market segments. Also, a Health Information System Connectathon, which aims to integrate the Health Information System of a number of public hospitals, is envisaged to transform Malaysia's healthcare system to be more effective and virtually integrated.

The following key areas have potential to succeed with appropriate government spending and support as set out as follows:-

- Software as a service
- Green IT
- Data centers
- Managed services
- Virtualisation and cloud computing

(Source: Ministry of Science, Technology and Innovation – Forum on Managing the Impact of the Economic Crisis on the ICT Industry, 12 March 2009)

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

The overview and outlook for the various major segments of the ICT industry that we operate in are set out as follows:-

7.3.1 Data Management and Business Intelligence Solutions

As more people are dependent on ICT and the internet to obtain their services, there is an increasing demand for quality data and information. Data quality is defined as data that is complete, timely, accurate, valid and consistent. On the other hand, data quality management entails the establishment and deployment of roles, responsibilities, policies and procedures concerning the acquisition, maintenance, dissemination and deposition of data. Unfortunately, many companies learn about the importance of data quality management the hard way. In the US, the government estimates that hundreds of billions of dollars are lost annually due to data quality problems.

(Source: Keynote and Welcome Speech by Deputy Minister of Science, Technology and Innovation, Malaysia, for "Data Quality Management: Your Biggest Asset" forum, 12 August 2009)

IBM Malaysia country manager for software group, Vincent Ler, said in an interview that in the Asia-Pacific, studies by IBM showed businesses frequently made critical decisions without the necessary information, with one (1) of three (3) decisions often made without relevant information. He pointed out that an efficient data collection system would enable corporates and small and medium-scale enterprises to make informed decisions that could improve their margins and put them on a stronger footing in local and overseas markets. Ler said organisations that had reliable data collection system would also have a significant headstart over their competitors in terms of revenue generation and cost savings amid the economic recovery.

Recent studies by IBM have shown that top-performing companies are 15 times more likely to apply business intelligence and analytics when making strategic decisions compared with their under-performing peers, according to Ler. Traditional business decision-making, Ler said, was being challenged by the growing volume of business data as there were simply too much data being collected from multiple sources and in multiple formats. In this regard, business intelligence and analytics would be an area that companies should strongly focus on to leverage their decision-making process, he said.

Epicor vice-president (sales) for Asia, Bryan Tan, said many decision-makers and information workers during the recent downturn felt the pain of insufficient, inaccurate or contradictory information as they tried hard to stay competitive and grow their businesses. "Today, we see growing demand from companies, including SMEs, for real-time collaboration throughout the organisation, and improved interaction across often globally distributed locations. "This has been cited as one of the top reasons for increasing business intelligence adoption in the Asia-Pacific ex-Japan, according to a report by International Data Corporation last year, as more business users are seeking better information and intelligence," Tan noted.

(Source: "Benefits of Efficient Data Collection System", The Star, 25 January 2010)

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

7.3.2 Automated Invoices Processing Solutions

Swedish data automation company, ReadSoft, has made Kuala Lumpur its regional headquarters to serve the Asian market. According to ReadSoft business development vice-president Vincent Ehrstrom, the regional market is ready for the company's solution that virtually sorts and delivers documents such as invoices, tax forms and loan applications. "Companies here have seen the need for data automation so we see the market as an area for growth," he said at the launch of ReadSoft's regional headquarters in Kuala Lumpur last week.

ReadSoft Asia managing director Tung Kam Kai said the data automation market in Asia may not be as mature as those in the US but it is fast catching up. He said the mature data automation market is worth about USD2.5 billion and grows at 16% a year. "The Asian market may be new but we believe it is growing about 10% every year," he added. The rapid adoption in Asia, Tung said, will be driven by the need for proper computer governance as Asian businesses expand globally.

The ReadSoft Data Automation solution is compatible with SAP databases, which Ehrstrom believes could be a market driver for ReadSoft in Malaysia. "It's a niche solution for SAP databases and there are up to 800 SAP clients that we can target in Malaysia," he said.

(Source: "ReadSoft Comes to Malaysia", The Star, 26 February 2008)

7.3.3 RFID Industry

The global market for RFID is big and growing. In its latest report, RFID forecasts, Players & Opportunities 2008-2018, independent analysis and research firm, the United Kingdom-based ID TechEx Ltd, forecasts that the global RFID market will be worth USD5.29 billion in 2008, up from USD4.93 billion in 2007. These figures include the value of RFID tags, readers, as well as software and services for RFID cards, labels, fobs and all other form factors. ID TechEx expects the global RFID market to grow to USD26.88 billion in 2017, including new markets that are being created, such as for real-time locating systems, itself expected to be worth over USD6 billion in 2017. RFID spending in East Asia was expected to be worth USD2.7 billion in 2007, of which the PRC will spend USD1.9 billion or 70% of East Asia spending.

Malaysian technology entrepreneurs haven't been sitting still. Many are involved in implementing RFID systems and solutions, while others are actively involved in research and development of RFID equipment and software.

The worldwide trend is to use RFID to track merchandise but this is still expensive but it helps reduce costs of tracking where books are in a library, as well as operational costs. RFID also enables the management of books to be automated by seeing which books are in high demand, those which have a high turnover rate, hence higher wear and tear and to plan their replacement cycle in advance. European libraries that invested in RFID systems have reported a good enough return on their investments to justify their adoption of RFID systems. RFID tagging in libraries began in the late 1990s or early 2000s and the initial high cost of tags was certainly a deterrent back then but now tags are much more affordable, with prices 70% lower than back then.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

Also prices of passive tags which typically cost RM15 each three (3) years ago now cost as low as RM2 each based on quality and volume or even below RM1 for high volume. RFID tags can also be used in personal tracking of prisoners, students or pilgrims going to Mecca. Besides tracking patients, healthcare applications could also use either passive or active tags to track the movement and whereabouts of a hospital's expensive portable medical testing devices which are shared among its medical staff. A hospital is also implementing RFID tracking of pharmaceuticals down to the box to prevent abuse and pilferage, while enabling better auditing and inventory keeping.

In safety applications, especially in factories, industrial plants or work sites, active tags could have panic button which users can press when in distress and summon assistance, such as when they feel themselves passing out due to inhalation of hazardous gases or other reasons. This has already been implemented in the oil and gas industry overseas and Malaysia will follow soon. RFID-enabled Identification cards can also be used for access control into restricted or hazardous areas in oil refineries and the system will sound an alarm if someone enters an unauthorised area. It can also trigger the alarm if a person has not moved for too long and summon assistance, which helps prevent fatalities. Some members of the RFID Society use active RFID tags to track the movement of products at various stages of the production process to identify the bottlenecks and assess the efficiency of the production line, so they can improve the production process.

Also related to manufacturing is the use of RFID in tracking the number of palettes loaded on lorries. Tracking of individual items on the palettes is generally not yet done in Malaysia due to cost, unless the customer, such as Wal Mart demands it. Tagging individual items would enable mass check out of supermarket items simply by pushing the trolley they're in past the RFID reader and paying for them, thus speeding up the check out process, instead of having to take them out of the trolley and put them on the counter for the clerk to check out, then put them back in the trolley again after paying for them.

However, such applications are still said to be not feasible in Malaysia yet due to the relatively low labour costs here. Overall the RFID Society of Malaysia sees huge potential for application of the technology in manufacturing, road tax, the national identity card, other identification and security cards, in secure car parking, ticketing and payment systems, as well as for tracking the movement of children in shopping malls. For example, Malaysia could potentially have evergreen road tax disks based on RFID tags, where one just has to pay the road tax and the counter staff would just update records of payment and its validity stored within. However, it may take between 10 to 15 years before this is viable, when prices of RFID readers are low enough for them to be issued to all inspection and enforcement personnel and it will also require re-writeable RFID tags. There is also a plan to set up an RFID special interest group within the Institution of Engineers Malaysia, so that engineers can promote the technology, its applications and to share knowledge.

(Source: "The Malaysian RFID Scenario", MyConvergence, Malaysian Communications and Multimedia Commission, July 2008)

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

7.4 Future Growth of the ICT Industry

The National Strategic ICT Roadmap has identified three (3) Technology Focus Areas (TFAs) that could advance Malaysia economically and technologically over the next ten (10) years and beyond, and could help fulfil the tenets of Vision 2020: (i) Wireless Sensor Networks, (ii) Predictive Analytics; and (iii) 3-Dimensional Internet.

To create a robust and sustainable ICT sector around the three (3) identified focus areas, Malaysia needs a complete ecosystem which would translate into actionable programs in the areas of education, R&D and commercialisation, infrastructure and industry development, as well as attracting investments.

The Malaysian government has been proactive in promoting and developing ICT as a sector and enabler through various key strategic policies, programmes and plans. Supporting government policies, strong economic fundamentals, strategic location and a conducive living environment provide an excellent platform for Malaysia to leap-frog to a knowledge-based economy.

Convergence of technology in the last decade has posed challenges in managing ICT, which is pervasive across the economy. In Malaysia, there are a number of agencies, both public and private that manage ICT. There is an ambitious plan to increase the number of ICT workers in the country, enhance the ICT skill level of the population and improve the ICT infrastructure. The general ICT infrastructure access and quality have improved over the last five (5) years. However, Malaysia still lags most developed countries and selected regional economies such as Singapore and South Korea. Malaysia also lags in the quality of ICT training, number of IT and skilled workers. This impedes Malaysia's innovative capacity and overall competitiveness.

(Source: National Strategic ICT Roadmap 2007, Ministry of Science, Technology and Innovation of Malaysia)

7.4.1 Drivers of Growth

The various segments that we operate in the ICT industry are fueled by various drivers of growth including, *inter alia*, the following:-

i. Continuing growth of demand

Some areas of growth for infrastructure integration services include virtualisation in storage systems, storage consolidation (from multiple storage systems), disaster recovery requirements and security requirements in businesses. We expect more projects to be awarded by the government or GLCs in 2010 and moving forward, as most projects which were put on hold in 2009 is expected to be reconsidered in view of the stabilisation in the economy.

In view of our Group servicing the financial services industry, the ICT spending of the Malaysian financial services industry increases with the number of monetary transactions that grow along with populations. The banking spending also soars with the volume of manual business processes transferred to ICT automation.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

However, there is limited local technology providers as many local firms are generally importers of software and systems developed overseas. Furthermore, a vast number of solutions, namely treasury systems and invoice automation are not usually provided by local solution providers as they may not possess the know-hows to implement certain solutions. In view of the above, we see that there is potential in this area with good prospects for our proposition to fill in the market gap and demand from the globalisation of the financial services industry.

Demand for Business Intelligence and data management solutions also increases as these solutions are aimed at providing improved insights into business operations, increased automation process and to support the decision making process, apart from the growing demand for more up to date quality information. To remain competitive, some corporate or financial institutions employ more sophisticated Business Intelligence and data management models to gain a better competitive advantage over others.

ii. Compliance with regulatory requirements

The financial services industry is a strictly regulated industry due to its nature of business and strategic importance. Compliance with these regulations is an on-going and costly exercise, whilst any non-compliance is even costlier. The increasing need for the solutions to adapt and comply with the changing regulatory landscape, especially in the wake of the recent economy crisis, will spur the growth of the ICT in the financial services industry. The area of regulatory compliance includes operation, monitoring and control in the following areas:-

- a) Capital Adequacy;
- b) Asset Liability Management;
- c) Credit Risk Management;
- d) Market Risk Management;
- e) Operational Risk Management; and
- f) Anti Money Laundering.

iii. Continuous support from the government for the ICT industry

Continuous support from the government will encourage growth in the ICT industry, whether directly, through government's initiatives in promoting the ICT industry, or indirectly through the increase in investments in other industries, which is expected to indirectly increase IT spending.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

For examples of direct initiatives, to date, there are 14 types of ICT grants that are available for the ICT sector towards financial ideation, prototype developments, commercialisation, market development, branding and exports. The recent Malaysia's 2010 budget also evidences the government's push towards an agenda of using innovation as a factor to spur a high-income economy in Malaysia, which will have an indirect impact on the ICT industry. Further allocation of the budget for certain industries, funding schemes for small and medium enterprises and the promotion of green technology, amongst other initiatives, is expected to have a spillover effect to the ICT industry.

(Source: PIKOM ICT Strategic Review 2009/10: Innovation, The Way Forward)

iv. Lower costs of production and implementation of RFID systems

In the past, RFID systems (devices and the integrated software to form systems) were not readily accepted by many users due to the high costs of implementation. As competitors and supply increases, costs of production for RFID systems have decreased to a level economically feasible for users to implement.

In Malaysia, RFID usage is still in its infancy. There are however a few success stories such as the Touch-n-Go system. With government agency grant schemes and R&D promotion, lower costs of production and implementation of RFID systems as well as higher public awareness of RFID applications, the RFID market is expected to experience significant growth.

Our management believes that our Group's core business, namely software solutions, RFID and access control systems and ICT services is expected grow positively in future.

For the FYE 31 December 2009, systems and infrastructure integration services was the main contributor to our Group's revenues. The services were mainly provided by EASS as a service to integrate customer's IT infrastructure and by EA MSC in the form of Systems integration services for its RFID products.

Notwithstanding the above, our management is expecting the contribution to our Group's revenue from software solutions and RFID and access control systems segment to increase moving forward given the increase in demand from the GLCs and financial institutions as well as continuous support from the government for the ICT industry. As the RFID industry in Malaysia is still in its infancy, our Group's growth in RFID and access control systems segment is expected to be mainly driven by the lower cost of production and implementation of RFID systems.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

7.4.2 Impediments to Growth

Nevertheless, obstacles exist for the smooth growth of the various segments that we operate in the ICT industry which includes, *inter alia*, the following:-

i. Lack of skilled ICT personnel

Malaysia currently faces a shortage of ICT graduates necessary to fuel the growth of its ICT industry. Annual enrolment for IT courses at Malaysian universities has dropped from over 50,000 to 20,000 students. This could be attributed to people's perception that the IT profession does not pay as well as other industries. To add insult to injury, our new IT graduates' skill sets do not match industry requirements. Consequently, there is a large skills gap between fresh graduates and experienced IT industry professionals.

Another core problem which will, unfortunately, derail Malaysia's plan to create a formidable knowledge-based workforce is our low English language proficiency. The common language of ICT is still predominantly English. While the general populace may be equipped with basic language skills, one study shows that up to 40% of students are deemed weak in English (just passed or failed) at the Malaysian Certificate of Education level.

(Source: "The way forward for the ICT industry", The Edge Malaysia, 4 January 2010)

ii. Economic downturn and reduced ICT spending

Capital investments in new equipment and software are likely to be affected. It is anticipated that organisations will seek to derive maximum value from their current investments.

One of the most obvious effects of an economic slowdown is a reduction in capital expenditure. The amount of project work can be expected to fall as organisations seek to manage their costs more tightly and minimise risk. Indeed, large scale equipment purchases and software implementations are likely to become less common over the next year. ICT firms are now assuming that they will experience slower, if not falling demand for their products and services. However, some products and services will still continue to flourish despite the economic slowdown.

(Source: Keynote and Welcome Speech by Minister of Science, Technology and Innovation, Malaysia, for the Forum on Managing the Impact of Economy Crisis on the ICT Industry, 12 March 2009)

iii. Slow adoption of technology

Malaysia is generally a slow-adopter of technology, especially if there is a lack of market leaders in terms of adoption or usage of new technologies. For example, automated invoice processing is a widely accepted industry practice in Europe whilst the US is not far behind in terms of adoption. However, the adoption of these solutions is still at infancy stage and at a slow rate in Malaysia.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

iv. Growing competition from abroad

Malaysia faces a new economic reality. Our cost advantage has been eroded by the emergence of new Southeast Asian economies such as Vietnam and Cambodia which are now attracting more foreign direct investment. Other economies in the region have carved their own niche in financial services, automotive sector and others.

(Source: "The way forward for the ICT industry", The Edge Malaysia, 4 January 2010)

v. Loss of intellectual property to competitors

ICT companies generally face a threat of loss of intellectual property rights to competitors or trademark infringements. However, the government is serious in combating piracy and protecting the intellectual rights of corporations and individuals. The setting up of Special Copyright Task Force as the enforcement arm to provide adequate copyright protection and enactment of related legislation are testimonies to this commitment. Malaysia is a member of the World Intellectual Property Organisation, Paris Convention, Berne Convention and signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights.

(Source: Outsourcing Malaysia's website www.outsourcingmalaysia.org.my accessed on 23 February 2010)

7.5 Industry Players and Competition

7.5.1 Industry Players

Our Group as a whole offers a diverse range of products and solutions, which is in line with our principal aim of being a one-stop ICT solutions provider. To the best knowledge of our Board, there are no direct competitors who have similar core businesses with our Group. Due to this reason, we are unable to rank ourselves against our direct competitors in the market in terms of revenue, profitability and other factors. As such, no market ranking is available for our Group within the ICT industry in Malaysia.

Based on the number of members of PIKOM, we estimate that there are more than 1,000 companies serving the ICT industry in Malaysia. However, our Group has competitors segregated by products or by solutions. Notwithstanding the above, our competitive advantage of having a wide variety of products and solutions under one roof enables us to meet our customer's needs comprehensively and completely.

To the best knowledge of our Board, the major industry players and competitors which provide similar products and services as our Group's are set out below, categorised by products/ services:-

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

**Major competitors for
automated invoice
processing solutions**
Product description

Kofax Malaysia Sdn Bhd

Kofax's e-Transactions processes all incoming invoices, whether electronically or on paper, through the Kofax Capture solution. Kofax e-invoicing solution streamlines invoice processing by automatically delivering process-ready data to ERP and invoice approval workflow systems

Matrix Binari Sdn Bhd

Captaris Inc's – Open Text document and data capture solutions enables customers to convert paper documents to digital content, and manage associated processes and integrate with Open Text's invoice management solutions that work with SAP and Oracle

SDB Imaging Pte Ltd

Top Image Systems' -eFlow integrates with any financial workflow and ERP systems such as SAP, Oracle and JD Edwards, eFLOW, captures and classifies information in paper or electronic formats

**Major competitors for
systems and
infrastructure integration
services**
Product description

Mesiniaga Berhad

Independent IT Solutions provider, Partners of IBM, Microsoft, Cisco, Symantec, Juniper, Trend Micro, and VMWARE

HeiTech Padu Berhad

Managed Data Center Services, Managed Network and Communication Services, System Integration Services and Solution and Consultancy Offerings

Teliti Computers Sdn Bhd

Supply of hardware (server), software, application and hardware maintenance, Professional services and software business, consultancy services for implementation of end-to-end SAP based applications and enterprise networks

Kompakar Inc Bhd

Healthcare, retail solutions and services, data centred managed services and business continuity services, ICT business solutions, integrated Human Resource Management System, ICT infrastructure and procurement and sourcing solutions

**Major competitors for
Business Intelligence
and Data warehousing
solutions**
Product description

eCodeus Consulting Sdn Bhd

Solution provider of end-to-end IT Solutions And Services for IT Application Development, Systems Integration and IT Outsourcing

SANDZ Solutions (M) Sdn Bhd

Business Intelligence solutions

SL Information System Sdn Bhd

Reporting, query, and analysis, dashboards and scorecarding solutions

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

Major competitors for banking applications	Product description
Temenos Group AG	Small to medium size of banking solutions
Consolsys Technologies Sdn Bhd	Banking automation solutions
Pilot Multimedia Sdn Bhd	Credit scoring and Data warehousing solutions
Major competitors for RFID and biometrics solutions	Product description
Ekahau Inc	RTLS
Elid Sdn Bhd	Access control system
PUC Founder Berhad (MSC)	Biometrics products

The competitors in particular for ICT consultancy services, which include IT Service Management solutions are large in numbers as most ICT providers are involved in one way or another due to the wide range of services provided by major ICT providers. Examples of competitors in this sector are HeiTech Padu Bhd and Teliti Computers Sdn Bhd, which are mentioned above.

7.5.2 Factors of Competition

Solution providers in the ICT industry in Malaysia face normal competitive conditions. As with most free enterprise environments within the ICT industry, we compete with our competitors based on a number of factors, including the following:-

i. Financial strength to compete and grow the business

Our PBT was RM3.68 million for the FYE 31 December 2009. Our profitability is expected to improve our financial strength and will enable us to compete against other ICT providers, as we are able to secure supplies of raw materials and components for our RFID-based products, hardware as well as to develop our IT software solutions. Our financial strength will also support our on-going operations and future expansion plans.

ii. Established track record

We have successfully completed and delivered all projects undertaken to date. The notable projects amongst them are undertaken for a leading local oil and gas company, local monetary authority, Islamic Takaful institution, GLCs and several local financial institutions.

iii. Technical/ Technological knowledge and industry know-how

Our Executive Directors possess a combined experience of more than 50 years in the industries in which our Group operates. In addition, they are also supported by other members of the management team who are also highly experienced in their respective fields of technology and industrial know-hows.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

iv. Ability to form joint ventures/ partnerships with principals

Our Group, via our subsidiary company, is now a Platinum Partner with ReadSoft. We have also established strong working relationships with other technological principals such as IBM, SAS and Microsoft.

v. After-sales support/ services/ IT support

The advantage of being a locally-based solutions provider is that our Group is able to respond quickly to our customer's request for changes, IT support and services. Our Group also has a very lean and tight structure, shedding unnecessary bureaucratic levels, so that our customers have easy access to the correct level of personnel to forward their requests/ problems without the hassle of going through red-tape and multiple procedures.

vi. Depth of product range

We have our own range of products, ranging from solutions designed for enterprise and large corporations to off-the-shelf products. This is in line with our vision of being a locally-based one-stop ICT solutions provider. Along with our collaboration with other technology principals, we are able to provide our customers with a comprehensive suite of solutions and software that will cater fully to their needs.

vii. Pricing

We are able to competitively price our products to suit the needs of the market in which we are operating in, whether domestic or overseas, as we are not required to abide by the rigid international pricing guidelines as faced by some of our overseas-based competitors.

7.5.3 Barriers to Entry

Despite it being a free enterprise environment within the ICT industry, new entrants into the ICT industry may face certain barriers to entry, including the following:-

i. Industry experience and expertise

Domain expertise, technical competence, relevant experience and a good track record is crucial to any company intending to secure any projects and sales in the ICT industry.

ii. Relationship driven industry

Good relationships with technology principals are built over time and these relationships are vital as the technology principals constantly communicate with end customers for projects and referrals.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

iii. R&D Activities

New entrants would need to invest in continuous R&D activities in order to keep up with the rapid-changing technology landscape. The cost of R&D activities may pose as a high barrier as there is no guarantee that all the investment in the R&D activities would be recouped.

iv. Knowledge Workers

The lack of qualified and experienced knowledge workers who are suitably qualified with the relevant required skill sets is a major barrier for new entrants into the ICT industry. The lack of supply has increased hiring costs and the resultant replacement costs in the industry.

7.6 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.

Recognising the importance of ICT to the development of an economy, the government had greatly promoted the ICT industry in Malaysia and had introduced various policies and incentives such as tax incentives, improving ICT infrastructure, setting up of R&D sites and benefits to attract technology experts, all in all to encourage the growth of the ICT industry. The following sets out some of the initiatives undertaken by the government:-

i. MSC Status

MSC was conceptualised in 1996 and with the full support of the government, MSC has since grown into a thriving and dynamic global ICT hub.

MSC's vision is to transform the nation into a knowledge based society driven by the new economy. With this commitment, MSC is determined to spearhead this transformation through ICT via industry and capacity building and socio economic development.

One of MSC's key efforts has been to provide the necessary facilities and technical skills for local and foreign businesses through its flagship applications and business services that it offers within MSC's capability development.

(Source: MSC website at www.mscomalaysia.my accessed on 23 February 2010)

ii. ICT industry in general

In the Ninth Malaysia Plan, among the key focus areas include enhancing Malaysia's position as a global ICT and multimedia hub, expanding the communications network to ensure more equitable access to information and services, intensifying efforts at bridging the digital divide, developing the existing cybercities as well as promoting new cybercentres and MSC multimedia applications, accelerating e-learning acculturation and enhancing information security.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

The Strategic ICT Roadmap for Malaysia had also identified three (3) focus areas which involves wireless sensor networks (ICT infrastructure), predictive analysis (ICT info-structure) and 3-Dimensional Internet (multimedia digital content).

The National Broadband Plan on the other hand brings benefits of high speed broadband services to spur Malaysia as a global communications and multimedia hub with digital cities sprouting all over the country powered by centrally planned wired mesh networks.

(Source: Ministry of Science, Technology and Innovation, National Wireless Communications Technology Roadmap 2008)

iii. RFID

RFID is identified as one of the eight (8) key service areas as focus for development under MyICMS 886, which is a strategy outlined for the development of information, communications and multimedia services in Malaysia for 2006-2010. MyICMS 886 has set a few targets to be achieved in the RFID industry, namely in the aspect of services, infrastructure and growth. Under the plan, Malaysian RFID chipset production and related services is expected to contribute to achieve 2% of the global market share by 2010.

(Source: Malaysian Communications and Multimedia Commission, RFID Conference 2007)

7.7 Demand and Supply Conditions

7.7.1 Demand

Generally, there will always be demand for ICT products and services as the ICT industry is a crucial enabler for other industries to perform their business functions and operations. The government had also identified innovation and creativity as a key factor in driving the economy to a high-income nation.

The demand for data management and Business Intelligence solutions, automated invoice processing solutions and RFID based solutions were set out in Sections 7.3.1 to 7.3.3 of this Prospectus.

In addition, local demand for automated invoices processing solutions is still at an infancy stage as local companies generally are not able to justify adopting such solutions unless their perception on the importance of automated invoices processing changes. At present, only the local GLCs are receptive of the ReadSoft technology.

Demand for ICT consultancy services which comprised IT Service Management, business process consultancy and system and infrastructure integration, amongst others, are expected to increase as companies seek to optimise the use of IT and maximise the deriving benefits associated with IT usage, be it fine-tuning the present systems, overhauling or upgrading to higher-end systems.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

7.7.2 Demand Dependencies

In addition to the drivers of growth as elaborated in Section 7.4 of this Prospectus, the demand for our ICT products and solutions are dependent, amongst others, on the following factors:-

i. Economic performance and the level of IT spending

The number of ICT projects awarded by the government, GLCs or other corporations, to a certain extent, are affected by the economic performance of Malaysia. As an economic recession strikes, they are more likely to reduce or hold off ICT spending until the economy stabilises or show signs of recovery.

ii. Performance of the underlying industries where ICT products and solutions are served

As one of our focus market is the financial services industry, we are dependent, to a certain extent, on the underlying performance of this industry. During the recent economic recession, the financial services industry has not been significantly impacted while on the contrary, more risk management solutions are demanded.

Our other focus markets on the government sector, GLCs and enterprise sectors spans a wide array of industries as our solutions cater to almost any business. Examples of industries served are the finance, utilities and building industry. The performance of these industries will vary across the board during a certain period of time and thus, we are able to achieve diversification.

7.7.3 Supply

Generally, the supply of ICT products and services in the market are consistent and easily available, albeit ever changing with technological advancements. ICT providers consists of technological principals such as IBM, Microsoft and SAS, large ICT companies or system integrators which possess various sub-contractors and therefore able to offer a large selection of solutions and services and ICT service providers which are mainly smaller setups that possess skilled resources. In addition, the availability of supply of ICT services also largely depends on the ICT providers' domain knowledge and industrial know-hows.

7.7.4 Supply Dependencies

The supply of our ICT products and solutions are dependent, amongst others, on the following factors:-

i. Skilled IT personnel

The shortage of qualified and experienced knowledge workers remains one of the challenges in the ICT industry. In addition, there also exists a gap between the requirements of the IT employers and the IT graduates as the latter may not have the industrial training necessary that meets those requirements. However, proper training, conducive working environments and competitive incentives and remuneration packages help to attract new IT personnel whilst maintaining the current workforce.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

ii. Supply of hardware and software from technological principals

We depend largely on the hardware and software supplied from technological principals such as IBM and Microsoft, for our solutions. However, we are able to switch platforms at any point of time as we adopt open standards such as Java technologies. Thus, the supply of these hardware and software for our solutions are not dependent on a single supplier and are easily available in the form of other suppliers offering similar hardware and software.

iii. Government promotion/ initiative

Alternative sources of financing are now available, with a growing role for government financing and economic stimulus packages. With the stimulus packages, Malaysia will continually be promoted and developed into a preferred high-value-added outsourcing hub in the region. Furthermore, grant schemes are available for ICT companies and are provided by government agencies in Malaysia such as the MDeC and Malaysia External Trade Development Corporation. We have taken advantage of the government's initiatives and have obtained a government agency grant for development of our RFID products.

7.8 Substitute Products/ Services

To the best knowledge of our Board, there are no direct substitute products for our RAINTag and RTLS products applied in location tracking. This is due to the various advantages of RFID namely, real time tracking, a longer range and non line of sight, whereas other products like barcode readers and scanners are not capable of. Meanwhile, our Lattice Series and LR1000 Series of RFID products applied in security and access control systems are customisable to combine the usage of smart cards and biometrics. These products may be substituted by other automatic identification and data collection ("AIDC") devices which are wired (as opposed to our product specialty, which is wireless). However, AIDC devices using barcodes are not a direct substitute for our products as the technology is not suitable for security applications.

Save for our RFID products, there are no direct substitute for our other products and services. This is because the products and services that we offer are not limited to the hardware/ software provided but also encompass the principles, practices, technical know-hows and support, all of which are proprietary to us. Substitutes can only be found in terms of products and services offered by different ICT companies, which will differ in terms of features, functionalities and support.

7.9 Vulnerability to and Reliance on Imports

Generally, the ICT Industry in Malaysia is reliant on imports for most of the supply of hardware and software components for its ICT products and solutions.

We are able to obtain most of the supply of hardware locally from most major technological principals such as IBM and Microsoft and are not confined to a single brand name. Our reliance on foreign reputable brand names for our hardware components arises as there are limited local companies that manufacture ICT hardware such as servers, storage systems, and others, which meet our customers' and/ or our requirements. However, our hardware components for our RFID systems are able to be sourced locally and imported at the best prices available to us.

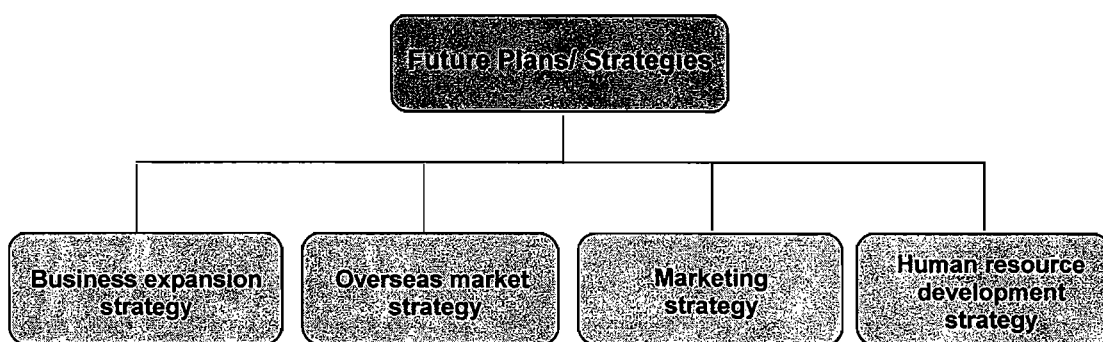
7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

We are reliant on the imports of software from local distributors. However, our reliance on software is mitigated as our value-add proposition is more dependent on the skills and expertise of our IT personnel rather than the software imported. As with the local hardware scene, the local software development scene also may not meet our customers' and/ or our requirements to be incorporated into our solutions.

In addition, we do not rely on foreign talents in our human capital resource as all our employees consist of Malaysian nationals as at the LPD.

7.10 Future Plans and Strategies

Our future plans and strategies encompass the four (4) areas as follows:-



	2010	2011	2012
Business expansion strategy			
i. Expansion of RFID product lines	✓	✓	✓
ii. Continuous enhancement of software solutions	✓	✓	✓
iii. Promotion of ReadSoft solutions	✓	✓	✓
Overseas market strategy	✓	✓	✓
Marketing strategy (OEM strategy)		✓	✓
Human resources development strategy	✓	✓	✓

7.10.1 Business Expansion Strategy

i. Expansion of RFID product lines

With our in-house expertise, we are well positioned to take advantage of developing RFID products with various applications that RFID is able to offer. Our immediate focus is to extend our RFID-based product lines to cover major key applications of the RFID technology, namely in supply chain management, asset tracking (real-time locating system), security and access control and inventory/ warehouse.

To achieve this goal, we intend to strengthen our R&D capabilities by expanding the R&D team and intensifying and enlarging our scope of R&D with a view to improve our existing products and developing new products and uses for RFID. Currently, our R&D team comprises 15 personnel and we intend to expand our R&D team to approximately 18 personnel by the end of year 2010.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

ii. Continuous Enhancement of Software Solutions

We believe that keeping our solutions up to date is essential to increasing our market share and to compete with other players within the Business Intelligence solution market. As such, we intend to continue developing our Business Intelligence solutions on an on-going basis by adding new features such as data mining and predictive forecast to our software.

For our banking application system, we intend to develop a comprehensive banking system with an option for Islamic banking, integrating middleware for our banking applications, as well as offering a unified front-end portal for customer-centric banking trends. We target to launch these new applications by phases in year 2010 and year 2011.

Our long term strategic plan encompasses completing our banking system which is currently being developed under R&D as elaborated in Section 6.10(c) of this Prospectus. We also intend to incorporate risk management, credit scoring, CRM and other analytical solutions into a unified front-end delivery banking portal in the future. With our core competencies in Business Intelligence in the financial services industry, we plan to venture into customer intelligence and operational intelligence for the retail industry, manufacturing industry as well as public sectors.

iii. Promotion of ReadSoft Solutions

As a solution partner of ReadSoft, we intend to aggressively market our invoice automation solutions to GLCs and other sizeable business entities within Malaysia that uses SAP ERP system in the short to mid term. We intend to achieve this goal by conducting product awareness campaigns that targets this group of potential customers.

At present, we pursue organisations using SAP ERP systems as most of the GLCs are using SAP ERP system, with minority using the Oracle ERP system. Presently, we are targeting on these major group of potential customers as we have the relevant experience in implementing ReadSoft Solutions based on the SAP ERP system. Furthermore, implementing ReadSoft Solutions based on the Oracle ERP system may require different expertise and training of our staff as the Oracle ERP system is different than the SAP ERP system. Going forward, we target to extend our expertise to cover the implementation of ReadSoft Solutions based on the Oracle ERP system.

7.10.2 Overseas Market Strategy

In the short to mid term, for our RFID and access control systems, we intend to recruit more resellers overseas in addition to our existing resellers, namely PT Saka Technology Indonesia in Indonesia and Scanplus Pro Technology Pte Ltd and Elid Technology International Pte Ltd in Singapore, to ensure that our products will be available in major countries. In addition, we intend to penetrate the international markets by collaborating and partnering with several large multi-national system integrators.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

In addition, our Group is planning to establish a presence in the overseas market by setting up regional and overseas offices, starting with the PRC, via our international marketing arm to be set up by year 2010. Our international marketing arm will be tasked with penetrating the PRC market and creating our market presence in various provinces/ cities of the PRC. This regional office will be staffed with Malaysians and locals in the PRC who are equipped with the necessary skills, expertise and knowledge to manage and expand our business interest in the PRC. Part of the IPO proceeds will be utilised to finance this endeavour, as mentioned in Section 3.11 of this Prospectus.

In the long term, we intend to establish ourselves as a ReadSoft solution partner, provide banking solutions, Business Intelligence and Data warehousing solutions for the ASEAN region, if not Asia Pacific region, via projects to be sourced from overseas customers. To achieve this, our Group will work with our technology partners like ReadSoft, SAS and Microsoft to scout for potential targets and expansion channels. The expansion for ReadSoft solutions would be gradual and we target to expand to Indonesia, before expanding our reach to other ASEAN region countries, via the collaboration with ReadSoft. We also plan to conduct road shows in targeted overseas market to promote Malaysian home-grown software solutions.

7.10.3 Marketing Strategy

In addition to the modes of marketing and distribution channel that we currently undertake in Section 6.11 of this Prospectus, we also intend to market our RFID products via the OEM strategy as we are able to leverage our products with our customer's branding. Going forward, we are targeting to supply to customers with our RFID products via the OEM strategy by the year 2011. Through the OEM strategy, we allow a proportion of our RFID products to be marketed and distributed under a reputable customer's brand name. We believe that our OEM strategy would allow us to further expand the reach of our products as we are also able to leverage on our OEM customer's marketing and business network.

Furthermore, we intend to expand our existing market strategy via collaboration with system integrators to integrate our RFID products by customising our RFID products to their requirements. Through this collaboration, different applications for our RFID products may be achieved.

7.10.4 Human Resource Development Strategy

We recognise the importance of human resource in our industry. As such, our on-going efforts includes building and developing competent skill sets in our area of expertise, namely in the implementation of ReadSoft solutions, Business Intelligence, banking solutions as well as technical skills related to RFID technology. As our operations grow, we also intend to build and develop a sufficient number of resources to support our operations as and when we require and depending on the supply of human resources available for hire.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

7.11 Prospects of Our Group

Our business of providing technology solutions encompasses a few areas, namely in, Business Intelligence and Data warehousing solutions, automated invoices processing solutions, systems and infrastructure integration services, ICT consultancy services and RFID and access control systems. While our focus remains on growing our traditional core ICT businesses of software solutions as well as the provision of ICT services, we are also nurturing our RFID business, of which we intend to grow into our third (3rd) growth driver. While our pipeline of projects remains healthy, we also believe that we will continue to enjoy growth over the next few years for the following reasons:-

i. Increased technology adoption among government-linked and private companies

Most corporations adopted their IT systems between the later part of 1990s and the beginning of 21st century. Today, most large corporations rely on their ERP software to make important business decisions.

There are two (2) key issues that our business model would be able to address in today's wired business world. First of all, many companies are at a crossroad on whether they should upgrade their IT infrastructure or to lose out to better-informed competitors. At the same time, many companies are wondering how to use their multi-million ICT infrastructure to improve productivity as well as to grow earnings.

By adopting our automated invoice processing solutions, companies may address their problem of not having access to their real-time financial information while our Business Intelligence and Data warehousing solutions will assist in the decision making process. For companies which intend to keep up with their competitors in technology, we stand to benefit from their decisions to upgrade their IT infrastructure.

ii. Investment by financial institutions in Southeast Asia to deploy banking applications

The current competitive environment in the financial industry is pushing financial institutions in ASEAN to tap the technology which can give them significant advantages over their competitors. Against this backdrop, banks, especially those from emerging markets, are investing in their next-generation ICT infrastructure and software solutions to gear themselves up to compete with better-capitalised competitors.

We believe that we are in a position to tap the growth in ICT investments of the financial services industry as financial institutions attempt to increase their competitive advantage.

7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

iii. Growth in IT Service Management consultancy segment

As companies in Malaysia continue to grow in size, its IT architecture becomes more complicated with the addition of new components or devices. Before long, these companies realise that their IT systems are now beyond the size that can be supported by a few staff.

With users spread across various parts of the country, and possibly overseas, today's corporations require a robust IT support system that could run without much efforts from the management. Our IT Service Management consultancy services offer a solution to address the concerns of these potential customers.

iv. Growth in RFID-based solutions

The application of RFID has been gaining momentum in various industries for the past few years with lower costs of production and implementation for RFID systems and higher awareness by the public of RFID applications. The commonly known passive RFID was widely used for security and access control, asset monitoring and payment system as a contact-less solution. The less-known active RFID is an even more powerful technology and has a different spectrum of applications such as real-time tracking system and long-range tags.

Having invested in RFID business since April 2008, we believe that we will have a first-mover advantage locally and are poised to ride the upcoming growth cycle of the RFID industry, with the additional support of the government via their initiatives in promoting RFID.

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8. SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL

8.1 Substantial Shareholders and Promoters

8.1.1 Shareholdings

As at the LPD, the direct and indirect shareholdings of our substantial shareholders and Promoters in our Company are set out below:-

Substantial Shareholders and Promoters	Nationality	After the Acquisitions		After the Public Issue		After the Offer for Sale							
		No. of Shares	%	No. of Shares	%	No. of Shares	%						
Mohammad Sobri Bin Saad	Malaysian	97,750,850	85.0	17,250,140 ¹	15.0	97,750,850	63.1	17,250,140 ¹	11.1	82,450,850	53.2	14,550,140 ¹	9.4
Norazian Binti Abdul Kudus	Malaysian	17,250,140	15.0	-	-	17,250,140	11.1	-	-	14,550,140	9.4	-	-

Notes:-

¹ Deemed interested under Section 134(12)(c) of the Act by virtue of his spouse's shareholding in EAH

² The shareholdings shown in the table above have included the pink form allocation under the Public Issue

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8. SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

8.1.2 Profiles

The profile of Mohammad Sobri Bin Saad is as set out in Section 8.2.2 of this Prospectus.

Norazian Binti Abdul Kudus, a Malaysian aged 44, obtained her Certificate for proficiency in Typewriting (Proficiency) from London Chamber of Commerce and Industry Examinations Board and certificate in English for Business Communications (Intermediate) from Pitman Examination Institute in 1986. She began her career in 1987 as an Administration Assistant in Fonco Engineering Corporation Sdn Bhd ("Fonco Engineering"). Subsequently, she was promoted to Administration Manager and later appointed as the company director of Fonco Engineering in 1994. She left Fonco Engineering in 2000 to commence her own business.

8.1.3 Changes in shareholdings

The changes in our substantial shareholders and Promoters in their shareholdings in our Company since incorporation up to the LPD are set out below:-

Substantial shareholders and Promoters	<-----As at 6 November 2009----->				<-----As at the LPD----->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mohammad Sobri Bin Saad	85	85.0	15 ^{*1}	15.0	97,750,850	85.0	17,250,140 ^{*1}	15.0
Norazian Binti Abdul Kudus	15	15.0	-	-	17,250,140	15.0	-	-

Note:-

*1 Deemed interested under Section 134(12)(c) of the Act by virtue of his spouse's shareholding in EAH

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8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)**8.2 Directors****8.2.1 Shareholdings**

As at the LPD, the direct and indirect shareholdings of our Directors in our Company are set out below:-

Directors	Designation	Nationality	As at LPD			After Public Issue			After Offer for Sale					
			Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares			
Mohammad Sobri Saad	Group Chairman/ Chief Executive Officer/ Executive Director	Malaysian	97,750,850	85.0	17,250,140 ¹	15.0	97,750,850	63.1	17,250,140 ¹	11.1	82,450,850	53.2	14,550,140 ¹	9.4
Tan Siow Hui	Executive Director	Malaysian	-	-	-	-	1,000,000	0.6	-	-	1,000,000	0.6	-	-
Basir Bachik	Executive Director	Malaysian	-	-	-	-	1,300,000	0.8	-	-	1,300,000	0.8	-	-
Ow Pung Hock	Independent Non-Executive Director	Malaysian	-	-	-	-	-	-	-	-	-	-	-	-
Azahar Rasul	Independent Non-Executive Director	Malaysian	-	-	-	-	300,000	0.2	-	-	300,000	0.2	-	-
Abdul Fattah Bin Mohamed Yatim	Independent Non-Executive Director	Malaysian	2	.3	-	-	300,010	0.2	-	-	300,010	0.2	-	-
Choo Choon Seng	Independent Non-Executive Director	Malaysian	-	-	-	-	300,000	0.2	-	-	300,000	0.2	-	-

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

Notes:-

- *1 Deemed interested under Section 134(12)(c) of the Act by virtue of his spouse's shareholding in EAH
- *2 10 ordinary shares in EAH
- *3 Negligible
- *4 The shareholdings shown in the table above have included the pink form allocation under the Public Issue

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8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

8.2.2 Profiles

The profiles of our Directors are set out below:-

Mohammad Sobri Bin Saad, a Malaysian aged 49, is our founder and was appointed as our Group Chairman/ Chief Executive Officer/ Executive Director on 6 November 2009. He is responsible for the entire operations, strategic planning and direction of our Group. He holds a Bachelor of Science (Hons) Degree in Mathematics and Computing from The Polytechnic of Wales, Pontypridd, Wales, United Kingdom. He started his career in various local corporations as well as MNCs such as Harrisons Malaysian Plantation Berhad, Bank Simpanan Nasional and ESSO Malaysia Berhad who were users of ICT technologies like IBM, SAP and Oracle. He started a new phase of career to become a supplier of ICT technology by working and consulting in Infotech Consultants Pte Ltd, Singapore, Platinum Technology Inc, an US-based software company, Teliti Computers Sdn Bhd, Swift Applications Sdn Bhd and EASS. His experiences encompassed the usage of advance ICT technology supplied by IBM, Computer Network Technology Corporation, LANdesk Software Inc, ReadSoft and his clients comprised of large corporations in the banking industries, oil and gas, and utilities companies in Malaysia and the ASEAN region. He is also the Director of EASS, EA MSC and CSS MSC.

Tan Siow Hui, a Malaysian aged 44, was appointed as our Executive Director on 6 November 2009. He is responsible for the operations and R&D development of EA MSC. He obtained his Bachelor of Engineering (Hons) Degree in Electrical and Computer Systems Engineering from Monash University, Australia in 1989 and has accumulated vast experiences in the area of hardware, firmware and software development for micro-controller, RFID-based device, system integrations and customisations. He started his career as a process engineer with Texas Instruments Malaysia Sdn Bhd before leaving to join Powermatic Sdn Bhd. He later joined Sierra Technology Sdn Bhd as its Managing Director. During his tenure in Sierra Technology Sdn Bhd, he was involved in the R&D, hardware, firmware, software development for in-house designed micro-controller controlled hardware, for example card access controller, RFID readers/ controllers, Systems integration and customisations and management of a R&D team. He is also the founder of EA MSC and is currently the Director of EA MSC.

Basir Bin Bachik, a Malaysian aged 51, was appointed as our Executive Director/ Chief Operating Officer for ICT Services on 22 February 2010. He is responsible for the operations of EASS. He holds a Bachelor of Science Degree in Computer Science from Edinburgh University, United Kingdom. He is also a certified PRINCE2[®] Practitioner. He has over 26 years of experience in the IT industry, serving both local and MNCs such as Malaysian Airline System Berhad, ESSO Malaysia Berhad, IBM Singapore Pte Ltd, SHELL Refining Company (Federation of Malaya) Berhad, IBM Malaysia Sdn Bhd, Petronas Group of companies and iPerintis Sdn Bhd. He has also consulted for various financial institutions in Malaysia including Bank Simpanan Nasional and Permodalan Nasional Berhad. He started as a systems programmer, moving on to IT systems management to become a consultant specialising in ITIL. He has also managed large IT infrastructure projects for a petrochemical complex and a government agency. He is currently managing an IT application project with a local bank. He is an accomplished system architect specialising in IT infrastructure.

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

Ow Pung Hock, a Malaysian aged 58, was appointed as our Independent Non-Executive Director on 22 February 2010. He holds a Bachelor of Science (Hons) Degree from Universiti Malaya in 1974. He has over 30 years of experience in IT consulting, having served as a Partner of PricewaterhouseCoopers' IT Consulting Division in Malaysia and a Partner in IBM Malaysia Sdn Bhd prior to his retirement in 2005.

Azahar Bin Rasul, a Malaysian aged 48, was appointed as our Independent Non-Executive Director on 22 February 2010. He holds a Bachelor of Science Degree in Business Administration from Central Michigan University in 1988 and a Master of Science Degree in Accounting from the University of New Haven, Connecticut, US in 1990. He has over 26 years of experience in the field of corporate accounting, finance, banking and administration. His last employment was with Land & General Berhad as its Senior Manager for Administration and Finance until 1995, when he left to set up his own petrol station dealership business.

Abdul Fattah Bin Mohamed Yatim, a Malaysian aged 54, was appointed as our Independent Non-Executive Director on 22 February 2010. He obtained a Bachelor of Science Degree in Electronic and Electrical Engineering from Loughborough University of Technology, United Kingdom in 1978. He practised engineering with the National Electricity Board (now known as Tenaga Nasional Berhad) where he specialised in engineering software development and simulation and long range transmission planning. He has served various companies in various management and consultant positions such as Esso Production Malaysia Incorporated, System Consultancy Services Sdn Bhd and since 2003 to present, he is the Project Director in Matrix Business Consulting Sdn Bhd, and also a Principal Consultant in Teknimuda Sdn Bhd, providing consulting on ICT Application Delivery, ICT Security, ICT Project Management, Change Management, Project Management and Business Continuity Planning to clients in the public and private sectors.

Choo Seng Choon, a Malaysian aged 36, was appointed as our Independent Non-Executive Director on 22 February 2010. He is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Member of the Malaysian Institute of Accountants, a Chartered Member of the Institute of Internal Auditors, Malaysia and a Certified Internal Auditor. He has over 15 years of professional experience that includes internal audits, risk management, investigations, business management consulting, business process re-engineering, corporate governance advisory, due diligence, financial projections and financial audits. He began his career as an external auditor with international accounting firm, KPMG Peat Marvick in 1994. He subsequently joined the Assurance and Advisory Division of Ernst & Young in 1997 and later transferred to the Risk and Business Solutions Division. Thereafter in 2003, he joined Audex Governance Sdn Bhd, a professional services firm that specialises in the provision of internal audit, risk management and management consulting services, where he served a wide range of multinational and public listed conglomerate clients operating in the Asia Pacific Region. He is currently the Chief Operating Officer of Audex Governance Sdn Bhd and he currently sits on the Research and Technical Advisory Committee of the Institute of Internal Auditors, Malaysia.

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

8.2.3 Principal Business Activities Performed Outside Our Group

Save as disclosed below, none of our Directors has/ had performed any principal business activities outside our Group or holds or held any directorships in any other companies at present and for the past five (5) years up to the LPD:-

Directors	Company	Designation	Date of Appointment	Date of Resignation
Mohammad Sobri Bin Saad	Izzinet Sdn Bhd ^{*1}	Director	24.07.2007	-
	Koperasi Anak Sains MARA Berhad ^{*1}	Director	12.09.2009	-
Tan Siow Hui	Sierra Technology (M) Sdn Bhd	Director	25.06.1993	15.12.2009
Ow Pung Hock	Resworx Sdn Bhd	Director	09.10.2007	-
Abdul Fattah Bin Mohamed Yatim	Matrix Business Consulting Sdn Bhd	Director	17.05.2004	31.07.2007
Choo Choon	Seng Audex Governance Sdn Bhd	Chief Operating Officer/ Director	01.10.2007/ 30.06.2008	-

Note:-

^{*1} *Mohammad Sobri Bin Saad does not hold any executive positions in these companies. Further details on his roles in these companies are set out in Section 8.5 of this Prospectus*

8.2.4 Directors' remuneration, fees and material benefits-in-kind

The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits of our Directors must be considered and recommended by the Remunerations Committee and subsequently, be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

The aggregate remuneration, fees and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Directors for their services rendered in all capacities for the FYE 31 December 2009 and FYE 31 December 2010 are set out below:-

Directors	-----Remuneration Band----->	
	FYE 31 December 2009 RM'000	Proposed for FYE 31 December 2010 RM'000
Mohammad Sobri Bin Saad	100 - 150	150 - 200
Tan Siow Hui	50 - 100	100 - 150
Basir Bin Bachik	-	100 - 150
Ow Pung Hock	-	0 - 50
Azahar Bin Rasul	-	0 - 50

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

Directors	-----Remuneration Band----->	
	FYE 31 December 2009 RM'000	Proposed for FYE 31 December 2010 RM'000
Abdul Fattah Bin Mohamed Yatim	-	0 - 50
Choo Seng Choon	-	0 - 50

8.3 Board Practice

8.3.1 Directorship

According to our Articles of Association, each Director shall retire from office at least once every three (3) years and one third (1/3) of our Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office at each AGM.

Our Director to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

A Director appointed by other Directors to fill in a casual vacancy or as an addition to the existing Board, shall hold office only until the next AGM of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

As at the LPD, the details of the date of expiration of the current term of office for each and every Director of our Company and the period for which our Directors have served in that office are as follows:-

Directors	Designation	Date of expiration of the current term of office	No. of years in office
Mohammad Sobri Bin Saad	Group Chairman/ Chief Executive Officer/ Executive Director	1st AGM	Less than one (1)
Tan Siow Hui	Executive Director	1st AGM	Less than one (1)
Basir Bin Bachik	Executive Director	1st AGM	Less than one (1)
Ow Pung Hock	Independent Non- Executive Director	1st AGM	Less than one (1)
Azahar Bin Rasul	Independent Non- Executive Director	1st AGM	Less than one (1)
Abdul Fattah Bin Mohamed Yatim	Independent Non- Executive Director	1st AGM	Less than one (1)
Choo Seng Choon	Independent Non- Executive Director	1st AGM	Less than one (1)

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

8.3.2 Audit Committee

The composition of our Audit Committee is set out below:-

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Choo Seng Choon	Member	Independent Non-Executive Director

The terms of reference of the Audit Committee, amongst others, include the following:-

- i. Recommends to our Board regarding the appointment of the external auditors;
- ii. Reviews the results and scope of the internal audit and other services provided by our external auditors;
- iii. Reviews and evaluates our internal audit and control functions; and
- iv. Assesses the financial risk and matters relating to related party transactions and conflict of interests.

The Audit Committee may obtain advice from independent parties and other professionals in discharging their duties.

8.3.3 Remuneration Committee

The composition of our Remuneration Committee is set out below:-

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Member	Independent Non-Executive Director

The terms of reference of the Remuneration Committee, amongst others, include the following:-

- i. Recommends to our Board regarding the remuneration of our Directors;
- ii. Assist our Board in assessing the responsibility and commitment undertaken by our Board members; and

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

- iii. Establish the performance criteria to evaluate the performance of our Directors and ensuring that the remuneration of our Directors are reflective of the responsibility and commitment of our Directors concerned.

The policy adopted by our Remuneration Committee is to provide the necessary package to attract, retain and motivate our Executive Directors of the quality required to manage our business and to align the interest of our Executive Directors with those of shareholders.

8.3.4 Nomination Committee

The composition of our Nomination Committee is set out below:-

Name	Designation	Directorship
Ow Pung Hock	Chairman	Independent Non-Executive Director
Azahar Bin Rasul	Member	Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Member	Independent Non-Executive Director

The terms of reference of the Nomination Committee, amongst others, include the following:-

- i. Reviews the structure, size and composition of our Board;
- ii. Reviews the nomination for the appointment or reappointment of our Board members;
- iii. Recommends Directors who are retiring by rotation to be put forward for re-election; and
- iv. Ensures that all Board appointees undergo an appropriate introduction and training programmes.

This requires a review of the mix of skills and experience, including core competencies and qualities that Non-Executive Directors should bring to our Board in order for our Board to function effectively. Our Board as a whole makes all decisions on appointments after considering the recommendations of our Nomination Committee.

8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)**8.4 Key Management and Technical Personnel****8.4.1 Shareholdings**

As at the LPD, the direct and indirect shareholdings of our key management and technical personnel in our Company are set out below:-

Name	Designation	Nationality	As at LPD		After Public Issue		After Offer for Sale							
			Direct No. of Shares	% Indirect	Direct No. of Shares	% Indirect	Direct No. of Shares	% Indirect						
Mohammad Sobri Saad	Group Chairman/ Chief Executive Officer/ Executive Director	Malaysian	97,750,850	85.0	17,250,140 ¹	15.0	97,750,850	63.1	17,250,140 ¹	11.1	82,450,850	53.2	14,550,140 ¹	9.4
Tan Siow Hui	Executive Director	Malaysian	-	-	-	-	1,000,000	0.6	-	-	1,000,000	0.6	-	-
Basir Bachik	Executive Director/ Chief Operating Officer (ICT Services)	Malaysian	-	-	-	-	1,300,000	0.8	-	-	1,300,000	0.8	-	-
Siah Shyang	Chief Operating Officer (Business Intelligence and Banking Solutions)	Malaysian	-	-	-	-	1,000,000	0.6	-	-	1,000,000	0.6	-	-
Eddy Lee Sin Ti	Chief Technology Officer (Business Intelligence and Banking Solutions)	Malaysian	-	-	-	-	300,000	0.2	-	-	300,000	0.2	-	-
Eugene Surendran Gopalan	Chief Technology Officer (RFID)	Malaysian	-	-	-	-	300,000	0.2	-	-	300,000	0.2	-	-

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8. SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (CONT'D)

Name	Designation	Nationality	As at LPD		After Public Issue		After Offer for Sale					
			Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares				
Tay Mun Kit	Manager of Accounts, Administration and Human Resource	Malaysian	-	-	800,000	0.5	-	-	800,000	0.5	-	-

Notes:-

¹ Deemed interested under Section 134(12)(c) of the Act by virtue of his spouse's shareholding in EAH

² The shareholdings shown in the table above have included the pink form allocation under the Public Issue

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