
VI. INFORMATION ON THE RIB GROUP

I. HISTORY AND BACKGROUND

RIB was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 22 October 2002 under the name of REDtone International Sdn Bhd. It was subsequently converted into a public limited company and assumed its present name on 3 January 2003.

RIB is principally an investment holding company and its activities include the provision of management services. The principal activities of its subsidiaries are set out below:

Subsidiaries	Principal activities
RTC	Research, development, manufacturing and marketing of computer-telephony integration products, provisioning of communication services and investment holding
RT	Provider of total solutions in business communication and telecommunication services provisioning
RMSB	Research and development, manufacturing and marketing of telecommunication and multimedia solutions
RN	Research and development and marketing of communication application such as payphone

Subsidiary of RTC

VMSTL	Provider of computer telephony systems and services
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Subsidiary of RT

RSB	Research, development, manufacturing and marketing of technology-based products
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On 17 November 1997, RTC was accorded the MSC status by MDC, the governing body of the MSC, becoming one of the pioneer companies to be accorded the MSC status. The MSC status enables RTC to enjoy a series of incentives, including, inter-alia, corporate tax exemption, freedom of sourcing capital globally and freedom of borrowing funds and flexible movement of skilled IT professionals from its overseas offices. RTC is now principally involved in research, development, manufacturing and marketing of computer-telephony integration products, provisioning of communication services and investment holding. RTC has successfully researched and developed award-winning computer-telephony products, most notably, TeleCARE™ range of products. This was in line with the Government's initiatives in the formation of the MSC, namely, to promote local R&D and the push to export local software products overseas.

RT is mainly involved in providing total solutions in business communication and telecommunications services provisioning and was accorded the MSC status by the MDC on 11 September 2002.

The RIB Group is the leading alternative voice service provider in Malaysia in terms of market share in year 2002 (*Source: IDC Report*).

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The following is extracted from the IDC Report:

“The following figure shows the leadership Grid of the top 5 alternative service providers (non-telcos) in the market. The alternative voice service providers have been plotted according to performance and market positioning.

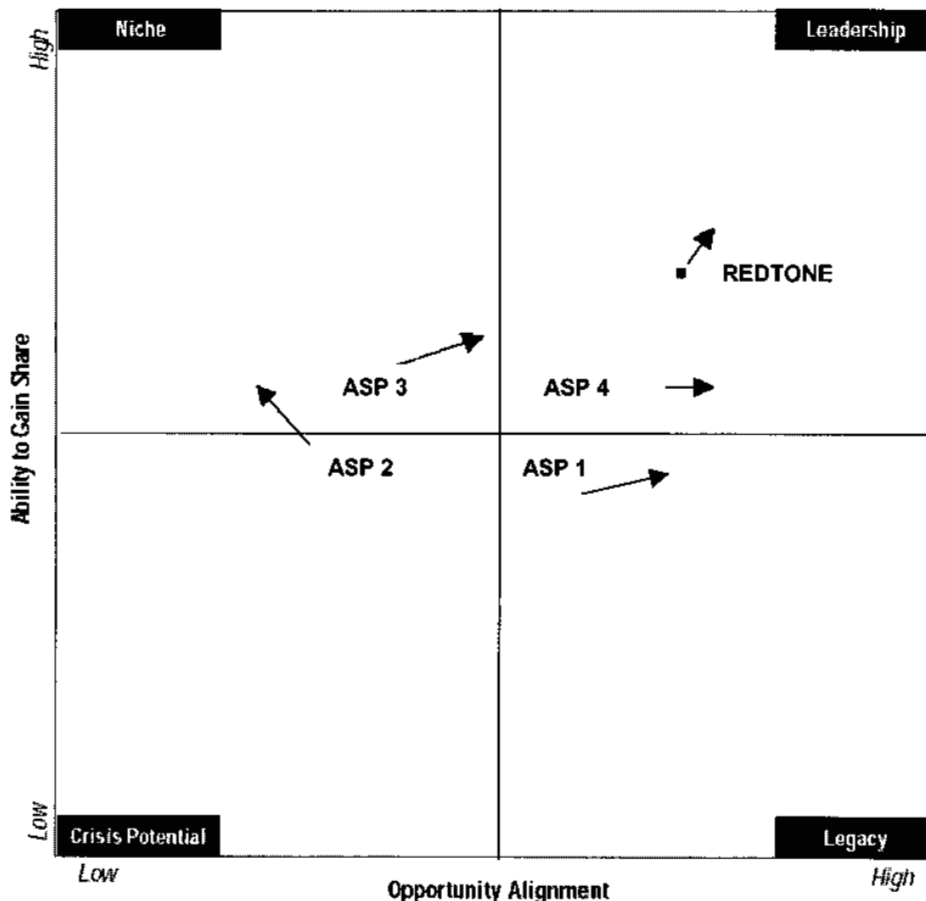
The criteria used to position these players along the opportunity alignment are:

- Ability to set industry standards
- Current market share
- Potential for market dominance
- Potential for product place or show
- Breadth of products and services

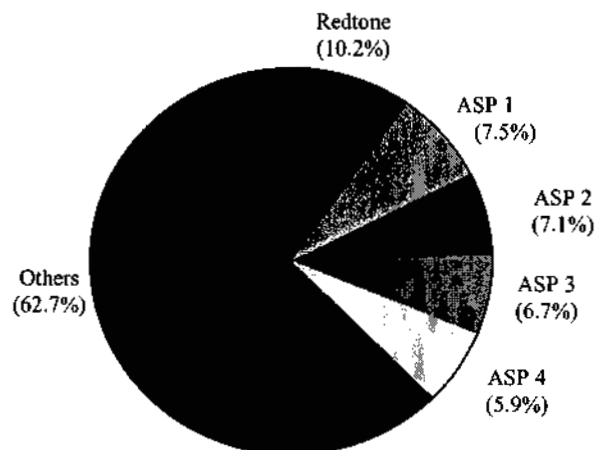
Along the ability to gain share alignment, the criteria used to judge the players are:

- Brand name
- Financial strengths
- Ability to partner
- Operating expenditure efficiency
- Ability to expand to different market segments

This is a snapshot view of the competitive landscape of the market and shows the competitive positioning at this point in time. The leadership grid shows that REDtone has demonstrated the ability to stay at forefront of the market with its innovative products which attempts to capture all market segments. Its capability of developing value-added services for its users are another plus point which shows their commitment in differentiating themselves from their customers. REDtone has strong base of corporate customers and is currently strengthening its presence in the consumer market.”



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Source : IDC Report

Market share of top 5 alternative voice service providers (non-telco)

The Group's innovation in technology and services is a proven model that combines technology, value-added products and telecommunications services in the corporate and call shop market. Innovation from the RIB Group provides great value to the customers in terms of the 3'C's – namely, cost reduction, control and convenience. Innovation is the key thrust in the positioning of communication services and products by the RIB Group such as the current telephony services, PBX compatible products, office communication products and telecommunications products.

These innovations are made possible through the RIB Group's competencies in building indigenous technology. These competencies are deployed and accumulated over the past 7 years through the RIB Group's commitment in R&D. The RIB Group has spent approximately RM10 million in R&D from 1996 to 2000.

The history of the Group's products can be traced back to early 1996, when 3 of its promoters, namely, Wei Chuan Beng, Peter Yeow Heng Ho and John Chee Yong Tung, saw the potential in developing a software-centric voice card for the office communications industry. RTC was incorporated on 28 February 1996 to undertake the product development. The first commercial product produced by RTC, namely, TeleCARE™ Voice Mail System, has gained the following prestigious industry awards:

Year	Award
1997	<i>"Best IT System" Award</i> at the PIKOM Computimes IT Award
1998	<i>Best of CT Expo 98 Show Award</i> by Teleconnect magazine in New York
1999	<i>Best of the Best Prime Minister's Trophy & Best of Industrial Commercial Products</i> at the 1999 APMITTA

In 1998, TeleCARE™ Call Accounting System was launched. This product is an advanced accounting system that helps keep track of all telecommunications expenditure incurred by a customer.

In 1998, RT began product development on REDtone™ TECS Communication Server, a next generation office communications system. This system was commercialised in November 2000. In recognition of the Group's pioneering indigenous R&D effort in computer-telephony, 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 Communication Server by MDC under the MGS. In addition, the Group was awarded another development grant worth RM3.5 million in respect of the period of 2001 to 2003, for the development of a new generation of distributed TECS.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

REDtone™ TECS has also gained the following prestigious industry awards:

- (i) Value-added Communication Technologies Merit Award at the 2000 APMITTA; and
- (ii) Best of Communications Applications 2001, Asia Pacific ICT Awards.

In 2001, the Group introduced Smart Call System, which is a system that co-exists with the customers' existing PBX system.

In 2002, TeleCARE™ Celfon Inside, the latest TeleCARE™ product was launched. This system brings the best of cellular phone tools to users of existing corporate telecommunications systems.

Today, the Group has moved from being products-focused to services-focused. With the ASP Licence granted to RTC for the period from 1 November 2001 until 31 March 2005, RTC is able to provide discounted long distance calls with value-added services to individual customers, corporate and call shop market. RTC has entered into agreements with Maxis, DiGi and TT dotcom to become their respective wholesale partner.

With all the products developed over the years, namely the TeleCARE™ range of products, the REDtone™ TECS Communication Server and a suite of other telecommunications products, the Group is able to provide communications services, complemented by the aforesaid value-added products, thereby providing the customers a total solution to communications.

In addition to the local offices in Kuala Lumpur, Penang and Johor Bahru, the Group also has an office in Hong Kong.

2. SHARE CAPITAL

As at the date of this Prospectus, the RIB has an authorised share capital of RM30,000,000 comprising 300,000,000 ordinary shares of RM0.10 each in RIB and an issued and fully paid-up share capital of RM13,692,000 comprising 136,920,000 ordinary shares of RM0.10 each in RIB. Upon completion of the Public Issue and Bonus Issue II, the enlarged issued and paid-up share capital of RIB will be RM25,200,000 comprising 252,000,000 ordinary shares of RM0.10 each in RIB.

The changes in the issued and fully paid-up share capital of RIB since its date of incorporation are set out below:

Date of allotment	No. of ordinary shares allotted	Par value RM	Type of issue/ Consideration	Total RM
22.10.02	2	1.00	Subscribers' shares	2
14.11.03	6,240,000	1.00	Issued pursuant to the increase in share capital	6,240,002
14.11.03	62,400,020	0.10	Issued pursuant to the share split	6,240,002
14.11.03	13,336,750	0.10	Issued pursuant to the Acquisitions	7,573,677
14.11.03	20,333,230	0.10	Issued pursuant to the Rights Issue	9,607,000
14.11.03	40,500,000	0.10	Issued pursuant to the Bonus Issue I	13,657,000
14.11.03	350,000	0.10	Issued pursuant to the Acquisition of RTC II	13,692,000

VI. INFORMATION ON THE RIB GROUP (CONT'D)

3. LISTING EXERCISE

In conjunction with, and as an integral part of the Listing, the Company implemented a restructuring exercise which was approved by the SC and the FIC on 4 September 2003 and the KLSE on 1 October 2003 which involved the following inter-conditional transactions:

3.1 Increase in Share Capital

RIB increased its issued and fully paid-up share capital from RM2 to RM6,240,002 through the subscription of 6,240,000 new ordinary shares of RM1.00 each in RIB for a total consideration of RM6,240,000 by the subscriber shareholders of RIB by way of advances made by the existing shareholders of RI satisfied by cash, at RM1.00 per ordinary share of RM1.00 each in RIB.

The number of ordinary shares of RM1.00 each in RIB subscribed by the existing shareholders of RIB are set out below:

	No. of ordinary shares	Par value RM	Issued and paid-up share capital RM
Tan Bee Hwee	3,120,000	1.00	3,120,000
Oh Swee Chin	3,120,000	1.00	3,120,000

The increase in the issued and paid-up share capital of RIB was completed on 14 November 2003. Upon completion of the Increase in Share Capital, the issued and paid-up share capital of RIB increased from RM2 to RM6,240,002 comprising 6,240,002 ordinary shares of RM1.00 each in RIB.

3.2 Share Split

The share split involves a change in the par value of the ordinary shares of RIB from RM1.00 each to RM0.10 each, by way of sub-division of par value of the existing ordinary shares in RIB.

Upon completion of the Share Split, the issued and paid-up share capital of RIB changed from RM6,240,002 comprising 6,240,002 ordinary shares of RM1.00 each in RIB to RM6,240,002 comprising 62,400,020 ordinary shares of RM0.10 each in RIB.

3.3 Dividend

The declaration of interim tax-exempt dividend of 25.0% or RM400,000 to the existing shareholders of RTC for the financial year ending 29 February 2004. The interim tax-exempt dividend was paid on 14 November 2003.

VI. INFORMATION ON THE RIB GROUP (CONT'D)**3.4 Acquisitions****(i) Acquisition of VMSTL**

On 22 April 2003, RTC entered into a conditional share sale agreement with Sim Hock Meng to acquire 40% of the issued and paid-up share capital of VMSTL comprising 200,000 ordinary shares of HKD1.00 each in VMSTL, not already owned by RTC, for a total purchase consideration of RM553,500 based on an exchange rate of HKD2.06 per RM1.00 as at 31 October 2002 satisfied by cash.

On completion, 199,999 ordinary shares of HKD1.00 each in VMSTL were transferred to RTC and Sim Hock Meng holds 1 ordinary share of HKD1.00 each in VMSTL in trust for the benefit of RTC. Upon completion of the Acquisition of VMSTL, VMSTL is a 100%-owned subsidiary of RTC.

The purchase consideration of RM553,500 was derived at on a willing buyer-willing seller basis after taking into consideration the audited NTA of VMSTL as at 31 October 2002 of HKD291,973 (equivalent to approximately RM141,607 based on an exchange rate of HKD2.06 per RM1.00). The premium for the acquisition of VMSTL was based on the Directors' foreseeability on the potential of VMSTL penetrating into the China market when the business opportunities arise.

The rationale for the acquisition of VMSTL is that VMSTL is the marketing arm for the Group in Hong Kong and the potential of penetrating into the China market.

The Acquisition of VMSTL was completed on 14 November 2003.

(ii) Acquisition of RTC I

On 22 April 2003, RIB entered into a conditional share sale agreement with RI to acquire 95.50% of the issued and fully paid-up share capital of RTC comprising 1,528,000 ordinary shares of RM1.00 each in RTC from RI for a total purchase consideration of RM1,333,669 satisfied by the issuance of 13,336,690 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each.

The purchase consideration of RM1,333,669 was arrived at based on a willing buyer-willing seller basis after taking into consideration the adjusted audited NTA of RTC and its subsidiary, namely VMSTL as at 31 October 2002 of RM1,333,669.

The Acquisition of RTC I was completed on 14 November 2003.

(iii) Acquisition of RT

On 22 April 2003, RIB entered into a conditional share sale agreement with RI to acquire the entire issued and fully paid-up share capital of RT comprising 1,000,000 ordinary shares of RM1.00 each in RT from RI for a total purchase consideration of RM2 satisfied by the issuance of 20 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each.

The purchase consideration for RT of RM2 was arrived at based on a willing buyer-willing seller basis after taking into consideration the audited net liabilities position of RT as at 31 October 2002 of RM2,764,223 and the future potential earnings of RT.

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The rationale for the acquisition of RT is that RT is an MSC status company, which has 5 years tax exemption benefits up to 2007 which the Group can utilise in the future. RT also has the rights to 6 patents namely, a method of providing SMS call phone rental services, a system and method of providing SMS call using a customized mobile phone, a system and method of providing operator assisted SMS call, a call billing and management system for call shops, a telephone call routing system and a system and method for multi-level payment and incentive award programme.

The Acquisition of RT was completed on 14 November 2003.

(iv) Acquisition of RMSB

On 22 April 2003, RIB entered into a conditional share sale agreement with RI to acquire the entire issued and fully paid-up share capital of RMSB comprising 2 ordinary shares of RM1.00 each in RMSB from RI for a total purchase consideration of RM2 satisfied by the issuance of 20 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each.

The purchase consideration for RMSB of RM2 was derived at based on a willing buyer-willing seller basis after taking into consideration the carrying value of the cost of investments in RMSB by RI as per the unaudited accounts of RI as at 31 October 2002 of SGD1 (equivalent to approximately RM2 based on an exchange rate of SGD1.00 per RM2.118).

The rationale for the acquisition of RMSB is that RMSB has a potential deferred tax benefit of approximately RM116,000, arising principally from tax losses carried forward and unutilised capital allowances which can be used to offset future taxable profit.

The Acquisition of RMSB was completed on 14 November 2003.

(v) Acquisition of RN

On 22 April 2003, RIB entered into a conditional share sale agreement with RI to acquire 51.00% of the issued and fully paid-up share capital of RN comprising 51 ordinary shares of RM1.00 each in RN from RI for a total purchase consideration of RM2 to be satisfied by the issuance of 20 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each.

The purchase consideration of RM2 was arrived at based on a willing buyer-willing seller basis after taking into consideration the carrying value of the cost of investments in RN by RI as per the unaudited accounts of RI as at 31 October 2002 of SGD1 (equivalent to approximately RM2 based on an exchange rate of SGD1.00 per RM2.118).

The rationale for the acquisition of RN is that RN is the company involved in marketing the REDtone payphone, which has contributed to approximately RM1.0 million in revenue for the financial period ended 30 June 2003.

The Acquisition of RN was completed on 14 November 2003. The shareholder of the remaining 49% of the issued and paid-up share capital of RN comprising 49 ordinary shares of RM1.00 each in RN is Law Say Chuan.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

Upon completion of the Acquisitions, the issued and paid-up share capital of RIB increased from RM6,240,002 comprising, 62,400,020 ordinary shares of RM0.10 each in RIB to RM7,573,677 comprising 75,736,770 ordinary shares of RM0.10 each in RIB.

3.5 Distribution in Specie

Upon completion of the Acquisitions, RI proceeded to distribute in specie of the surplus capital of 13,336,750 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each to the existing shareholders of RI, in proportion to the shareholding in RI held by the respective existing shareholders of RI. Approximately 1.5699 ordinary shares of RM0.10 each in RIB was distributed for every 1 ordinary share of SGD1.00 each in RI.

The Distribution in Specie was completed on 14 November 2003. Upon completion of the Distribution in Specie, the existing shareholders of RI became the shareholders of RIB.

The number of ordinary shares of RM0.10 each in RIB distributed in specie and held by the existing shareholders of RI after the distribution are set out below:

Shareholders of RI	After Distribution in Specie No. of ordinary shares of RM0.10 each in RIB
Lee Eng Sia	3,324,707
Wei Chuan Beng	1,674,143
Peter Yeow Heng Ho	1,031,763
Peritiasa Sdn Bhd	501,662
John Chee Yong Tung	2,006,830
Choo Yeh Fung	764,753
Lau Bik Soon	8,635
MSC Venture One Sdn Bhd	1,572,560
Chemquest Sdn Bhd	2,085,933
Tiew Ming Ching	121,922
Yong Kok Leong	182,882
Jason Tai Chen Hiung	60,960
Total	13,336,750

3.6 Reorganisation

In conjunction with the Distribution in Specie, the existing subscriber shareholders of RIB reorganised their shareholdings by transferring 62,400,000 new ordinary shares of RM0.10 each in RIB held by them, at RM0.10 per ordinary share of RM0.10 each directly to the other shareholders of RIB on the basis of approximately 4.6788 new ordinary shares of RM0.10 each in RIB for every 1 existing ordinary share of RM0.10 each in RIB held by the entitled shareholders of RIB. The Reorganisation is for the settlement of the advances made by the existing shareholders of RI pursuant to the Increase in Share Capital described in Section 3.1 above.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

The number of ordinary shares of RM0.10 each in RIB held by the shareholders of RIB before and after the Reorganisation are set out below:

	Before Reorganisation No. of ordinary shares of RM0.10 each in RIB	After Reorganisation No. of ordinary shares of RM0.10 each in RIB
Tan Bee Hwee	31,200,010	10
Oh Swee Chin	31,200,010	10
Lee Eng Sia	3,324,707	18,880,347
Wei Chuan Beng	1,674,143	9,507,123
Peter Yeow Heng Ho	1,031,763	5,859,178
Peritiasa Sdn Bhd	501,662	2,848,837
John Chee Yong Tung	2,006,830	11,396,389
Choo Yeh Fung	764,753	4,342,880
Lau Bik Soon	8,635	49,035
MSC Venture One Sdn Bhd	1,572,560	8,930,257
Chemquest Sdn Bhd	2,085,933	11,845,601
Tiew Ming Ching	121,922	692,370
Yong Kok Leong	182,882	1,038,552
Jason Tai Chen Hiung	60,960	346,181
	<hr/> 75,736,770 <hr/>	<hr/> 75,736,770 <hr/>

The Reorganisation was completed on 14 November 2003.

3.7 Rights Issue

On 14 November 2003, RIB implemented a renounceable rights issue of 20,333,230 new ordinary shares of RM0.10 each in RIB to the existing shareholders of RIB at an issue price of RM0.30 per ordinary share of RM0.10 each on the basis of approximately 2.6847 ordinary shares of RM0.10 each in RIB for every 10 existing ordinary shares of RM0.10 each in RIB held after the Distribution in Specie and Reorganisation, of which 8,643,230 ordinary shares of RM0.10 each in RIB were subscribed for by the entitled shareholders of RIB and 11,690,000 ordinary shares of RM0.10 each in RIB were subsequently renounced by the entitled shareholders of RIB to the eligible Directors and employees of the RIB Group.

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The number of ordinary shares of RM0.10 each in RIB held by the shareholders of RIB before Rights Issue and after Rights Issue (before and after renunciation of Rights Issue to various parties) are set out below:

Shareholders	Before Rights Issue No. of ordinary shares of RM0.10 each in RIB	After Rights Issue before renunciation No. of ordinary shares of RM0.10 each in RIB	After renunciation of Rights Issue No. of ordinary shares of RM0.10 each in RIB
Tan Bee Hwee	10	12	10
Oh Swee Chin	10	12	10
Lee Eng Sia	18,880,347	23,949,200	21,035,009
Wei Chuan Beng	9,507,123	12,059,523	10,592,095
Peter Yeow Heng Ho	5,859,178	7,432,206	6,527,840
Peritiasa Sdn Bhd	2,848,837	3,613,671	3,173,952
John Chee Yong Tung	11,396,389	14,456,005	12,696,969
Choo Yeh Fung	4,342,880	5,508,823	4,838,498
Lau Bik Soon	49,035	62,199	54,630
MSC Venture One Sdn Bhd	8,930,257	11,327,784	9,949,396
Chemquest Sdn Bhd	11,845,601	15,025,818	13,197,445
Tiew Ming Ching	692,370	878,252	771,384
Yong Kok Leong	1,038,552	1,317,374	1,157,073
Jason Tai Chen Hiung	346,181	439,121	385,689
Zainal Amanshah bin Zainal Arshad	-	-	1,845,000
Sim Hock Meng	-	-	1,845,000
Employees	-	-	8,000,000
	<u>75,736,770</u>	<u>96,070,000</u>	<u>96,070,000</u>

The ordinary shares of RM0.10 each in RIB issued pursuant to the Rights Issue shall rank pari passu with the existing ordinary shares of RM0.10 each of 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 Rights Issue shares.

The Rights Issue was completed on 14 November 2003. Upon completion of the Rights Issue, the issued and paid-up share capital of RIB increased from RM7,573,677 comprising 75,736,770 ordinary shares of RM0.10 each in RIB to RM9,607,000 comprising 96,070,000 ordinary shares of RM0.10 each in RIB.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

3.8 Bonus Issue I

On 14 November 2003, RIB implemented a bonus issue of 40,500,000 new ordinary shares of RM0.10 each in RIB to the existing shareholders of RIB, on the basis of approximately 4.22 new ordinary shares of RM0.10 each in RIB for every 10 existing ordinary shares of RM0.10 each in RIB held after the Rights Issue, of which 36,118,000 new ordinary shares of RM0.10 each in RIB are held by the entitled shareholders of RIB and 4,382,000 new ordinary shares of RM0.10 each in RIB were subsequently renounced by the entitled shareholders of RIB other than Chemquest Sdn Bhd and MSC Venture One Sdn Bhd to Chemquest Sdn Bhd and MSC Venture One Sdn Bhd.

The number of ordinary shares of RM0.10 each in RIB held by the shareholders of RIB before Bonus Issue I and after Bonus Issue I (before and after renunciation to Chemquest Sdn Bhd and MSC Venture One Sdn Bhd) are set out below:

Shareholders	Before Bonus Issue I No. of ordinary shares of RM0.10 each in RIB	After Bonus Issue I before renunciation No. of ordinary shares of RM0.10 each in RIB	After renunciation of Bonus Issue I No. of ordinary shares of RM0.10 each in RIB
Tan Bee Hwee	10	14	14
Oh Swee Chin	10	14	14
Lee Eng Sia	21,035,009	29,902,690	28,716,147
Wei Chuan Beng	10,592,095	15,057,378	14,459,901
Peter Yeow Heng Ho	6,527,840	9,279,766	8,911,544
Peritiasa Sdn Bhd	3,173,952	4,511,987	4,332,951
John Chee Yong Tung	12,696,969	18,049,600	17,333,390
Choo Yeh Fung	4,838,498	6,878,252	6,605,322
Lau Bik Soon	54,630	77,660	74,578
MSC Venture One Sdn Bhd	9,949,396	14,143,739	16,515,739
Chemquest Sdn Bhd	13,197,445	18,761,061	20,771,061
Tiew Ming Ching	771,384	1,096,575	1,053,063
Yong Kok Leong	1,157,073	1,644,857	1,579,589
Jason Tai Chen Hiung	385,689	548,282	526,526
Zainal Amanshah bin Zainal Arshad	1,845,000	2,622,792	2,518,719
Sim Hock Meng	1,845,000	2,622,792	2,518,719
Employees	8,000,000	11,372,541	10,652,723
	96,070,000	136,570,000	136,570,000

The Bonus Issue I was capitalised from the existing share premium account after the Acquisitions and Rights Issue. The 4,382,000 shares renounced to MSC Ventures One Sdn Bhd and Chemquest Sdn Bhd was in recognition of their financial contribution and support to the Group in the earlier years.

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The new ordinary shares of RM0.10 each in RIB issued pursuant to the Bonus Issue I shall rank *pari passu* with the existing ordinary shares of RM0.10 each of 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 I shares.

The Bonus Issue I was completed on 14 November 2003. Upon completion of the Bonus Issue I, the issued and paid-up share capital of RIB increased from RM9,607,000 comprising 96,070,000 ordinary shares of RM0.10 each in RIB to RM13,657,000 comprising 136,570,000 ordinary shares of RM0.10 each in RIB.

3.9 Acquisition of RTC II

On 22 April 2003, RIB entered into a conditional share sale agreement with Wong Seng Huat to acquire the remaining 2.25% of the issued and fully paid-up share capital of RTC comprising 36,000 ordinary shares of RM1.00 each in RTC, not already owned by RIB, for a total purchase consideration of RM35,000 satisfied by the issuance of 350,000 new ordinary shares of RM0.10 each in RIB, at RM0.10 per ordinary share of RM0.10 each.

The Acquisition of RTC II was completed on 14 November 2003. Upon completion of the Acquisition of RTC II, RTC is a wholly-owned subsidiary of RIB.

Upon completion of the Acquisition of RTC II, the issued and paid-up share capital of RIB increased from RM13,657,000 comprising 136,570,000 ordinary shares of RM0.10 each in RIB to RM13,692,000 comprising 136,920,000 ordinary shares of RM0.10 each in RIB.

3.10 Public Issue

To facilitate the Listing, RIB will undertake a public issue of 31,080,000 new ordinary shares of RM0.10 each in RIB to be issued to the Malaysian public and identified investors, at an issue price of RM0.95 per Public Issue Share.

Upon completion of the Public Issue, the issued and paid-up share capital of RIB will be increased from RM13,692,000 comprising 136,920,000 ordinary shares of RM0.10 each in RIB to RM16,800,000 comprising 168,000,000 ordinary shares of RM0.10 each in RIB.

3.11 Bonus Issue II

As part of the Listing and an incentive to the shareholders of RIB subsequent to the Public Issue, RIB shall implement a bonus issue of 84,000,000 new ordinary shares of RM0.10 each in RIB to be issued to all shareholders of RIB prior to the Listing on the basis of 1 new ordinary share of RM0.10 each in RIB for every 2 existing ordinary shares of RM0.10 each held after the Public Issue and will be completed prior to the Listing. The Bonus Issue II will be capitalised from the share premium account arising from the Public Issue.

Upon completion of the Bonus Issue II, the issued and paid-up share capital of RIB will be increased from RM16,800,000 comprising 168,000,000 ordinary shares of RM0.10 each in RIB to RM25,200,000 comprising 252,000,000 ordinary shares of RM0.10 each in RIB.

The new ordinary shares of RM0.10 each in RIB 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.

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3.12 Listing and Quotation

The admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of RIB of RM25,200,000 comprising 252,000,000 ordinary shares of RM0.10 each in RIB on the Official List of the MESDAQ Market will be sought.

4. INFORMATION ON SUBSIDIARIES**4.1 Information on RTC***History*

RTC was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 28 February 1996 under the name of VMS Technology Sdn Bhd. It subsequently assumed its present name on 14 September 2002 and is principally involved in research, development, manufacturing and marketing of computer-telephony integration products, provisioning of communication services and investment holding.

Share Capital

The authorised share capital of RTC is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of RTC as at 21 November 2003 is RM1,600,000 comprising 1,600,000 ordinary shares of RM1.00 each.

Changes in the issued and paid-up share capital of RTC since its incorporation to 21 November 2003 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
28.02.96	2	Subscribers' shares	2
01.10.96	81,998	Cash	82,000
13.01.97	18,000	Cash	100,000
20.06.97	1,000,000	Cash	1,100,000
28.07.98	500,000	Cash	1,600,000

Note:

6,000,000 convertible cumulative redeemable preference shares of RM0.01 each which have been issued and paid-up on 14 April 2000 have been redeemed by RTC on 30 March 2003. With the redemption, the authorised share capital of 50,000,000 cumulative redeemable preference shares of RM0.01 each was also reclassified to 500,000 ordinary shares of RM1.00 each.

Substantial Shareholder

RTC is a wholly-owned subsidiary of RIB.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

Subsidiary and Associated Company

As at 21 November 2003, the subsidiary of RTC is as follows:

Subsidiary	Date and place of incorporation	Issue and paid-up share capital HKD	Effective equity interest %	Principal activities
VMSTL	14.09.98; Hong Kong	* 500,000	**100.00	Provider of computer-telephony systems and services

Notes:

* Divided into 500,000 ordinary shares of HKD1.00 each.

** 1 ordinary share of HKD1.00 is held by Sim Hock Meng in trust for the benefit of RTC.

As at 21 November 2003, RTC does not have any associated company.

4.2 Information on RT***History***

RT was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 9 December 1996 under the name of C-Systems Sdn Bhd. It subsequently changed its name to VMS Research Sdn Bhd on 27 August 1997, to VMS Solutions Sdn Bhd on 20 March 2000 and to its present name on 30 September 2000. It is principally involved in provision of total solutions in business communication and telecommunications services provisioning.

Share Capital

The authorised share capital of RT is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of RT as at 21 November 2003 is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

Changes in the issued and paid-up share capital of RT since its incorporation to 21 November 2003 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
09.12.96	2	Subscriber's shares	2
08.03.01	999,998	Cash	1,000,000

Substantial Shareholder

RT is a wholly-owned subsidiary of RIB.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

Subsidiary and Associated Company

As at 21 November 2003, the subsidiary of RT is as follows:

Subsidiary	Date and place of incorporation	Issue and paid-up share capital RM	Effective equity interest %	Principal activities
RSB	12.06.03; Malaysia	100	75	Research, development, manufacturing and marketing of technology-based products.

As at 21 November 2003, RT does not have any associated company.

4.3 Information on RMSB***History***

RMSB was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 13 September 2000 under the name of VMS Hospitality Sdn Bhd. It subsequently assumed its present name on 27 January 2003. RMSB is principally involved in research and development, manufacturing and marketing of telecommunications and multimedia solutions. Its customers were primarily in the hospitality industry. RMSB temporarily ceased operations in the financial year ended 2002 due to the economic downturn in 2001 and the decrease in the sales of TeleCARE™ suite of products to the hotel industry in Malaysia. RMSB is expected to re-commence operations in the first quarter of the financial year ending 2005.

Share Capital

The authorised and issued and paid-up capital of RMSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of RMSB as at 21 November 2003 is RM2 comprising 2 ordinary shares of RM1.00 each.

Changes in the issued and paid-up share capital of RMSB since its incorporation to 21 November 2003 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
13.09.00	2	Subscriber's shares	2

Substantial Shareholder

RMSB is a wholly-owned subsidiary of RIB.

Subsidiary and Associated Company

As at 21 November 2003, RMSB does not have any subsidiary or associated company.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

4.4 Information on RN*History*

RN was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 26 August 2000 under the name of Bluejade Network Sdn Bhd. It subsequently assumed its present name on 25 October 2000. It is principally involved in research and development and marketing of communication application such as payphone.

Share Capital

The authorised share capital of RN is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of RN as at 21 November 2003 is RM100 comprising 100 ordinary shares of RM1.00 each.

Changes in the issued and paid-up share capital of RN since its incorporation to 21 November 2003 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
26.08.00	2	Subscriber's shares	2
22.11.02	98	Cash	100

Substantial Shareholder

RN is a 51%-owned subsidiary of RIB. The other substantial shareholder is Law Say Chuan who holds the remaining 49% of the equity interest.

Subsidiary and Associated Company

As at 21 November 2003, RN does not have any subsidiary or associated company.

4.5 Information on VMSTL*History*

VMSTL was incorporated in Hong Kong as a private limited company under the laws of Hong Kong under the name of Chinawide Limited on 14 September 1998. It subsequently changed its name to VMS Technology Limited on 25 January 1999 and it further changed its name on 16 April 1999 to include a Chinese name. It is principally involved in providing computer telephony systems and services.

Share Capital

The authorised share capital of VMSTL is HKD500,000 comprising 500,000 ordinary shares of HKD1.00 each. The issued and fully paid-up share capital of VMSTL as at 21 November 2003 is HKD500,000 comprising 500,000 ordinary shares of HKD1.00 each.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

Changes in the issued and paid-up share capital of VMSTL since its incorporation to 21 November 2003 are as follows:

Date of allotment	No. of ordinary shares of HKD1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital HKD
14.09.98	2	Subscribers' shares	2
06.03.99	998	Cash	1,000
10.11.00	499,000	Cash	500,000

Substantial Shareholder

VMSTL is a 100%-owned subsidiary of RTC, which in turn is a wholly-owned subsidiary of RIB.

Subsidiary and Associated Company

As at 21 November 2003, VMSTL does not have any subsidiary or associated company.

4.6 Information on RSB

History

RSB was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 12 June 2003. It is principally involved in research, development, manufacturing and marketing of technology-based products.

Share Capital

The authorised share capital of RSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of RSB as at 21 November 2003 is RM100 comprising 100 ordinary shares of RM1.00 each.

Substantial Shareholder

RSB is a 75%-owned subsidiary of RT, which in turn is a wholly-owned subsidiary of RIB. The other substantial shareholder of RSB is Yong Kok Leong who holds the remaining 25% of the equity interest.

Subsidiary and Associated Company

As at 21 November 2003, RSB does not have any subsidiary or associated company.

VI. INFORMATION ON THE RIB GROUP (CONT'D)

5. BUSINESS OVERVIEW

RIB is principally involved in investment holding and the provision of management services. Its subsidiaries are principally involved in offering telecommunications services and solutions and office communication solutions.

5.1 Services

The Group is the leading alternative voice service provider in Malaysia in terms of market share in year 2002 (*Source : IDC Report*), namely, providing discounted long distance telephone services. The alternative telecommunications services are packaged as follows:

(i) REDtone Corporate VOICE

This is a post paid discounted call service targeting large companies and corporations with high long distance phone bills. The Group installs autodiallers, digital call routers or Smart Call Systems in these customers' premises so that the customer does not have to change dialling habits – calls are automatically routed to the Group's gateways. Value-added products such as TeleCARE™ Call Accounting system, Voice Mail and Celfon Inside may be provided at a small fee or on complimentary basis. Detailed information on the features of these value-added products is set out in Section 5.2 of Part VI of this Prospectus. Corporate customers also enjoy premier customer service and technical support attention.

(ii) REDtone Family VOICE

This is an innovative prepaid call service that offers an effective solution to help families and small businesses to manage their telecommunications costs. This service was introduced in November 2002. Unlike conventional discount service, this service comes with unique features that help users save time and effort and control costs.

The following are the benefits of REDtone Family Voice:

- (a) Maximum savings, 24 hours daily - users enjoy maximum savings off phone charges for IDD, STD and mobile phone calls, 24 hours a day;
- (b) One account manages 20 lines - the service supports up to 20 phone numbers (fixed and mobile lines) to operate from one single account, namely, users can register home, business and mobile lines. Instead of having to keep track of several accounts, users can manage them all conveniently through just one consolidated account;
- (c) Free and easy registration process - there is a self-registration process through REDtone gateway where the system takes users through a step-by-step voice-guided menu and the service is activated instantly. In addition, users can add or delete phone numbers from the account any time;
- (d) Easy dialing – no personal identification number (“PIN”) required. There is no lengthy PIN to remember. Users just need to dial the nearest REDtone gateway followed by the destination number;
- (e) Seamless dialing via autodialler - for added convenience of seamless dialing from fixed lines, users may optionally purchase REDtone autodialler that automatically connect users to REDtone gateway;