

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

HAMIDAH BINTI HUSSIN, aged 49, has a Bachelor of Business Administration (General Business) from Ohio University and a Diploma in Public Administration from University Technology MARA. She spent four (4) years in the investment division of Lembaga Kemajuan Pahang Tenggara (known as "DARA") where she was responsible in monitoring the performance of its subsidiaries, and/or preparation of management reports and acting as the company secretary for DARA. Currently, she is the Director of Solnaxis.

ROZMEI BIN RAHMAT, aged 43, has more than 17 years of experience in the trading, manufacturing and telecommunications industry. In Solnaxis, En Rozmei focuses on giving advice on business planning activities. His last posting before Solnaxis was the Head of Department for Celcom (M) Berhad joint venture operations in Tanzania, Bangladesh, Cambodia, Iran and Malaysia. He was also elected to be in the Celcom team to bid for the 3G spectrum from the Government of Malaysia. He was also a committee member of international marketing operations council of Orbcomm International, a provider of low earth orbit satellite services, based in Dulles, Virginia, US. Rozmei has a Master of Business Administration from Oxford-Brookes University, Buckingham, United Kingdom. He is widely traveled and exposed to multi-national and multi-cultural business environment.

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings

The details of the directors of the Group and their shareholdings in Airocom before and after the Issues are as follows: -

Name	Designation	No. of Ordinary Shares Held Before the Issues				No. of Ordinary Shares Held After the Issues			
		Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Datuk Ali Abdul Kadir	Non Independent Non-Executive Chairman	5,050	6.73	-	-	7,575	5.00	-	-
Ahmad Radzi Bin Yahaya	Non Independent Non-Executive Director / Deputy Chairman	-	-	@46,460	61.95	-	-	@69,690	46.00
Khalid Bin Zakaria	Non Independent Non-Executive Director	-	-	@46,460	61.95	-	-	@69,690	46.00
Hamzah Bin Ismail	Non Independent Executive Director/ Chief Technology Officer	-	-	#18,692	24.92	-	-	#28,038	18.51
Ir Mohd Salleh@ Mohamed Ali Bin Yusoff	Independent Non-Executive Director	-	-	-	-	^300	0.20	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

Name	Designation	No. of Ordinary Shares Held Before the Issues				No. of Ordinary Shares Held After the Issues			
		Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Dato' Azman Bin Mahmood	Independent Non-Executive Director	-	-	-	-	[^] 300	0.20	-	-
Khairil Anuar Bin Abdullah	Independent Non-Executive Director	-	-	-	-	[^] 300	0.20	-	-

Notes: -

- @ Deemed interest by virtue of their substantial interests in Novapro.
- # Deemed interest by virtue of their substantial interests in Eminent Access.
- ^ Their entitlement for the pink form share allocation and Bonus Shares II pursuant to the Issues.

5.3.2 Profiles of Directors

DATUK ALI ABDUL KADIR, aged 57, was appointed to the Board of Airocom on 25 March 2004 as the Chairman. He was previously appointed by the Minister of Finance as the Chairman of the SC for five (5) years from 1 March 1999 to 28 February 2004. During his term, Datuk Ali Abdul Kadir headed the Capital Market Advisory Council, which is responsible for overseeing the implementation Capital Market Masterplan, a strategic blueprint that charts the long-term development of the capital market. In addition, he served as a member of a number of national committees including the National Economic Consultative Council II ("MAPEN II"), the Foreign Investment Committee ("FIC") and the Oversight Committee of the National Asset Management Company ("Danaharta"). He also sat on the Finance Committee on Corporate Governance and was a trustee of the Financial Reporting Foundation.

Datuk Ali Abdul Kadir was also actively involved in international regulatory circles. He was a member of the Executive Committee of the International Organisation of Securities Commissions ("IOSCO"), Chairman of IOSCO's Asia-Pacific Regional Committee and chaired the Islamic Capital Market Task Force. He was also a trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") from November 2000 to October 2003.

Prior to his appointment as the Chairman of SC, Datuk Ali Abdul Kadir was the Executive Chairman and Partner of Ernst & Young and its related firms. He was also former President of the Malaysian Association of Certified Public Accountants ("MACPA"; now known as the Malaysian Institute of Certified Public Accountants) and chaired the MACPA's Executive Committee and the Insolvency Practices Committee. He was a co-chairman of the Company Law Forum. He currently serves as an Independent Non-Executive Chairman of JobStreet Corporation Berhad, Microlink Solutions Bhd, Supermax Corporation Bhd, T.H. Hin Corporation Bhd, and as Executive Chairman of Rio Capital Sdn Bhd, RC One Sdn Bhd and Rio Venture Sdn Bhd, and is Chief Executive Officer and Head for Asia of DIG Asia Sdn Bhd. He serves as a director of Labuan Offshore Financial Services Authority ("LOFSA")

Datuk Ali Abdul Kadir is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), having started his career in accounting in 1969 and qualifying as a member of the ICAEW in 1974. He is currently Honorary Advisor of the Institute of Chartered Accountants in England and Wales (ICAEW) Malaysia branch. He is an Honorary Fellow of the Institute of Company Secretaries and Administrators (UK) and an Honorary member of the Malaysian Institute of Directors.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

AHMAD RADZI BIN YAHAYA, aged 48, was appointed to the Board of Airocom on 15 November 1999. He is a non-independent non-executive director of Airocom and holds the position of Deputy Chairman of Airocom Technology Berhad. As Deputy Chairman, Ahmad Radzi is involved in business development activities in securing project and exploring new business for the Airocom Group.

He holds a degree in Social Science from Universiti Sains Malaysia. He has been involved in specialized engineering and technology businesses since 1990. He is also the Managing Director of Novapro Corporation Sdn Bhd (Airocom's holding company) and Group Managing Director of Servco Resources Sdn Bhd, another subsidiary of Novapro Corporation Sdn Bhd.

KHALID BIN ZAKARIA, aged 38, was appointed to the Board of Airocom on 15 November 1999. He is a Non-Independent Non-Executive Director of Airocom. Khalid advises Airocom on the financial and corporate services matters of the Company.

He also holds directorships in all the subsidiaries of Airocom. He possesses a Bachelor in Management majoring in Accounting & Finance from Universiti Sains Malaysia and a Diploma in Business Studies from Universiti Teknologi MARA.

Khalid is also responsible for all matters related to finance and accounting for Novapro and its subsidiaries. He has more than eleven (11) years of financial experience.

HAMZAH BIN ISMAIL, aged 47, was appointed to the Board of Airocom on 22 June 2005. He is a Non-Independent Executive Director of Airocom and currently holds the position of Chief Technology Officer ("CTO") for Airocom. As the CTO of Airocom, Hamzah is responsible for the research and development activities, product development and delivery of products for the Company.

After completing his Bachelor of Engineering (Electrical and Electronics) and his Masters in Business Administration (MBA), he started working with RCA-GE-Harris Advance Technology in Florida, USA in 1982 as a Test/Software Engineer and has had several postings in the US. He rose in his ranks to become Senior Operations Manager before leaving Harris Advance Technology in 1994.

While at Harris Advance Technology, Hamzah was managing over 1,500 staff ranging from engineers, technicians and operators that worked under his wing. Hamzah has also worked with Sapura Card Technologies Sdn Bhd and MRCB Smart Sdn Bhd as its General Manager. Prior to joining Airocom, Hamzah was the General Manager of SIDIC Technology Sdn Bhd. Hamzah joined Airocom on 15 May 2005.

IR MOHD. SALLEH @ MOHAMED ALI BIN YUSOFF, aged 66, was appointed to the Board of Airocom on 27 January 2006. He is an Independent Non-Executive Director of Airocom.

He obtained a Bachelor of Engineering degree in Electrical from University of Auckland, New Zealand in 1965 and he is a Professional Engineer registered with the Board of Engineers Malaysia and a Chartered Electrical Engineer registered with the Council of Engineers United Kingdom.

Ir Mohd. Salleh commenced his career with the New Zealand Telecoms, Auckland & Wellington, New Zealand as an Engineer from 1966 to 1967. He then joined Department of Telecommunications Malaysia in 1967 as Assistant Controller, where his last position was a Director before he joined Jabatan Telekomunikasi Malaysia in the Ministry of Energy, Telecom and Post Malaysia as a Director General from 1987 to 1994. He was then made the Telecommunications Advisor in TRI/ Celcom (M) Bhd from May 1994 to July 2002.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

He was accredited as Member of the Accreditation Board of Institute of Engineers Malaysia ("IEM") and Board of Engineers Malaysia ("BEM") since 1980 to date. He was also accredited as Member of the Accreditation Panel of the Lembaga Akreditasi Negara and the Engineering Accreditation Council.

He was an Advisory Panel Member of the Engineering Faculty of the Multimedia University ("MMU") from 1997 to 2003, and presently he is an Advisory Panel Member of Engineering Faculty of University College of Technology Tun Hussein Onn ("KUITTHO") and Engineering Faculty of the Kolej Universiti Teknikal Kebangsaan Malaysia ("KUTKM").

He is a Fellow member of the Institution of Electrical Engineers London ("IEE"), a Fellow and a Council Member of IEM. He was the Vice President of IEM from 1990 to 1994, Chairman of IEM Electrical Technical Division (1991–1995), Chairman of IEE Malaysia Centre (1987–1990) and IEE Council Representative for Malaysia (1990-1996). He was also a Council Member of Standard and Research Institute of Malaysia ("SIRIM") between 1992 and 1993 and presently a member of Electromagnetic Compatibility Committee of SIRIM.

He was conferred with Johan Setia Mahkota ("JSM") in 1991.

DATO' AZMAN BIN MAHMOOD, aged 55, was appointed to the Board of Airocom on 27 January 2006. He is an Independent Non-Executive Director of Airocom.

He is a member of the Institute of Chartered Accountants in England and Wales. He served his articles in an audit firm in London from 1971 to 1974. In 1975, he worked in an audit firm in Johor Bahru up to 1977 and later returned to London to work as an auditor in 1978. In 1981, he joined MMC Services Limited in London, a subsidiary of Malaysian Mining Corporation Berhad until 1983. He was subsequently appointed as Group Financial Controller of Kumpulan Perangsang Selangor Berhad for seven (7) years until 1990.

In 1991, he became the Managing Director of Worldwide Holdings Berhad, a public-listed company on Bursa Malaysia Berhad until 1996. In 1997, he was appointed as the Executive Chairman of Fine Access Sdn Bhd, a property development company.

He is also the Independent Non-Executive Director for JAKS Resources Berhad, Cocoaland Holdings Berhad and Tabung Amanah Saham Selangor Berhad.

KHAIRIL ANUAR BIN ABDULLAH, aged 55, was appointed to the Board of Airocom on 27 January 2006. He is an Independent Non-Executive Director of Airocom.

He graduated with a degree in economics from the University of Malaya and obtained his MBA from Harvard Business School. He is a Fellow of the Malaysian Institute of Banks.

His career spans a diverse range of government and corporate experiences beginning with the Economic Planning Unit of the Prime Minister's Department from 1973 to 1982, the Guthrie Group of Companies from 1983 to 1987, Batu Lintang Rubber Company (re-listed on the KLSE as Advance Synergy Berhad) and Arthur D Little from 1988 to 1992. In 1993, he joined the Securities Commission at its inception as Director for Policy and Development. His portfolio included regulations and law reform, product development, economic research, information technology, the Securities Industry Development Centre, accounting standards and Islamic capital market development.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

He also served on the advisory committee of the Malaysian Central Depository, the Board of the Labuan Offshore Financial Services Authority and chaired a working group on the regulation of secondary markets of the Emerging Markets Committee of the International Organisation of Securities Commission ("IOSCO"). In 1996, he was a member of Bank of International Settlement / IOSCO Task Force on clearing and settlement.

Subsequently, he then went on to serve as Executive Chairman of Malaysian Exchange of Securities Dealing & Automated Quotation Bhd ("MESDAQ"), in 1997 until it merged with the then Kuala Lumpur Stock Exchange in 2002.

Currently, he is Chairman of The Media Shoppe Berhad and VisDynamics Holdings Berhad, and Vice Chairman of BCT Technology Berhad. He is also a Director of Symphony House Berhad, Kuwait Finance House (M) Berhad, and Apollo Hospitals Enterprise Ltd, Chennai.

5.3.3 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the Directors of Airocom for services rendered in all capacities to the Group for the financial year ended 31 December 2004 and the financial year ended 31 December 2005 are as follows: -

Remuneration Band (RM)	Financial Year Ended 31 December 2004		Financial Year Ending 31 December 2005	
	Aggregate Remuneration* (RM)	Number of Directors	Aggregate Remuneration* (RM)	Number of Directors
Up to 50,000	54,000	3	102,800	3
50,001 – 100,000	-	-	59,572	1
100,001 – 150,000	138,360	1	140,465	1
150,001 – 200,000	-	-	-	-
Above 200,000	-	-	-	-
Total	192,360	4	302,837	5

Note: -

* Includes the salary of a former director who has since resigned on 31 March 2005.

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors.

The Audit Committee comprises of the following individuals: -

Name	Designation	Directorship
Dato' Azman Bin Mahmood	Chairman of Audit Committee	Independent Non-Executive Director
Ir Mohd Salleh@Mohamed Ali Bin Yusoff	Member of Audit Committee	Independent Non-Executive Director
Hamzah Bin Ismail	Member of Audit Committee	Non Independent Executive Director/ Chief Technology Officer

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

5.5 KEY MANAGEMENT AND BUSINESS ADVISER

5.5.1 Particulars and Shareholdings

The details of the key management and business adviser of the Group and their shareholdings in Airocom before and after the Issues are as follows: -

Name	Designation	No. of Ordinary Shares Held Before the Issues				No. of Ordinary Shares Held After the Issues			
		Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Mohd Fauzi Bin Jamaudin	Chief Executive Officer	-	-	*18,692	24.92	-	-	*28,038	18.51
Hamzah Bin Ismail	Chief Technology Officer	-	-	*18,692	24.92	-	-	*28,038	18.51
Hashim Bin Ishak	Vice President, Business Development	-	-	*18,692	24.92	-	-	*28,038	18.51
Lelawati Binti Samsodin	Vice President, Human Resources and Administration	-	-	*18,692	24.92	-	-	*28,038	18.51
Jalaluddin Bin Jaffar ^o	Business Adviser	-	-	-	-	* 750	0.50	-	-

^o En Jalaluddin was the CEO of Airocom. However, due to inability to meet the conditions as stipulated in the SC's approval letter dated 10 March 2006, he had on 22 March 2006, resigned as the CEO of Airocom, but remains as a Business Adviser to the Company. Further explanation on his appointment as Business Adviser is set out in Section 5.13 of this Prospectus.

Notes: -

Deemed interest by virtue of their substantial interests in Eminent Access.

* His entitlements for the pink form share allocation and Bonus Shares II pursuant to the Issues.

5.5.2 Profiles of the Key Management and Business Adviser

The profile of Hamzah Bin Ismail has been set out in Section 5.3.2.

MOHD FAUZI BIN JAMAUDIN, 51, is the Chief Executive Officer of Airocom. Fauzi started his career as a Systems Engineer at Borneo Computer Systems Sdn Bhd in 1978. He then joined other companies such as Hewlett-Packard Sales Malaysia Sdn Bhd ("HPSM") as its Application Engineering Manager, Digital Equipment Malaysia Sdn Bhd ("DEC Malaysia") as its Systems Integration Manager, Mejati Corporation Sdn Bhd ("Mejati") as its General Manager – Business Development, Teras Teknologi Sdn Bhd ("TerasTek") as its General Manager and DataOne Asia Sdn Bhd ("DataOne") as its Managing Director. Mohd Fauzi graduated his Bachelor Degree in Computer Science and Mathematics from University of Miami, Florida, USA. He joined Airocom on 9 May 2005.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

HASHIM BIN ISHAK, 45, is the Vice President, Business Development of Airocom. Hashim graduated from the University of Adelaide, South Australia with a Bachelor in Computer Science and Mathematics. He has worked with various companies, starting with Schlumberger (M) Sdn Bhd, Dataprep (M) Sdn Bhd as its Senior System Engineer, GTE Inc of USA (Based in Malaysia) as its Information Management Manager, Telekom Malaysia Berhad as its Business Strategic Planner and Petroleum Nasional Berhad ("Petronas") as its Strategic Planning Manager and also Technical Support Manager. Prior to joining Airocom, Hashim was the Head, Information and Software Consulting Division of Teliti Computers Sdn Bhd Hashim joined Airocom on 15 May 2005.

LELAWATI BINTI SAMSODIN, 45, is the Vice President, Human Resource and Administration of Airocom. She has over 24 years of working experience in industries ranging from tyre manufacturing, toll concessionaire to ICT. She started her career with Goodyear Sdn Bhd as a Personal Assistant to the Regional Finance Director. She has also worked with PLUS Berhad and Metacorp Corporation Sdn bhd as a Senior Executive, Concession Services with about 100 staff under her wing. Before joining Airocom, she was responsible for HR, Administration and Secretarial matters for Novapro group of companies. She graduated in Secretarialship from Institut Teknologi MARA (now known as University Teknologi MARA – UiTM) in 1982. She joined Airocom on 15 March 2000.

JALALUDDIN BIN JAFFAR, 50, is the Business Adviser to Airocom. He has over 25 years of working experience in the ICT industry. Jalaluddin started his career with IBM Malaysia Sdn Bhd (IBM) as a Sales Executive in 1977. He subsequently joined various other leading ICT companies in the country such as Hewlett-Packard Sales Malaysia Sdn Bhd (HPSM), Digital Equipment Malaysia Sdn Bhd (DEC Malaysia), Formis Computer Services Sdn Bhd and Uniphoenix Corporation Berhad holding positions ranging from Sales Manager to General Manager. His last position held was with a company involved in the setting up of an Internet broadband network for a state government in Malaysia. Jalaluddin graduated in Computer Science from Institut Teknologi MARA (now known as Universiti Teknologi MARA – UiTM). He joined Airocom as the CEO on 1 January 2005 and he resigned from his position on 22 March 2006 as explained in Section 5.13 of this Prospectus.

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS/ KEY MANAGEMENT/ BUSINESS ADVISER IN OTHER BUSINESSES/ CORPORATIONS

Save and except for the following directors, none of the other Executive Directors/ key management/ business adviser is involved in other businesses or corporations: -

- (i) Mohd Fauzi Bin Jamaudin (Chief Executive Officer) is a director of: -

Company	Principal Activities
- Jaya Treasure Sdn Bhd	- Investment Holding
- Mediasolex Asia Sdn Bhd	- Dormant
- Trimode Energy Sdn Bhd	- Dormant
- Mi-Ex Asia Sdn Bhd	- Business Consultancy for Middle East Markets
- Vector Systems Ventures Sdn Bhd	- Dormant

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

- (ii) Hamzah Bin Ismail (Non Independent Executive Director/ Chief Technology Officer) is a director of: -

Company	Principal Activities
- CDIQ Labs Sdn Bhd	- Dormant

Save as disclosed above, Mohd Fauzi Bin Jamaudin and Hamzah Bin Ismail are respectively in the full-time employment of Airocom. Mohd Fauzi Bin Jamaudin and Hamzah Bin Ismail sit on the board of directors of the companies tabled above.

Mi-Ex Asia Sdn Bhd is a company that is principally involved in business consultancy for the Middle East market. Mohd Fauzi Bin Jamaudin's involvement in the company is restricted to attending board meetings which does not require a significant portion of his time and efforts. He is of the opinion that his involvement in the aforementioned company does not affect his commitments and responsibilities to the Airocom Group. Save for Mi-Ex Asia Sdn Bhd, all of the other companies highlighted above are either dormant or inactive and therefore do not require significant portions of their time and efforts. They are of the opinion that their involvements in the aforesaid companies do not affect their commitments and responsibilities to the Airocom Group.

- (iii) Jalaluddin Bin Jaffar (Business Adviser) is a director of: -

Company	Principal Activities
- Orienasli Holdings Sdn Bhd	- Dormant
- Korporat Abadi (M) Sdn Bhd	- Dormant
- Salutary Vision (M) Sdn Bhd	- Dormant
- Uniphoenix Technology (Malaysia) Sdn Bhd	- Dormant
- CAD-CAM Services (Malaysia) Sdn Bhd	- Dormant
- API Systems Development Sdn Bhd	- Dormant
- Informatif Semasa Sdn Bhd	- Dormant
- Zendex Promis Sdn Bhd	- Dormant

5.7 DECLARATION OF DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER

Save as disclosed below, as at 28 February 2006, being the latest practicable date prior to the issuance of the Prospectus, no director or key management of Airocom is or has been involved in any of the following events in or outside Malaysia: -

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

However, there are legal suits instituted against Jalaluddin Bin Jaffar (whose profile can be referred to in Section 5.5.2 of this Prospectus), via Bankruptcy Notices, a Summon and Petitions for Winding Up against Salutory Vision (M) Sdn Bhd (0241745-V) and Orientasli Holdings Sdn Bhd (0394811-P) whereby at the material time En Jalaluddin bin Jaffar is the director and shareholder in the said company respectively. The status of the legal suits is as follows: -

A. Individual civil suits against En Jalaluddin bin Jaffar

1. Bankruptcy Notice (Case No. is D4-29-2979-2001) has been filed and issued 28 May 2001 at the High Court of Kuala Lumpur by the Judgement Creditor, Southern Bank (Credit Control Centre, Kuala Lumpur) due to the judgement in default of defence obtained against Jalaluddin bin Jaffar for defaulting his loan facility amounting RM30,834.97 on 11 November 1998 vide summons No. Kuala Lumpur Sessions Court 3-52-11635-1998. The Bankruptcy Notice has been served by way of substituted service and advertised in The Sun newspaper on 18 September 2004 and subsequently a creditor's petition has been filed by Southern Bank Berhad. Jalaluddin bin Jaffar, however, has filed an application to strike out the bankruptcy proceedings and the judgement against him. However the Court has allowed Jalaluddin Bin Jaffar's application to set aside the order for extension of Bankruptcy Notice and service of Bankruptcy Notice by Substituted Service. The effect of the order is that the Bankruptcy Notice has expired in 2001 and was not duly served to Jalaluddin Bin Jaffar. Thus, there is no Bankruptcy proceeding pending against Jalaluddin Bin Jaffar. The issue of limitation has set in and Southern Bank is estopped from claiming for the interest.
2. A summon was instituted by Affin Bank Berhad against Jalaluddin Bin Jaffar on 3 May 2000, vide Case No. D4-22-809-2000 Kuala Lumpur High Court, to recover outstanding debt for an Overdraft Facility amounting to RM599,115.87 as at 29 February 2000. Affin Bank Berhad has obtained Judgment In Default of Appearance against Jalaluddin Bin Jaffar on 24 May 2000. Subsequently the Plaintiff filed creditor's petition against Jalaluddin bin Jaffar at the High Court of Kuala Lumpur vide case number D1-29-3031-2000 on 5 November 2001 and was served by way of substituted service and advertised in The Sun newspaper on 14 August 2002 whereby prior to the creditor's petition, a bankruptcy notice was filed and issued on 27 June 2000 and was served by way of substituted service and advertised in The Sun newspaper on 13 August 2001. Jalaluddin bin Jaffar was successful in his application to set aside the judgement in default of appearance against him on 18 February 2003 and the creditor's petition was withdrawn accordingly. Jalaluddin bin Jaffar later entered a defence on 12 August 2003 and then on 17 January 2005 he filed Pre Trial Case Management. All parties have filed Affidavit of All Witness Statement on 20 March 2006 and Additional Witness Statement on 28 March 2006. The court has directed all parties to file their respective Written Submission on 15 May 2006 and the decision on the same will be heard on 22 May 2006.
3. A summon was filed by Arab-Malaysian Bank against Jalaluddin Bin Jaffar Bhd on 6 August 2001 to recover outstanding debt due and owing for Term Loan in the Sessions Court of Kuala Lumpur vide Case No. 5-52-8365-2001. A consent judgement has been recorded on 3 April 2002 by both parties whereby Jalaluddin Bin Jaffar has consented to pay by way of instalment. The disputed amount is RM58,642.93.
4. A summon was instituted against Jalaluddin Bin Jaffar by Affin Bank Berhad as Second Defendant on 3 June 2002 vide Case No. D5-22-847-2002 Kuala Lumpur High Court. The action taken against Jalaluddin bin Jaffar was based on Letter of Guarantee dated 8 December 2000 for Overdraft, Term Loan and Trust Receipt facilities granted to Salutory Vision Sdn Bhd for a total claim of RM7,822,977.76 as at 31 January 2002. En Jalaluddin has filed in defence and counter claim against the Plaintiff. Jalaluddin bin Jaffar vide his solicitors have written to Affin Bank Berhad for a statement of Account with a view to propose settlement and is awaiting Affin Bank's response. This case has been fixed for hearing on 29 October 2007 and 30 October 2007.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

5. A summon was instituted by Affin Bank Berhad dated 24 July 2003 vide Case No. D5-22-1232-2003 Kuala Lumpur High Court against Jalaluddin bin Jaffar in relation to his capacity as Guarantor for a Loan Facility of RM3,000,000.00, an Overdraft Facility of RM1,000,000.00 and Term Loan of RM3,000,000.00 granted to Orienasli Holdings Sdn Bhd. Jalaluddin has filed defence and counter claim whereby the court has fixed the matter for full hearing on 7 May 2007, 8 May 2007 and 9 May 2007.
- B. Civil suits against body corporate of which at the material time En Jalaluddin bin Jaffar was a director and shareholder**
1. A petition for Winding-Up bearing case No.D2-28-415-2004 has been issued against Salutory Vision (M) Sdn Bhd (0241745-V). At the material time En Jalaluddin bin Jaffar was a director of Salutory Vision Sdn Bhd ("SVSB"), with authorised capital of Ringgit Malaysia Five Hundred Thousand (RM500,000) and was fully paid up whereby En Jalaluddin bin Jaffar held 225,000 shares or equivalent to 45% equity shareholding in SVSB. The Petition was made by Persoft System Sdn Bhd to recover debt due and owing for goods supplied and delivered for the amount of RM65,261.00. The petition was issued on 17 June 2004 and was advertised in The Star newspaper dated 1 August 2004. The winding-up order has been granted by the High Court of Kuala Lumpur on 25 November 2004 and the said order has been advertised in The Malay Mail newspaper dated 30 December 2004.
2. A petition for Winding-Up bearing case No. D1-28-673-2003 has been issued against Orienasli Holdings Sdn Bhd (0394811-P). At the material time En Jalaluddin bin Jaffar was a director of Orienasli Holdings Sdn Bhd ("OHSB") with authorised capital of Ringgit Malaysia One Million (RM1,000,000) and whereby 500,000 shares have been duly paid up and En Jalaluddin bin Jaffar held 499,998 shares or equivalent to 99% equity shareholding in OHSB. The Petition was made by Persoft System Sdn Bhd to recover debt due and owing for goods supplied and delivered for the amount of RM65,436.00. The petition was issued on 4 July 2003 and was advertised in The Sun newspaper dated 25 August 2003. The Winding-Up order has been granted by the High Court of Kuala Lumpur on 20 November 2003 and the said order has been advertised in The Star newspaper dated 4 December 2003.

In addition, a summon has been issued by Bank Kerjasama Rakyat Malaysia Berhad against Azlan Bin Abdul Malik, the former Vice President, Corporate Services (between 15 May 2005 and 21 March 2006) on 8 April 2004, via Summons No: 72A-1965-2004 for defaulting his personal loan under the islamic principle (*i-astlah*) for the sum of RM18,000.00. The case was heard at Magistrate Court Shah Alam on 16 June 2004 and a judgement was recorded against him. As of 1 January 2006 the amount due is RM25,780.30. As disclosed in Section 5.13 of this Prospectus, En Azlan resigned from his aforementioned position and the Group, on 21 March 2006.

5.8 FAMILY RELATIONSHIPS

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there is no family relationship (as defined in Section 122A of the Act) or association between the substantial shareholders, promoters, Directors, key management and business adviser.

5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there is no existing or proposed service agreement between the Group and its Directors, key management and business adviser.

Company No: 498908-A

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

5.10 CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS

Name	From 01.03.2003 to 28.02.2004				From 01.03.2004 to 28.02.2005				From 01.03.2005 to 28.02.2006				Balance as at 28.02.2006	
	No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM0.10		No. of shares in unit @RM0.10		Direct	Indirect
	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Direct	Indirect
Promoters														
Novapro	630,000	-	700,000	-	¹ 4,200,000	¹ 350,000 ² 4,040,000	² 41,460,000	-	-	³ 5,000,000	46,460,000	-	46,460,000	-
Eminent Access	300,000	-	300,000	-	¹ 1,800,000	¹ 150,000 ² 808,000	² 18,692,000	-	-	-	18,692,000	-	18,692,000	-
Ahmad Radzi Bin Yahaya	-	-	-	@700,000	-	-	-	@ ¹ 241,460,000	-	-	-	@41,460,000	-	@46,460,000
Khalid Bin Zakaria	-	-	-	@700,000	-	-	-	@ ¹ 241,460,000	-	-	-	@41,460,000	-	@46,460,000
Zainal Aman Bin Sheari	-	-	-	@ ³ 300,000	¹ 3,750,000	¹ 3,250,000	² 5,000,000	@ ² 18,692,000	-	-	5,000,000	@ ³ 18,692,000	-	-
Hamzah Bin Ismail	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Mohd Fauzi Bin Jamaudin	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Hashim Bin Ishak	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Lelawati Binti Samsodin	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

Notes: -

- © Deemed interest by virtue of their substantial interests in Novapro.
- Ⓢ Deemed interest by virtue of his substantial interests in Eminent Access. He disposed his shares in Eminent Access on 10 March 2006.
- # Deemed interest by virtue of their substantial interests in Eminent Access (shares currently held by the respective parties was acquired from the previous shareholders of Eminent Access and transfer thereof was approved by the SC on 10 March 2006).
- * Up to 10 March 2006, the entire portion of Eminent Access' shares were held by five (5) other shareholders namely Zainal Aman Bin Shaari, Badrul Fikri Bin Alwi, Mohd Reduan Bin Haji Zain, Kamaruzaman Bin Jufri and Sabri Bin Md Sab. Those shares were transferred to the current promoters of Airocom, namely Mohd Fauzi Bin Jamaudin, Hamzah Bin Ismail, Hashim Bin Ishak and Lelawati Binti Samsodin on 10 March 2006, with the approval of the SC, vide its approval letter dated 10 March 2006.
- ∞ Acquired from Zainal Aman Bin Shaari, the former director of Airocom on 27 January 2006.

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Company No: 498908-A

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

Name	From 01.03.2003 to 28.02.2004				From 01.03.2004 to 28.02.2005				From 01.03.2005 to 28.02.2006				Balance as at 28.02.2006	
	No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM1.00		No. of shares in unit @RM0.10		No. of shares in unit @RM0.10		Direct	Indirect
	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Direct	Indirect
Substantial Shareholders														
Novapro	630,000	-	700,000	-	¹ 4,200,000	¹ 350,000 ² 4,040,000	² 41,460,000	-	-	-	-	-	46,460,000	-
Eminent Access	300,000	-	300,000	-	¹ 1,800,000	¹ 150,000 ² 808,000	² 18,692,000	-	-	-	-	-	18,692,000	-
Solhaxis	-	-	-	-	¹ 500,000	² 202,000	² 4,798,000	-	-	-	-	-	4,798,000	-
Datuk Ali Abdul Kadir	-	-	-	-	² 5,050,000	-	² 5,050,000	-	-	-	-	-	5,050,000	-
Ahmad Radzi Bin Yathya	-	-	-	@700,000	-	-	-	@41,460,000	-	-	-	@41,460,000	-	@46,460,000
Khalid Bin Zakaria	-	-	-	@700,000	-	-	-	@41,460,000	-	-	-	@41,460,000	-	@46,460,000
Zainal Aman Bin Shaari	-	-	-	*300,000	¹ 3,750,000	¹ 3,250,000	² 5,000,000	* ² 18,692,000	-	5,000,000	-	* ¹ 18,692,000	-	-
Hamzah Bin ismail	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Mohd Fauzi Bin Jamaudin	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Hashim Bin Ishak	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000
Lelawati Binti Samsodin	-	-	-	-	-	-	-	*	-	-	-	*	-	* ¹ 18,692,000

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

Name	From 01.03.2003 to 28.02.2004				From 01.03.2004 to 28.02.2005				From 01.03.2005 to 28.02.2006				Balance as at 28.02.2006	
	No. of shares in unit @RM1.00				No. of shares in unit @RM1.00				No. of shares in unit @RM0.10				No. of shares in unit @RM0.10	
	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Direct	Indirect
Taufiq Rosidi Bin Abu Samah	-	-	-	-	-	-	-	^4,798,000	-	-	-	-	-	^4,798,000
Hamidah Binti Hussin	-	-	-	-	-	-	-	^4,798,000	-	-	-	-	-	^4,798,000
Rozmei Bin Rahmat	-	-	-	-	-	-	-	^4,798,000	-	-	-	-	-	^4,798,000

Notes: -

©

Deemed interest by virtue of their substantial interests in Novapro.

&

Deemed interest by virtue of his substantial interest in Eminent Access. He disposed his shares in Eminent Access on 10 March 2006.

#

Deemed interest by virtue of their substantial interests in Eminent Access (shares currently held by the respective parties was acquired from the previous shareholders of Eminent Access and transfer thereof was approved by the SC on 10 March 2006).

.

Deemed interest by virtue of their substantial interests in Solnaxis.

*

Up to 10 March 2006, the entire portion of Eminent Access' shares were held by five (5) other shareholders namely Zainal Aman Bin Shaari, Badrul Fikri Bin Alwi, Mohd Reduan Bin Haji Zain, Kamaruzaman Bin Jufri and Sabri Bin Md Sab. Those shares were transferred to the current promoters of Airocom, namely Mohd Fauzi Bin Jamaudin, Hamzah Bin Ismail, Hashim Bin Ishak and Lelawati Binti Samsodin on 10 March 2006, with the approval of the SC, vide its approval letter dated 10 March 2006.

∞

Acquired from Zainal Aman Bin Shaari, the former director of Airocom on 27 January 2006.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

5.11 DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS IN ALL OTHER PUBLIC CORPORATIONS FOR THE PAST TWO YEARS PRECEDING THE DATE OF PROSPECTUS

The directorships and substantial shareholdings of the promoters, substantial shareholders and directors of Airocom in other public corporations for the past two (2) years preceding 28 February 2006 are as follows: -

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings (No. of Shares)	(%)	Principal Activities
Directors					
Datuk Ali Bin Abdul Kadir	JobStreet Corporation Berhad	1 October 2004	2,000,000	1.00	Provision of interactive marketing services focusing on interactive advertising, targeted database marketing and training advertising services.
	Microlink Solutions Bhd	29 April 2005	-	-	Investment holding and provision of research and development on information technology solutions to the financial services industry.
	TH Hin Corporation Bhd	19 May 2005	* 3,757,792	* 8.89	Investment holding and provision of management services while its subsidiary companies are involved in manufacturing gas cookers, electrical household appliances and their related products.
	Supermax Corporation Berhad	6 January 2006			Investment holding company while its subsidiary companies are involved in manufacturing and selling latex gloves.
Dato' Azman Bin Mahmood	JAKS Resources Berhad	23 December 2003	-	-	Investment holding with subsidiaries involved, as general contractor, supplier of building materials, manufacturing and trading of steel pipes.
	Kumpulan Hartanah Selangor Berhad	19 May 2003	-	-	Property arm of Kumpulan Darul Ehsan Berhad with projects consisting a mix of residential, commercial and industrial lots in Selangor.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings (No. of Shares)	(%)	Principal Activities
	CocoaLand Holdings Berhad	8 October 2004	-	-	Investment holding company while its subsidiaries manufactures and provides foods and foodstuffs, trades processed and preserved foods and fruits, manufactures fruit juice and foodstuffs and trades and distributes foodstuffs.
	Tabung Amanah Saham Selangor Berhad	15 September 2000	-	-	Trust Fund
	Astino Berhad	5 January 2001 (26 March 2004)	-	-	Investment holding company, while its subsidiaries are generally involved in manufacturing metal roof sheets, pvc panels and door frames, and insect screens.
Khairil Anuar Bin Abdullah	The Media Shoppe Berhad	23 September 2004	-	-	Research and development and marketing of computer software, and the provision of system networking whilst its subsidiary is involved in the provision of information technology system integration services.
	VisDynamics Holdings Berhad	14 January 2005	765,500	1.15	Investment holding company, while its subsidiaries are involved in the R&D, design, assembly and final set-up/ tuning of test/ backend equipment in the automated test equipment industry for semiconductors.
	BCT Technology Berhad	11 October 2004	85,939	2.46	Design and market Application Specific Standard Product (ASP) series of integrated circuit products.
	Symphony House Berhad ^	25 November 2002	85,000	0.01	Investment holding company, while its subsidiaries are generally involved in the provision of application software development, computer solutions and IT services and the provision of managed services such as share registration, issuing house services, secretarial services and accounting services.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER
(Cont'd)

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings (No. of Shares)	(%)	Principal Activities
	Kuwait Finance House (M) Berhad	10 December 2004	-	-	An international full-fledged Islamic bank covering retail, corporate and investment banking with products and services that fully comply with the Shariah principles.

Note: -

* Indirect holding via RC One Sdn Bhd.

^ Symphony House Berhad is the holding company of MIH and Symphony Share Registrars Sdn Bhd, which have been appointed by Airocom for the provision of issuing house services and registrar respectively.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

5.12 CHANGES IN THE BOARD AND KEY MANAGEMENT OF AIROCOM AND THE SHAREHOLDERS OF EMINENT ACCESS

Subsequent to the approvals on Airocom's listing on the MESDAQ Market from the SC and Bursa on 29 November 2004 and 2 December 2004, there were changes to the composition of the Board and key management of Airocom as well as the shareholders of Eminent Access as set out below. The changes to the shareholders of Eminent Access was approved by the SC on 10 March 2006.

The changes in the composition of the Board and key management of Airocom are as follows: -

Previous		New	
Name	Designation	Name	Designation
Directors		Directors	
Datuk Ali Bin Abdul Kadir	Chairman	Datuk Ali Bin Abdul Kadir	Non Independent Non-Executive Chairman
Ahmad Radzi Bin Yahaya	Deputy Chairman	Ahmad Radzi Bin Yahaya	Non Independent Non-Executive Director/ Deputy Chairman
Khalid Bin Zakaria	Group Corporate Services Director	Khalid Bin Zakaria	Non Independent Non-Executive Director
Zainal Aman Bin Shaari	Group Managing Director	Hamzah Bin Ismail	Non Independent Executive Director/ Chief Technology Officer
Ir Mohd Salleh @ Mohamed Ali Bin Yusoff	Proposed Independent Non-Executive Director	Ir Mohd Salleh @ Mohamed Ali Bin Yusoff	Independent Non-Executive Director
Abdul Rafar Bin Maimunni	Proposed Independent Non-Executive Director	Dato' Azman Bin Mahmood	Independent Non-Executive Director
-	-	Khairil Anuar Bin Abdullah	Independent Non-Executive Director
Key Management		Key Management	
Badrul Fikli Bin Alwi	Vice President, Technical & Operation	Jalaluddin Bin Jaffar **	Chief Executive Officer
Kamaruszaman Bin Jufri	Manager, Technical Support & Customer Care	Hamzah Bin Ismail	Chief Technology Officer
Sabri Bin Md Sab	Manager, System Development	Hashim Bin Ishak	Vice President, Business Development

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

Previous		New	
Name	Designation	Name	Designation
-	-	Mohd Fauzi Bin Jamaudin **	Vice President, Business Support
-	-	Lelawati Samsodin Binti	Vice President, Human Resource and Administration
-	-	Azlan Bin Abdul Malik **	Vice President, Corporate Services

** As disclosed in Section 6 of this Prospectus, the SC had, vide its letter dated 10 March 2006, imposed a condition that the legal suits instituted against En Jalaluddin Bin Jaffar, the Chief Executive Officer, and En Azlan Bin Abdul Malik, the Vice President, Corporate Services, must be settled or resolved to the satisfaction of the SC prior to the issuance of the Prospectus. In view of their inability to resolve the legal matters expeditiously, both En Jalaluddin Bin Jaffar and En Azlan Bin Abdul Malik tendered their resignation on 22 March 2006 and 21 March 2006 respectively.

With effect from 22 March 2006, En Mohd Fauzi Bin Jamaudin, the former Vice President, Business Support of Airocom, has been appointed as the CEO of Airocom.

Explanation for the change of key management and Board of Airocom

Zainal Aman Bin Shaari, Badrul Fikli Bin Alwi, Kamaruszaman Bin Jufri and Sabri Bin Md Sab tendered their resignation with effect from 30 April 2005. These previous key management, who were also the shareholders of Eminent Access, tendered their resignation voluntarily as they felt that they could not achieve the financial targets set by the new management. The Board of Airocom is of the view that there are weaknesses in marketing and administrative operation of the Company.

In ensuring continuing operations of Airocom and smooth transition, Airocom has appointed other experienced and credible individuals to take over the key roles and functions in the Company.

In view of the impending listing of Airocom, the Board is of the opinion that a strong and effective marketing and administrative team is important, which would complement its ability in research and development. The new management team comprising individuals that are established and experience in the corporate sector and has a wealth of experience in managing companies. Their appointment by Airocom is expected to benefit the Group in view of their extensive experience in the corporate environment with extensive networking contacts and experience in relevant industries. The change of key management and the Board of Airocom is to improve the management team and strengthen the operations of the Group.

The profiles of the new Board of Airocom and key management are set out in Sections 5.3.2 and 5.5.2 respectively.

Impact of the change of key management and Board on the business and R&D operations of the Airocom Group

As mentioned above, the change of key management and proposed Board is expected to benefit the Group in view of their extensive experience in the corporate environment and relevant industries. The Board of Airocom is of the opinion that the new management team will be able to improve the marketing strategies and administrative operations of the Group, which would complement the Group's ability in R&D.

In respect of product development and/or enhancement as well as R&D activities carried out by the Group, the Board of Airocom is of the opinion that no major disruption will occur. Hamzah Bin Ismail, the new Chief Technology Officer ("CTO") and head of the Group's R&D, has a wealth of experience in the industry.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

The existing R&D staff will be supporting Hamzah Bin Ismail in his role as the new CTO. Most of the R&D staff of Airocom have been involved in the development and enhancement of the Group's products and solutions, including AiroGate™. Hence, the continuity in the product development and/or enhancement as well as R&D activities is ensured.

The changes in the shareholders of Eminent Access effected on 10 March 2006 are as follows: -

Previous			New		
Name	No. of shares in Eminent Access	%	Name	No. of shares in Eminent Access	%
Zainal Aman Bin Shaari	266	26.6	Mohd Fauzi Bin Jamaudin	367	36.7
Badrul Fikli Bin Alwi	200	20.0	Hamzah Bin Ismail	266	26.6
Mohd Reduan Bin Haji Zain	200	20.0	Hashim Bin Ishak	200	20.0
Kamaruzaman Bin Jufri	167	16.7	Lelawati Binti Samsodin	167	16.7
Sabri Bin Md Sab	167	16.7	-	-	-
Total	1,000	100.0		1,000	100.0

5.13 FURTHER CHANGE IN THE KEY MANAGEMENT

Subsequent to the approval of the SC dated 10 March 2006, there were further changes to the composition of the key management of Airocom.

As disclosed in Section 6 of this Prospectus, the SC had, vide its letter dated 10 March 2006, imposed a condition (item 1.2(vi)) that the legal suits instituted against En Jalaluddin Bin Jaffar, the Chief Executive Officer, and En Azlan Bin Abdul Malik, the Vice President, Corporate Services, must be settled or resolved to the satisfaction of the SC prior to the issuance of the Prospectus

In view of his inability to resolve the legal matter expeditiously, En Azlan resigned from his position as the Vice President, Corporate Services of Airocom, as well as from the Group on, 21 March 2006. En Azlan's role and functions of corporate services have been assumed by En Khalid bin Zakaria, the current non-independent non-executive Director of Airocom. En Khalid has been with the Group since November 1999 and is presently advising Airocom on the financial and corporate services matters of the Group

In view of his inability to resolve his legal matters expeditiously, En Jalaluddin resigned from his position as the CEO of Airocom, on 22 March 2006. However, he remains employed by Airocom as a Business Adviser to the Group without any executive powers, to share his vast experience of the ICT industry with the Group and advise the Group on matters relating to the operations.

With effect from 22 March 2006, En Mohd Fauzi Bin Jamaudin, the former Vice President, Business Support of Airocom, was appointed as the CEO of Airocom. En Mohd Fauzi also has vast experience in the ICT industry since 1978 and has held various senior positions in ICT related companies His profile is set out in Section 5.5.2 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER (Cont'd)

Role of Business Adviser

As a Business Adviser to Airocom, En Jalaluddin will not be involved nor will he interfere with the day-to-day operations of the Group. In addition, Encik Jalaluddin will not be a member of the key management of Airocom. His role is mainly to advise on the business direction and strategies of the Group and to assist the key management personnel to implement the various strategic programmes that were drawn up by the Company to achieve its business goals. Encik Jalaluddin will also assist the Business Development Department of Airocom to secure new and additional business.

Impact of the change of key management on the business and operations of the Airocom Group

The change in the composition of the key management and business adviser of Airocom are as follows: -

Previous		New	
Name	Designation	Name	Designation
Key Management		Key Management	
Jalaluddin Bin Jaffar	Chief Executive Officer	Mohd Fauzi Bin Jamaudin	Chief Executive Officer
Hamzah Bin Ismail	Chief Technology Officer	Hamzah Bin Ismail	Chief Technology Officer
Hashim Bin Ishak	Vice President, Business Development	Hashim Bin Ishak	Vice President, Business Development
Mohd Fauzi Bin Jamaudin *	Vice President, Business Support	Lelawati Samsodin Binti	Vice President, Human Resource and Administration
Lelawati Samsodin Binti	Vice President, Human Resource and Administration	Jalaluddin Bin Jaffar	Business Adviser
Azlan Bin Abdul Malik	Vice President, Corporate Services	*	*

* *En Azlan Bin Abdul Malik had on 21 March 2006, resigned from his position as Vice President, Corporate Services of Airocom as well as from the Group. En Khalid Bin Zakaria, the current non-independent non-executive Director of Airocom, assumed En Azlan's role within the Group.*

In light of the above, the Board of Airocom is of the opinion that the resignation of En Azlan and En Jalaluddin as the key management of Airocom will not have a negative impact on the operations and financial position of the Group, nor the Group's ability to implement its business plan effectively. Furthermore, based on the immediate appointment of En Fauzi as the new CEO and En Khalid's assuming of En Azlan's duties, there is continuity of the management of the business and operations of the Group despite the changes in the key management.

6. APPROVALS AND CONDITIONS

6.1 APPROVALS AND CONDITIONS

The SC approved the listing of Airocom on 29 November 2004 and 10 March 2006. Bursa Securities approved the listing on 2 December 2004. The SC, vide its letter dated 10 March 2006, approved the extension of time for the implementation of the listing to 26 May 2006 and the change in the shareholders of Eminent Access. In addition, the SC had vide its letter dated 29 March 2006, approved a waiver of condition 1.2(vi) of the SC letter dated 10 March 2006 as explained below. The conditions imposed by the authorities and status of compliance are as follows: -

Authority	Details of conditions imposed	Status of Compliance																	
SC	SC's letter dated on 29 November 2004																		
1.	Airocom should disclose the status of the utilisation of proceeds raised from the public issue in its quarterly and annual reports until the proceeds are fully utilised.	Will be complied until full utilisation of the proceeds.																	
	SC's letter dated on 10 March 2006																		
1.	AmMerchant Bank Berhad (AmMerchant)/ Airocom to fully comply with the earlier conditions as stipulated in the SC's letter dated 29 November 2004.	Complied.																	
2.	Airocom to disclose in its public issue prospectus the changes made to the board of directors (Board) and key management of Airocom, the rationale for the changes, the dates of the changes, that the changes were made subsequent to Bursa Malaysia's and the SC's approval of Airocom's flotation scheme as well as the Board's opinion and views on the changes to the Board and key management team of Airocom.	Complied. See Section 5.12 of the Prospectus.																	
3.	Airocom to disclose in its prospectus the strategic moves instituted pursuant to its business plan including the revenue implications of the changes in its > <i>m</i> lifestyle™; product offering.	Complied. See Section 4.7(v) of the Prospectus.																	
4.	A moratorium to be imposed on the promoters of Airocom pursuant to Rule 2.10 of the Listing Requirements of Bursa Securities for the MESDAQ Market (MLLR), as follows: -	Complied. See Section 6.2 of the Prospectus.																	
	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Shares Under Moratorium</th> </tr> <tr> <th>No. of shares</th> <th>% of enlarged issued and paid-up capital at admission</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td></td> <td></td> </tr> <tr> <td>Novapro Corporation Sdn Bhd</td> <td>47,250,000</td> <td>31.19</td> </tr> <tr> <td>Eminent Access Sdn Bhd</td> <td>20,925,000</td> <td>13.81</td> </tr> <tr> <td>Subtotal</td> <td>68,175,000</td> <td>45.00</td> </tr> </tbody> </table>		Shares Under Moratorium		No. of shares	% of enlarged issued and paid-up capital at admission	Promoters			Novapro Corporation Sdn Bhd	47,250,000	31.19	Eminent Access Sdn Bhd	20,925,000	13.81	Subtotal	68,175,000	45.00	
	Shares Under Moratorium																		
	No. of shares	% of enlarged issued and paid-up capital at admission																	
Promoters																			
Novapro Corporation Sdn Bhd	47,250,000	31.19																	
Eminent Access Sdn Bhd	20,925,000	13.81																	
Subtotal	68,175,000	45.00																	

6. APPROVALS AND CONDITIONS (Cont'd)

Authority	Details of conditions imposed	Status of Compliance
5.	The new shareholders of Eminent Access Sdn Bhd to submit the relevant documentation, as required under the MMLR relating to their new positions as shareholders in Eminent Access Sdn Bhd, a promoter of Airocom.	Complied. Duly submitted to the SC on 29 March 2006.
6.	Airocom's Chief Executive Officer (Jalaluddin Bin Jaffar) and Vice President, Corporate Services (Azlan Bin Abdul Malik) are to settle or resolve all legal suits instituted against them to the satisfaction of the SC prior to issuance of Airocom's public issue prospectus.	Complied. En Azlan Bin Abdul Malik and En Jalaluddin Bin Jaffar had on 21 March 2006 and 22 March 2006 respectively, tendered their resignations in view of not being able to fully comply with the conditions imposed by the SC vide its letter dated 10 March 2006. The SC had vide its letter dated 29 March 2006, waived the condition as explained below.
7.	<p>With respect to shares placed to investors to be identified/ placees pursuant to Airocom's flotation scheme, AmMerchant is to submit to the SC, prior to the listing and quotation of Airocom's entire enlarged issued and paid-up share capital on the MESDAQ Market, the following: -</p> <ul style="list-style-type: none"> a) Name of placees/ ultimate beneficiaries for nominee companies (if any); b) NRIC/ passport/ company registration number; c) CDS account number; d) Number of private placement shares allocated; e) Home/ business address; f) Occupation/ principal activities; g) Date of listing of the private placement shares; h) Issue price of the placement shares; i) Name of the placement agent; j) A declaration by the promoters of Airocom that the placees are parties not related to the promoters; and k) A declaration by the placement agent that the Airocom shares have been placed with parties not related to the promoters. <p>SC's letter dated on 29 March 2006</p>	Will be complied upon full implementation of the Placement.
1.	AmMerchant Bank Berhad (AmMerchant)/ Airocom to fully comply with the earlier conditions as stipulated in the SC's letter dated 29 November 2004 and 10 March 2006.	Complied, as above.
2.	AmMerchant/ Airocom to comply with condition 1.2(ii) of our earlier letter dated 10 March 2006, with respect to disclosure on the resignations of Azlan bin Abdul Malik and Jalaluddin bin Jaffar.	Complied. See Section 5.12 of the Prospectus.
3.	Disclosure in the Company's public issue prospectus on Airocom's board of directors' opinion that the resignation of Azlan bin Abdul Malik and Jalaluddin bin Jaffar will not have a negative impact on the operations and financial position of the Group, nor the Group's ability to implement its business plan effectively.	Complied. See Section 5.13 of the Prospectus.

6. APPROVALS AND CONDITIONS (Cont'd)

Authority	Details of conditions imposed	Status of Compliance
4.	Full disclosure on the details of Jalaluddin bin Jaffar's role as Business Adviser of the Airocom Group, in the company's public issue prospectus.	Complied. See Section 5.13 of the Prospectus.
Bursa Securities	Bursa Securities' letter dated 2 December 2004	
1.	Airocom to disclose the risks associated with the material contribution from its top 3 major customers and the mitigating factors thereof.	Complied. See Section 4.5 of the Prospectus.
2.	Airocom to disclose in the prospectus, the following: - a) How the Group mitigates the competition to remain innovative, creative and current with respect to its mobile content; and b) How the Group proposes to develop its other business segments to minimize its dependence on revenue from its mobile content services	Complied. See Section 3(n) of the Prospectus. Complied. See Section 3(o) of the Prospectus.
3.	Airocom to disclose the reasons for the different opinions, by Airocom and the independent valuers of the intellectual property respectively, on the economic life of the Group's AiroGate™ intellectual property, and the impact on future profits assuming that the same intangible asset is amortized over 5 years;	Complied. See Sections 1.3, 4.2.5 and 9 (Accountants' Report), of the Prospectus.
4.	Airocom to inform Bursa Securities on the appointment of Independent Directors and to provide confirmation that they qualify as independent Directors as defined in the Listing Requirements of Bursa Securities for the MESDAQ Market ("MMLR"); and	Complied. AmMerchant Bank had on behalf of Airocom vide its letter dated 8 March 2006 informed Bursa Securities accordingly.
5.	Airocom to include a negative statement in its prospectus on the exclusion of profit forecast and projections from the prospectus and the reasons thereof.	Complied. See Section 2.11 of the Prospectus.

6.2 MORATORIUM ON SHARES

In accordance with the Listing Requirements for MESDAQ Market, certain shareholders of Airocom will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up capital of Airocom for one (1) year from the date of admission of Airocom to the Official List of the MESDAQ Market of the Bursa Malaysia and thereafter, they are permitted to sell, transfer or otherwise dispose up to a maximum of one third of their respective shareholdings per annum of their respective shareholdings under moratorium on a straight-line basis.

6. APPROVALS AND CONDITIONS (Cont'd)

The existing shareholders of Airocom whose shares are subjected to the moratorium as imposed by the SC is as follows: -

Name of shareholders	No. of shares held after the Issues	% of enlarged issued and paid-up capital # (%)	No. of shares held under moratorium	% of enlarged issued and paid-up capital # (%)
Novapro	69,690,000	46.00	47,250,000	31.19
Eminent Access	28,038,000	18.51	20,925,000	13.81
	<u>97,728,000</u>	<u>64.51</u>	<u>68,175,000</u>	<u>45.00</u>

Note: -

Computed based on enlarged issued and paid up share capital of 151,500,000 Shares

The restriction, which is fully accepted by the shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the shareholders that are under moratorium to ensure that Airocom's registrars do not register any transfer not in compliance with the restriction imposed by the SC. The shareholders have provided an undertaking that they shall not sell, transfer or assign their respective shareholdings under moratorium in accordance with the SC Guidelines.

The shareholders of Novapro and Eminent Access have also provided an undertaking that they shall not sell, transfer or assign their respective shareholdings in Novapro and Eminent Access during the moratorium period.

The endorsement affixed on the share certificates is as follows: -

"The shares comprised herein are not capable of being sold, transferred or assigned for the period as determined by the Securities Commission ("moratorium period"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificates will be issued to replace this certificate during the moratorium period unless the same shall be endorsed with this restriction".

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7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST**7.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there are no material transactions, existing or potential, entered or to be entered by the Group as at the date of this Prospectus, which involves the interest, direct or indirect, of the Directors, substantial shareholders and/or persons connected to them as defined under Section 122A of the Act.

7.2 TRANSACTION OF UNUSUAL IN THEIR NATURE OR CONDITIONS

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the corporation or any of its parent or subsidiaries was a party in respect of the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the date of the prospectus.

7.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there are no outstanding loans made by the corporation or any of its parents or subsidiaries to/for the benefit of related parties.

7.4 INTEREST IN SIMILAR BUSINESS

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, none of the Directors and substantial shareholders and/or key management of the Group are interested, directly or indirectly in any business carrying on a similar trade as Airocom and its subsidiaries.

7.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed below, as at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, none of the other Directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiary and associated companies within the two (2) years preceding the date of this Prospectus:-

- the Deed of Assignment dated 16 March 2004 between Zainal Aman Bin Shaari (former director and substantial shareholder of Airocom) and the Company for the assignment of the intellectual property rights relating to AiroGate™ Messaging Gateway to the Company for a total consideration of RM3,750,000 settled via the issuance of 3.75 million new ordinary shares of RM1.00 each in Airocom to Zainal Aman Bin Shaari.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

7.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP

Saved as disclosed in Section 7.5, as at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, none of the other Directors and/or substantial shareholders of Airocom has interest in any contract or arrangement, which is significant in relation to the business of the Group.

7.7 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

As at 28 February 2006, there is no other material recurrent related party transaction of revenue or trading in nature involving the directors and/or substantial shareholders of Airocom.

7.8 DECLARATION BY THE ADVISERS

AmMerchant Bank hereby confirms that there is no conflict of interest with respect to their capacity as the Adviser, Sponsor, Managing Underwriter and Placement Agent to the Group for the Public Issue.

Messrs Nik Hisham, Fakhah & Co hereby confirm that there is no conflict of interest with respect of their capacity as Solicitors to the Group for the Issues.

Messrs Jamal, Amin & Partners hereby confirm that there is no conflict of interest with respect of their capacity as Auditors and Reporting Accountants to the Group for the Issues.

Frost & Sullivan (M) Sdn Bhd hereby confirm that there is no conflict of interest with respect of their capacity as Independent Business and Market Research Consultant to the Group for the Issues.

Compass Strategic Advisory Sdn Bhd hereby confirms that there is no conflict of interest with respect of their capacity as Independent Valuer to the Group for the Issues.

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8. FINANCIAL INFORMATION**8.1 HISTORICAL FINANCIAL INFORMATION**

This proforma consolidated results has been extracted from the Accountants' Report set out in Section 9 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The following table sets out a summary of the proforma consolidated results of the Group for the past five (5) financial period/years ended 31 December 2004 and ten (10) months period ended 31 October 2005, presented for illustrative purposes only and on the assumption that the Group has been in existence throughout the period under review.

	15 November 1999 to 31 December 2000	Year Ended 31 December				10 months period ended 31 October 2005
	(RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	(RM'000)
Revenue	116	2,020	1,839	9,132	10,787	16,059
(Loss) / Profit before Amortisation of, Depreciation and Finance Cost	(509)	495	731	3,220	4,115	4,313
Amortisation of Development Cost	-	-	(94)	(69)	(178)	(136)
Amortisation of Intangible Asset	-	-	-	-	(281)	(313)
Depreciation	(26)	(55)	(126)	(180)	(328)	(348)
Finance Costs	-	®	(5)	(28)	(60)	(55)
(Loss) / PBT	(535)	440	506	2,943	3,268	3,461
Taxation	-	-	-	-	-	-
(Loss) / PAT	*(535)	**440	**506	**2,943	**3,268	**3,461
Minority Interest	-	-	-	-	-	-
(Loss) / Profit Attributable to Shareholders	*(535)	**440	**506	**2,943	**3,268	**3,461
Effective Tax Rate (%)	*N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Pre-Tax (Loss) / Profit Margin (%)	(461.21)	21.78	27.51	32.23	30.30	21.55
After Tax Return on Shareholders' Funds (%)	(122.99)	7,333	35.84	70.95	29.27	23.66
Number of Ordinary Shares of RM1.00 / ^RM0.10 Each in Issue during the Year / Period ('000')	100	100	1,000	1,000	^75,000	^75,000
Weighted Average Number ('000) of Ordinary Shares of RM1.00 / ^RM0.10 Each In Issue	100	100	400	1,000	#64,167	^75,000
EPS (Sen)						
- Gross ##	(535)	440.00	126.50	294.3	5.09	4.61
- Net ###	(535)	440.00	126.50	294.3	5.09	4.61

8. FINANCIAL INFORMATION (Cont'd)

Notes: -

- @ Represent hire purchase interest amounted to RM371.
 * The Company was in loss making position and was not subject to tax.
 ** The Company was granted pioneer status with effect from 4 January 2001 and therefore is not subjected to tax. The subsidiary companies were in loss making position and were not subjected to tax.
 ^ Represent ordinary shares of RM0.10 each.
 # Weighted average number of shares has been calculated based on number of ordinary shares of assumed RM0.10 outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by the number of months that the specific shares are outstanding as a proportion of the total number of months in the period.
 ## Gross EPS has been calculated based on profit before taxation on weighted average number of ordinary shares issued.
 ### Net EPS has been calculated based on profit after taxation on weighted average number of ordinary shares issued.

The financial statements of Airocom Group for the period/years under review were not subjected to any audit qualification and there were no exceptional and extraordinary items for the years under review.

8.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION**8.2.1 Segmental Analysis of Revenue and Operating Profit**

Analysis of Revenue by Corporations: -

Financial Year Ended	15 November 1999 to 31 December	Year Ended 31 December				10 Months Ended 31 October
	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
Airocom	116	2,020	1,839	9,132	9,081	15,678
Airoport	-	-	-	-	3,502	640
Airocom Mcomm	-	-	-	-	-	-
Consolidated adjustments	-	-	-	-	(1,796)	(259)
Proforma Consolidated Revenue	116	2,020	1,839	9,132	10,787	16,059

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8. FINANCIAL INFORMATION (Cont'd)**Analysis of Revenue by Products and Services: -**

Financial Year Ended	15 November	Year Ended 31 December				10 Months
	1999 to 31 December 2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	Ended 31 October 2005 (RM'000)
Hardware	116	100	15	-	-	
Software	-	1,920	1,824	-	-	
Solution						
> <i>m</i> lifestyle™	-	-	-	6,043	5,298	899
> <i>m</i> telecomm™	-	-	-	*2,125	*4,465	*12,169
> <i>m</i> enterprise™	-	-	-	*964	*2,820	*3,250
Consolidated adjustments	-	-	-	-	(1,796)	(259)
Proforma Consolidated Revenue	116	2,020	1,839	9,132	10,787	16,059

Note: -

* >*m*telecomm™ and >*m*enterprise™ products and services, which comprises hardware and software solutions, were only introduced in the financial year ended 31 December 2003.

Analysis of Revenue by Markets / Geographical Location: -

Financial Year Ended	15 November	Year Ended 31 December				10 Months
	1999 to 31 December 2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	Ended 31 October 2005 (RM'000)
Peninsular Malaysia	116	2,020	1,839	9,132	12,583	16,318
East Malaysia	-	-	-	-	-	-
Overseas	-	-	-	-	-	-
Consolidated adjustments	-	-	-	-	(1,796)	(259)
Proforma Consolidated Revenue	116	2,020	1,839	9,132	10,787	16,059

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8. FINANCIAL INFORMATION (Cont'd)**Analysis of Operating (Loss) / Profits by Corporations: -**

Financial Year Ended	15 November	Year Ended 31 December					10 Months
	1999 to 31						
	December	2001	2002	2003	2004	Ended 31	
	2000					October	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	2005	
						(RM'000)	
Airocom	(535)	447	517	2,976	4,387	3,991	
Airoport	-	(4)	(4)	(4)	(1,056)	(473)	
Airocom MComm	-	(3)	(2)	(1)	(3)	(2)	
Consolidated adjustments	-	-	-	-	-	-	
Proforma	(535)	440	511	2,971	3,328	3,516	
Consolidated Operating (Loss) / Profits							

Analysis of Operating (Loss) / Profits by Products and Services: -

Financial Year Ended	15 November	Year Ended 31 December					10 Months
	1999 to 31						
	December	2001	2002	2003	2004	Ended 31	
	2000					October	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	2005	
						(RM'000)	
Hardware	(535)	22	4	-	-	-	
Software	-	418	507	-	-	-	
Solution							
> <i>m</i> lifestyle™	-	-	-	1,575	627	(214)	
> <i>m</i> telecomm™	-	-	-	*1,076	*2,249	*4,136	
> <i>m</i> enterprise™	-	-	-	*320	*452	*(406)	
Consolidated adjustments	-	-	-	-	-	-	
Proforma	(535)	440	511	2,971	3,328	3,516	
Consolidated Operating (Loss) / Profits							

Note: -

* >*m*telecomm™ and >*m*enterprise™ products and services, which comprises hardware and software solutions, were only introduced in the financial year ended 31 December 2003.

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8. FINANCIAL INFORMATION (Cont'd)**Analysis of Operating (Loss) / Profits by Markets / Geographical Location: -**

Financial Year Ended	15 November	Year Ended 31 December				10 Months
	1999 to 31					
	December	2001	2002	2003	2004	Ended 31
	2000					October
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	2005
						(RM'000)
Peninsular Malaysia	(535)	440	511	2,971	3,328	3,516
East Malaysia	-	-	-	-	-	-
Overseas	-	-	-	-	-	-
Consolidated adjustments	-	-	-	-	-	-
Proforma Consolidated Operating (Loss) / Profits	(535)	440	511	2,971	3,328	3,516

8.2.2 Overview of Revenue and Operating Profit**Revenue**

The Group was established in 1999 as a software application developer and integrator with specialization in SMS telecommunication applications and solutions. Today it has emerged as a total wireless and communication solutions provider.

During the first year of operation, revenue was derived mainly from the sale of hardware. In 2000, the Group was appointed as the application provider and reseller for Logica. The Group was also registered as the ICT vendor for Ministry of Finance and Telekom.

In 2001 the Group changed its core activity to become computer software consultancy and management services. During the year, the Group was appointed by Celcom and Petronas as their ICT vendor. The revenue increased to RM2.02 million or by 1,641% mainly due to the sales of software solutions, which contributed 95% of its revenue.

In 2002, Airocom was appointed as Maxis Business Partner and Ericsson Mobility World Partner. The Group also provided the platform to develop SMS@POS parcel tracking solution over SMS for Pos Malaysia Berhad. Airocom has also signed up an agreement with Celcom to provide SMS Iman to TMTouch subscribers.

The Group recorded slightly lower revenue by 9% in 2002 as some projects such as Home Prepaid and Prepaid Service Provisioning for TM Cellular, were not due for billing in the financial year ended 2002 in accordance with the contract between Airocom and TM Cellular. However, cost incurred for these projects were accrued as work in progress of the Group as at the year end. The revenue for the year was mainly derived from sale of software solution such as AiroGate™, web-based pin unblocking key search system, voice service logic and tariffing management system, except for Prepaid Service Provisioning Gateway ("PSPG") which includes sales of hardware.

8. FINANCIAL INFORMATION (Cont'd)

The significant increase in revenue in 2003 was mainly attributable to the introduction of >mlifestyle™, >menterprise™ and >mtelecomm™ products and services. New products and services launched during financial year ended 2003 included MetaMobile, mobifrenz™, MobileHotel and Eelis.com ringtones and logos downloading services and hotel reservation system over SMS. These products have boosted the Group's revenue by 397%. The Group's strength also lies on AiroGate™, a system application that enables contents to be used by subscriber through MNO.

In 2003, 66% of the revenue contributed by >mlifestyle™ and the balance of 34% was from both >menterprise™ and >mtelecomm™. The revenue was generated from the sales of solutions.

Revenue in 2004 grew by approximately 18.1% where >mlifestyle™, >menterprise™ and >mtelecomm™ contributed 33%, 26% and 41% respectively to the total revenue generated in 2004. The increase in >mtelecomm™ segment was mainly due to new contracts secured, namely Celcom, for the supply and delivery of prepaid provisioning platform.

Revenue jumped by a further 79% based on the pro-rata amount for the ten (10) months ended 31 October 2005. This increase was attributed to the influx of new contracts and customers from the >mtelecomm™ segment (ie: MCC for supply, delivery, installation and commissioning of wireless high speed Internet systems and the provision of engineering services and support and maintenance for an ISP operator in Vietnam).

(Loss)/PBT Margin

In 2000, the pre-tax loss margin was 461.21%. This was mainly due to the Group's core business, as a supplier of computer equipment, had recorded a low margin and therefore was insufficient to cover the overhead costs.

The change in the Group's core activities in 2001 had contributed to a higher margin, which resulted in the increase in the Group's PBT margin to 21.78%.

During the year 2002, the Group's PBT margin has increased from 21.78% in 2001 to 27.51% in 2002. The increase was mainly due to capitalisation of certain development cost, which was amortised for five (5) years in accordance with Malaysian Accounting Standard Board ("MASB") 4.

In 2003, the Group recorded a substantial increase in PBT to 32.23%. The increase in the pre-tax profit margin was mainly contributed by the increase in revenue from the new products and services with higher margin, with only a minimal increase in operational and administration expenses.

In 2004, the PBT increased by approximately 11%, which is in tandem with the increase in revenue. Furthermore, the Group has maintained its PBT margin of approximately 30%.

During the first ten (10) months ended 31 October 2005, the Group PBT margin was 22%. This was caused by the operating losses contributed by >mlifestyle™ and >menterprise™ as reflected in Section 8.2.1 (Analysis of Operating (Loss)/Profits by Products and Services).

The operating loss for >mlifestyle™ was due to lower revenue contributed by the downward trend in the content download business. Whereas the operating losses for >menterprise™ was due to lower contribution margin.

8. FINANCIAL INFORMATION (Cont'd)

8.2.3 Impact of Foreign Exchange/ Interest Rates/ Commodity Prices on Operating Profits

There was no material impact of foreign exchange, interest rates or commodity prices on the Company's historical operating profits for the past five (5) financial period/ years ended 31 December 2004 and the ten (10) months period ended 31 October 2005.

8.2.4 Taxation

For the period from 15 November 1999 to 31 December 2000, the Group was in a loss making position and was, therefore, not subject to tax.

The Company has been granted the MSC status on 29 December 2000, which entitles the Company to enjoy tax incentives for Pioneer Status under Section 4A of the Promotion of Investments (Amendment) Act, 1997 for five (5) years with effect from 4 January 2001. As such, the Company enjoys tax incentive of 100% exemption on its taxable statutory income since the financial year ended 31 December 2001. However the tax incentives for the Pioneer Status for the 100% exemption on the taxable statutory income had expired on 29 December 2005, the Company had submitted its application for the extension of the tax relief period pioneer status for another five (5) years on 28 December 2005.

8.2.5 Exceptional and Extraordinary Items

There were no exceptional and extraordinary items for the past five (5) financial period/ years ended 31 December 2004 and the ten (10) months period ended 31 October 2005.

8.3 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS

Save as disclosed in Sections 8 of this Prospectus, the Directors are of the view that the financial performance, position and operations of the Group are not affected by any of the following: -

- (i) any known trends, demands, commitments, events or uncertainties that have had, or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the corporation/ group;
- (ii) any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds;
- (iii) any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the corporation/ group; and the extent to which the financial performance, position and operations of the corporation/ group was so affected;
- (iv) any substantial increase in revenue, attributable to prices, volume of goods/ services being sold, the introduction of new products/ services or any other factors; and
- (v) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

Detailed discussions on the Group's revenue throughout the period/ years under review are contained in Section 8.2.2 of this Prospectus.

8. FINANCIAL INFORMATION (Cont'd)**8.4 WORKING CAPITAL, BORROWINGS, LITIGATION, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS****(i) Working Capital**

The Directors of Airocom are of the opinion that, after taking into account the cashflow forecast and projections, the banking facilities available and the net proceeds from the IPO, the Group will have adequate working capital for a period not less than twelve (12) months from the date of issue of this Prospectus.

(ii) Borrowings

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, the total bank borrowings in the form of term loans, trust receipts, letters of credit, banker's acceptance and hire purchase financing amounted to approximately RM4.4 million. The borrowings can be analysed further as follows: -

Borrowings	Amount (RM '000)	Amount (RM '000)
Long Term borrowings		
• Interest bearing	2,727	
• Non-interest bearing	-	
Short Term borrowings		
• Interest bearing	1,693	
• Non-interest bearing	-	
Total Borrowings		4,420

The Group has no foreign currency borrowings.

For the past one (1) financial year ended 31 December 2004, the ten (10) months period ended 31 October 2005 and the period from 31 October 2005 up to 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there have been no defaults on payments of either the interest and/or the principal sums in respect of any borrowings.

(iii) Material Litigation/Arbitration

Save as disclosed below and Sections 1.10(i), 3(u) and 14.6(v) respectively, neither Airocom nor any of its subsidiaries are engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Airocom or its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of Airocom or its subsidiaries.

A legal proceeding vide Kuala Lumpur High Court Civil Suit No. MT4-22-1739-2004 for copyright infringement has been commenced against Celcom by Goodsound Music Publishing Sdn Bhd and eight (8) others ("Plaintiffs"). In the said suit the Plaintiffs alleged that Celcom had converted and reproduced certain songs owned by them collectively and made the same available to the general public in the form of downloadable ringtones from Celcom's websites, without any authority, licence or permission of the Plaintiffs. Celcom's solicitors, Messrs Bustaman & Co. had via a letter dated 9 May 2005 informed Airocom that Celcom had obtained leave to issue a third party notice against Airocom in the above legal suit.

8. FINANCIAL INFORMATION (Cont'd)

Airocom's solicitors, Messrs Muhammad, Ganesan & Nazri via a letter dated 13 October 2005, are of the view that there is no legal basis for Celcom to proceed with a third party notice on Airocom in relation to the above legal suit as Airocom had never provided any ringtones to Celcom's website. Similarly, the Plaintiffs would also have no recourse against Airocom as Airocom had, at the material time, provided its services based on valid licenses obtained and had always made the necessary payment according to the terms of various license agreements. At latest practicable date, Airocom's solicitors has filed and entered Notice of Appearance. Airocom was advised by their solicitors to file their defense upon their receipt of Celcom's Third Party Statement Claim.

(iv) Contingent Liabilities

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there is no contingent liabilities incurred by the Group.

(v) Material Commitments

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, there are no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.

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8. FINANCIAL INFORMATION (Cont'd)

8.5 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 2005

(Prepared for inclusion in the Prospectus)



JAMAL, AMIN & PARTNERS

Chartered Accountants

CORPORATE OFFICE: Suite 3.1, Level 5, Menara Dato' Onn, Putra World Trade Centre (PWTC), 45 Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia

No. 60-2B, 2nd Floor, Jalan 2/23A, Off Jalan Genting Klang, Taman Danau Kota, Setapak, 53300 Kuala Lumpur
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A Member Firm of Malaysian
Institute of Accountants
(AF 1067)

A Member Firm of
Labuan Offshore
Financial Services
Authority - LOFSA
(AAL 0022)

27 March 2006

The Board of Directors
AIROCOM TECHNOLOGY BERHAD
Level 4, Wisma Rozali
No. 4 Persiaran Sukan, Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan

Dear Sirs,

AIROCOM TECHNOLOGY BERHAD
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31ST OCTOBER, 2005

We report on the proforma consolidated balance sheet set out in the accompanying statement (which is included in this Prospectus to be dated 3 April 2006) which have been prepared for illustrative purposes only, to provide information about how the consolidated balance sheet of Airocom Technology Berhad ("Airocom" or "Company") and its subsidiaries ("Group") as at 31st October, 2005 that has been presented might have been affected by the following proposals had the proposals been completed on that date:-

- i) Public Issue of 26,000,000 new ordinary shares of RM0.10 each in Airocom at an issue price of RM0.60 per share to the Malaysian public, institutional and individual investors, eligible Directors, employees and business associates of the Airocom Group ("Public Issue");
- ii) Bonus Issue of 50,500,000 new ordinary shares of RM0.10 each in Airocom to be issued to all the shareholders of Airocom prior to the Listing on the basis of one (1) new ordinary share of RM0.10 each in Airocom for every two (2) existing ordinary shares of RM0.10 each in Airocom held after the Public Issue ("Bonus Issue II"). The Bonus Issue II will be effected via capitalisation of share premium arising from the Public Issue; and
- iii) Listing of and quotation for the entire enlarged issued and paid-up share capital of Airocom comprising 151,500,000 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("the Listing").

It is the sole responsibility of the Directors of Airocom to prepare the proforma consolidated balance sheet in accordance with the requirement of the Securities Commission Prospectus Guidelines in respect of Public Offerings ("the Guidelines").

Head Office	: No. 60-1A, 1 st Floor, Jalan 2/23A, Off Jalan Genting Klang, Taman Danau Kota, Setapak, 53300 Kuala Lumpur
Northern Regional Office	: No. 22B, 2 nd Floor, Jalan Teluk Wanjah, 05200 Kedah Darul Aman
Northern Area	: No. 22B, 1 st Floor, Jalan Teluk Wanjah, 05200 Kedah Darul Aman
	: Unit 11-01B, 11 th Floor, Bangunan Mayban Trust, No. 3, Lebuh Penang, 10200 Penang
	: No. 15, 1 st Floor, Jalan Sena Indah, Taman Sena Indah, 01000 Kangar, Perlis Indera Kayangan
Southern Area	: No. 11-2B, Jalan Padi Ria, Bandar Baru Uda, 81200 Johor Bahru, Johor Darul Takzim
Eastern Area	: P.T. 1047 (A), 1 st Floor, Bandar Baru Kubang Kerian, 16150 Kota Bharu, Kelantan Darul Naim
Sabah & Sarawak	: Lot 2B, 2 nd Floor, Wisma Wong Wo Lo, Jalan Tun Mustapha, 87000 W. P. Labuan

8. FINANCIAL INFORMATION (Cont'd)

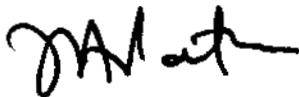
It is our responsibility to form an opinion, as required by the Guideline, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented in the original form, considering the adjustment and discussing the proforma consolidated balance sheet with the responsible officers of Airocom. Our work involved no independent examination of any of the underlying financial information other than our audit of the financial statement that included audited balance sheet of the Group as at 31st October, 2005.

In our opinion;

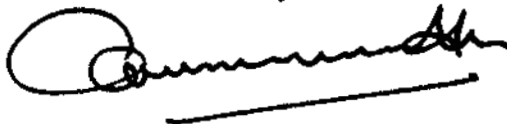
- (a) the proforma consolidated balance sheet have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the proposals:
 - (i) such bases are consistent with the accounting policies of Airocom; and
 - (ii) the adjustment set out are appropriate for the purposes of the proforma consolidated balance sheet pursuant to the Guidelines.

The accompanying proforma consolidated balance sheet and this letter have been prepared for inclusion in this prospectus in connection with the above proposal. This letter should not be reproduced, referred to in any other document or used any other purpose without our prior written consent.

Yours faithfully



JAMAL, AMIN & PARTNERS
(No : AF 1067)
Chartered Accountants

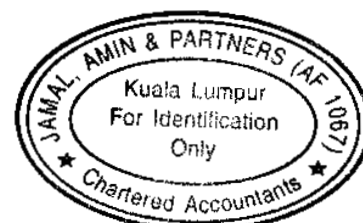


AMINUDDIN BIN YAHAYA
(No : 1669/11/06(J))
Partner

8. FINANCIAL INFORMATION (Cont'd)**8.6 PROFORMA CONSOLIDATED BALANCE SHEETS OF AIROCOM GROUP AS AT 31 OCTOBER 2005***(Prepared for inclusion in the Prospectus)***AIROCOM TECHNOLOGY BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET
AS AT 31ST OCTOBER, 2005**

The following proforma consolidated balance sheet of the Group have been prepared solely to illustrate the proforma effects of the proposal as if the transactions were completed as at 31st October, 2005 :

	Audited as at 31 st October, 2005 RM'000	Proforma I After Public Issue RM'000	Proforma II After Proforma I and Bonus Issue II RM'000
PROPERTY, PLANT AND EQUIPMENTS	3,538	3,538	3,538
INTANGIBLE ASSET	3,156	3,156	3,156
DEVELOPMENT COSTS	1,744	1,744	1,744
CURRENT ASSETS			
Work In Progress	6,748	6,748	6,748
Trade and Other Receivables	14,577	14,577	14,577
Amount Due From Holding Company	463	463	463
Security Deposit with Licensed Financial Institution	449	449	449
Cash and Bank Balances	21	13,821	13,821
	<u>22,258</u>	<u>36,058</u>	<u>36,058</u>
CURRENT LIABILITIES			
Trade and Other Payables	12,508	12,508	12,508
Amount Due To Director	28	28	28
Borrowing	1,002	1,002	1,002
Hire Purchase Creditors	96	96	96
	<u>13,634</u>	<u>13,634</u>	<u>13,634</u>
NET CURRENT ASSETS	<u>8,624</u>	<u>22,424</u>	<u>22,424</u>
	<u>17,062</u>	<u>30,862</u>	<u>30,862</u>
FINANCED BY :			
SHARE CAPITAL	7,500	10,100	15,150
SHARE PREMIUM	-	11,200	6,150
RETAINED PROFITS	7,127	7,127	7,127
	<u>14,627</u>	<u>28,427</u>	<u>28,427</u>
SHAREHOLDERS' FUNDS	<u>14,627</u>	<u>28,427</u>	<u>28,427</u>
LONG TERM LIABILITIES			
Borrowing	1,938	1,938	1,938
Hire Purchase Creditors	497	497	497
	<u>17,062</u>	<u>30,862</u>	<u>30,862</u>
NTA per share (RM)	<u>0.13</u>	<u>0.23</u>	<u>0.16</u>



8. FINANCIAL INFORMATION (Cont'd)

AIROCOM TECHNOLOGY BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET
AS AT 31ST OCTOBER, 2005

The proforma consolidated balance sheet have been prepared on accounting principals and bases consistent with those previously adopted in the preparation of audited financial statements. These have been prepared based on the audited balance sheet of the Company and audited balance sheets of Airoport, Com Sdn. Bhd. ("Airoport") and Airocom Mobile Communications Sdn. Bhd. ("Airocom MComm") as at 31st October, 2005.

The proforma consolidated balance sheet of Airocom should be read in conjunction with the notes thereto:-

(1) Proforma I – Public Issue

Proforma I is stated after the effects of Public Issue of 26,000,000 new ordinary shares of RM0.10 each in Airocom at an issue price of RM0.60 per share to the Malaysian public, institutional and individual investors, eligible Directors, employees and business associates of the Airocom Group ("Public Issue").

The premium arising from the public issue of RM13 million is credited to the share premium reserves account.

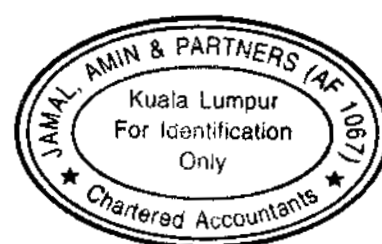
(2) Proforma II – Bonus Issue II

Proforma II is stated after incorporating the effects of Proforma I and the effect of Bonus Issue of 50,500,000 new ordinary shares of RM0.10 each in Airocom to be issued to all the shareholders of Airocom prior to the Listing on the basis of one (1) new ordinary share of RM0.10 each in Airocom for every two (2) existing ordinary shares of RM0.10 each in Airocom held after the Public Issue ("Bonus Issue II"). The Bonus Issue II will be effected via capitalisation of share premium arising from the Public Issue.

The estimated listing expenses of RM1.8 million will be set off against share premium reserve account.

The effects of the above transactions on the share capital and share premium account of Airocom can be summarised as follows:

	Share capital (RM'000)	Unappropriated profits (RM'000)	Share Premium (RM'000)	Total (RM'000)
As at 31 st October, 2005	7,500	7,127	-	14,627
Proforma 1 : Public Issue	2,600	-	13,000	30,227
Listing expenses	-	-	(1,800)	28,427
Proforma 2 : Bonus Issue II	5,050	-	(5,050)	28,427



9. ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus)



JAMAL, AMIN & PARTNERS

Chartered Accountants

CORPORATE OFFICE: Suite 3.1, Level 5, Menara Dato' Onn, Putra World Trade Centre (PWTC), 45 Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia

No. 60-2B, 2nd Floor, Jalan 2/23A, Off Jalan Genting Klang, Taman Danau Kota, Setapak, 53300 Kuala Lumpur
Tel : 603-4142 1626 Fax : 603-4142 1601 E-mail : js@tm.net.my Website: http://www.jamalamin.com.my

A Member Firm of Malaysian
Institute of Accountants
(AF 1067)

A Member Firm of
Labuan Offshore
Financial Services
Authority - LOFSA
(AAL 0022)

AIROCOM TECHNOLOGY BERHAD
(Incorporated in Malaysia)

27 March 2006

The Board of Directors

AIROCOM TECHNOLOGY BERHAD

Level 4, Wisma Rozali

No. 4 Persiaran Sukan, Seksyen 13

40100 Shah Alam

Selangor Darul Ehsan

Dear Sirs,

1. INTRODUCTION

This report has been prepared by Jamal, Amin & Partners, an approved company auditor for inclusion in the Prospectus of Airocom Technology Berhad ("Airocom" or "the Company") to be dated 3 April 2006 in connection with:-

- i) Public Issue of 26,000,000 new ordinary shares of RM0.10 each in Airocom at an issue price of RM0.60 per share to the Malaysian public, institutional and individual investors, eligible Directors, employees and business associates of the Airocom Group ("Public Issue");
- ii) Bonus Issue of 50,500,000 new ordinary shares of RM0.10 each in Airocom to be issued to all the shareholders of Airocom prior to the Listing on the basis of one (1) new ordinary share of RM0.10 each in Airocom for every two (2) existing ordinary shares of RM0.10 each in Airocom held after the Public Issue ("Bonus Issue II"). The Bonus Issue II will be effected via capitalisation of share premium arising from the Public Issue; and
- iii) Listing of and quotation for the entire enlarged issued and paid-up share capital of Airocom comprising 151,500,000 ordinary shares of RM0.10 each on the MESDAQ Market of the Bursa Malaysia Securities Berhad ("Bursa Securities") ("the Listing").

*Airocom Technology Berhad
Accountants' Report*

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	: No. 15, 1 st Floor, Jalan Sena Indah, Taman Sena Indah, 01000 Kangar, Perlis Indera Kayangan
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Sabah & Sarawak	: Lot 2B, 2 nd Floor, Wisma Wong Wo Lo, Jalan Tun Mustapha, 87000 W. P. Labuan

9. ACCOUNTANTS' REPORT (Cont'd)**2. GENERAL INFORMATION****2.1 Background**

The Company was incorporated in Malaysia on 15th November, 1999, as a private limited company under the Companies Act, 1965. On 16th April, 2004, the Company was converted to a public limited company and assumed its present name. It commenced operation in November 1999.

The Company obtained its Multimedia Super Corridor ("MSC") status on 29th December, 2000. With this status, the Company was awarded the financial incentive for *Pioneer Status* commencing 4th January, 2001, (100% exemption on the taxable statutory income) under Section 4A of the Promotion of Incentives (Amendment) Act, 1997. The company is applying for extension of the MSC status for another five years.

2.2 Principal Activities

Airocom is principally engaged in the provision of information and communication technology products and services.

2.3 Changes in Share Capital

The movements in the Company's authorised share capital since its incorporation date are as follows:-

Date of Creation	No. of Shares Created of RM1.00 each	No. of Ordinary Shares of RM1.00 each	Par Value RM	Total RM
15/11/99	100,000	100,000	1.00	100,000
21/02/00	400,000	500,000	1.00	500,000
30/08/02	500,000	1,000,000	1.00	1,000,000
15/03/04	24,000,000	25,000,000	1.00	25,000,000
19/03/04		Subdivision of existing ordinary shares from par value of RM1.00 to RM0.10	0.10	25,000,000

9. ACCOUNTANTS' REPORT (Cont'd)**2.3 Changes in Share Capital (Cont.)**

The movements in Airocom's issued and paid up share capital since its incorporation date are as follows:-

Date of Allotment	No. of ordinary Shares of RM1.00 each	Par Value RM	Consideration	Total RM
15/11/99	2	1.00	Subscribers' shares	2
21/02/00	99,998	1.00	} Cash	100,000
30/08/02	900,000	1.00		1,000,000
15/03/04	2,750,000	1.00	Bonus Issue I	3,750,000
16/03/04	3,750,000	1.00	Assignment of IP Right	7,500,000
19/03/04		0.10	Subdivision of existing ordinary shares from par value of RM1.00 to RM0.10	7,500,000

2.4 The Subsidiary Companies of Airocom**2.4.1 Airoport. Com Sdn. Bhd. ("Airoport")**

Airoport was incorporated in Malaysia on 24th October, 2000 as a private limited company under the Companies Act, 1965.

The authorised and issued and paid-up share capital as at 31st October, 2005 are RM500,000 and RM200,000 comprising 500,000 and 200,000 ordinary shares of RM1 each respectively.

The Company is principally engaged in providing mobile multimedia content development and services.

Airoport commenced its operations in August 2003.

Airoport was acquired on 6th September, 2002 and became a wholly-owned subsidiary company of Airocom. As such, the consolidated financial statements of Airocom and Airoport have been prepared since the financial year ended 31st December, 2002.

9. ACCOUNTANTS' REPORT (Cont'd)

2.4.2 Airocom Mobile Communications Sdn. Bhd. ("Airocom MComm")

Airocom MComm was incorporated in Malaysia on 16th February, 2001 as a private limited company under the Companies Act, 1965.

The authorised and issued and paid-up share capital as at 31st October, 2005 are RM100,000 and RM3 comprising 100,000 and 3 ordinary shares of RM1 each respectively.

Airocom MComm has not commenced its operations since the date of incorporation.

As at 15th September, 2003, Airocom MComm became a wholly-owned subsidiary company of Airocom. As such, the consolidated financial statements of Airocom and Airocom MComm have been prepared since the financial year ended 31st December, 2003.

2.5 Financial Statements and Auditors

We have acted as the auditors for the Company and its subsidiary companies for all financial year ends since their respective dates of incorporation, except for the financial statements of Airocom MComm for the period from 16th February, 2001 (date of incorporation) to 31st December, 2001 which was audited by another firm of auditors.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated and are properly drawn up in accordance with the provisions of applicable approved Accounting Standards in Malaysia.

The auditors' reports on the financial statements of the Company and its subsidiary companies for the financial years covered in this Report were not subject to any qualifications.

2.6 Dividend

The Company declared an interim tax exempt dividend totalling RM300,000 in respect of the year ended 31st December, 2003 on 30th December, 2003, representing RM0.30 for each share held on that date. No dividend has been paid or declared in prior years and also up to 31st October, 2005.

9. ACCOUNTANTS' REPORT (Cont'd)

3. FINANCIAL AND LIMITATIONS

We set out in the following pages the historical financial results and positions of Airocom and its subsidiaries based on the audited financial statements covered in this report.

The scope of our work conducted in the preparation of this report does not, in itself, constitute an audit in accordance with applicable Approved Auditing Standards in Malaysia. This report covers the financial information derived from the audited financial statements and relevant financial records and related data made available to us of Airocom and its subsidiaries for the financial period ended 31st December, 2000, financial year ended 31st December, 2001, 31st December, 2002, 31st December, 2003, 31st December, 2004 and ten (10) months period ended 31st October, 2005 for which the Directors are responsible.

Except where otherwise explicitly stated, information contained in this report will not be independently verified by us. In preparing this report, we have relied upon information and representations given to us by Directors, officers, employees and consultants of Airocom and sought explanations for apparent discrepancies.

9. ACCOUNTANTS' REPORT (Cont'd)

4. SUMMARISED INCOME STATEMENTS

4.1 Summarised Consolidated Income Statements

The summarised consolidated income statements of the Group set out based on audited financial statement of Airocom and its subsidiary companies. The Proforma Group and the group summarised income statements are as follows:

	←	Proforma Group	→	←	Group	→
	14 Months Period Ended 31 st December 2000 RM'000	2001 RM'000	Year Ended 31 st December 2002 RM'000	2003 RM'000	2004 RM'000	10 Months Period Ended 31 st October 2005 RM'000
Revenue	116	2,020	1,839	9,132	10,787	16,059
(Loss) / Profit before Amortisation, Depreciation and Finance Cost	(509)	495	731	3,220	4,115	4,313
Amortisation of Development Costs	-	-	(94)	(69)	(178)	(136)
Amortisation of Intangible Asset	-	-	-	-	(281)	(313)
Depreciation	(26)	(55)	(126)	(180)	(328)	(348)
Finance Costs	-	@	(5)	(28)	(60)	(55)
(Loss) / Profit Before Taxation	(535)	440	506	2,943	3,268	3,461
Taxation	-	-	-	-	-	-
(Loss) / Profit after Taxation	*(535)	**440	**506	**2,943	**3,268	**3,461
Minority Interest	-	-	-	-	-	-
(Loss) / Profit Attributable to Shareholders	*(535)	**440	**506	**2,943	**3,268	**3,461
Effective Tax Rate (%)	*N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Pre-Tax (Loss) / Profit Margin (%)	(461.21)	21.78	27.51	32.23	30.30	21.55
After Tax Return on Shareholders' Funds (%)	(122.99)	7,333	35.84	70.95	29.27	23.66
Number of Ordinary Shares of RM1.00 / ^RM0.10 Each in Issue during the Period / Year ('000)	100	100	1,000	1,000	^75,000	^75,000
Weighted Average Number of Ordinary Shares of RM1.00 / ^RM0.10 Each In Issue ('000)	100	100	400	1,000	#64,167	^75,000
Earnings Per Share (sen)						
- Gross **	(535)	440	126.5	294.3	5.09	4.61
- Net ***	(535)	440	126.5	294.3	5.09	4.61

9. ACCOUNTANTS' REPORT (Cont'd)

4.1 Summarised Consolidated Income Statements (Cont.)

Notes :-

- @ Represent hire purchase interest amounted to RM371.
- * The Company was in loss making position and was not subject to tax.
- ** The Company was granted pioneer status with effect from 4th January 2001 and is not subjected to tax, and the subsidiary companies were in loss making position and were not subject to tax.
- ^ Represent ordinary shares of RM0.10 each.
- # Weighted average number of shares has been calculated based on par value of ordinary shares of assumed RM0.10 outstanding at the beginning of the year.
- ** Gross earnings per share has been calculated based on profit before taxation on weighted average number of ordinary shares issued.
- *** Net earnings per share has been calculated based on profit after taxation on weighted average number of ordinary shares issued.

9. ACCOUNTANTS' REPORT (Cont'd)

4.2 Airocom – Summarised Income Statement

We set out below the summarised audited results of Airocom for the period from 15th November, 1999 (date of incorporation) to 31st December, 2000, financial years ended 31st December, 2001, 31st December, 2002, 31st December, 2003, 31st December, 2004 and ten (10) months period ended 31st October, 2005.

	14 Months	Year Ended 31 st December				10 Months
	Period Ended 31 st December 2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	Period Ended 31 st October 2005 RM'000
Revenue	116	2,020	1,839	9,132	9,081	15,678
Direct Costs	(105)	(816)	(275)	(4,311)	(2,829)	(9,624)
Gross Profit	11	1,204	1,564	4,821	6,252	6,054
Other Income	*	*	*	-	-	13
	11	1,204	1,564	4,821	6,252	6,067
Depreciation	(26)	(55)	(126)	(179)	(316)	(338)
Other Operating Expenses	(520)	(702)	(926)	(1,694)	(1,609)	(1,793)
(Loss) / Profit Before Taxation	(535)	447	512	2,948	4,327	3,936
Taxation	-	-	-	-	-	-
(Loss) / Profit After Taxation	(535)	447	512	2,948	4,327	3,936
Number of Ordinary Shares of RM1.00 / ^RM0.10 Each In Issue ('000)	100	100	1,000	1,000	^75,000	^75,000
Weighted Average Number of Ordinary Shares of RM1.00 / ^RM0.10 Each In Issue (^000)	100	100	400	1,000	#64,167	^75,000
Net Earning Per Weighted Number of Shares (sen)	(535)	447	128	294.8	6.74	5.25

* Represent hibah received amounted to RM3, RM12 and RM10 for year ended 31st December, 2000, 2001 and 2002 respectively.

^ Represent ordinary shares of RM0.10 each..

Weighted average number of shares has been calculated based on par value of ordinary shares of assumed RM0.10 outstanding at the beginning of the year.

9. ACCOUNTANTS' REPORT (Cont'd)**4.3 Airoport – Summarised Income Statement**

We set out below the summarised audited results of Airoport for the period from 24th October, 2000 (date of incorporation) to 31st December, 2001, financial years ended 31st December, 2002, 31st December, 2003, 31st December, 2004 and 10 months period ended 31st October, 2005.

	15 Months	Year Ended 31 st December			10 Months
	Period Ended 31 st December 2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	Period Ended 31 st October 2005 RM'000
Revenue	-	-	-	3,502	640
Direct Costs	-	-	-	(4,198)	(810)
Gross Profit	-	-	-	(696)	(170)
Other Income	-	-	-	-	^
	-	-	-	(696)	(170)
Depreciation	-	-	(1)	(12)	(10)
Other Operating Expenses	(4)	(4)	(3)	(348)	(293)
Loss Before Taxation	(4)	(4)	(4)	(1,056)	(473)
Taxation	-	-	-	-	-
Loss Profit After Taxation	(4)	(4)	(4)	(1,056)	(473)
Number of Ordinary Shares of RM1.00 Each In Issue ('000)	*	200	200	200	200
Weighted Average Number of Ordinary Shares of RM1.00 Each In Issue ('000)	*	67	200	200	200
Net Earning Per Weighted Number of Shares (sen)	N/A	(5.97)	(2)	(528)	(236.5)

* Represent paid-up capital of RM2.

^ Represent RM600.

9. ACCOUNTANTS' REPORT (Cont'd)**4.4 Airocom MComm - Summarised Income Statement**

We set out below the summarised audited results of Airocom MComm for the period from 16th February, 2001 (date of incorporation) to 31st December, 2001 and for the financial years ended 31st December, 2002, 31st December, 2003, 31st December, 2004 and 10 months period ended 31st October, 2005.

	11 Months	Year Ended 31 st December				10 Months
	Period Ended 31 st December 2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	Period Ended 31 st October 2005 RM'000	
Revenue	-	-	-	-	-	
Direct Cost	-	-	-	-	-	
Gross Profit	-	-	-	-	-	
Depreciation	-	-	-	-	-	
Other Operating Expenses	(3)	(2)	(1)	(3)	(2)	
Loss Before Taxation	(3)	(2)	(1)	(3)	(2)	
Taxation	-	-	-	-	-	
Loss After Taxation	(3)	(2)	(1)	(3)	(2)	
Number of Ordinary Shares of RM1.00 Each In Issue	*	*	*	*	*	
Weighted Average Number of Ordinary Shares of RM1.00 Each In Issue	*	*	*	*	*	
Net Earning Per Weighted Number of Shares (sen)	N/A	N/A	N/A	N/A	N/A	

* Represent paid-up capital of RM3.