III. DETAILS OF THE PUBLIC ISSUE

1. INTRODUCTION

This Prospectus is dated 9 December 2003.

A copy of this Prospectus has been registered with the SC and lodged with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed the Company as a prescribed security. In consequence thereof, the Public Issue Share(s) issued through this Prospectus will be deposited directly with MCD and any dealings in these Public Issue Share(s) will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules of MCD.

The entire issued and paid-up share capital of 252,000,000 ordinary shares at RM0.10 per ordinary share of RIB will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants.

Pursuant to the Listing Requirements of KLSE for the MESDAQ Market, at least 25% but not more than 49% of the issued and paid-up share capital must be in the hands of public shareholders with a minimum number of 200 public shareholders upon completion of the Public Issue and at the point of Listing. In the event that the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with the Listing on the MESDAQ Market. In the event thereof, monies paid in respect of all applications will be returned without interest if the said permission is not granted.

In the case of an application by way of Application Form, an applicant must state his/her CDS account number in the space provided in the Application Form and he/she shall be deemed to have authorised MCD to disclose information pertaining to his/her CDS account to the issuing house/Company for the purpose of crediting the Public Issue Share(s), allotted to him/her to his/her CDS account. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Public Issue Share(s) by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus nor any Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company or the Group since the date hereof.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to apply for any Public Issue Share(s) in any jurisdiction in which such offer or invitation 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 the Public Issue Share(s) are subjected to Malaysian law and the Company and CIMB takes no responsibility for the distribution of this Prospectus and/or sale of the Public Issue Share(s) outside Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

If you are in any doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

2. DETAILS OF THE PUBLIC ISSUE

The Public Issue is subject to the terms and conditions of this Prospectus and upon acceptance of applications, the Public Issue Shares will be allocated in the following manner:

(i) 3,000,000 Public Issue Shares are available for application by Malaysian citizens, companies, societies, co-operatives and institutions; and

(ii) 28,080,000 Public Issue Shares are reserved for private placement to identified investors.

All the Public Issue Share(s) in respect of Section 2(i) above have been fully underwritten by the Underwriter. Details on the brokerage and underwriting commission relating to the Public Issue are set out in Section 8 of Part III of this Prospectus.

CIMB as Placement Agent, has entered into various placement agreements to place out the Public Issue Shares in respect of Section 2(ii) above.

3. SHARE CAPITAL AND RIGHTS ATTACHING TO THE PUBLIC ISSUE SHARE(S)

	RM
Authorised	
300,000,000 ordinary shares of RM0.10 each in RIB	30,000,000
Issued and fully paid-up share capital as at the date of this Prospectus	
136,920,000 ordinary shares of RM0.10 each in RIB	13,692,000
To be issued pursuant to the Public Issue	
31,080,000 ordinary shares of RM0.10 each in RIB	3,108,000
To be issued pursuant to the Bonus Issue II	
84,000,000 ordinary shares of RM0.10 each in RIB	8,400,000
Enlarged issued and fully paid-up share capital	25,200,000

The issue price of RM0.95 per Public Issue Share is payable in full upon application.

Class of shares and ranking

There is only one class of shares in the Company, namely ordinary shares of RM0.10 each. The Public Issue Share(s) shall rank pari passu in all respects with the existing ordinary shares of RM0.10 each in RIB, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

The shares to be issued pursuant to the Bonus Issue II shall rank pari passu with the existing ordinary shares of RM0.10 each in RIB in all respects except that they will not be entitled to any dividends, rights, allotments and/or other distributions the entitlement date of which is prior to the allotment of the Bonus Issue II Shares.

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

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.

4. OPENING AND CLOSING OF APPLICATION

Applications will be accepted from 10.00 am on 9 December 2003 and will close at 5.00 pm on 19 December 2003 or for such further period or periods as the Directors of the Company and the Underwriters may in their absolute discretion mutually decide. Should the closing date of the application be extended, the dates of the dispatch of notices of allotment, and the listing of and quotation for the entire enlarged issued and paid-up share capital of RIB on the MESDAQ Market will be extended accordingly. Any change to the closing date of the application will be advertised in a newspaper in Malaysia. Late applications will not be accepted.

Event	**Date**
Opening of application	9 December 2003
Closing of application	19 December 2003
Tentative balloting date	23 December 2003
Tentative date of dispatch of notices of allotment to successful applicants	5 January 2004
Tentative listing date	9 January 2004

5. PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:

(i) To obtain the listing of and quotation for the entire enlarged issued and paid-up share capital of RIB on the MESDAQ Market;

(ii) To provide RIB with access to the capital market to raise funds for future expansion and growth of the Group;

(iii) To enhance the stature of the Group in marketing its products and services, and to retain and attract new skilled employees; and

(iv) To increase the RIB Group's profile in Malaysia and in the international market that it is serving and intends to serve in the future and to facilitate better business for the RIB Group.

6. BASIS OF ARRIVING AT THE ISSUE PRICE

The issue price of RM0.95 per Public Issue Share was determined and agreed upon by the Company and CIMB, as Adviser, Underwriter, Placement Agent and Sponsor, after taking into consideration the following factors:

(i) the Group's operating and financial history and conditions;

(ii) the prospects of the telecommunications industry and of the Group as outlined in Part V of this Prospectus;

(iii) the prevailing market conditions; and

(iv) the proforma audited consolidated NTA per share of RM0.17 as at 30 June 2003.

Investors are to take note that the Bonus Issue II will be implemented prior to the official quotation of the entire enlarged issued and paid-up share capital of RIB on the MESDAQ Market. Based on the issue price of RM0.95 per Public Issue Share, the theoretical ex-bonus price will be RM0.63 per ordinary share.

Investors should also note that market price of the Public Issue Share(s), upon and subsequent to the listing on the MESDAQ Market are subject to the vagaries of market forces and other uncertainties which may affect the price of these shares. Investors should bear in mind the risk factors as set out in Section IV of this Prospectus and form their own views on the valuation of the Public Issue Share(s) before deciding on whether or not to invest in the Public Issue Share(s).

7. PROCEEDS FROM THE RIGHTS ISSUE AND PUBLIC ISSUE AND THE UTILISATION THEREOF

The total gross proceeds from the Rights Issue and the Public Issue amounting to RM35.626 million will be fully utilised by the Group for its core business in the following manner, by end February 2007:

	Note	RM 000
Replication of business model overseas	1	10,000
Marketing expansion of products locally and globally	2	10,000
R&D expenditure	3	10,000
Working capital		3,126
Estimated listing expenses	4	2,500
		35,626

Notes:

(1) This will be utilised by the Group to replicate its telecommunications service provisioning business model to other countries such as Bangladesh, Indonesia, Thailand, Philippines and Myanmar. The Group plans to leverage its ownership of products and technology to countries where the telecom industry is undergoing deregulation.

(2) RM10.0 million is earmarked for the Group to expand the market for the Group's products locally and globally.

(3) An allocated sum of RM10.0 million will be utilised by the RIB Group towards the R&D's effort to improve and diversify its existing range of products and services.

(4) The estimated listing expenses including brokerage, underwriting commission and placement fees relating to the Public Issue Shares will be borne by the Company. Out of the RM2.5 million estimated listing expenses, approximately RM650,000 is provided for professional fees for services rendered by advisers.

8. BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEES

Brokerage relating to the Public Issue Share(s) is payable by the Company at the rate of 1.0% of the issue price of RM0.95 per Public Issue Share in respect of successful applications which bear the stamps of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Underwriter as mentioned in the Corporate Directory of this Prospectus has agreed to underwrite 3,000,000 Public Issue Shares which are available for application by the Malaysian public. The underwriting commission is payable by the Company at the rate of 2.0% of the issue price of RM0.95 for each Public Issue Share being underwritten.

The Placement Agent has agreed to place 28,080,000 Public Issue Shares which are reserved for the identified investors. Placement fees shall be payable by the Company to the Placement Agent at an average rate of 1.5% of the issue price of RM0.95 for each Public Issue Share.

9. DETAILS OF UNDERWRITING AGREEMENT

An underwriting agreement was entered into between the Company and CIMB (the "Underwriter") on 17 November 2003 to underwrite 3,000,000 of the Public Issue Shares for an underwriting commission of 2.0% of the gross Public Issue proceeds (being the number of underwritten shares multiplied by the Issue Price).

The salient terms of the Underwriting Agreement are summarized as follows:-

(1) The obligations under the Underwriting Agreement are conditional upon :

a) the listing of and quotation for the Public Issue Shares on the MESDAQ Market of the KLSE having been approved in principle by the KLSE;

b) the Public Issue having been approved by the SC, on or prior to the Closing Date;

c) there not having been, on or prior to the Closing Date, any adverse or material change or any development reasonably likely to involve a prospective adverse or material change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue, nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representations or warranties contained in the Underwriting Agreement as though they had been given or made on such date;

d) the delivery to the SC and the ROC, of the Prospectus in its final form for registration and lodgement, respectively in accordance with the requirements of Section 42 of the SC Act and the Act, together with copies of all documents required by the aforesaid legislation;

e) the issue of the Prospectus in relation to the Public Issue no later than 3 months (or such other period as the parties may agree in writing) from the date of the Underwriting Agreement;

f) the issue, offering and subscription of the Public Issue Shares in accordance with the provisions of the Underwriting Agreement are not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including the SC and the KLSE);

g) all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect until the Closing Date; and

h) the delivery to the Underwriter prior to the date of registration of the Prospectus of:

(i) a copy of the certified as true copy by an authorised officer of the Company of all resolutions of the directors of the Company and the shareholders in general meeting approving the Prospectus, the Public Issue and authorising the issuance of the Prospectus; and

(ii) a certificate dated the date of the Prospectus signed by the authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 3.1(c).

(2) If any of the above conditions are not satisfied on or before the Closing Date, the Underwriter shall thereupon be entitled to terminate the Underwriting Agreement by notice given to the Company. In that event (except for the liability of the Company for the payment of the expenses as provided in Clause 8 and any rights and liabilities of the Company and/or the Underwriter under Clauses 4 or 5) the parties shall be released and discharged from their respective obligations under the Underwriting Agreement save and except for any antecedent breaches provided that any party may at its discretion waive compliance with any provision of this Clause and any condition so waived shall be deemed to have been satisfied in relation to it.

(3) If in the reasonable opinion of the Underwriter there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reasons of Force Majeure which would have the effect of making any material part of this Agreement incapable of performance in accordance with its terms, then the Underwriter may, after due and proper consultation with the Company, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares by giving written notice to the Company before 5:00 p.m. on the Closing Date. In this clause, "Force Majeure" means war, hostilities, riot, uprising, flood, fire, storm, epidemic, explosion, disease, earthquake, hijacking, sabotage and acts of God which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation.

IV. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE GROUP AS OUTLINED IN THIS PROSPECTUS, APPLICANTS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PREFORMANCE OF THE RIB GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS BEFORE APPLYING FOR THE PUBLIC ISSUE SHARE(S).

1. NO PRIOR MARKET FOR RIB SHARES

Prior to the Public Issue, there has been no public market for RIB shares. There can be no assurance that an active market for RIB shares will develop upon listing or, if it develops, that such a market can be sustained. The issue price of RM0.95 per Public Issue Share was determined after taking into consideration several factors which include, inter-alia, the Group's financial position and performance as well as the Group's future prospects and the prospects of the telecommunications industry in which the Group operates. The price at which RIB shares would trade on the MESDAQ Market after the Listing however, would be influenced by a number of factors which include, inter-alia, the liquidity of the market for RIB shares, general market conditions, the difference between the Company's actual financial results and those expected by the investors and analysts and perception of the investors of the Group and the industry in which the Group operates. There can be no assurance that the issue price will correspond to the price at which the RIB shares will trade on the MESDAQ Market either upon or subsequent to its listing.

2. OPERATIONAL/BUSINESS RISKS

The Group is principally involved in the provision of telecommunications services and solutions and office communication solutions. As such, the Group is subject to certain operational and business risk factors inherent in the telecommunications industry. The operational risks include, inter-alia, changes in conditions such as deterioration in prevailing market conditions, changes in labour, increase in labour cost and raw material costs and continued supply of electricity which is essential for the smooth operations of its telecommunications network(s). The business risks include, inter-alia, network disruption in respect of the provision of the telecommunications services and incompatibility of office communication products developed by the Group with the customers' existing office communications infrastructure. Although the Group seeks to mitigate these operational and business risks through, inter-alia, efficient cost control, maintaining a diversified range of customers and suppliers, having good relationships with the customers, suppliers and employees of the Group and having contractual agreements for projects undertaken, there can be no assurance that any change to these factors will not have a material adverse effect on the Group's business and financial performance.

3. COMPETITION

The Group is in a very competitive and rapidly changing telecommunications industry and its future success will depend on its ability to increase its market share in its markets. As the secondary telecommunications industry comprise a large number of participants, the Group competes with a number of well established companies which offer related services which include, inter-alia, Telekom Malaysia, Maxis and DiGi on their pricing strategies, technological advances, advertising campaigns, strategic partnerships and other initiatives. The increasing competition in this secondary telecommunications industry has had, and is expected to continue to have, a significant impact on the Group's business and financial performance. Competition is expected to increase with the emergence of new entrants into its markets. The Directors of the Company believe that the provision of telecommunications services complemented with the Group's innovative products such as the REDtone TECS and TeleCARE™ suite of products and services will provide the Group with a competitive edge and differentiate the Group from its competitors.

Although the Group seeks to mitigate these risks, there can be no assurance that the Group's competitors will not develop technologies and products that are more effective than those developed by the Group and that the Group will be able to maintain and/or expand its market share in its existing or potential, local and overseas operations and markets. The Group has a very clear strategy to replicate the business in developing or less regulated countries such as Bangladesh, Thailand, Indonesia, Philippines and Myanmar. The REDtone Call Shop and REDtone Payphone are expected to be the essential telecommunications services for those countries and as such, the Group is expected to have less dependency on the Malaysian market in the future.

4. BRAND AWARENESS/LOYALTY

The brand name of the Group such as "REDtone" plays an important role for the continued growth of the Group's business. The success of a brand name is dependent on the awareness, loyalty and goodwill associated with the brand name. Consumers would inadvertently favour a particular brand name due to its reliability even though there are only marginal savings. The Company seeks to mitigate this risk through, inter-alia, advertising and promotional activities to create brand awareness amongst the Malaysian and foreign public. The Directors of the Company plan to further intensify its marketing activities through advertisement and promotional activities. Although the Group seeks to mitigate these risk factors, there can be no assurance that there would be an increase in the awareness or loyalty by the consumers on the Group's brand name and that any changes to these risks will not have a material effect on the Group's business.

5. RAPID TECHNOLOGICAL CHANGES

The telecommunications industry is subject to rapid, ongoing technological changes. Wireless technology, satellite-based personal communications services, private and shared radio networks, internet telephony and other communications services which have the technical capability to handle telephone calls compete with the Group's business. The Group seeks to mitigate these risks through its existing sizeable in-house team of R&D engineers who develop the technology presently used by the Group in the provision of the telecommunications services and solutions and the office communication solutions. With the R&D team, the Group is able to act proactively to anticipate technological changes and pioneer technological innovations in its product roll-out. In addition, the Group's R&D team constantly keeps abreast with technologies and market changes and is continuously developing new and innovative products to suit the evolving needs of the customers. Although the Group seeks to mitigate these risks, there can be no assurance that the Group will be successful in responding in a timely and cost-effective way to these changes and developments and that any changes to the technology would not have a material effect on the Group's quality of services, business and financial performance. The Group will continuously be sensitive to and evaluate technologies that are suitable for its future business.

6. DEPENDENCE ON DIRECTORS AND KEY PERSONNEL

The technology industry is a growing and fast changing sector, and management and operation of the business requires the employment of highly skilled knowledge workers, whether in technology or non-technology related fields. The Directors of the Company recognise and believe that the Group's continuing success depends to a significant extent on the abilities and continuing efforts of its existing Managing and Executive Directors and key personnel. The labour market for skilled personnel in this field is highly competitive. The Directors of the Company recognise that the Group's success depends to a significant extent upon, amongst others, the Group's ability to attract new personnel and retain its existing skilled personnel. The Group seeks to mitigate this risk factor by offering its employees competitive salary/remuneration and benefits packages. There can be no assurance that the measures taken/to be taken will be successful and that any change in the Group's existing skilled personnel will not have a material effect on the Group's business and operations.

7. DEPENDENCE ON TELECOMMUNICATIONS NETWORK OPERATORS

As an alternative voice service provider, the Group is dependent on telecommunications network operators to provide inter-connectivity. Telekom Malaysia is the incumbent fixed line operator in Malaysia. The Group's telecommunications services, like those of other alternative voice service providers, depend to a large extent on interconnection with Telekom Malaysia's public switched telecommunications network ("PSTN") and the networks of other operators, such as Maxis and DiGi.

Any failure to this network that results in a major interruption in operations could have a material effect on its results of operations and financial condition. The Group mitigates this risk by having existing interconnection arrangements with multiple network operators. The Group intends to further secure interconnection arrangements with additional network operators. With the easy accessibility to a number of network operators and with the use of the Group's in-house Telco Switching Gateway developed by the in-house team of R&D engineers, calls made by customers will be automatically routed to the next available network if the first network which the calls are routed to is busy. Although the Group seeks to mitigate these risks, there can be no assurance that the network available from these operators would not be disrupted and that any change to this network operator system will not have a material effect on the Group's business and operations. There can be no assurance for the network operators to continue to provide existing and more capacity for the business.

8. ADVERSE CHANGES TO THE TERMS OF INTERCONNECTION AGREEMENTS OR FAILURE TO SECURE INTERCONNECTION AGREEMENTS

RIB currently has interconnection agreements with TT dotcom, Maxis and DiGi. The interconnection agreements provide for renewability and are subject to changes in the terms of the agreements on renewal. RIB will endeavour to seek and renew such agreements on terms favourable to RIB. There can be no assurance that any adverse changes to the terms of RIB's interconnection agreements with these network operators or failure to enter into or renew such agreements (for example, from failure to reach commercially acceptable terms) would not result in higher interconnection expenses. However, as the Group has emerged as a very significant ASP, the network operators may view this as a business opportunity to continue and further strengthen their working relationship with the Group. In addition, the telecommunications industry is moving towards a more liberalised regime where interconnection becomes common.

9. PROTECTION OF GROUP AND THIRD PARTY PROPRIETARY TECHNOLOGY/INTELLECTUAL PROPERTY RIGHTS

The Group's trademark is "REDtone" which the Group has, through its subsidiaries, asserted ownership, and has registered its trademark under Class 9 and Class 38 in Malaysia and Singapore and has applied to register its trademark under the same classes in Hong Kong, the USA and Canada. The Group has also applied to register its trademark under Class 9 and Class 38 in China but only Class 9 has been registered. As such, the Group's success will depend, to a large extent, on its ability to protect the Group's intellectual property rights, the registration of its trademark and its ability to carry on with its operations without infringing the property rights of third parties. To mitigate its risks, the Group has, through its subsidiaries entered into confidentiality agreements with its R&D engineers and attempts to limit access to and distribution of its proprietary information and the proprietary information of its customers. As part of the Group's future plans, the Group intends to expand its operations overseas. Although the Group seeks to mitigate these risks, there can be no assurance that the Group will be able to protect its trademark against unauthorised third party use which may have a material effect on the Group's reputation, business and financial performance.

10. DELAYS IN R&D

The Group is involved in a rapidly changing industry and its success is largely dependent on the speed of its ability to evolve and develop up-to-date products to remain competitive. The Group has set up its in-house R&D team to carry out research and develop the Group's products. The Group's R&D team comprises hardware specialists, software applications specialists, system integrators, communication experts and database specialists that are able to assist and support the Group in implementing its business plan to meet the demands of its customers. However, completion and successful implementation of R&D efforts may require a long lead-time. Although the Group seeks to mitigate this risk by effectively allocating its resources and focusing on servicing customers and prospects with better returns (in order not to exhaust the Group's resources or sacrifice quality of product development), there can be no assurance that there will not be any delays in the completion of its R&D efforts and that any delays in its R&D efforts will not have any material adverse effect on the Group's business and financial performance.

11. IMPACT OF R&D COST ON FUTURE FINANCIALS

R&D costs are a continuous expense for the Group in order for the Group to remain competitive and to keep abreast with the latest technology. Such R&D costs that do not meet the criteria of MASB 4 (Research & Development costs) will be expensed off during the period incurred. About 70% of the R&D costs for the Group relate to human resources expenses, thus, indicating that major R&D costs for the Group are knowledge-labour based. Since the financial year ended 2002, all R&D costs have been charged to the income statement. For prudence, R&D costs have been provided for in the profit forecast and projections for FY2004 to FY2007. RM4.6 million and RM5.4 million in R&D costs (of which approximately 70% relate to human resource expenses) have been taken-up in expenses in the profit forecast and projections for FY2004 and FY2005 respectively. Barring unforeseen circulstances, the R&D activities will not have any further material financial impact for the near future as the major R&D costs have been provided for in the profit forecast and projection statement.

12. DIFFICULTY IN INSTALLATION AND IMPLEMENTATION THAT COULD RESULT IN SLOWER PRODUCT SALES

Installation and implementation of REDtone TECS and TeleCARE™ products often involve a significant commitment of resources by the Group. The Group maintains an adequate service personnel team, technical support team and infrastructure to enable the Group to provide high quality service and support to their customers. The Group also maintains a R&D team to carry out research on and test constantly its products or applications and to rectify any problems encountered immediately. Although the Group seeks to mitigate the risk of delays or failure, there can be no assurance that these may not result in slower product sales.

13. LITIGATION RISKS

The Group's sales orders typically contain provisions designed to limit the Group's exposure to potential product liability claims. The Group has not experienced any material product liability claims. It is possible, however, that the provisions relating to limitation of liability contained in the Group's sales orders may not be effective as a result of existing or future laws or unfavourable judicial decisions on such laws or the construction of such provisions. Furthermore, some of the Group's agreements with its customers may be governed by foreign laws, and there is no assurance that the provisions relating to limitation of liability as contained in the sales orders would be enforced under such foreign laws or in foreign jurisdictions.

14. NEW GEOGRAPHICAL MARKET/FOREIGN INVESTMENT RISKS

As part of the Group's future plans, the Group intends to expand its business internationally. The Group will be subject to additional risks when it operates in foreign countries which include, inter-alia, uncertainties in the foreign countries' local regulatory requirements, costs and risks in localising software solutions for foreign markets, fluctuations in currency exchange rates, imposition of control on currency exchange, uncertainties in operational issue and restrictions on the import and export of certain sensitive technologies, including data security and encryption technologies that the Group may use. Although the Group exercises prudence and conducts feasibility studies prior to making any decision in its penetration into a particular foreign country, there can be no assurance that such expansion of business would always be successful and profitable and that such expansion of business would not have a material adverse effect on the Group's business and financial performance.

15. FOREIGN EXCHANGE RISKS

The Group presently derives most of its revenue in RM and USD while its costs are mainly in RM, therefore it is not overly exposed to foreign exchange risk as the exchange rate of the USD is currently pegged at USD1.00 to RM3.80. However, as the Group purchases its wholesale voice traffic which is often quoted in USD (being the common industry practice and the Group's intention to expand its business internationally), it is and will be subjected to foreign exchange risk. The risk in a change in the exchange rate peg and the fluctuation of exchange rates is mitigated by a provision in the Group's agreements with the customers that allows the Group to revise its rates vis-a-vis the customers. There can be no assurance that there will not be any material adverse effect on the Group's financial performance if the exchange rate of the USD is revised.

16. SIGNIFICANT INFLUENCE BY EXISTING SHAREHOLDERS

Upon completion of the Issues, the substantial shareholders of the Company, namely Wei Chuan Beng, Peter Yeow Heng Ho, John Chee Yong Tung and Lee Eng Sia, will collectively hold approximately 41% of the enlarged issued and paid-up share capital of RIB. As a result, these shareholders of the Company, acting together, will pose significant influence over the Company, giving them the ability, amongst others, to influence the outcome of certain significant corporate transactions. Nonetheless, the Company has appointed 2 independent directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arms-length terms.

17. CHANGES IN MSC STATUS

RTC was granted MSC status on 17 November 1997 by MDC whilst RT was granted MSC status on 11 September 2002. Presently, all MSC status companies are granted financial and non-financial incentives. The MSC status granted to RTC and RT is subject to continuous fulfilment of certain criteria.

MDC, being the body responsible for monitoring all MSC designated companies, has the right to withdraw any company's MSC status at any time. Given the criteria to be complied, there can be no assurance that RTC nor RT will continue to retain its individual MSC status or that RTC nor RT will continue to enjoy or not experience delays in enjoying the MSC incentives outlined above, all of which would materially affect the Group's business, operating results and financial condition. Furthermore, there can be no assurance that the MSC incentives will not be changed or modified in any way in the future.

18. REGULATORY RISKS

The Group is operating in the telecommunications industry which is subject to supervision by the regulatory authorities that include the Communications and Multimedia Commission ("CMC"). The regulations set out by the authorities may be subject to change which may then affect certain operations of the Group.

RTC's ASP licence issued under the Malaysian Communications and Multimedia Act, 1998 ("CMA") which will expire on 31 March 2005 permits RTC to provide discounted calls with value-added services. The CMA provides that such licences may be renewed upon expiration subject to continued compliance with the terms of such licences. RTC expects to be able to continue to fulfil its licence and approval terms to the satisfaction of CMA.

Apart from the legislation and regulations governing the telecommunications industry in Malaysia, the business activities of the Group in Malaysia are not subject to any other specific legislation or regulations. However, there can be no assurance that future legislative or regulatory policy changes will not affect the operations of the Group, particularly, the change to the legislation governing the telecommunications industry which may affect the Group.

19. GLOBAL POLITICAL AND ECONOMIC UNCERTAINTIES

The Group's future growth and level of profitability are expected to be closely linked to the future economic conditions and development in Malaysia which, in turn, may be affected by political and economic uncertainties, including but not limited, to changes in inflation, interest rates, taxation methods and government regulations. No assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business and financial performance. Some of these uncertainties are caused by war, unrest and the outbreak of diseases. Despite the uncertainties stated above, the Directors of the Company will continue to focus on its core businesses while evaluating new business opportunities that arise which could potentially enhance shareholders' value.

20. UNCERTAINTY OF THE PROPOSED 5-YEAR BUSINESS DEVELOPMENT PLAN

The success of the Group's business development plan will be largely dependent upon market acceptance of its provision of alternative voice services complemented by its wide range of value-added products, as well as the Group's ability to successfully market its services and products and to further develop and commercialise further applications of its proprietary technology. In addition, the Group's proposed future plans and prospects will be dependent upon, amongst others, the Group's ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, establish satisfactory arrangements with sales representatives and marketing consultants, hire and retain skilled management as well as financial, technical, marketing and other personnel, successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality, inventory and service controls) and obtain adequate financing as and when needed. Due to rapid technological changes, shifts in market expectations as well as competitive pressures, there can be no assurance that the Group will successfully implement its business development plan or that unanticipated expenses or problems or technical difficulties will not occur.

21. 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 estimates and assumptions made by the Board of Directors of the Company, and although believed to be reasonable, 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, general economic and business conditions, competition, the impact of new laws and regulations affecting the Group and the industry, changes in interest rates and changes in foreign exchange rates. In light of these uncertainties, the inclusion of forward-looking statements in this Prospectus should not be regarded as a representation or warranty by the Company or its advisers that the plans and objectives of the Group will be achieved.

22. DELAY IN OR FAILURE OF THE LISTING

The Listing exercise is exposed to the risk that it may be delayed or fail should the following events occur:

(i) the Underwriter exercising its right pursuant to the Underwriting Agreement discharge itself from its obligation thereunder; or

(ii) the Company is unable to meet the public spread requirement, that is, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 200 public shareholders upon completion of the Public Issue and at the time of its admission to the MESDAQ Market.

Although the Directors of the Company will endeavour to ensure compliance by the Company of the various listing requirements, including inter-alia, the public spread requirement imposed by the KLSE for the successful Listing, no assurance can be given that the abovementioned events will not occur and cause a delay in or failure of the Listing.

V. INDUSTRY OVERVIEW AND PROSPECTS

1. THE GLOBAL ECONOMY

The world economic performance in the first half of 2003 took a dive on account of the war in Iraq and the outbreak of Severe Acute Respiratory Syndrome ("SARS"). With the end of the Iraq war and containment of SARS, global economic performance in the second half of 2003 is expected to improve supported by indications of an upturn in the major economies towards the end of the second quarter of 2003. The expected return of investor and consumer confidence, resulting from accommodative monetary policies and fiscal easing in major economies, will further boost demand.

The prevailing global current account imbalance has arisen out of the world's over-reliance on the USA, which since 1995 has been the only real engine of world economic growth. Even though world economic growth was lethargic, the financial markets were active in the first half of 2003. With prevailing low interest rates and high liquidity in the market, funds sought for equities in the hope for higher yields on the expectations that the global economy would recover towards the second half of 2003.

In a global economic environment weighed down by uncertainties and lackluster global demand, the concern in all international fronts continues to focus on the need to stimulate economic growth and maintain financial stability. At the same time, countries are increasingly looking towards regional and bilateral arrangements to spur trade and economic growth.

ASEAN economies are expected to perform reasonably well in 2003, despite the adverse external environment in the first half of 2003, the SARS outbreak and sporadic acts of militancy in the region. With higher agricultural prices boosting incomes in Southeast Asia, coupled with the wealth effects from the improved stock market performance, regional economies continue to be largely sustained by domestic demand, particularly private consumption and investment. The economic recovery in 2002, which carried over into the first quarter of 2003 but slowed down in the second quarter due to SARS, is expected to pick up again in the later half of 2003. The economic performance of the ASEAN economies for the rest of 2003 is expected to be more positive given improved prospects for a global and regional pick up.

(Source : Economic Report 2003/2004)

2. THE MALAYSIAN ECONOMY

After experiencing sluggish growth in 2001, the Malaysian economy rebounded strongly in 2002. Higher growth in 2002 bolstered optimism for a stronger economic performance in 2003 in anticipation of an improved world economic outlook. The prospect for a global economic recovery was, however, affected by recent geopolitical developments, in particular the war in Iraq, sporadic incidences of militancy and outbreak of the SARS. During the second quarter of 2003, consumer and business sentiments in regional economies were particularly affected by the anxiety of a probably prolonged and widespread SARS epidemic that curtailed transport and tourism-related activities besides trade and investment flows.

Against this adverse global environment and concerns of further weakening of the already sluggish global economy, the Government has put in place a package of broad-base pro-growth measures in May 2003. The Government's proactive stimulus package, apart from providing immediate relief for the SARS-affected sectors, was to address structural and organisational issues towards sustaining economic growth in the medium and longer term. The strategic measures introduced boosted confidence necessary to stimulate domestic consumption and investment. In addition, the short war in Iraq and the quick containment of SARS provided the much-needed relief for the economy to ride over the difficult times and remain on track to a firmer growth trajectory.

Malaysia's sound economic fundamentals and expansionary fiscal and accommodative monetary policies, supplemented by the Government's proactive stimulus package, have helped to sustain high growth in the real GDP. After expanding 4.5% in the first half of 2003 and with prospects of sustained growth in the second half of 2003, the economy is set to achieve its targeted growth of 4.5% in 2003, higher than the 4.1% in 2002.

The economy is expected to be driven by stronger domestic demand reinforced by a modest pick-up in external demand in the second half of 2003. Exports will continue to be buoyed by global economic recovery and the upturn in electronics, especially in information technology-related products and equipment. On the domestic front, consumer spending continues to pick up, on account of favourable commodity prices, positive wealth effect from better stock market performance as well as stimulus packages introduced in May 2003. All sectors registered positive growth with manufacturing and services driving the economy.

(Source: Economic Report 2003/2004)

3. GOVERNMENT INCENTIVES FOR THE ICT INDUSTRY

Malaysia has offered a 10 point Bill of Guarantees. A vital commitment given by the Government to MSC status companies is to provide a comprehensive and realistic framework of cyberlaws and intellectual property laws to facilitate and assist the development of a truly IT and multimedia environment.

MSC

The MSC was initiated by the Government to facilitate the implementation of the use of IT in the living and business environments, and was set to be the vehicle to leapfrog Malaysia into the information age and to spearhead the country's Vision 2020.

The MSC physically encompasses an area of 15 kilometres wide by 50 kilometres long, flanked by the Kuala Lumpur City Centre on its north, itself an intelligent precinct, down to its south to the site of the region's largest international airport, the Kuala Lumpur International Airport. Two of the world's smart cities are currently being developed in the MSC, Putrajaya and Cyberjaya. Putrajaya is set to become the high-tech intelligent government and administrative capital of Malaysia, where the concept of electronic government will be introduced while Cyberjaya, a world class intelligent city, is developed to become the role model for other IT and multimedia development zones in the country.

With the government providing a world class physical and information structure within the MSC, the private sector, especially world class multimedia companies, are encouraged to locate their operations in the MSC to undertake development and manufacturing as well as introducing high-value added IT services.

The 10 point Bill of Guarantees

(i) Provide competitive financial incentives including no income tax or an investment tax allowance for up to 10 years and no duties on the import of multimedia equipment;

(ii) Tender key MSC infrastructure contracts to leading companies willing to use MSC as their regional hub;

(iii) Allow freedom of sourcing capital globally for MSC infrastructure and freedom of borrowing funds;

(iv) Allow unrestricted employment of knowledge workers and unrestricted movement of these workers in and out of the country;

(v) Provide globally competitive telecom tariffs;

(vi) Provide a high-powered implementation agency to act as an effective one-stop super-shop such as the MDC;

(vii) Ensure freedom of ownership of companies;

(viii) Provide world-class physical and information infrastructure;

(ix) Ensure no censorship of internet; and

(x) The MSC will become a regional leader in intellectual property protection and cyberlaws.

(Source : MSC Status Certificate)

The Relevant Laws Enacted to Promote Development of E-Business Industry

In fulfilling the above-mentioned commitment, the Government has enacted the following laws:

(i) The Digital Signature Act, 1997;

(ii) The Copyright (Amendment) Act, 1997;

(iii) The Computer Crimes Act, 1997;

(iv) The Telemedicine Act, 1997;

(v) The Communications and Multimedia Act, 1998 ("CMA"); and

(vi) The Malaysian Communications and Multimedia Commission Act, 1998.

The 10 National Policy Objectives for the Communications and Multimedia Sector

The CMA is based on the basic principles of transparency and clarity, more competition and less regulation, flexibility, bias towards generic rules, regulatory forbearance, emphasis on process rather than content, administrative and sector transparency, and industry self-regulation. The CMA is also the declaration of the Government's 10 national policy objectives for the communications and multimedia sector, as enshrined in Section 3(2) of the CMA. They are as follows:

(i) to establish Malaysia as a major global center and hub for communication and multimedia information and content services;

(ii) to promote a civil society where information-based services will provide the basis of continuing enhancements to quality of work and life;

(iii) to grow and nurture local information resources and cultural representation that facilitate the national identity and global diversity;

(iv) to regulate for long-term benefit of the end user;

(v) to promote a high level of consumer confidence in service delivery from the industry;

(vi) to ensure an equitable provision of affordable services over ubiquitous national infrastructure;

(vii) to create a robust applications environment for end-users;

(viii) to facilitate the efficient allocation of resources such as skilled labour, capital, knowledge and national assets;

(ix) to promote the development of capabilities and skills within Malaysia's convergence industries; and

(x) to ensure information security and network reliability and integrity.

(Source : Section 3(2) of the CMA)

4. MALAYSIAN IT INDUSTRY

In cognisance of the role of a knowledge-based economy in promoting growth and productivity, the Government has implemented the Knowledge–based Economy Master Plan. The Master Plan, launched in September 2002, outlines seven strategic thrusts comprising recommendations to accelerate the shift towards the knowledge-based economy. In providing the infrastructural support for the development of a knowledge-based economy and ICT industries, the development of the MSC has covered further grounds. As at August 2003, 914 companies comprising 20% foreign companies have been awarded MSC status. Planned investment in the designated areas covering activities of IT services and software development has reached RM13 billion, an increase of 34% against the previous year, ie 2002. The MSC has since created 21,270 jobs, out of which 86% involves knowledge workers. Currently, 59 world-class companies operate in MSC as against 53 the year before. Reflecting improved demand in the technology sector, total sales generated from the MSC amounted to RM5.85 billion, of which 17% were from exports.

(Source: Economic Reports 2002/2003 and 2003/2004)

5. GROWTH OF THE INTERNET

The rapid growth of the internet is a product of interrelated growth of the following:

(i) penetration rate of personal computers, modems and mobile phones;

(ii) development of the world wide web which enables widely located computer networks to be interconnected;

(iii) development of user friendly navigational tools to surf the internet;

(iv) better quality and value-added content and application software;

(v) cheaper communication infrastructure that enables effective transmission of voice, video and data;

(vi) communication satellites that enable less developed countries to by-pass to a newer generation of communication infrastructure;

(vii) media convergence technology that enables cross-medium casting of information content to televisions, personal computers, mobile phones, fax machines and information kiosks;

(viii) e-business that adds value to the traditional "brick and mortar" business; and

(ix) worldwide deregulation in the telecommunications industry.

The internet has the following important value-added attributes that enable global knowledge-based economies to prosper:

(i) Community discovery

This enables millions of people world-wide to create their respective communications and share similar interests.

(ii) Enabling business to be conducted any time any place

Computer systems and internet access enable some businesses to be conducted any time any place at the consumer's preference.

(iii) Effective real time interactive and multimedia communication

Communication of complex ideas and messages can be made easy with presentations using voice, video and data. The recipients of information can reconfirm their understanding by participating in interactive two-way communication.

6. PROSPECTS

6.1 Global Economy

The global economic outlook continues to be affected by the geopolitical and economic uncertainties and the adverse impact of sharply rising oil prices on private sector consumption and investment. Underlying growth, however, remains positive, supported by fundamentals. While growth would likely remain positive, the magnitude of this growth would depend largely on the influences arising from the geopolitical tensions in the Middle East and the impact on consumers and businesses in the major industrial economies. The immediate adverse effect has been the rising oil prices since the second quarter of 2002 to a 12-month high of USD34.99 per barrel on 7 March 2003.

Given the greater uncertainties, global economic growth is expected to remain modest in 2003. Growth will be supported by a moderate expansion in the USA and Asian regional countries as growth prospects for Japan and the euro area remain difficult. Under these circumstances, it is projected that world growth will expand modestly by 3.1% as compared to 3% in 2002 while world trade will increase by 3.5% to 4.5% in 2003. Growth in the major industrial countries as a group is estimated at 1.8% as compared to 1.6% in 2002.

Activity in the USA is expected to be supported by the continued accommodative monetary policy, fiscal expansion, gains in productivity, low inflation, effect of inventory rebuilding and the upturn in the electronics cycle. Growth in the euro area should pick up slightly, due to inventory build-up and the lagged effect of monetary easing. In Japan, growth continues to be hampered by long-standing domestic structural problems, including price deflation and subdued consumer demand, excess capacity and the weak financial sector. In the UK, growth is expected to be sustained by government spending and private consumer spending, supported by the wealth effect from the property market.

Meanwhile, for the Asian regional economies, policy flexibility, stronger fundamentals, continued growth in domestic consumption, fiscal stimulus, recovery in investment, improvement in exports and strengthening intra-regional trade are expected to sustain growth.

(Source: Bank Negara Malaysia, Annual Report 2002)

6.2 Malaysian Economy

Prospects for 2001 – 2005

Malaysia is well placed to benefit from the new wave of growth based on the ICT revolution. The relatively developed infrastructure and the conductive environment put in place during the Seventh Malaysia Plan period for the development of ICT, particularly within the MSC, have formed the foundation for Malaysia to leverage on the growth opportunities provided by the ICT. During the Eighth Malaysia Plan period, focus will be given towards further strengthening the human resource capabilities, hard and soft infrastructure as well as the building of a critical mass of SMEs and Internet users to enable Malaysia to move rapidly towards becoming a developed national with a knowledge-based society. Towards this end, the strategic thrust for the development of ICT will include:

(i) positioning Malaysia as a major global ICT and multimedia hub;

(ii) upgrading and expanding the communications infrastructure to increase accessibility throughout the country as a means of bridging the digital divide;

(iii) enhancing human resources development in ICT to increase the supply of highly skilled and knowledge manpower;

(iv) promoting e-commerce and enhancing its use to enable Malaysia to compete more effectively in the global market;

(v) fostering local capabilities in creative content development;

(vi) rolling out the MSC flagship applications to further provide the momentum for the development of the MSC;

(vii) nurturing a critical mass of ICT-based SMEs; and

(viii) promoting R&D activities on soft factors of ICT and Information Age developments that affect individual, organizations and societies.

Positioning Malaysia as a Global ICT and Multimedia Hub

Significant progress has already been made in fostering the development of ICT and multimedia. During the Eighth Malaysia Plan, concerted efforts will be made to further enhance the development of the sector and position Malaysia as a major global ICT and multimedia hub. Focus will be made towards achieving world-class performance, in terms of service availability, affordability and productivity. In this regard, companies will be encouraged to constantly benchmark against the highest performing countries in the region and globally. To facilitate Malaysian companies to compete globally, ICT will be used as a key enabler, especially in critical sectors such as banking and finance, logistics, manufacturing and key services. The competitive and advanced ICT infrastructure in the MSC will also catalyze the growth of high value enterprises in the biotechnology, bio-informatics and design sectors.

As part of the effort to move towards world-class performance, the Government will implement a new policy framework for the ICT and multimedia sector that is based on rapid transition to full competition. The pro-competition framework will be the main driver of performance in terms of infrastructure roll-out, service quality and innovation, and competitive pricing. Initial steps have already been made towards creating this competitive framework with the enactment of the Communications and Multimedia Act, 1998, which strongly endorses competition as a mean of achieving high performance.

Among the additional measures that will be undertaken to ease market entry to create a competitive environment will be the implementation of a clear, simple and practical licensing regime and minimising licensing requirements for new services such as ISP and Voice over Internet Protocol. To ensure fair competition, the Government will undertake to remove user tariff controls, open up key bottleneck infrastructure elements such as local loop and transmission towers, and enforce fair interconnect rates and practices. To ensure Malaysia's continued competitiveness in the ICT industry, a research center will be established, which will conduct studies, keep continuous tabs on the dynamics of the global ICT industry, assist the industry in the benchmarking and also provide advice to the Government on policy planning in the ICT industry. The Government will also seek a leadership position for Malaysia in international forum to further the global hub agenda.

Upgrading and Expanding ICT Infrastructure

During the Eighth Malaysia Plan period, investments will be made to upgrade communication network in line with technological advancements. The capacity of the transmission backbone connection North, Central, East and South of Peninsular Malaysia and with Sabah and Sarawak will be upgraded to 10 Gbps using the Wavelength Division Multiplexing (WDM) technology. This will enable the transmission of high speed, broadband multimedia applications over long distances. For the Customer Access Network (CAN) or the local loop that connects residential and business customers to the local exchange, the current copper cables will be upgraded using the Asymmetric Digital Subscriber Line (ADSL) technology to support multimedia applications. Other initiatives that will be implemented during the Eighth Malaysia Plan period will be the introduction of the Network Management System in CAN to ensure better service availability and the launching of Telekom Malaysia Internet Service Exchange (EastGate) in Cyberjaya. There will also be a migration to third generation (3G) mobile communications technology, which will provide mobile Internet to consumers, thus further enhancing Internet-based services such as e-commerce. Apart from the provision of infrastructure, efforts will also be made towards providing broadband access on flat rate bandwidth-based charges that are affordable. Such a pricing mechanism will promote Internet usage and also uptake of Internet-based applications among the people.

ICT infrastructure will continue to be extended to the rural areas as part of the effort to narrow the digital divide between the urban and rural areas, and consequently, achieving a balanced development in the country. To ensure an equitable distribution and access to ICT, the Universal Service Provision Programme that is based on three basis principles of availability, accessibility and affordability will be implemented. Under this Programme, a Universal Service Provision Fund will be set up with contributions from telecommunications service providers. The Fund, which will be operational in 2001, will be used to subsidise the provision of telecommunications infrastructure in the rural areas. It is anticipated that this programme will increase the telephone penetration rate in the rural areas from 11.7 telephones over 100 population in 2000 to 17.5 telephones per 100 population in 2005.

(Source: Eighth Malaysia Plan 2001 –2005)

6.3 The RIB Group

Recognising the pioneering indigenous R&D effort in computer-telephony, a subsidiary of the Group, RTC, was the first MSC status company in Malaysia to be awarded the development grant of RM3.2 million in respect of the period of 1998 to 2000, for the development of REDtone TECS, from MDC under the MGS. In addition, RTC has received another award of the same R&D grant worth RM3.5 million for the development of a new generation of distributed TECS in respect of the period of 2001 to 2003.

For the last 5 years in operations, the Group's revenue has grown from RM2.5 million for financial year ended 28 February 1999 to RM32.1 million for financial year ended 28 February 2003. The profit track record demonstrates the Group's ability to innovate and deliver value-added solutions to the market. The Group believes it can keep abreast of the technology developments and deliver innovative value-added solutions.

As the Group masters the technology, it continues to innovate and deliver additional value-added services that will help to diversify and enhance the Group's revenue, which will ensure the Group's profitability. The Group harnesses the power of innovation and management talent and rides on the timing of market conditions and needs to build a strong business foundation. The Group is well poised for future growth by geographical replication of telephony services and geographical expansion of products distribution.

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