
IMPORTANT NOTICE

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF TRICUBES BERHAD ("COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

RHB SAKURA MERCHANT BANKERS BERHAD, BEING THE ADVISER, UNDERWRITER, PLACEMENT AGENT AND SPONSOR, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE NEW ISSUE (AS HEREINAFTER DEFINED).

THE SECURITIES COMMISSION ("SC") AND BURSA MALAYSIA SECURITIES BERHAD (*FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD*) ("BURSA SECURITIES") HAVE APPROVED THE NEW ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC AND BURSA SECURITIES RECOMMEND THE NEW ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, THE COMPANY OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORMS OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

CHARACTERISTICS OF THE MESDAQ MARKET OF BURSA SECURITIES ("MESDAQ MARKET"):

INVESTORS SHOULD BE AWARE THAT MESDAQ MARKET IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON MESDAQ MARKET ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES. COMPANIES THAT ARE LISTED ON MESDAQ MARKET MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON MESDAQ MARKET MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

SECURITIES LISTED ON THE BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 45 OF THE SECURITIES COMMISSION ACT 1993, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of Tricubes on the MESDAQ Market is set out below:

Event	Tentative date
Opening date of applications	26 November 2004
Closing date of applications	3 December 2004
Tentative balloting date	7 December 2004
Tentative allotment date	13 December 2004
Tentative listing date	15 December 2004

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE NEW ISSUE WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS OF THE COMPANY TOGETHER WITH THE UNDERWRITER/PLACEMENT AGENT IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE, SUBJECT TO THE APPROVAL OF BURSA SECURITIES. SHOULD THE CLOSING DATE OF THE APPLICATION BE EXTENDED, THE DATE FOR BALLOTING OF THE APPLICATION AND THE ALLOTMENT AND LISTING OF THE COMPANY'S ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL WILL BE EXTENDED ACCORDINGLY. ANY EXTENSION OF THE ABOVEMENTIONED DATES WILL BE PUBLISHED IN WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPERS WITHIN MALAYSIA.

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DEFINITIONS

Unless otherwise indicated, the following abbreviations shall apply throughout this Prospectus and the Application Forms:

GENERAL DEFINITIONS

Acquisitions	- The Acquisition of EPNCR, Acquisition of TCSB, Acquisition of TGSB and Acquisition of TRCO collectively
Acquisition of EPNCR	- The acquisition by Tricubes of 70% of the issued and paid-up share capital of EPNCR comprising 700,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,012,436 wholly satisfied in cash
Acquisition of TCSB	- The acquisition by Tricubes of the entire issued and paid-up share capital of TCSB comprising 8,406,048 ordinary shares of RM0.25 each for a purchase consideration of RM9,729,158 satisfied by the issuance of 97,291,580 new Tricubes Shares at an issue price of RM0.10 per Tricubes Share
Acquisition of TGSB	- The acquisition by Tricubes of the entire issued and paid-up share capital of TGSB comprising 20 ordinary shares of RM0.10 each for a purchase consideration of RM2.00 wholly satisfied in cash
Acquisition of TRCO	- The acquisition by Tricubes of the entire issued and paid-up share capital of TRCO comprising 20 ordinary shares of RM0.10 each for a purchase consideration of RM2.00 wholly satisfied in cash
Act	- The Companies Act, 1965 (as amended)
ADA	- Authorised Depository Agent
AFTAAS	- Afrizan Tarmili Khairul Azhar
Allocation of Trust Shares	- Allocation and transfer of 17,915,435 Tricubes Shares previously held in trust by JAB for and on behalf of Khairun, to Khairun and the KZM-Employees for a cash consideration of RM0.10 per Tricubes Share
Application Form(s)	- The application form(s) for the application of the New Issue accompanying this Prospectus
Application List	- List of applications for the New Issue
Articles of Association	- The articles of association of Tricubes
BNM	- Bank Negara Malaysia
Bursa Securities	- Bursa Malaysia Securities Berhad (<i>formerly known as Malaysia Securities Exchange Berhad</i>) (Company No.: 635998-W)
Cameon	- Cameon SA of France
CDS	- Central Depository System
CEO	- Chief Executive Officer
CTV	- Commerce Technology Ventures Sdn Bhd (Company No.: 512485-M)

DEFINITIONS (Cont'd)

CAGR	-	Compounded Annual Growth Rate
Depository	-	Bursa Malaysia Depository Sdn Bhd (<i>formerly known as Malaysian Central Depository Sdn Bhd</i>) (Company No.: 165570-W)
EBITDA	-	Earnings before interest, tax, depreciation and amortisation
EPNCR	-	EPNCR (Malaysia) Sdn Bhd (Company No.: 404563-H), a 70%-owned subsidiary company of Tricubes
EPS/LPS	-	Earning per share/Loss per share
FIC	-	Foreign Investment Committee
Flotation Scheme	-	The flotation scheme of Tricubes comprising the Acquisitions, the Transfer of Shares, the New Issue and the Listing
FYE	-	Financial year ended/ending
GDP	-	Gross Domestic Product
GMPC	-	GMPC Corporation Sdn Bhd (Company No.: 334028-H), a 20% owned associated company of EPNCR
Government	-	Government of Malaysia
HKSAR	-	Hong Kong Special Administrative Region
HP	-	Hewlett-Packard
HTP	-	HeiTech Padu Berhad (Company No.: 310628-D)
ID	-	Identity card
Intellect	-	Intellect Asia Limited
IRB	-	Inland Revenue Board
IRIS	-	IRIS Corporation Berhad
Issue Price	-	RM0.41 for each Issue Share
Issue Share(s)	-	New Tricubes Share(s) to be issued pursuant to the New Issue
IT	-	Information Technology
JAB	-	Encik Jamaludin bin Abu Bakar
KDN	-	Kementerian Dalam Negeri
Khairun	-	Encik Khairun bin Zainal Mokhtar
KZM-Employees	-	The 32 named employees and directors of the Group who received a portion of the 17,915,435 Tricubes Shares previously held in trust by JAB for and on behalf of Khairun pursuant to the Allocation of Trust Shares

DEFINITIONS (Cont'd)

Listing	- The listing of and quotation for the entire enlarged issued and paid-up share capital of Tricubes of RM13,400,000 comprising 134,000,000 Shares on the MESDAQ Market
Maybank	- Malayan Banking Berhad
Market Day	- Any day between Monday and Friday (inclusive) other than a day on which the MESDAQ Market is declared officially closed for trading
MDC	- Multimedia Development Corporation Sdn Bhd (<i>Company No.: 359346-D</i>)
MDTCA	- Ministry of Domestic Trade and Consumer Affairs
MESDAQ Market	- The MESDAQ Market of Bursa Securities
MIDFCCS	- MIDF Consultancy and Corporate Services Sdn Bhd (<i>Company No.: 11324-H</i>)
MITI	- Ministry of International Trade and Industry
MMLR	- Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market
MNC	- Multinational company
MSC	- Multimedia Super Corridor
MVCC	- Mayban Venture Capital Company Sdn Bhd (<i>Company No.: 392784-M</i>)
MyKad	- The Government multi-purpose smart card, incorporating the Malaysian national identity card, driver's licence, health record and passport
MyKid	- The Government multi-purpose smart card containing personal information for newborns
NCR	- NCR Corporation (USA)
NCR Malaysia	- NCR (Malaysia) Sdn Bhd (<i>Company No.: 3626-M</i>)
New Issue	- New Issue of 36,708,400 Issue Shares at an issue price of RM0.41 per Issue Share by way of Pink Form Allocation, Public Issue and Private Placement
NRD	- National Registration Department of Malaysia
NRO	- National rollout of the MyKad project
NTA	- Net tangible asset
PAT/LAT	- Profit after tax/ loss after tax
PBT/LBT	- Profit before tax/ loss before tax
PDRM	- Polis DiRaja Malaysia
PIKOM	- Persatuan Industri Komputer Malaysia

DEFINITIONS (Cont'd)

Public Issue	- Public Issue of 3,000,000 Issue Shares at an issue price of RM0.41 per Issue Share to the Malaysian public
Pink Form Allocation	- 13,400,000 Issue Shares reserved for subscription by Directors and eligible employees of the Tricubes Group (excluding associated companies) and persons who have contributed to the success of the Tricubes Group
Placees	- The individuals, companies, co-operatives and institutions identified by the Placement Agent who shall subscribe to the New Issue under the Private Placement
Private Placement	- The placement of 20,308,400 Issue Shares to the Placees
R&D	- Research and development
RHB Sakura	- RHB Sakura Merchant Bankers Berhad (<i>Company No.: 19663-P</i>)
ROC	- Registrar of Companies
RM and sen	- Ringgit Malaysia and sen respectively
SIRIM	- SIRIM Berhad (<i>formerly known as the Standards and Industrial Research Institute of Malaysia</i>) (<i>Company No.: 367474-V</i>)
Suria Capital	- Suria Capital Holdings Bhd (<i>Company No.: 96895-W</i>)
Tan Sri Tajuddin	- Tan Sri Datuk Dr Ahmad Tajuddin bin Ali
TC (Sabah)	- Tricubes Computers (Sabah) Sdn Bhd (<i>formerly known as Colour Gate Express Sdn Bhd</i>) (<i>Company No.: 640290-M</i>), a 75% owned subsidiary company of Tricubes
TCSB	- Tricubes Computers Sdn Bhd (<i>Company No.: 362985-V</i>), a wholly-owned subsidiary company of Tricubes
TCSB Shares	- Ordinary shares of RM0.25 each in TCSB
TGSB	- Tricubes Global Sdn Bhd (<i>Company No.: 625370-M</i>), a wholly-owned subsidiary company of Tricubes
Transfer of Shares	- The Allocation of Trust Shares and Transfer of Subscribers' Shares collectively
Transfer of Subscribers' Shares	- Transfer of 20 ordinary shares in Tricubes representing the subscribers' shares from Ahmad Kamal Hamzah and Norbadil Sulaiman to Khairun for a cash consideration of RM2.00
TRCO	- Tricubes Consulting Sdn Bhd (<i>Company No.: 625374-W</i>), a wholly-owned subsidiary company of Tricubes
Tricubes or the Company	- Tricubes Berhad (<i>Company No.: 623442-M</i>)
Tricubes Group or the Group	- Tricubes together with its subsidiary and associated companies
Tricubes Share(s)	- Ordinary share(s) of RM0.10 each in Tricubes

DEFINITIONS (Cont'd)

- TriSuria - Tricubes Suria Sdn Bhd (*formerly known as Prima EraGlobal Sdn Bhd*)
(Company No.: 634170-T), a 40% owned associated company of TC
(Sabah)
- USA - United States of America
- USD - USA Dollar

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DEFINITIONS (Cont'd)

TECHNICAL DEFINITIONS

Algorithm	- A procedure or formula for solving a problem
ATM	- Automated Teller Machines
B2B	- Business to Business
B2E	- Business to Enterprise
CAD	- Card Acceptance Device
CE	- CE Marking (or sometimes called "CE Mark") is a mandatory mark for many products sold on the European Union market, and it is often referred to as the "Trade Passport to Europe" for non-European Union products
CDMA	- CDMA (code-division multiple access) refers to any of the several protocols used in so-called second-generation ("2G") and third-generation ("3G") wireless communications
CPU	- Central Processing Unit
CRM	- Customer Relation Management
DE	- Design Engineering
EDC	- Electronic Data Capture
EPT	- Electronic Payment Terminal
EMS	- Enterprise Mobile Systems
EMV	- Europay-MasterCard-Visa
EPSys	- Electronic Payment Systems
ERP	- Enterprise Resources Planning
GPS	- GPS (Global Positioning System) is a "constellation" of 24 well-spaced satellites that orbit the Earth which makes it possible for people with ground receivers to pinpoint their geographic location
GSM	- GSM (Global System for Mobile communication) is a digital mobile telephone system that is widely used in Europe and other parts of the world
GPRS	- GPRS (General Packet Radio Services) is a packet-based wireless communication service that promises data rates from 56 up to 114 kilobyte per second and continuous connection to the Internet for mobile phone and computer users
IAM	- Identity Authentication and Management
ICT	- Information, Communication and Technology
LAN	- Local Area Network
MCAD	- Mobile Card Acceptance Devices

DEFINITIONS (Cont'd)

MEPS	- Malaysia Electronic Payment System
MWS	- Mobile Workforce Solutions
PAX	- Payment Application Executive
PC	- Personal Computer
PDA	- Personal Digital Assistant
PKI	- Public Key Infrastructure
PMPC	- Payment Multipurpose Card
POS	- Point-of-Sale
PS	- Professional Services
SMARTICs	- HKSAR ID systems
SAA	- Secure Access and Authentication
SAM	- Secure Access Module
SIM	- Secure Identification Mobile
USB	- Universal Serial Bus
UL	- Underwriters Laboratories Inc. (UL), an independent, non-profit product-safety testing and certification organisation

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Director	Address	Occupation	Nationality
Tan Sri Datuk Dr Ahmad Tajuddin bin Ali (Chairman/ Non-Independent Non-Executive Director)	11, Jalan 1/9C 43650 Bandar Baru Bangi Selangor Darul Ehsan	Company Director	Malaysian
Khairun bin Zainal Mokhtar (CEO / Non-Independent Executive Director)	23, Jalan Bukit Setiawangsa Enam Taman Setiawangsa 54200 Kuala Lumpur	Company Director	Malaysian
Hisham bin Zainal Mokhtar (Non-Independent Executive Director)	5B, Jalan Ayer Molek Off Jalan Titiwangsa 53200 Kuala Lumpur	Company Director	Malaysian
Tuan Haji Safiee bin Mohammad (Non-Independent Non-Executive Director)	53, Jalan USJ 9/5K Subang Jaya 47620 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ahmed Reza bin Mohd Ghazali (Independent Non-Executive Director)	21, Jalan Bukit Setiawangsa Enam Taman Setiawangsa 54200 Kuala Lumpur	Consultant	Malaysian
Victor Ang (Independent Non-Executive Director)	1, Siglap Road #04 - 14 Mandarin Gardens 448906 Singapore	Consultant	British
Mohd Daruis bin Zainuddin (Independent Non-Executive Director)	15, Jalan Suria Utama Taman Suria 81100 Johor Bahru Johor Darul Takzim	Retiree	Malaysian

AUDIT COMMITTEE

Member of Audit Committee	Designation	Directorship
Mohd Daruis bin Zainuddin	Chairman of the Audit Committee	Independent Non-Executive Director
Ahmed Reza bin Mohd Ghazali	Member of the Audit Committee	Independent Non-Executive Director
Hisham bin Zainal Mokhtar	Member of the Audit Committee	Non-Independent Executive Director

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Ms. Chua Siew Chuan
(MAICSA 0777689)
No. 6, Jalan SS 14/8E
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan
- REGISTERED OFFICE** : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-20849000
- HEAD OFFICE** : Suite 18.01
18th Floor, Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2055 3000
Fax: 03-2164 7211
Website: www.tricubes.com
Email: pr@tricubes.com
- AUDITORS** : Afrizan Tarmili Khairul Azhar
(Chartered Accountants AF1300)
10th Floor, Bangunan Yayasan Selangor
74, Jalan Raja Muda Abdul Aziz
50300 Kuala Lumpur
Tel: 03-2681 8300
- REPORTING ACCOUNTANTS** : Horwath
(Chartered Accountants AF1018)
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2166 0000
- SOLICITORS FOR THE NEW ISSUE** : Zain & Co.
6th Floor, Bangunan Dato' Zainal
23, Jalan Melaka
50100 Kuala Lumpur
Tel: 03-2698 6255
- PRINCIPAL BANKERS** : Malayan Banking Berhad
(Company No.: 3813-K)
Concourse Level
Tower 2 KLCC
50088 Kuala Lumpur
Tel: 03-2026 7952

1. CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS (Cont'd)** : Affin Bank Berhad
(Company No.: 25046-T)
Jalan Bunus Branch
135 & 137, Jalan Bunus
Off Jalan Masjid India
50100 Kuala Lumpur
Tel: 03-2693 4686
- INDEPENDENT MARKET RESEARCH CONSULTANT** : Frost & Sullivan
(Company No.: 522293-W)
Suite E-08-15, Block E
Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur
Tel: 03-6204 5800
- REGISTRAR** : Securities Services (Holdings) Sdn Bhd
(Company No.: 36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-20849000
- ISSUING HOUSE** : MIDF Consultancy and Corporate Services Sdn Bhd
(Company No.: 11324-H)
Bangunan MIDF
195A Jalan Tun Razak
50450 Kuala Lumpur
Tel: 03-2161 3355
- ADVISER, UNDERWRITER, PLACEMENT AGENT AND SPONSOR** : RHB Sakura Merchant Bankers Berhad
(Company No.: 19663-P)
Level 9, Tower Three
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9287 3888
- LISTING SOUGHT** : The MESDAQ Market of Bursa Securities

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2. INFORMATION SUMMARY

THE FOLLOWING IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE TRICUBES GROUP. PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS, INCLUDING THE RISK FACTORS DESCRIBED IN SECTION 4 OF THIS PROSPECTUS, BEFORE DECIDING WHETHER TO INVEST IN TRICUBES SHARES.

2.1 HISTORY AND PRINCIPAL ACTIVITIES

The summary on history and principal activities is extracted from and should be read in conjunction with the detailed information set out in Sections 5.1 and 5.2 of this Prospectus.

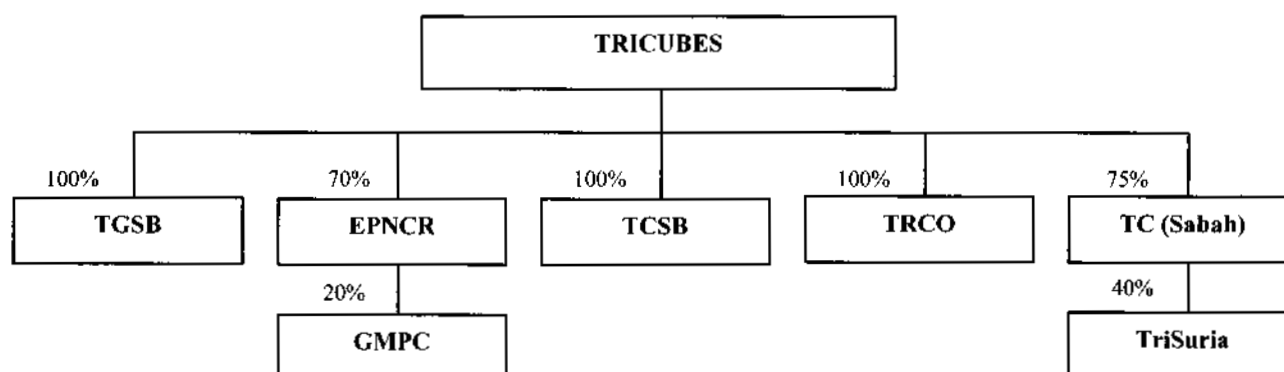
Tricubes was incorporated in Malaysia as a public limited company on 30 July 2003 under the Act. It was established as the investment holding company of the Tricubes Group in conjunction with the listing of Tricubes on the MESDAQ Market. The principal activities of Tricubes's subsidiary and associated companies are as follows:

	Effective interest (%)	Principal activities
Subsidiary companies		
TCSB	100	Design and development of IT solutions and provision of after-sales service to clients.
EPNCR	70	Marketing of the Group's products and services to the Government and the private sector.
TRCO	100	Provision of IT consultancy services.
TGSB	100	Marketing of the Group's products and services worldwide.
TC (Sabah)	75	Investment holding company to undertake investments in the Borneo region (including East Malaysia).
Associated companies		
GMPC	14	Provision of national identity smart card or MyKad solutions to the Government.
TriSuria	30	Provision of IT services in the Borneo region (including East Malaysia) through joint venture with Suria Capital.

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2. INFORMATION SUMMARY (Cont'd)

The Group's corporate structure is summarised as follows:



2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF TRICUBES

The summary on promoters, substantial shareholders, Directors and key management and key technical personnel is extracted from and should be read in conjunction with the detailed information set out in Section 6 of this Prospectus.

2.2.1 Promoters and Substantial Shareholders (own 5% or more of the issued and paid-up share capital)

The promoters and substantial shareholders of Tricubes and their shareholdings before and after the New Issue are as follows:

	Before the New Issue				After the New Issue [^]			
	No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
<i>Promoters and Substantial Shareholders</i>								
Khairun	48,715,834	50.07	-	-	48,965,834	36.54	-	-
CTV	20,863,906	21.44	-	-	20,863,906	15.57	-	-
MVCC	14,012,200	14.40	-	-	14,012,200	10.46	-	-
HTP	7,857,760	8.08	-	-	7,857,760	5.86	-	-
<i>Substantial Shareholders</i>								
Dato' Sulaiman bin Aris ¹	-	-	20,863,906	21.44	-	-	20,863,906	15.57
Dato' Azmi bin Abdullah ¹	-	-	20,863,906	21.44	-	-	20,863,906	15.57
Jasmani bin Abbas ²	-	-	14,012,200	14.40	-	-	14,012,200	10.46
Tan Sri Mohamed Basir bin Ahmad ²	-	-	14,012,200	14.40	-	-	14,012,200	10.46

2. INFORMATION SUMMARY (Cont'd)

	Before the New Issue				After the New Issue [^]			
	No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Padujade Corporation Sdn Bhd ³	-	-	7,857,760	8.08	-	-	7,857,760	5.86
Dato' Mohd Hilmey bin Mohd Taib ⁴	-	-	7,857,760	8.08	-	-	7,857,760	5.86
Tuan Haji Safiee bin Mohammad ⁴	-	-	7,857,760	8.08	250,000	0.19	7,857,760	5.86

Notes:

1. Deemed interest through shareholdings in CTV. However, Dato' Sulaiman bin Aris and Dato' Azmi bin Abdullah do not have any economic and beneficial interest in the shares held by them in CTV.
 2. Deemed interest through shareholdings in MVCC. However, Jasmani bin Abbas and Tan Sri Mohamed Basir bin Ahmad do not have any economic and beneficial interest in the shares held by them in MVCC.
 3. Deemed interest through shareholdings in HTP.
 4. Deemed interest through shareholdings in Padujade Corporation Sdn Bhd.
- [^] Including the Pink Form Allocation reserved for all Directors and employees of Tricubes and its subsidiary companies and assuming that all Pink Form Allocation is fully subscribed by the respective Directors and employees.

2.2.2 Board of Directors

The Board of Directors of Tricubes and their shareholdings before and after the New Issue are as follows:

Director	Before the New Issue				After the New Issue [^]			
	No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held		No. of Tricubes Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Sri Tajuddin	975,600	1.00	-	-	1,225,600	0.91	-	-
Khairun	48,715,834	50.07	-	-	48,965,834	36.54	-	-
Hisham bin Zainal Mokhtar	609,800	0.63	-	-	859,800	0.64	-	-
Tuan Haji Safiee bin Mohammad ⁷	-	-	7,857,760	8.08	250,000	0.19	7,857,760	5.86
Ahmed Reza bin Mohd Ghazali	-	-	-	-	100,000	0.07	-	-
Victor Ang	-	-	-	-	100,000	0.07	-	-
Mohd Daruis bin Zainuddin	-	-	-	-	100,000	0.07	-	-

2. INFORMATION SUMMARY (Cont'd)*Notes:*

1. *Deemed interest through indirect shareholding in HTP.*

^ *Including the Pink Form Allocation reserved for all Directors and employees of Tricubes and its subsidiary companies and assuming that all Pink Form Allocation are fully subscribed by the respective Directors and employees.*

2.2.3 Key Management and Key Technical Personnel

The key management and key technical personnel of the Tricubes Group as at 15 October 2004 are as follows:

Key management and key technical personnel (Designation)	Before the New Issue				After the New Issue [^]			
	No. of Tricubes Shares held Direct	% Indirect	%		No. of Tricubes Shares held Direct	% Indirect	%	
Khairun (CEO)	48,715,834	50.07	-	-	48,965,834	36.54	-	-
Hisham bin Zainal Mokhtar (Executive Director)	609,800	0.63	-	-	859,800	0.64	-	-
Ahmad Azhar bin Kamarulzaman (Vice-President, Design Engineering)	243,900	0.25	-	-	552,600	0.41	-	-
Amir Hamzah bin Shamsudin (Vice-President, Professional Services)	243,900	0.25	-	-	541,400	0.40	-	-
JAB (Executive Director of TriSuria)	975,600	1.00	-	-	1,312,700	0.98	-	-
Khaled Ahmed Adel El-Sherief (Vice-President, Customer Service)	195,100	0.20	-	-	495,100	0.37	-	-
Shamsul Bahari bin Mokmin (Vice-President, TCSB)	243,900	0.25	-	-	527,600	0.39	-	-
Zailan bin Mohd Zawawi (Vice-President, Sales (Public Sector))	243,900	0.25	-	-	577,700	0.43	-	-

Note:

^ *Including the Pink Form Allocation reserved for all Directors and employees of Tricubes and its subsidiary companies and assuming that all Pink Form Allocation are fully subscribed by the respective Directors and employees.*

2. INFORMATION SUMMARY (Cont'd)

2.3 SUMMARY OF THE 5-YEAR BUSINESS PLAN

2.3.1 Background of the Group

The Group's core business is in the provision of advanced IT solutions centred around its own range of niche hardware and software products. The Group's in-house developed hardware and software products are intended to be integrated with value added services such as project management, systems integration, application development and outsourcing with the aim of offering the Group's existing and prospective clients a more comprehensive service. The Group also offers electronic design services to selected clients. The Group's mission is to become a leading solution provider in its selected markets by continuously innovating and positioning its range of products and services in the industry. Today, the Group has over 25 customers and has established a local presence in the domestic market as well as foreign markets such as in France and the HKSAR.

Presently, the Group has identified and is focussing its efforts around 3 key growth market segments, namely the Enterprise Mobile Systems (B2B and B2E), Identity Authentication and Management and Electronic Payment Systems. In line with its commitment to continuously develop and integrate solutions in these growth market segments, the Group has formulated 3 key solutions to be offered to these 3 market segments as follows:

Solution	Target Segments	Key Customer Requirements
SAA	IAM	Non-repudiation of identification using biometrics and smart cards.
EPSys	EPSys	Secured multi-delivery channel financial transactions.
MWS	EMS (B2B & B2E)	Mobile business applications over GPRS, Enhanced Data Rates for GSM Evolution (EDGE) & 3G networks.

2.3.2 Plans and Strategy

The Group plans to become a leading solution provider in the 3 selected market segments by marketing its products/solutions both in the local and foreign markets. In order to achieve this objective, the Group's strategy is to pre-select a number of markets in the Association of South East Asian Nation (ASEAN) region, European countries and the Middle East region, which the Group considers as attractive. Thereafter, the Group will make concerted efforts to penetrate these markets *via* value added resellers/partners who have expertise in the selected market segments as summarised below:

Solution	Target Applications	Target Customers
SAA	IAM solutions for: <ul style="list-style-type: none"> • Physical and Logical access • Time and Attendance • Secure Transactions and Communications 	The Government, corporations, financial institutions, health, education and travel industries.

2. INFORMATION SUMMARY (Cont'd)

Solution	Target Applications	Target Customers
EPSys	EPSys for: <ul style="list-style-type: none"> • Debit • Credit • Loyalty Programs • MEPS Cash 	Financial institutions, retailers and loyalty program providers.
MWS	EMS (B2B & B2E) applications in: <ul style="list-style-type: none"> • Sales Force Automation • Data Collection • Logistics • Security and Enforcement 	Law enforcement agencies, telecommunication and utility companies, logistics and warehousing.

SAA

In terms of SAA market segment, the management of Tricubes anticipates that demand for integrated biometrics smart card readers may be derived from both the “new” and “replacement” customers. Replacement customers relate to replacement of card based physical access control system such as magnetic stripe and proximity card. Nevertheless, the management of Tricubes anticipates that a large percentage of the demand would be from “new” customers, mainly in the area of logical access control, web services or network security access application.

The management of Tricubes is of the view that the growth in the SAA market segment would be attributable to the following two key factors:

- (i) the increasing requirements for identity authentication and more stringent security measures in facilities (after 11 September 2001) such as seaports, airports, Government buildings and offices as well as certain multi-national companies; and
- (ii) the Government’s encouragement for the adoption of MyKad nationwide by 2005, which in turn fuels the demand for the Group’s MyKad authentication devices. Frost & Sullivan’s research indicates that the Group was the market leader in the Malaysian’s integrated biometrics smart card reader market in 2003, amongst the leading industry participants with a market share of 56.7% based on revenues for 2003.

The management of Tricubes will continue to leverage on the Group’s lead position to take advantage of the potential growth in this market. To stay ahead of its competitors, the Group will continue to invest in market research and development to further develop specialised products and where appropriate, forge strategic alliances and partnerships with local and international partners, with the aim of providing customers with more comprehensive solutions at competitive prices.

Due to the promotions by MDC on the MyKad project outside Malaysia, a number of governments in the Middle East and East Asia region have shown interest to implement similar projects in their respective countries. The Group believes there is potential for the Group to work with MDC to market the Group’s technologies and solutions to the potential customers.

2. INFORMATION SUMMARY (Cont'd)

EPSys

The Group also aims to become a key player in the mobile and Internet payment services in the EPSys market segment. Although the e-commerce market has not grown as fast in Malaysia as compared to the USA and the European countries, the management of Tricubes believes that this segment presents growth potential as awareness and actual usage of Internet gains momentum over time.

With the improving security for e-commerce and proliferation of mobile channels for electronic payments, such as utilising cellular telephone for payments *via* short messages system (SMS) or customised SIM cards, the management of Tricubes believes that these factors will also drive growth in the EPSys market segment in Malaysia.

Accordingly, the management of Tricubes aims to foster business relationships with telecommunication companies and financial institutions as such business partnering would yield opportunities for the Group's electronic payments products/solutions for e-commerce activities.

In addition, smart cards technology is expected to reduce losses from card skimming or copying data from magnetic stripe cards. EMV is seen as the major driving force behind smart card based electronic payment terminals. The management of Tricubes expects banks and merchants in Malaysia to chip-enable their terminals to avoid liability shift and further losses resulting from fraud.

The management of Tricubes also anticipates that the growth rate for this particular segment is expected to peak in the next one to two years (2004-2005) due to replacement of the magnetic stripe based electronic payment terminals with smart card/EMV-compliant terminals in accordance with BNM's requirement that all current terminals have to be EMV compliant by 2005.

Accordingly, Tricubes' strategy is to focus on the software, system integration and other related services such as providing consultancy, support and maintenance to the banks and merchants. New hardware and software will need to be integrated with existing systems such that all processes are converged together. In view of the complexity of EMV technology, as compared to traditional magnetic stripe, the management of Tricubes anticipates that certain banks may lack the necessary skills to implement the EMV-technology and requires external consultancy.

MWS

Whilst the MWS market segment is currently experiencing steady growth, the management of Tricubes is of the view this market segment is gaining momentum. Frost & Sullivan's research estimates the number of rugged handheld devices to grow by a CAGR of 15.8% for the Malaysian market between 2003 and 2009.

The Group's premier product, namely Tricubes 1020 (a wireless enabled handheld computer with integrated smartcard and biometrics reader), is equipped with a range of applications for B2B and B2E vertical applications. The telecommunications migration towards higher transmission rates of GPRS and 3G networks, is envisaged to enable usage of traditional desktop bound enterprise applications by the mobile workforce *via* mobile handheld computers. The management of Tricubes is of the view that the Group's wireless enabled hardware and software products are designed for such applications.

Furthermore, the management of Tricubes anticipates that with the proliferation of MyKad amongst the masses in the near future, the Government (enforcement agencies like Police, Immigration, Road Transport), banks and various service agencies would increasingly utilise these mobile handheld devices to run MyKad applications for authentication, tracking and tracing, data collection and payment transactions. The management of Tricubes believes that the Group is well positioned in the MWS market segment to ride on the growth of this market segment. Tricubes intends to leverage on its experience and history with Government related corporations to penetrate key projects.

2. INFORMATION SUMMARY (Cont'd)

Tricubes is also involved in the SMARTICs ID project in the HKSAR, a similar project to MyKad. It is the Group's intention to use HKSAR as its springboard to enter the China market. The Tricubes 1020 has been gazetted by the HKSAR authority as the reader for its SMARTICs project. To date, Tricubes has supplied 63 units of Tricubes 1020 to SMARTICs.

(Source: Management of Tricubes and Frost & Sullivan)

2.3.3 Competitive Advantage

The Directors of Tricubes believe that one of the key competitive advantages of the Group lies in its ability to offer a comprehensive range of solutions as well as customised solution to meet the specific requirements of the potential customer. Coupled with other ancillary services such as consulting, project management, systems integration and outsourcing, the management of Tricubes is of the view that the Group is in a position to market itself as a comprehensive solution provider as well as hardware and software product supplier by partnering with another systems integrator.

The management of Tricubes has identified 5 key principles as the basis of the Group's product development philosophy, which are to be reflected in the features and functions of the Group's range of hardware and software products. These 5 key principles are as follows:

- **Price/Performance.** The Group conducts a market driven approach when embarking on any new hardware or software product development plan. Products are priced according to the market but given that most of the Group's products are designed and produced locally, the Group is able to offer lower price products with high performance, as compared to other similar imported products.
- **Modular design and scalability.** The Group's products are designed to be in modular form to enhance the products' flexibility that allow the Group to customise its products based on customers' individual requirements by adding special features and functions. In line with the modular design, the Group's products are scalable to suit the varying needs of the market. For example, Tricubes's range of portable readers is capable of being integrated with various peripherals such as barcode scanner, printer or GSM module.
- **Reliability.** Based on market readiness, the product development lifecycle is strictly adhered to ensure reliability and quality of all products offered by the Group.
- **Security.** The Group's products are also designed to offer secure computing environment through the use of various encryption techniques. Security is incorporated either physically through hardware or software and firmware programming.

The management of Tricubes intends to enhance the Group's current software products and develop a wider range of vertical mobile and authentication applications through collaborations with other third party enterprise application software providers. In this regard, a Software Development Kit ("SDK") has been developed by the Group with the aim of allowing third party software developers to use the Group's devices as their mobile computing platform and for their applications to be integrated and customised so as to run on the Group's devices. The third party applications which the management of Tricubes intends to be integrated and customised to run on the Group's devices, could range from data collection, customer relationship management, enforcement to various applications in ERP.

The strengths, weaknesses, opportunities and threats analysis of the Group is set out in Figure I-14 in the Independent Market Research Report attached in Section 12 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.3.4 Human Resources Policy

The Group's Human Resource ("HR") policy is formulated based on the recognition of the importance of "people" being its most valuable assets. Apart from ensuring that the Group's personnel are sufficiently equipped with the right set of skills, opportunities are given to the Group's personnel for professional growth. In achieving these goals, the key HR strategies of the Group are:

- Recruit and Retain Talent
- Training and Development
- Rotate Job Function
- Set Targets and Reward

Recruit and Retain

Special emphasis is given to the recruitment process, as the Group's business focus is primarily dependent on having employees who are not only highly motivated but who also possesses the right skill sets. The recruitment of qualified and knowledgeable workers is a key criterion in view of the Group's expansion plan and the management of the Tricubes is of the view that the recruitment of the right talent will allow the Group to maintain a competitive workforce.

The management of the Tricubes is of the view that the listing of Tricubes also serves to enhance the profile and stature of the Group for the purposes of attracting, retaining and motivating its employees.

Train and Develop

Based on a Training Need Analysis, the management of the Tricubes will send the Group's personnel for training, locally and overseas, to enhance their knowledge and skills. Apart from technical based courses, a majority of the Group's personnel is also required to enhance their soft skills, including human interaction through sales training and team building courses. The management of the Tricubes also encourages the Group's personnel to acquire the relevant qualification by accredited professional bodies as this would give due recognition of their expertise in their respective fields of specialisation.

Rotate Job Function

As part of the career development programme, options may be given to key management to be posted to different departments within the Group. For example, key personnel from the software development team may be given the option to be transferred to sales and marketing team. This is to enable the key management to gain greater exposure in different aspects of the business operation of the entire Group and optimise the Group's human resources.

Set Targets and Reward

The management of the Tricubes recognises the importance of rewarding the Group's employees based on both qualitative and quantitative objectives, which is aimed at instilling a sense of ownership and belonging to the Group. Managers and sales personnel would be assigned with specific profit or revenue targets, and a clearly defined commission scheme would be put in place by the Group to reward these personnel if they successfully achieve their respective targets.

2. INFORMATION SUMMARY *(Cont'd)*

2.3.5 Market Share and Demand

SAA market segment

As set out in Independent Market Research Report (included in Section 12 of this Prospectus), Frost & Sullivan's research identified that there are approximately 3 to 5 market participants in the Integrated Biometrics Smart Cards market segment in Malaysia. This market is expected to experience strong growth in the next 1-2 years with nationwide adoption of MyKad. Frost & Sullivan is of the view that the barrier to entry for this market segment is high in view the technology requirement coupled with the issue of having to abide to government rules and specifications and having the right pricing and experts in the field. Frost & Sullivan further noted that the Group was the market leader in the Malaysian's integrated biometrics smart card reader market in 2003 amongst the leading industry participants with a market share of 56.7% based on revenues for 2003.

Frost & Sullivan estimated that up to year 2003, an estimated 2,886 units of integrated biometrics smart card reader were sold in Malaysia and the number is expected to reach more than 15,000 units in 2009 representing a CAGR of 32.8% for the Malaysian market.

(Source: Frost & Sullivan)

EPSys market segment

As set out in Independent Market Research Report (included in Section 12 of this Prospectus), Frost & Sullivan's research identified that there are approximately 3 to 6 market participants in the Electronic Payment Terminals market segment in Malaysia. The main competitors in this market segment are largely the distributors and agents of foreign owned terminal manufacturers and Frost & Sullivan noted that the main competitors include Tricubes which distributes Intellect's range of electronic payment terminals.

(Source: Frost & Sullivan)

MWS market segment

As set out in Independent Market Research Report (included in Section 12 of this Prospectus), Frost & Sullivan's research identified about 12 competitors in the rugged handheld computers sector. The manufacturers of rugged handheld devices in Malaysia are predominantly MNCs with only two local players being Tricubes and IRIS.

With the proliferation of MyKad amongst the masses in the near future, Frost & Sullivan anticipates that the government sector (enforcement agencies such as Police, Immigration, Road Transport), banks and various service centres will increasingly utilise these mobile handheld devices to run MyKad applications for authentication, tracking and tracing, data collection and payment transactions.

(Source: Frost & Sullivan)

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2. INFORMATION SUMMARY (Cont'd)

2.4 PROSPECTS AND OUTLOOKSAA market segment

Frost & Sullivan's research indicates that the integrated biometrics smart card reader (non-mobile) market in Malaysia is expected to register large growth mainly due to increasing adoption of MyKad and awareness about the benefits of smart card and biometrics technology, particularly after the year 2005 with nationwide uptake of the card. Frost & Sullivan noted that it is also the aim of the Government (NRD) to increase points of use by enhancing the necessary infrastructure such as having more card readers or card acceptance devices and terminals which can read MyKad to encourage the use of MyKad in the country.

The adoption of the applications hosted onto MyKad is expected to influence the movement and demand of these readers. In the early stage, Frost & Sullivan anticipates that demand for the integrated biometrics smart card readers is expected to come largely from the government and financial institutions. The government have also encouraged the local developers or the private sector to use MyKad in their applications. The growing dispersion of smart card and biometrics technology is expected to see the private sector adopting these readers particularly for the use in access control (physical access and logical access (network security) and time attendance applications.

(Source: Frost & Sullivan)

EPSys market segment

Fraud reduction is one of the most important criteria for smart card and terminal migration in Malaysia. ATM and credit card fraud cases have heightened worries among consumers about payment cards. Smart cards technology is expected to reduce losses from card skimming or copying data from magnetic stripe cards. EMV is expected to be the major driving force behind smart card based electronic payment terminals. Banks and merchants in Malaysia are expected to chip enable their terminals to avoid liability shift and further losses from fraud. Frost & Sullivan anticipates rapid adoption of EMV compliant terminals to occur in the next one to two years (2004-2005) and estimates that the number of desktop based EMV compliant chip based terminals to grow by a CAGR of 24.7% for the Malaysian market between 2003 and 2009. In this period, magnetic stripe based electronic payment terminals would be replaced and therefore boost the demand for EMV chip based terminals. The replacement market demand is expected to constitute 62.9% of the overall terminal market.

Frost & Sullivan anticipates continuous replacement of the current terminals and uptake from "new" demand is expected to drive growth for electronic payment solution market particularly for the software, system integration and other services such consulting and maintenance.

(Source: Frost & Sullivan)

MWS market segment

Although rugged handheld devices have been in use in the Malaysian scene for many years, Frost & Sullivan is of the view that the MWS market is presently still in its development stages. Demand is primarily driven by MNCs deploying a particular vendor's solution as part of their global strategy. The government is an active end-user segment that is expected to gain momentum from 2005 to 2009 in view of the mass rollout and acceptance of MyKad. Frost & Sullivan anticipates that local corporations will gradually join in the bandwagon as prices of handhelds become more affordable.

Frost & Sullivan expects growth potential to be evident in the MWS market especially by 2007 to 2009 period amidst better awareness levels, favorable pricing and the drive towards automation to increase market competitiveness. Frost & Sullivan anticipates the MWS market to grow by a CAGR of 15.8% from 2003 to 2009.

(Source: Frost & Sullivan)

2. INFORMATION SUMMARY *(Cont'd)*

2.5 CONTRACTOR ACCOUNT REGISTRATION/ LICENSES

The summary of licences held by the Tricubes Group is extracted from and should be read in conjunction with the detailed information set out in Section 5.2.6 of this Prospectus.

Licensee	Licence(s)	Licensor
TCSB	Registered contractor	Kementerian Kewangan Malaysia
TCSB	Registered contractor	Tenaga Nasional Berhad
TCSB	Registered contractor	Telekom Research and Development Sdn Bhd
EPNCR	Registered contractor	Kementerian Kewangan Malaysia
EPNCR	Registered Bumiputera Contractor	Kementerian Kewangan Malaysia
EPNCR	Registered contractor	Pos Malaysia Berhad
EPNCR	Registered contractor	Affin Bank Berhad
EPNCR	Registered contractor	Telekom Research & Development Sdn Bhd
EPNCR	Registered contractor	Indah Water Konsortium Sdn Bhd
EPNCR	Registered contractor	Tenaga Nasional Berhad
EPNCR	Registered contractor	Bank Simpanan Nasional

2.6 INTELLECTUAL PROPERTY

The summary of Intellectual Property held by the Tricubes Group is extracted from and should be read in conjunction with the detailed information set out in Section 5.2.7 of this Prospectus.

Authority	Division	Registration No./ Serial No.	Description	Date
<i>Industrial Designs owned/applied by Tricubes Group</i>				
MDTCA (Design)	Intellectual property division	MY 02-00507	Handheld computer	Registered: 23 August 2002 Certified: 30 July 2003
MDTCA (Design)	Intellectual property division	MY 03-00116	Fingerprint scanner	Registered: 25 February 2003 Certified: 3 March 2004
MDTCA (Design)	Intellectual property division	MY 03-00117	Computer accessory	Registered: 25 February 2003 Certified: 11 November 2003

2. INFORMATION SUMMARY (Cont'd)

Authority	Division	Registration No./ Serial No.	Description	Date
<i>Patents owned/applied by Tricubes Group</i>				
MDTCA (Patent)	Intellectual property division	UI 20002379	Utility Innovation (SMA Handheld Computer)	Application date: 27 May 2000

2.7 R&D CAPABILITIES

The Tricubes Group has gained expertise in the design and development of ruggedised secure mobile devices through their utilisation of biometrics, smartcards and GSM communications technologies. The Group is taking advantage of its expertise to enhance the development and marketing of microelectronic devices to be used as enabling tools for e-commerce.

The Group's multi-disciplinary design teams rely on an extensive collection of processes and methodologies to develop a structured and hierarchical approach in the development of products and systems. Tricubes Group uses modelling and simulation tools as part of its advanced processes and methodologies to design its products and systems. The Group intends to maximise design accuracy, while reduce overall development time through the application of the special features of its design tools. Tricubes Group intends to equip the design teams with a wide range of design tools to provide it with a competitive edge.

As at 15 October 2004, the Group employed 22 full-time and contract professionals to conduct in-house R&D. The Group's R&D activities are housed in its office at Technology Park Malaysia. During the past 2 financial years ended 31 December 2003 and the 8 months financial period ended 31 August 2004, the Group spent approximately 20% of its total revenue on R&D activities. Tricubes intends to utilise RM7.0 million or 46.5% of the proceeds from the listing for R&D purposes.

Please refer to Section 5.2.9 of this Prospectus for further information.

2.8 RISK FACTORS

The following are some of the main risk factors (which may not be exhaustive) as extracted from Section 4 of this Prospectus. Applicants for the Issue Shares should carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus before applying for the Issue Shares:

- (i) Risks relating to Tricubes Shares
- (ii) Operating risks
- (iii) Competition
- (iv) Technological risks
- (v) Infringement of intellectual property rights
- (vi) Dependence on major customers
- (vii) Difficulty in managing future growth and uncertainty associated with the 5-year business plan
- (viii) Dependence on Directors and key management and key technical personnel
- (ix) Future capital injections
- (x) Change in MSC status
- (xi) Business interruptions and insurance coverage
- (xii) Political, economic, regulatory and market considerations
- (xiii) Failure in listing exercise
- (xiv) Environmental concerns
- (xv) Continuing demand for the Group's products and services
- (xvi) Foreign currency risk

2. INFORMATION SUMMARY (Cont'd)

- (xvii) Disclosure regarding forward-looking statements
- (xviii) Product liability
- (xix) Ownership and control by substantial shareholders
- (xx) New geographical markets
- (xxi) Nature of contracts
- (xxii) Reliance on suppliers
- (xxiii) Potential tax liabilities

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2. INFORMATION SUMMARY (Cont'd)

2.9 CONSOLIDATED INCOME STATEMENTS

The table below, which has been extracted from the Accountants' Report in Section 11 of this Prospectus and should be read in conjunction with the notes thereto, sets out a summary of the audited consolidated income statements of Tricubes for the 5 FYE 31 December 2003 and 8 months financial period ended 31 August 2004.

	←-----Audited-----→					
	←-----FYE 31 December-----→					8-month period ended 31 August 2004
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	RM'000
Revenue	4,552	9,099	45,625	11,669	17,066	15,494
Cost of sales	(3,309)	(6,875)	(31,112)	(5,876)	(9,957)	(8,282)
Gross profit	1,243	2,224	14,513	5,793	7,109	7,212
Other operating income	519	583	432	47	14	125
	1,762	2,807	14,945	5,840	7,123	7,337
Administrative and other operating expenses	(2,376)	(3,077)	(4,916)	(5,918)	(6,434)	(4,269)
Finance costs	(124)	(403)	(541)	(84)	(146)	(577)
Operating (loss)/profit	(738)	(673)	9,488	(162)	543	2,491
Amortisation expenses	46	68	125	10	508	510
Depreciation	81	214	347	600	725	514
Interest expense	123	367	534	71	104	215
EBITDA	(488)	(24)	10,494	519	1,880	3,730
Less:						
Amortisation expenses	(46)	(68)	(125)	(10)	(508)	(510)
Depreciation	(81)	(214)	(347)	(600)	(725)	(514)
Interest expense	(123)	(367)	(534)	(71)	(104)	(215)
	(738)	(673)	9,488	(162)	543	2,491
Share of loss in associated company	(6)	(234)	(176)	(116)	(98)	(29)
PBT/(LBT) ³	(744)	(907)	9,312	(278)	445	2,462
Taxation	-	-	-	-	-	-
PAT/(LAT) before MI ³	(744)	(907)	9,312	(278)	445	2,462
MI	223	67	(1,031)	387	333	(78)
PAT/(LAT) after MI	(521)	(840)	8,281	109	778	2,384
Weighted average number of Shares in issue ('000)	16,344	50,837	67,896	81,759	97,292	97,292
Net EPS/(LPS) (sen)	(3.19)	(1.65)	12.20	0.13	0.80	3.67 ²
Dividend rate (%)	-	-	-	-	-	-

Notes:

1. There were no exceptional and extraordinary items reported during the financial years/ period under review.
2. Annualised.

2. INFORMATION SUMMARY (Cont'd)

3. *Profit/(loss) before taxation and profit/(loss) after taxation for the Tricubes Group is the same for the 5 FYE 31 December 2003 and 8 months financial period ended 31 August 2004 as the key operating subsidiary companies in the Tricubes Group, namely TCSB and EPNCR have MSC status which exempts their statutory income from taxes. Prior to obtaining the MSC status, the subsidiary companies sustained losses which resulted in no tax exposure.*

AFTAAS has been the Auditors of Tricubes and its subsidiary companies, namely TCSB, TRCO, TGSB and TC (Sabah) for the relevant financial years/period under review as well as the Auditors of EPNCR for the 8 months financial period ended 31 August 2004. AFTAAS has reported on the financial statements of Tricubes and these subsidiary companies without qualification and their respective Auditors' Reports did not include any emphasis of matter.

The financial statements of EPNCR for the past 5 FYE 31 December 2003 were audited by other firms of Chartered Accountants and were reported on without qualification and their respective Auditors' Reports did not include any emphasis of matter.

2.10 PROFORMA CONSOLIDATED BALANCE SHEETS

The following proforma consolidated balance sheets of Tricubes have been prepared solely for illustrative purposes, to show the effects of the Flotation Scheme as though they were effected as of that date. The table below is extracted from the proforma consolidated balance sheets set out in Section 10 of this Prospectus and should be read in conjunction with the notes thereto.

	Audited as at 31 August 2004 RM'000	Proforma I RM'000
EQUIPMENT	1,458	2,258
INVESTMENT IN ASSOCIATED COMPANY	353	353
DEVELOPMENT EXPENDITURE	8,031	8,031
CURRENT ASSETS		
Inventories	3,809	3,809
Trade receivables	6,121	6,121
Other receivables	8,615	8,615
Cash and bank balances	3,873	12,624
	<u>22,418</u>	<u>31,169</u>
CURRENT LIABILITIES		
Trade payables	5,591	2,591
Other payables	2,820	2,820
Short-term loans	4,919	3,919
	<u>13,330</u>	<u>9,330</u>
NET CURRENT ASSETS	9,088	21,839
NET ASSETS	<u>18,930</u>	<u>32,481</u>
FINANCED BY:		
Share capital	9,729	13,400
Share premium	-	9,880
Reserve on consolidation	8,325	8,325
Accumulated loss	(117)	(117)
Shareholders' funds	<u>17,937</u>	<u>31,488</u>
Minority interest	421	421
Long-term liabilities	572	572
	<u>18,930</u>	<u>32,481</u>

2. INFORMATION SUMMARY (Cont'd)

	Audited as at 31 August 2004 RM'000	Proforma I RM'000
NTA	9,906	23,457
Par value per share (RM)	0.10	0.10
Number of ordinary shares in issue	97,292	134,000
NTA/share (RM)	0.10	0.18

Note:

Proforma I After incorporating the effects of the New Issue and proposed utilisation of proceeds (the estimated listing expenses of RM1.5 million is set off against the share premium account).

2.11 PRINCIPAL STATISTICS RELATING TO THE NEW ISSUE

The summary on the Flotation Scheme is extracted from and should be read in conjunction with the detailed information set out in Sections 3.4 and 3.6 of this Prospectus.

2.11.1 Share Capital

	RM
Authorised share capital as at 15 October 2004: 250,000,000 ordinary shares of RM0.10 each	<u>25,000,000</u>
Issued and fully paid-up share capital: 97,291,600 ordinary shares of RM0.10 each	9,729,160
To be issued pursuant to the New Issue: 36,708,400 new ordinary shares of RM0.10 each	3,670,840
Enlarged issued and paid-up share capital upon listing: 134,000,000 ordinary shares of RM0.10 each	<u>13,400,000</u>
Issue price per ordinary share of RM0.10 each	0.41
Market capitalisation upon listing based on Issue Price of RM0.41 per ordinary share of RM0.10 each	54,940,000

The New Issue shall be by way of Private Placement and public offering to the Malaysian public, the Directors and eligible employees of the Tricubes Group (excluding associated companies) and persons who have contributed to the success of the Tricubes Group, details of which are disclosed in Section 3.4.3 of this Prospectus.

Classes of Shares and Ranking

There is only one class of shares in Tricubes, namely ordinary shares of RM0.10 each. The Issue Shares will rank *pari passu* in all respects with the other existing issued and paid-up share capital of Tricubes including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

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

2. INFORMATION SUMMARY *(Cont'd)*

At any general meeting of the Company, each shareholder shall be entitled to vote 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 Tricubes Share held. A proxy may but need not be a member of the Company.

2.11.2 Proforma Consolidated NTA

The Proforma Consolidated NTA is extracted from and should be read in conjunction with the proforma consolidated balance sheets set out in Section 10 of this Prospectus.

Proforma Consolidated NTA as at 31 August 2004 (RM) <i>(After the New Issue and deducting listing expenses of RM1.5 million)</i>	23,457,000
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Proforma Consolidated NTA per Tricubes Share as at 31 August 2004 (RM) <i>(Based on the enlarged issued and paid-up share capital of 134,000,000 Tricubes Shares)</i>	0.18
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2.12 Utilisation of Proceeds from the New Issue

The summary on utilisation of proceeds from the New Issue is extracted from and should be read in conjunction with the detailed information set out in Section 3.8 of this Prospectus.

The New Issue will raise gross proceeds amounting to RM15,050,444 which shall accrue to Tricubes. The gross proceeds receivable by Tricubes will be utilised as follows:

	RM'000
Repayment of Bank Loan	1,000
Estimated Listing Expenses *	1,500
Capital Expenditure	800
Future Working Capital *	1,750
R&D Expenditure	7,000
Payment to Suppliers	3,000
	15,050

Note:

* Any variation in the actual listing expenses from the estimated amount will be funded from/ used for the Group's working capital.

2. INFORMATION SUMMARY (Cont'd)

2.13 MATERIAL LITIGATION, CAPITAL COMMITMENTS, BORROWINGS AND CONTINGENT LIABILITIES

The material litigation, capital commitments, borrowings and contingent liabilities are extracted from and should be read in conjunction with the detailed information set out in Sections 9.6 and 14.4 of this Prospectus.

2.13.1 Material Litigation

As at 31 October 2004, Tricubes and its subsidiary companies are not engaged in any material litigation, claims or arbitration either as plaintiffs or defendants, which has a material effect on the financial position of the Tricubes Group, and the Board of Directors has no knowledge of any proceedings pending or threatened against the Tricubes Group or of any other facts likely to give rise to any proceedings which may materially and adversely affect the financial position of the Tricubes Group.

2.13.2 Capital Commitments

As at 15 October 2004 (being the latest practicable date prior to the registration of this Prospectus), the Directors of Tricubes are not aware of any capital commitments which, incurred or known to be incurred by the Group which may have a material impact on the profit or net assets value of the Group.

2.13.3 Borrowings

As at 15 October 2004 (being the latest practicable date at which amounts could be calculated prior to the registration of this Prospectus), total borrowings of the Group amounted to approximately RM4.2 million. Details of the Group's outstanding bank borrowings including hire purchase facilities which are mainly interest bearing borrowings are as follows:

	As at 15 October 2004 (RM)
Long-term borrowings	571,572
Short-term borrowings	3,675,109
Total borrowings	<u>4,246,681</u>

2.13.4 Contingent Liabilities

Save as disclosed below, as at 15 October 2004 (being the latest practicable date prior to the registration of this Prospectus), the Tricubes Group does not have any contingent liabilities which have become enforceable or is likely to become enforceable, may have a substantial impact on the financial position of the Group.

TCSB is subject to the following contingent liabilities:

- (a) An unsecured corporate guarantee given to a licenced bank for banking facilities granted to EPNCR amounting to RM1,000,000 (the loan was not utilised as at 15 October 2004);
- (b) A corporate guarantee was executed on 18 August 2003 by TCSB in favour of Malaysian Debt Ventures Sdn Bhd to secure a loan of RM748,000 given to EPNCR (of which RM446,570 was outstanding as at 15 October 2004); and

2. INFORMATION SUMMARY (Cont'd)

- (c) The IRB had on 18 May 2004 rejected the Double Deduction for Research Expenditure claimed by TCSB under Section 34 of the Income Tax Act 1967 for the Year Assessment 2000 Current Year Basis to Year Assessment 2002. TCSB has submitted an appeal to IRB and a decision is pending. The potential shortfall for income tax liabilities for the above years of assessment is estimated at RM1,600,000 in the event the appeal is not successful. The Directors of TCSB and Aftaas Taxation Services Sdn. Bhd, TCSB's tax agent, are both of the opinion that the appeal will be successful and hence no provision is made in the financial statements.

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3. PARTICULARS OF THE NEW ISSUE

3.1 INTRODUCTION

This Prospectus is dated 26 November 2004.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The approval from the SC for the Flotation Scheme has been obtained *vide* its letters dated 6 July 2004 and 8 November 2004. The approval from Bursa Securities has been obtained on 12 July 2004, 9 November 2004 and 10 November 2004 for admission to the Official List of the MESDAQ Market and for permission to deal in and quotation for the 134,000,000 Tricubes Shares representing the entire enlarged issued and paid-up share capital of Tricubes including the Issue Shares which are the subject of this Prospectus. The Issue Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from the Depository that all CDS accounts of successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed Tricubes as a CDS counter. In consequence thereof, all Tricubes Shares including the Issue Shares will be deposited directly with the Depository and any dealings in these shares will be carried out in accordance with the aforesaid legislation and the Rules of the Depository.

Under trading rules of Bursa Securities, effective from the date of listing, trading in all Bursa Securities listed securities can only be executed through an ADA who is also a Bursa Securities Member. Person(s) applying for the Issue Shares must have a CDS account and should state his CDS account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, an applicant shall furnish his CDS Account to the participating financial institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so. A corporation or institution cannot apply for the Issue Shares by way of Electronic Application.

Pursuant to the MESDAQ Market Listing Rules, the Tricubes needs to have at least 25% but not more than 49% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum number of 200 public shareholders at the point of admission to the MESDAQ Market. In the event that the above requirement is not met pursuant to the Flotation Scheme, Tricubes may not be allowed to proceed with its 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.

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

The distribution of this Prospectus and the issuance of the Issue Shares will not be registered under any possible securities legislation of any jurisdiction except Malaysia. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for purpose of an offer to sell or an invitation of an offer to buy any Issue Shares 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 Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

IF YOU ARE IN ANY DOUBT ABOUT THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISER.

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

3.2 OPENING AND CLOSING OF APPLICATIONS

Applications for the New Issue will be accepted from 10.00 a.m. on 26 November 2004 and will be closed at 5.00 p.m. on 3 December 2004 or for such further period or periods as the Directors of Tricubes and the Underwriter/Placement Agent in their absolute discretion may mutually decide. **Late applications will not be accepted.**

Any extension to the closing date for the applications, will be published in widely circulated English and Bahasa Malaysia newspapers within Malaysia.

3.3 IMPORTANT TENTATIVE DATES

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

Event	Tentative date
Opening date of applications	26 November 2004
Closing date of applications	3 December 2004
Tentative balloting date	7 December 2004
Tentative allotment date	13 December 2004
Tentative listing date	15 December 2004

3.4 FLOTATION SCHEME

The Flotation Scheme of Tricubes entails the following exercises, the approvals for which were obtained from the SC and FIC on 6 July 2004, 8 November 2004 and 22 November 2004 and Bursa Securities on 12 July 2004, 9 November 2004 and 10 November 2004:

3.4.1 Acquisitions

(a) Acquisition of TCSB by Tricubes

Tricubes entered into a Conditional Sale and Purchase Agreement with the vendors of TCSB, namely Khairun, JAB, CTV, MVCC and HTP on 21 November 2003 to acquire the entire issued and paid-up share capital of TCSB comprising 8,406,048 TCSB Shares for a purchase consideration of RM9,729,158 satisfied by the issuance of 97,291,580 new Tricubes Shares at an issue price of RM0.10 per Tricubes Share to the existing shareholders of TCSB.

The Acquisition of TCSB by Tricubes was completed on 20 August 2004.

The new Tricubes Shares issued pursuant to the Acquisition of TCSB ranked *pari passu* in all respects with the existing Tricubes Shares except that the new Tricubes Shares so issued shall not be entitled to any dividends, rights, allotments or other distributions declared, made or paid to shareholders, the record date for which is preceding the date of issuance of Tricubes Shares pursuant to the Acquisition of TCSB.

3. PARTICULARS OF THE NEW ISSUE (Cont'd)

The purchase consideration of RM9,729,158 was arrived at after taking into account the unaudited adjusted consolidated NTA of TCSB of RM9,729,156 as at 31 December 2002 after adjusting for, *inter alia*, subscription of additional new TCSB Shares by MVCC and TCSB's future growth potential.

The purchase consideration of RM9,729,158 was satisfied by the issuance of 97,291,580 new Tricubes Shares at an issue price of RM0.10 per Tricubes Share to the existing shareholders of TCSB as follows:

Shareholders of TCSB	No. of TCSB Shares acquired by Tricubes	% of share capital	No. of new Tricubes Shares issued
Khairun	3,165,914	37.66	36,642,279
JAB	1,547,904*	18.42	17,915,435*
CTV	1,802,653	21.44	20,863,906
MVCC	1,210,662	14.40	14,012,200
HTP	678,915	8.08	7,857,760
	8,406,048	100.00	97,291,580

Note:

* These shares have been re-allocated in the manner set out in Section 3.4.2 of this Prospectus.

(b) Acquisition of EPNCR by Tricubes

Tricubes entered into a Conditional Sale and Purchase Agreement with TCSB on 21 November 2003 to acquire 70% of the issued and paid-up share capital of EPNCR comprising 700,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,012,436 wholly satisfied in cash ("EPNCR SPA"). The purchase consideration was based on the carrying cost of investment of EPNCR in TCSB's audited financial statements as at 31 December 2002 of RM1,012,436.

The Acquisition of EPNCR by Tricubes was completed on 9 August 2004.

(c) Acquisition of TRCO by Tricubes

Tricubes entered into a Conditional Sale and Purchase Agreement with the vendors of TRCO, namely Amir Hamzah Shamsudin and JAB on 21 November 2003 to acquire the entire issued and paid-up share capital of TRCO comprising 20 ordinary shares of RM0.10 each for a cash purchase consideration of RM2.00. The purchase consideration of RM2.00 was based on the NTA of TRCO of RM2.00 as at 31 October 2003.

The Acquisition of TRCO by Tricubes was completed on 6 August 2004.

(d) Acquisition of TGSB by Tricubes

Tricubes entered into a Conditional Sale and Purchase Agreement with the vendors of TGSB, namely Ahmad Azhar Kamarulzaman and Shazilan Dahalan on 21 November 2003 to acquire the entire issued and paid-up share capital of TGSB comprising 20 ordinary shares of RM0.10 each for a cash purchase consideration of RM2.00. The purchase consideration of RM2.00 was based on the NTA of TGSB of RM2.00 as at 31 October 2003.

The Acquisition of TGSB by Tricubes was completed on 6 August 2004.

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

3.4.2 Transfer of Shares

The Transfer of Shares comprised the Allocation of Trust Shares and the Transfer of Subscribers' Shares as detailed below:

Allocation of Trust Shares

Prior to the conceptualisation of the Flotation Scheme, Khairun had previously offered TCSB Shares to selected key employees of the Group, with the aim of rewarding and retaining the key employees of the Group for their contributions as well as to instil a sense of ownership in them with a view of improving their performance standards in the future. In order for Khairun to demonstrate his commitment to reward these key employees, a trust arrangement was put in place by Khairun to set aside 1,547,904 TCSB Shares under the name of JAB (as a representative of the aforesaid key employees) as a bare trustee.

Pursuant to the Acquisition of TCSB by Tricubes as described in Section 3.4.1(a) of this Prospectus, the 1,547,904 TCSB Shares held by JAB on trust for Khairun were acquired by Tricubes for a consideration which has been satisfied by an issuance of 17,915,435 Tricubes Shares. JAB had no interest in these Tricubes Shares other than as a bare trustee for Khairun. The 17,915,435 Tricubes Shares were subsequently allocated by Khairun in a manner he thought fit.

In conjunction with the Flotation Scheme, Khairun decided to allocate 5,841,900 Tricubes Shares out of the 17,915,435 Tricubes Shares allotted and issued to JAB in favour of the following 32 employees and Directors of the Group for a cash consideration of RM0.10 per Tricubes Share:

No.	Name	No. of Tricubes Shares allocated
1.	Ahmad Azhar Bin Kamarulzaman	243,900
2.	Ahmad Sofi B Md Hashim	122,000
3.	Amir Hamzah Bin Shamsudin	243,900
4.	Aziz Bin Dollah	48,800
5.	Baleign Agil	146,300
6.	Dahliawati Aminuddin	48,800
7.	Ealina SURIANTY Binti Mohd Saleh	48,800
8.	Farah Harnum Gulam Haidir	48,800
9.	Hisham Zainal Mokhtar	609,800
10.	JAB	975,600
11.	Kamaruzaman Bin Mansur	48,800
12.	Khaled Ahmed Adel El-Sherief	195,100
13.	Low Teng Hui	97,600
14.	Makimuddin Bin Tajuddin	36,600
15.	Md Isa Packeer Mohamed	73,200
16.	Mohamad Yusri Bin Shaharin	146,300
17.	Mohammad Zaidee Ahmad	97,600
18.	Muzaffar Tajuddin	122,000
19.	Muzir Md Zanib	73,200
20.	Nick Hamasholdin Ahmad	122,000
21.	Noor Fa' Ezah Bt Mohd Amir	97,600
22.	Raja Syarizan	73,200
23.	Ryushdan Mokhtar Bin Azam	73,200
24.	Samsudin Bin Abdul Kadir	48,800
25.	Shamsul Bahari Mokmin	243,900
26.	Shazilan Bin Dahalan	146,300
27.	Suraya Binti Ali	73,200
28.	Suriyanarayana Raja Vishnu Shankar	97,600
29.	Syed Najib Albar	170,700
30.	Tan Sri Tajuddin	975,600

3. PARTICULARS OF THE NEW ISSUE (Cont'd)

No.	Name	No. of Tricubes Shares allocated
31.	Teh Li Chin	48,800
32.	Zailan Mohd Zawawi	243,900
	Total	5,841,900

The Allocation of Trust Shares was effected on 25 August 2004. Meanwhile, the balance of 12,073,535 Tricubes Shares out of the 17,915,435 Tricubes Shares allotted and issued to JAB, have been returned to Khairun on 25 August 2004.

Transfer of Subscribers' Shares

The 20 ordinary shares in Tricubes representing the subscribers' shares were transferred by Ahmad Kamal Hamzah and Norbadil Sulaiman to Khairun for a cash consideration of RM2.00 on 25 August 2004.

3.4.3 New Issue

Tricubes will undertake an initial public offering of 36,708,400 new Tricubes Shares, representing 27.40% of the enlarged issued and paid-up share capital of Tricubes, at an issue price of RM0.41 per new Tricubes Share.

The New Issue comprising 36,708,400 Issue Shares, to be issued at an issue price of RM0.41 per Issue Share are payable in full upon application. The New Issue is subject to the terms and conditions of the Prospectus and clawback and reallocation provisions as set out in the section hereafter. Upon acceptance, the Issue Shares will be allocated in the following manner:

(a) Pink Form Allocation

13,400,000 Issue Shares, representing 10% of the enlarged and issued paid-up share capital of Tricubes, is to be reserved for subscription by 7 Directors, 65 eligible employees of the Tricubes Group (excluding associated companies) and 170 persons who have contributed to the success of Tricubes Group. These Issue Shares shall be allocated based on performance, job grade and length of service in the case of Directors and eligible employees of the Group and based on amount of contribution in the case of persons who have contributed to the success of Tricubes Group.

The Directors of Tricubes have been allocated an aggregate of 1,300,000 Issue Shares in the following manner:

Directors	No. of Issue Shares allocated
Tan Sri Tajuddin	250,000
Khairun	250,000
Hisham bin Zainal Mokhtar	250,000
Tuan Haji Safiee bin Mohammad	250,000
Ahmed Reza bin Mohd Ghazali	100,000
Victor Ang	100,000
Mohd Daruis bin Zainuddin	100,000
	1,300,000

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

(b) Public Issue

3,000,000 Issue Shares, representing approximately 2.2% of the enlarged issued and paid-up share capital of Tricubes, will be made available for application by the Malaysian citizens, companies, societies, co-operatives and institutions.

(c) Private Placement to public investors

20,308,400 Issue Shares, representing approximately 15.2% of the enlarged issued and paid-up share capital of Tricubes, will be placed out to public investors by the Placement Agent.

Clawback and Reallocation

Any Issue Shares in respect of paragraphs (a) and (c) not subscribed for by the identified investors, Directors and eligible employees of the Tricubes Group (excluding associated companies) and persons who have contributed to the success of the Tricubes Group will be made available for application by the Malaysian public under paragraph (b).

The Issue Shares in respect of paragraph (b) (including any Issue Shares not subscribed for under paragraphs (a) and (c)) have been underwritten.

3.4.4 Flotation

Upon completion of the New Issue, Tricubes shall seek admission to the Official List of Bursa Securities for the listing of and quotation for its entire enlarged issued and paid-up share capital of RM13,400,000 comprising 134,000,000 Tricubes Shares on the MESDAQ Market of Bursa Securities.

3.5 PURPOSES OF THE NEW ISSUE

The purposes of the New Issue are as follows:

- (i) to provide an opportunity for Directors and eligible employees of Tricubes and its subsidiary companies and persons who have contributed to the success of the Tricubes Group and for Malaysian investors and institutions to participate in the continuing growth of the Group by way of equity participation;
- (ii) to provide Tricubes with access to the capital market to raise funds for future expansion and the continuing growth of the Tricubes Group; and
- (iii) to obtain a listing of and quotation for the entire enlarged issued and paid-up share capital of Tricubes of RM13,400,000 comprising 134,000,000 Tricubes Shares on the MESDAQ Market, which is expected to enhance the business, profile and future prospects of the Tricubes Group.

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

3.6 SHARE CAPITAL

	RM
<i>Authorised share capital as at 15 October 2004:</i>	
250,000,000 ordinary shares of RM0.10 each	<u>25,000,000</u>
<i>Issued and fully paid-up share capital:</i>	
97,291,600 ordinary shares of RM0.10 each	9,729,160
<i>To be issued pursuant to the New Issue:</i>	
36,708,400 new ordinary shares of RM0.10 each	3,670,840
<i>Enlarged capital upon listing:</i>	
134,000,000 ordinary shares of RM0.10 each	<u>13,400,000</u>
Issue price per ordinary share of RM0.10 each	0.41
Market capitalisation upon listing based on Issue Price of RM0.41 per ordinary share of RM0.10 each	54,940,000

The issue price for the Issue Shares of RM0.41 per Issue Share is payable in full on application.

The Issue Shares will rank *pari passu* in all respects with the other existing issued and paid-up share capital of Tricubes including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

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

At any general meeting of the Company, each shareholder shall be entitled to vote 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 Tricubes Share held. A proxy may but need not be a member of the Company.

3.7 PRICING BASIS

The issue price of RM0.41 per Issue Share was agreed between the Company and RHB Sakura as the Underwriter and Placement Agent. The factors considered in determining the Issue Price include the prevailing market conditions, the Group's future plans and prospects, the research findings by Frost & Sullivan, the proforma consolidated NTA per share of Tricubes as at 31 August 2004 as well as the prospective earnings of the Group.

For the 8 months financial period ended 31 August 2004, the Tricubes Group recorded a revenue and PAT after MI of RM15.5 million and RM2.4 million respectively.

Investors should take note that the market prices of Tricubes Shares upon listing on the MESDAQ Market are subject to the vagaries of market forces and other uncertainties, which may affect the price of Tricubes Shares being traded. **Investors should also bear in mind the Risk Factors as set out in Section 4 of this Prospectus and form their own views on the valuation of the Issue Shares before deciding to invest in the Issue Shares.**

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

3.8 PROCEEDS FROM THE NEW ISSUE

The New Issue will raise gross proceeds amounting to RM15,050,444 which shall accrue entirely to Tricubes. The proceeds from the public issue of RM15,050,444 are expected to be utilised for the following purposes:

	<i>Note</i>	RM'000	Timing of Utilisation
Repayment of Bank Loan	1	1,000	By January 2005
Estimated Listing Expenses	2	1,500	Upon listing
Capital Expenditure	3	800	By January 2005
Future Working Capital	4	1,750	By January 2005
R&D Expenditure	5	7,000	By December 2006
Payment to Suppliers	6	3,000	By January 2005
		15,050	

Notes:

1. **Repayment of Bank Loan**

The Group has total bank borrowings of approximately RM4.2 million as at 15 October 2004, out of which approximately RM3.7 million are short-term borrowings. The Group intends to utilise part of the proceeds amounting to RM1,000,000 for the repayment of the said borrowings.

Based on the current prevailing interest rate applicable to the Group's borrowings of approximately 8.9% per annum, the repayment is expected to result in an interest saving of RM81,583 for the FYE 31 December 2005.

2. **Estimated Listing Expenses**

All expenses incidental to the Listing estimated at RM1,500,000 shall be borne by the Company. Any variation in the actual listing expenses from the estimated amount will be funded from/used for the Group's working capital. The breakdown estimated listing expenses are detailed in Section 3.9.3 of this Prospectus.

3. **Capital Expenditure**

RM800,000 of the proceeds from the New Issue will be used for the renovation and purchase and upgrade of equipment for the Group's R&D office at Technology Park Malaysia.

4. **Future Working Capital**

RM1,750,000 of the proceeds from the New Issue will be used as the Group's working capital to improve the Group's liquidity and fund operating expenses.

5. **R&D Expenditure**

As R&D has been a key factor for the Tricubes Group's competitive and business viability, RM7,000,000 of the proceeds from the New Issue will be used to enhance its R&D capabilities over the next two financial years. The R&D expenditure is mainly for prototype development amounting to RM4,132,500, design cost amounting to RM1,710,000 and purchase of testing and development equipment amounting to RM1,157,500.

6. **Payment to Suppliers**

RM3,000,000 of the proceeds from the New Issue will be used for the payment of trade payables to suppliers.

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

The entire gross proceeds receivable by Tricubes from the New Issue is expected to be fully utilised by December 2006.

The financial impact on Tricubes of the above utilisation of proceeds includes, *inter alia*, the following:

- i. development of new product and service line for the Tricubes Group which are expected to further improve the profitability of the Group;
- ii. savings in interest expense which Tricubes would otherwise have to bear had it borrowed to fund those utilisation as set out above; and
- iii. interest savings from the repayment of bank loan as stated in Note 1 above.

3.9 BROKERAGE, UNDERWRITING COMMISSION AND LISTING EXPENSES

3.9.1 Brokerage

Brokerage relating to the Public Issue will be paid by the Company at the rate of 1.0% of the issue price of RM0.41 per new Issue Share in respect of successful applications which bear the stamps of RHB Sakura, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of Association of Merchant Banks in Malaysia or MIDFCCS.

3.9.2 Commission

The Underwriter and Placement Agent as mentioned in the "Corporate Directory" section of this Prospectus, has agreed to act as the Placement Agent for 20,308,400 Issue Shares and underwrite up to 36,708,400 Issue Shares (comprising 3,000,000 Issue Shares, plus up to 33,708,400 Issue Shares not taken-up by the identified investors and directors and eligible employees of the Group) to be issued to the Malaysian public. Underwriting and placement commission is payable by the Company at the rate of not more than 2.5% of the Issue Price of RM0.41 per Share.

The Placement and Underwriting Agreement was entered into between RHB Sakura and Tricubes on 27 September 2004 ("Underwriting Agreement"). The salient terms (including escape clauses) of the Underwriting Agreement, amongst others, are as follows:

- (i) The obligations of RHB Sakura under the Underwriting Agreement are conditional upon, among others, the following:
 - (a) the lodgement with the ROC of the Prospectus in accordance with the requirements of the Act together with copies of all documents required by the Act;
 - (b) the registration with the SC of the Prospectus in accordance with the requirement of the Securities Commission Act 1993, together with all documents required by the aforesaid Act and the issue by the SC of the relevant certificate of registration of the Prospectus or any like document;
 - (c) there have not been subsequent to the date of the Underwriting Agreement, any material adverse change or development reasonably and likely to involve a material adverse change in the condition (financial or otherwise) of Tricubes, its subsidiaries or any of its associated companies from that set out in the Prospectus which in the opinion of RHB Sakura is relevant in the context of the initial public offering or the issuance of the Issue Shares thereunder;

3. PARTICULARS OF THE NEW ISSUE (*Cont'd*)

- (d) the delivery to RHB Sakura on the date on which the application list for subscription of the underwritten shares will be closed ("Closing Date") of a certificate dated the date of the Closing Date and signed by an authorised Director of Tricubes confirming that to the best of Tricubes's knowledge and belief after having made all reasonable enquiries that the warranties, representations or undertakings as contain in the Underwriting Agreement thereof remains valid and RHB Sakura has been provided with all information with respect to the Tricubes Group that affect the condition of Tricubes, its subsidiaries or any of its associated companies, financial or otherwise, or the earnings, affairs or business prospects of Tricubes, its subsidiaries or any of its associated companies or that so affect the success of the initial public offering and the issue of the Issue Shares;
- (e) the Prospectus (for lodgement with the ROC) is in compliance with the Prospectus Guidelines issued by the SC dated 1 April 2003, and the due diligence verification exercise has been conducted for the contents of the Prospectus to ensure the accuracy of information contained therein, and to ensure no false or misleading statements or other facts the omission of which would make any of the statements therein in relation to the Tricubes Group and/or the initial public offering false or misleading; and
- (f) the Kuala Lumpur Composite Index at the close of each market day subsequent to the date of the Underwriting Agreement, is not lower than 810 points or such other reference point which may be mutually agreed in writing between Tricubes and RHB Sakura.

If any of the conditions set out above or in the Underwriting Agreement is not satisfied within 60 days from the date of the Underwriting Agreement or the approval of Bursa Securities for the listing of and quotation for the entire issued and paid-up share capital of Tricubes on MESDAQ Market is withdrawn, RHB Sakura shall be entitled to terminate the Underwriting Agreement and in that event, except for the liability of Tricubes for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to such termination, the Underwriting Agreement shall be void and cease to have future effect other than rights and obligations which have accrued prior to the cessation of the Underwriting Agreement.

- (ii) RHB Sakura may at any time be entitled to terminate its obligations under the Underwriting Agreement by notice in writing delivered to Tricubes at any time before the allotment and issuance of the Issue Shares if the success of the New Issue is, in the reasonable opinion of RHB Sakura, materially jeopardised by:
 - (a) any Government requisition or other occurrence of any nature whatsoever which adversely affects or will adversely affect the business of Tricubes or its subsidiaries; or
 - (b) any material adverse change in national or international monetary, financial, (including stockmarket conditions and interest rates) political or economic conditions or exchange control or currency exchange rates which would prejudice materially the success of the New Issue and their distribution or sale (whether in the primary or in respect of dealings on the secondary market); or
 - (c) any breach by Tricubes of the warranties and undertakings under the Underwriting Agreement or withholding of information of a material nature from RHB Sakura which, in the opinion of RHB Sakura, would have or can reasonably be expected to have, a material adverse effect on the financial condition, earnings, affairs, business, operations or prospects of Tricubes, its subsidiaries or any of its associated companies or the Tricubes Group, taken as a whole, the success of the New Issue or there is withholding of information of a material nature from RHB Sakura which, if capable of remedy, is not remedied within such number of days as stipulated in the notice requesting for such information from Tricubes, which in the opinion of RHB Sakura, would have or can reasonably be expected to have, a material adverse effect on the financial condition, earnings, affairs, business, operations or prospects of Tricubes, its subsidiaries or any of its associated companies or the Tricubes Group, taken as a whole, the success of the Public Issue; or

3. PARTICULARS OF THE NEW ISSUE *(Cont'd)*

- (d) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, which has or is likely to have an adverse and material effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of Tricubes or the Tricubes Group (taken as a whole); or
- (e) any event or series of events beyond the control of the parties (including without limitation acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which has or is likely to have the effect of making the Underwriting Agreement or a portion thereof incapable of performance within its terms or which prevents the processing of application, crediting of accounts and/or payments pursuant to the New Issue or pursuant to the underwriting thereof; or
- (f) the imposition of any moratorium, suspension or restriction on trading in securities generally in Bursa Securities.

On delivery of such a notice by RHB Sakura to Tricubes, the Underwriting Agreement shall be terminated and the obligations of RHB Sakura under the Underwriting Agreement shall cease and none of the parties (except for the liability of Tricubes in respect of payments of costs and expenses referred to in the Underwriting Agreement incurred prior to such termination) shall have any claim against each other.

3.9.3 Estimated Listing Expenses

All expenses and fees incidental to the listing of and quotation for Tricubes' entire issued and paid-up share capital of RM13,400,000 comprising 134,000,000 Tricubes Shares shall be borne by the Company. The estimated listing expenses amounting to RM1,500,000 consist of the following:

	RM
Estimated professional fees	520,000
Fees to authorities	90,000
Commission and brokerage	400,000
Advertisement and printing of Prospectus	200,000
Contingencies	290,000
Total	1,500,000

4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE TRICUBES GROUP, AS OUTLINED IN THE PROSPECTUS, APPLICANTS FOR THE ISSUE SHARES SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) WHICH MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE GROUP IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE APPLYING FOR THE ISSUE SHARES. IF YOU ARE UNSURE ABOUT ANY OF THE INFORMATION IN THIS SECTION ON "RISK FACTORS", YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

4.1 RISKS RELATING TO TRICUBES SHARES

Prior to the New Issue, there has been no public market for Tricubes Shares. There can be no assurance that an active trading market will develop for the Tricubes Shares or if developed, that such market will be sustained or that the Tricubes Shares will trade in the public market subsequent to the New Issue at or above the Issue Price.

The Issue Price was determined after taking into consideration a number of factors, including but not limited to, the prevailing market conditions, the Group's future plans and prospects, the research findings by Frost & Sullivan, the proforma consolidated NTA per share of Tricubes as at 31 August 2004 as well as the prospective earnings of the Group. The Issue Price shall not be taken as an indication by the Company or its Adviser, RHB Sakura of the market prices of Tricubes Shares upon and subsequent to the listing on the MESDAQ Market.

The market price of the Tricubes Shares following the New Issue may be volatile. Factors such as competition, regulatory changes, operating profit or loss and cash flow, general trends in interest rates, Malaysian and international equity markets and the Malaysian economy, as well as other factors, can cause the market price of the Tricubes Shares to fluctuate. In addition, the global stock markets have from time to time experienced extreme price and volume fluctuations which may adversely affect the market price of the Tricubes Shares. Such fluctuations may materially adversely affect the market price of the Tricubes Shares following the New Issue.

4.2 OPERATING RISKS

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors. These include amongst others, fluctuations in demand for its products and services, the mix of sales through direct and indirect distribution channels, changes in the Group's operating expenses, the ability of the Group to develop new products and services and to control costs, competitive conditions in the industry and general economic conditions, market acceptance of new products or services, and other business risks common to going concerns.

The Group continuously monitors the market acceptance of its products and services and its R&D team will develop new products and services to meet the changing market demand. However, there is no assurance that the Group will be profitable in the future, or that it will achieve increasing or consistent levels of profitability.

4.3 COMPETITION

The Group's future success will depend, to a large extent, on its ability to increase its market share in its target markets. If the Group does not keep pace with product and technological advances, the Group's competitive position and prospects for growth could be adversely affected, especially where there can be no assurance that the Group's competitors will not develop technologies or products that are more effective than those of the Group. Competition is expected to intensify in the future and the Group will face additional competition from the new entrants into its markets. Increased competition may result in a loss of market share, reduced revenue, margins and price reductions, any of which could materially and adversely affect the Group's business, operating results and financial condition.

4. RISK FACTORS *(Cont'd)*

Notwithstanding the above, the Directors of the Group believe that the Group will remain competitive in the future due to various factors. These include its accumulated experience through its involvement in the design, development and in-house developed hardware and software applications, which currently allows the Group to offer its customers a comprehensive solution that meets its customers' individual requirements. In addition, the Group focuses on R&D activities to develop new products and services and consistently upgrade its existing products to stay ahead of its competitors. Whilst the Group believes its heavy investment in R&D gives it the ability to compete in the global market place, there is no assurance that the Group will be able to compete successfully against current or future competitors.

4.4 TECHNOLOGICAL RISKS

The smart card market and information technology industry is subject to rapid technological changes. The Group's ability to keep pace with these technological changes such as changing market trends, evolving industry standards and technological obsolescence will influence its revenues and profits. Its future success is dependent on the Group's ability to enhance its products in a timely manner to respond to these changing environment.

Even though the Group is active in R&D of new products and technologies, there is no assurance that the Group's R&D efforts will lead to the successful introduction of new and improved products. The Group may encounter delays or problems in connection with its R&D efforts. New products often take longer to develop, have fewer features than originally considered desirable and exceeds budgeted costs than initially estimated. There may be delays in starting volume production of new products and new products may not be commercially successful. Delays or deficiencies in development, delivery of or demand for new products or of higher costs targets could have a negative effect on the Group's business, operating results or financial condition.

4.5 INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

The Group's success is dependent upon its ability to protect its intellectual properties. The Group protects its proprietary information and technology by registering its designs and patents with the MDTCA and ensuring that the Group's employees are bound to confidentiality provisions in the employment contract. The Group also intends to apply for Malaysian and foreign patents, trademarks and copyrights if necessary.

A typical employee's agreement provides a confidentiality clause whereby the employee agrees not to use, acquire or copy any confidential information in whole or part without authorisation in writing, retain the confidential information as strictly confidential and as a trade of the Company. Confidentiality and security of the confidential information shall survive the termination of the agreement or relationship between the employee and the Company.

To date, the Company has filed 3 industrial designs applications and a patent application with MDTCA. All 3 industrial designs have been duly registered, whilst the approval for the patent application is still pending. There may be other companies independently designing or developing equivalent or superior technologies or products and may obtain design or patents rights with respect to them. However, there is no assurance that the Group will be able to protect its proprietary rights against unauthorised third party copying which could have a material adverse effect on the Group's business, operating results and financial condition. Notwithstanding the precautions taken, there is also no assurance that such precautions are adequate to deter misappropriation of the Group's intellectual property and that it may be difficult to detect unauthorised use of or to take appropriate steps to protect intellectual property rights. The Group is not aware of any infringement of its designs and technology on the proprietary rights of others and has not received any notice of any claims of infringement. The Group has not conducted any investigation into possible infringements and there can be no assurance that third parties will not assert infringement claims against the Group in connection with their products.

4. RISK FACTORS (Cont'd)

4.6 DEPENDENCE ON MAJOR CUSTOMERS

A sizeable portion of the growth of the Group is attributable the MyKad project awarded by KDN (please refer to Section 5.4.6 of this Prospectus for details) and it has been the Group's strategy to further market its solutions and products to support the infrastructure build-up for the NRO. The Group may be exposed to risks inherent in contracts awarded by Government agencies, any or all of which could have a material adverse effect on the Group. As the Group may have to go through the competitive bidding process prior to securing such Government contracts, there can be no assurance that the Group will be successful in having its bid accepted. The competitive bidding process is typically lengthy and often results in the expenditure of financial and other resources in connection with bids that are not accepted. Additionally, inherent in the competitive bidding process is the risk that actual performance costs may exceed projected costs upon which a submitted bid or contract price is based. To the extent that actual costs exceed projected costs, the Group would incur losses, which would adversely affect the Group's operating margins and results of operations. Moreover, in most instances, the Group would be required to post bids and/or performance bonds in connection with contracts with Government agencies. Any inability by the Group to obtain coverage in sufficient amounts could have a material adverse effect on the Group.

Nevertheless, the Group is diversifying its product range to cater to both local and overseas markets in order to mitigate its over reliance on Government contracts.

The Directors of Tricubes, however, wish to highlight that they expect the supply of mobile card acceptance devices under the NRO, to be a significant contributor towards the future earnings of Tricubes Group. There is no assurance that the Group's financial performance will not be materially affected in the event the final terms agreed are materially different from those assumed by the Directors of Tricubes (including without limitation the status of negotiations as particularised in Section 5.4.6 of this Prospectus).

4.7 DIFFICULTY IN MANAGING FUTURE GROWTH AND UNCERTAINTY ASSOCIATED WITH THE 5-YEAR BUSINESS PLAN

To achieve the Group's growth targets, there may be significant strain on the Group's management, financial, customer support, operational and other resources. There can be no assurance that the Group will be successful in managing its growth.

The Group's proposed future 5-year business plan and prospects will be dependent upon, among other things, the Group's ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management as well as financial, technical, marketing and other personnel, successful in monitoring growth (including monitoring operations, controlling costs and maintaining effective quality, inventory and service controls) and obtain adequate financing as and when needed. There can be no assurance that the Group will be able to successfully implement its business plan or that unanticipated expenses or problems or technical difficulties will not occur which would result in material delays in its implementation or even deviations from its original plans. In addition, the actual results may deviate from the 5-year business plan due to rapid technological changes, market changes as well as competitive pressures.

4.8 DEPENDENCE ON DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The Group's success depends to a significant extent upon the abilities and continued services of its Directors and other key management and key technical personnel with vast experience and knowledge of the industry and the Group's ability to continue to hire and train the technical, R&D, managerial, sales and marketing personnel. The loss of the services of any of these individuals may have material adverse effect on the Group's business, operating results and financial conditions.

Accordingly, efforts are being made to strategically develop a dynamic and strong management team and the establishment of a sound management structure to ensure smooth succession plan of its future performance.

4. RISK FACTORS *(Cont'd)*

As an added measure, Khairun had in conjunction with the listing of Tricubes distributed 5,841,900 Tricubes Shares to 32 named individuals, comprising key employees and directors of the Group, both as reward for their past contribution as well as an incentive for them to continue employment with the Group. Notwithstanding its efforts to create a conducive working environment and providing motivation to the employees, there can be no assurance that the Group will be successful in attracting or retaining highly skilled Directors and key management and key technical personnel.

4.9 FUTURE CAPITAL INJECTIONS

The Directors of Tricubes are of the opinion that the net proceeds of the New Issue, together with cash flow from operations and other existing sources of liquidity, will be sufficient to the Group's projected working capital and other cash requirements. However, there is no assurance that future events may not cause the Group to seek additional capital sooner. If additional capital is required, there can be no assurance that it will be available or, if available, that it will be on terms satisfactory to the Group. There may be potential sale of additional equity or other convertible securities to non-shareholders, which would result in further dilution of the shareholdings of the Group's shareholders.

4.10 CHANGE IN MSC STATUS

Two of the Group's subsidiary companies, namely EPNCR and TCSB, were granted MSC status on 28 June 1999 and 3 July 2002 respectively by MDC. Presently, all MSC status companies are granted financial and non-financial incentives.

Financial incentives include:

- A 5-year exemption from Malaysian tax (only on income derived from MSC related activities) commencing from the date when the company starts generating income, renewable to 10 years or a 100% investment tax allowance on new investments made in MSC cybercities, commencing from the date on which the first qualifying capital expenditure is incurred. An application was submitted to MDC on 1 July 2004 to renew the exemption for another 10 years and the decision from MDC is currently pending;
- Duty-free importation of multimedia equipment, provided that the equipment is used by the company in the operation of its business, and not for direct sale and trading or use as components in manufactured items; and
- R&D grants for MSC small and medium enterprises that are at least 51% Malaysian owned.

Non-financial incentives include:

- Unrestricted employment of foreign knowledge workers;
- Freedom of ownership; and
- Freedom to source capital for MSC infrastructure globally, and the right to borrow funds globally. All MSC status companies will be given exemptions by the Controller of Foreign Exchange of BNM from exchange control requirements which will allow them to execute transactions in any currency in Malaysia or elsewhere, borrow any amount from financial transactions, associated companies or non-residents, hedge foreign exchange exposure, remit funds globally and open foreign currency accounts in Malaysia or abroad with no limits on balances.

4. RISK FACTORS (Cont'd)

The MDC is the body responsible for monitoring all MSC designated companies. There can be no assurance that these subsidiary companies will continue to retain its MSC status or that these subsidiary companies will continue to enjoy and not experience delays in enjoying the MSC incentives outlined above, all of which could materially and adversely affect the Group's business, operating results and financial condition. There can be no assurance that the MSC incentives including those outlined above will not be changed or modified in anyway in the future.

4.11 BUSINESS INTERRUPTIONS AND INSURANCE COVERAGE

The occurrence of a natural disaster, fire, system failure or electricity failure will disrupt the operations of the Group and impede the Group's ability to achieve its operational objectives and delivery schedules, resulting in financial losses. The Tricubes Group has not experienced any major disruptions to its business that has had an adverse effect on its operations. However, the Group is aware of the adverse consequences arising from inadequate insurance coverage on such business interruptions which could adversely affect its business operations.

At present, the Group's main offices, located in Menara Tan & Tan and Technology Park Malaysia as well as its storage cum office in Ukay Perdana are currently being rented. The Group has taken additional fire and burglary insurance for its tangible assets such as office furnishings, equipment and stock. However, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising therefrom.

4.12 POLITICAL, ECONOMIC, REGULATORY AND MARKET CONSIDERATIONS

Changes in political, economic and regulatory conditions in Malaysia and other countries where the Group may operate could materially and adversely affect the financial and business prospects of the Group. Political and economic uncertainties include (but are not limited to) changes in political leadership, changes in both monetary and fiscal policies, risks of war, expropriation, changes in rates of interest, nationalisation, renegotiation or nullification of existing contracts, financial crises and method of taxation and currency exchange controls.

4.13 FAILURE IN LISTING EXERCISE

The success of the Listing is also exposed to the risk that it may fail or be delayed should any of the following events occur:

- (i) The Company or the Underwriter fails to honour its obligation under the underwriting agreement; or
- (ii) Tricubes is unable to meet the public shareholding spread requirements of at least 25% but not more than 49% of the issued and paid-up share capital of the Company being held by a minimum of 200 public shareholders at the time of the Company's admission to the Official List of the MESDAQ Market of Bursa Securities.

In the event of the failure of the Listing, investors shall be refunded their application money without interest.

4. RISK FACTORS (Cont'd)

4.14 ENVIRONMENTAL CONCERNS

The Group believes that its existing operations are in compliance with the relevant environmental issues governing activities within Malaysia. Nevertheless, there is a possibility that the Government may change its regulations with regards to environmental matters in the future which would require the Group to modify its facilities or incur expenses that could have an effect on the Group's operating results. In the event the relevant environmental regulations in Malaysia are changed, no assurance can be given that the ensuing steps taken by the Group to comply with such new regulations will not have a material effect on its operating results.

4.15 CONTINUING DEMAND FOR THE GROUP'S PRODUCTS AND SERVICES

The Group's future results will depend on the overall demand for the Group's products and services. Any economic slowdown may cause the Group's customers to defer or terminate purchases or rental of the Group's products and services or otherwise alter their usage patterns. Uncertainty in the economic environment may cause some businesses to curtail or eliminate spending on technology. In addition, the Group may experience hesitancy on the part of existing and potential customers to commit to continuing or new products or services from the Group.

4.16 FOREIGN CURRENCY RISK

Tricubes Group exports its products and services to various countries such as HKSAR, Middle East and France. These exports are mostly denominated in USD. As such the Group is exposed to foreign currency exchange rate risk. Currently the risk of exchange fluctuation is low as the Ringgit is pegged against the USD. Nevertheless, there is no certainty that the currency peg will remain and no assurance that any future foreign exchange fluctuations arising from the lifting of the currency controls or the adjustment of the Ringgit to USD peg will not adversely affect the financial results of the Group.

Currently, the Group does not use any financial instruments to hedge against transactions denominated in foreign currencies, but it will continue to assess the need for hedging techniques taking into account the foreign currency involved, exposure period and transaction costs.

4.17 DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will prove to have been correct. Their inclusion in this Prospectus should not be regarded as a representation or warranty by the Company, RHB Sakura (the Adviser) or any other advisers that the plans and objectives of the Group will be achieved.

4.18 PRODUCT LIABILITY

The Group's projects and supply agreements with its customers have no provisions designed to limit the Group's exposure to product liability claims. The sale of the Group's products may involve the risk of liability claims which could be substantial, although the Group is not aware of any such claim at the date of this Prospectus. Any ensuing claim, whether with merits or not, could result in substantial costs and diversion of resources which may have a material adverse impact on the Group's business, operating results and financial condition.

4. RISK FACTORS (Cont'd)

4.19 OWNERSHIP AND CONTROL BY SUBSTANTIAL SHAREHOLDERS

Upon the Listing, the Company will have four substantial shareholders, namely Khairun, CTV, MVCC and HTP, who will collectively hold 91,699,699 Tricubes Shares, representing approximately 68.43% of the Company's enlarged issued and paid-up share capital. As such, it is likely that they will be able to influence the outcome of certain matters requiring the vote of shareholders of the Company unless they are required to abstain from voting by law and/or by the relevant authorities.

4.20 NEW GEOGRAPHICAL MARKETS

Tricubes intends to expand its business to other regions such as Europe and Middle East. If Tricubes is not successful in penetrating new geographical markets, it may suffer revenue shortfalls and increase in operating costs. Management resources will be devoted to launch its products and services and to grow its operations in these markets. However, there is no assurance that sales and marketing efforts undertaken in these new markets will be successful or generate significant revenue which will affect the business, financial condition and operating results of the Group. In addition, there can be no assurance against infringement of the Group's intellectual property rights in other countries where its patents are not registered.

4.21 NATURE OF CONTRACTS

Most of the Group's non-government contracts such as sales of readers are short term in duration. As a result, the Group must continually replace its contracts with new contracts to sustain its revenue. Contracts may be terminated for a variety of reasons, including termination of product development, failure of products to satisfy clients' requirements, unexpected or undesired results from use of product, delay in projects or clients' decision to forego a project. On the other hand, the terms of the Group's longer term contracts such as the MyKad project may be varied by the Government as provided for in the contract. The failure to obtain new contracts or the cancellation or delay of existing contracts may have a material adverse effect on the Group's business, financial condition and operating results. However, the Group is continuously making marketing efforts towards a wider and more diversified customer base.

4.22 RELIANCE ON SUPPLIERS

Tricubes Group has proprietary capabilities in certain product design and development. However, the Group also outsources the production of its devices to suppliers, with whom business relationships have developed positively over the years. However, there can be no assurance that these companies would continue to be suppliers and that the failure to maintain the business relationship may have a material adverse effect on the Group's business, financial condition and operating results. However, as there are many suppliers that are able to undertake work of similar nature, the Directors of Tricubes are confident that the Group is able to source from other suppliers should the need arise.

TCSB is also a reseller of Intellect products. TCSB entered into a 2-year distribution agreement with Intellect to distribute their range of electronic payment terminals in Malaysia, Singapore and Brunei up to 15 July 2005. The agreement requires TCSB to, *inter alia*, meet a yearly purchasing quota for the duration of the agreement. However, there can be no assurance that Intellect will continue to renew its agreement with TCSB, or that Intellect will not appoint any other distributor for its electronic payment terminals in future, which may adversely affect the Group's business, financial condition and operating results. In the unlikely event that the agreement with Intellect is not renewed again, the Directors of Tricubes believe that alternative brands of electronic payment terminals may be sourced.

4. RISK FACTORS (Cont'd)

4.23 POTENTIAL TAX LIABILITIES

As disclosed in Sections 2.13.4 and 9.6.3 of this Prospectus, the IRB had on 18 May 2004 rejected the double deduction for research expenditure claimed by TCSB under Section 34 of the Income Tax Act 1967 for the Year Assessment 2000 Current Year Basis to Year Assessment 2002. TCSB has submitted an appeal to IRB and a decision is pending. The potential shortfall for income tax liabilities for the above years of assessment is estimated at RM1,600,000 in the event the appeal is not successful.

Whilst the Directors of TCSB and Aftaas Taxation Services Sdn. Bhd (TCSB's tax agent) are both of the opinion that the appeal will be successful and hence no provision is made in the financial statements, there can be no assurance that the financial performance of the Group will not be adversely affected in the event that TCSB's appeal is unsuccessful.

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