

1. INFORMATION SUMMARY

THE INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY. THE INFORMATION SUMMARY SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 HISTORY AND BUSINESS

Airocom was established on 15 November 1999 as a software application developer and integrator, specializing in SMS applications and communication solutions. Today, it has emerged to be a total wireless and communication solutions provider.

Airocom was appointed as Logica's application provider and reseller on 15 November 2000. Globally, Logica is one of the leading telecommunication SIs and solution providers. Besides reselling Logica's solutions, Airocom also developed supporting applications, such as provisioning systems and messaging gateways that complement Logica's platforms.

Airocom was also appointed as Maxis' Business Partner and Ericsson's Mobility World Partner in January 2002 and March 2002 respectively. Development of strong partnerships and alliances on both the supply and demand side has enabled Airocom to strengthen its position as a total solutions provider. In addition, Airocom participated in the testing of GPRS and 3G applications on Ericsson's platform.

Airocom is also a recognised vendor in the telecommunications industry. It is registered as Ministry of Finance ICT Vendor on 8 November 2000, Telekom Vendor on 18 November 2000, Celcom Vendor on 1 October 2001 and Petronas ICT Vendor on 1 March 2002.

Airocom developed IN applications in collaboration with Pernec Berhad, an efficient solution to prepaid service, for Telekom's Ring Ring Card in 2001 and Home Prepaid in 2003. Airocom also provided the Mobile Service Provisioning System, which activates prepaid mobile phones services for TMTouch in 2001 and Celcom in 2003. In 2002, Airocom deployed the AiroGate™ Messaging Gateway, which enabled SMS content providers to provide services on Celcom GSM Network via Internet (known as Celcom SMS Online Service).

Airocom also provided the messaging platform to develop SMS Yellow Pages, a mobile version of Yellow Pages. This service can be reached via SMS or through the 64k version of SIM card provided by TMTouch. SMS Yellow Pages provides query for businesses (company name and classification), Government, enforcement agencies and embassies. This service was launched on 8 August 2002.

Airocom on 8 October 2002 provided the messaging platform to develop SMS@POS, which is an SMS IOD system for Pos Malaysia Berhad. It provides mobile subscribers with the functionalities such as: -

- Tracking the latest delivery status of their parcels/ packages for Pos Daftar and Pos Ekspres;
- Information on philately – for the avid postal material collector; and
- Information on postcode, i.e. location or postcode number.

Users can track any packages delivered through Pos Malaysia Berhad any time, anywhere and as many times as desired.

1. INFORMATION SUMMARY (Cont'd)

Airocom increased its presence in the mobile content provision space in 2003 by launching a series of lifestyle mobility applications in the information and entertainment segment of the market. It launched MetaMobile in February 2003 (a joint venture with Metadome), mobifrenz™ in May 2003, MobileHotel in July 2003, Eelis.com in August 2003 and redsarong™ in December 2003. Lifestyle mobility applications are ringtones, logo or icon downloads and other types of IOD.

The year 2004 saw Airocom launch its Content Aggregator Program. This program was targeted at Content Providers that want to offer their services to the mobile phone subscribers without the need to incur high infrastructure costs. In October 2004, Airocom and TMNet collaborated to launch TMNet Messenger, where Airocom provided the AiroMail application technology for TMNet subscribers.

In May 2005, Airocom re-launched its mobifrenz™ mobile content service by the formation of a fan club called "Geng mobifrenz". The objective of the club is to sustain the interest of existing customers and attract new mobifrenz™ subscribers from different segments for continued expansion of the mobile content services of mobifrenz™. "Geng mobifrenz" is filled with fun activities packed with educational programs that are beneficial to the development of a healthy and wholesome mind, body and spirit. It is a positive step in promoting a safe, healthy and active lifestyle among the younger generation, which are the subscribers of mobifrenz™. Airocom also appointed Malaysia's popular hip-hop group "Ruffedge" as the ambassador for "Geng mobifrenz".

On 28 September 2005 Airocom signed a Facility Management Services Agreement with Mekong Communication Corporation Sdn Bhd ("MCC") to develop wireless broadband Internet systems for MCC's joint venture partner, Saigon Post and Telecommunications Services Corporation ("SPT") of the Socialist Republic of Vietnam. Airocom will provide its expertise and experience in developing and implementing a total solution for the wireless broadband Internet systems in Vietnam.

During the East Asia Business Exhibition ("EABEX '05") in conjunction with the inaugural East Asia Summit and the 11th ASEAN Summit in Kuala Lumpur in 2005, Airocom introduced its AiroGate Lite solutions. AiroGate Lite is a technology innovation derived through the R&D on AiroGate™ SMS Messaging Gateway application solution.

AiroGate Lite is an individual AiroGate™ module that is embedded into microchips (or devices) to provide SMS/MMS gateway features specifically targeted for customer telemetry applications. With its modular design and characteristics, it can be easily integrated into any existing devices to enable subscribers to leverage on SMS application via the digital cellular mobile network to access various value added services.

Frost & Sullivan reported that the Airocom Group has established itself to be one (1) of the leading players in providing wireless and communication solutions and is the only local player with a wide portfolio of OSS/BSS focus products serving various industries in Malaysia and overseas. The wireless and communication solution suites and services of the Group are as follows: -

- Wireless Solutions
- Telecom OSS/BSS Solutions
- Mobile Content Provision and Aggregation
- Professional Services and Consulting

1. INFORMATION SUMMARY (Cont'd)

Airocom provides a multitude of wireless solutions designed for three (3) categories of customers, namely Service Providers, Enterprise (including the public sector) and Individual Consumers. Each solution is tailor-made to satisfy and meet customers' requirements without compromising on functionalities and capabilities. These solutions are further broken into the following three (3) product categories: -

- **>mtelecomm™** for service providers portfolio
 - Wireless messaging
 - Wireless broadband solutions
 - Wireless broadcasting solutions
 - Prepaid platforms
 - Operations support system
 - Billing and customer care
 - Customization and integration
- **>menterprise™** solutions portfolio
 - Mobile field service
 - Mobile enforcement
 - Mobile messaging
 - Mobile reservation
 - Mobile alerts
- **>mlifestyle™** for mobile consumers portfolio
 - IOD
 - Content download
 - Interactive media
 - Games, contests and quizzes
 - Mobile chat
 - Mobile polling and voting
 - Mobile Email

Please refer to Section 4.2.2 for further description on Airocom's products and services.

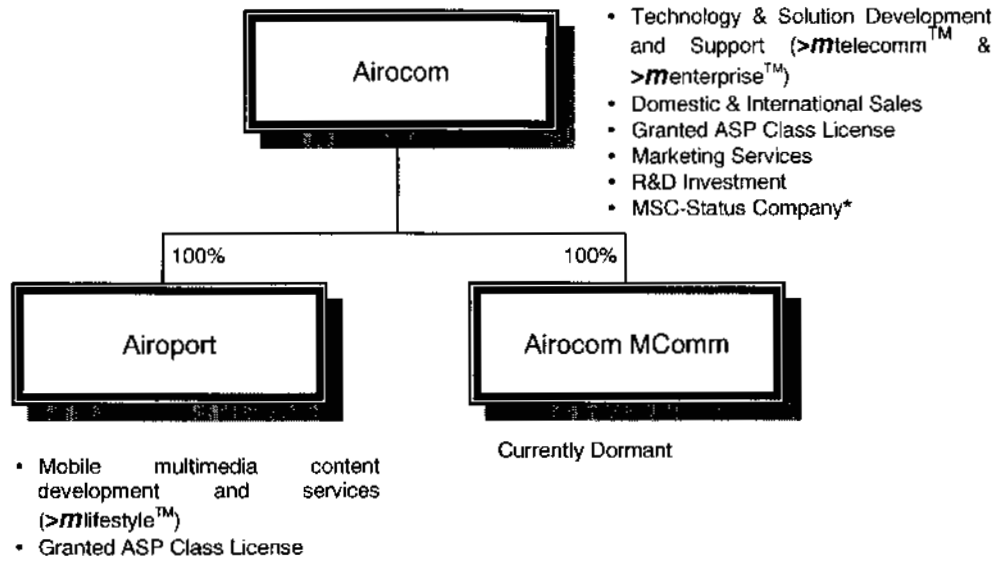
Details of the subsidiaries of Airocom are as follows: -

Corporation	Date/ Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
Subsidiaries of Airocom				
Airoport	24.10.2000/ Malaysia	200,000	100	Mobile multimedia content development and services
Airocom MComm	16.02.2001/ Malaysia	3	100	Dormant

Further details on the history and business of the Group are set out in Section 4 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

The structure of the Group is as set out below:



Note: -

* The Company was granted MSC status by the Government of Malaysia on 29 December 2000. However the Company's MSC Pioneer Status in relation to the 100% exemption on the taxable statutory income for the initial period of five (5) years had expired on 29 December 2005, and the Company had submitted its application for the extension of the tax relief period pioneer status on 28 December 2005.

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1. INFORMATION SUMMARY (Cont'd)**1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND BUSINESS ADVISER**

The direct and indirect shareholdings of the promoters, substantial shareholders, Directors, key management and business adviser of the Group are as follows: -

Name	Designation	No. of Ordinary Shares Held in Airocom Before the Issues				No. of Ordinary Shares Held in Airocom After the Issues			
		Direct ('000)	(%)	Indirect ('000)	(%)	Direct ('000)	(%)	Indirect ('000)	(%)
Promoters									
Novapro	-	46,460	61.95	-	-	69,690	46.00	-	-
Eminent Access	-	18,692	24.92	-	-	28,038	18.51	-	-
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
Mohd Fauzi Bin Jamaudin	Chief Executive 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

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1. INFORMATION SUMMARY (Cont'd)

Name	Designation	No. of Ordinary Shares Held in Airocom Before the Issues				No. of Ordinary Shares Held in Airocom After the Issues			
		Direct ('000)	(%)	Indirect ('000)	(%)	Direct ('000)	(%)	Indirect ('000)	(%)
Substantial Shareholders									
Novapro	-	46,460	61.95	-	-	69,690	46.00	-	-
Eminent Access	-	18,692	24.92	-	-	28,038	18.51	-	-
Solnaxis	-	4,798	6.40	-	-	7,197	4.75	-	-
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
Mohd Fauzi Bin Jamaudin	Chief Executive 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
Taufiq Rosidi Bin Abu Samah	-	-	-	^4,798	6.40	-	-	^7,197	4.75
Hamidah Binti Hussin	-	-	-	^4,798	6.40	-	-	^7,197	4.75
Rozmei Bin Rahmat	-	-	-	^4,798	6.40	-	-	^7,197	4.75

1. INFORMATION SUMMARY (Cont'd)

Name	Designation	No. of Ordinary Shares Held in Airocom Before the Issues				No. of Ordinary Shares Held in Airocom After the Issues			
		Direct ('000)	(%)	Indirect ('000)	(%)	Direct ('000)	(%)	Indirect ('000)	(%)
Directors									
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	-	-
Dato' Azman Bin Mahmood	Independent Non-Executive Director	-	-	-	-	* 300	0.20	-	-
Khairil Anuar Bin Abdullah	Independent Non-Executive Director	-	-	-	-	* 300	0.20	-	-
Key Management									
Hamzah Bin Ismail	Non Independent Executive Director/ Chief Technology Officer	-	-	*18,692	24.92	-	-	*28,038	18.51
Mohd Fauzi Bin Jamaudin	Chief Executive 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.

1. INFORMATION SUMMARY (Cont'd)

Notes: -

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

Details of the Promoters, substantial shareholders, Directors, key management and business adviser of Airocom are set out in Section 5 of this Prospectus.

1.3 INTELLECTUAL PROPERTY

Save for Airocom – Get Unwired™ which is pending registration under Class 42 (design and development of computer software) and Class 16 (printed materials/ forms) and pending approvals for Class 9 (computer programs and software), Class 16 (printed materials/ forms) and Class 42 (design and development of computer software), the Group has also applied for the registration of the following trade marks under Class 42 (computer software) and Class 16 (printed materials/ forms) which it uses in connection with its business, namely: -

- (i) AiroGate™;
- (ii) AiroGalN™;
- (iii) Airoport™;
- (iv) AiroWAP™;
- (v) AiroWeb™;
- (vi) Airoamer™;
- (vii) AiroBACC™;
- (viii) >mlifestyle™;
- (ix) >menterprise™;
- (x) >mtelecomm™;
- (xi) mobifrenz™;
- (xii) redsarong™, and
- (xiii) AiroMAX™.

One of the Group's core products i.e. AiroGate™ was acquired from Zainal Aman Bin Shaari, the author and proprietor of AiroGate™ on 16 March 2004 pursuant to the Deed of Assignment for a consideration of RM3.75 million, which was fully satisfied by the issuance of 3.75 million new ordinary shares of RM1.00 each in the Company at par to Zainal Aman Bin Shaari. The purchase consideration was based on a willing buyer and willing seller basis after taking into consideration the valuation of AiroGate™ by Compass, the Independent IP Valuer, dated 15 March 2004. Further information on the valuation is set out in Section 10 of this Prospectus.

An impairment review on AiroGate™ was conducted by Compass to review the carrying value of AiroGate™ as at 31 December 2004, in view of the audited performance of the Company as at 31 December 2004 and the change in the shareholders in Eminent Access, a substantial shareholder and directors of the Company. The review concluded that the carrying value of RM3.7 million was not impaired as it fell within the higher range of the recoverable amount of between RM3.4 million and RM3.7 million.

The Group is allowed to resell AiroGate™ in any form or price and the Group can make any changes or enhancements to the source programme. Compass has estimated AiroGate™ to have an useful economic life of five (5) to seven (7) years.

1. INFORMATION SUMMARY (Cont'd)

However, the Directors of Airocom are of the opinion that AiroGate™ has an estimated useful economic life of ten (10) years. The difference is due to different basis used by the Independent IP Valuer and the Company in estimating the useful economic life of AiroGate™. The basis used by the Company to estimate the useful economic life of AiroGate™ is as follows: -

- (i) technology capability, flexibility and scalability of AiroGate™;
- (ii) deployment of AiroGate™ in less developed countries; and
- (iii) economic life.

Please refer to Accountants' Report as set out in Section 9 of the Prospectus for further details.

Intellectual properties forms an integral part of the Airocom Group's current business and future drive. Currently, the Group has applied for registration for its brand name, logo and tagline as listed above.

Moreover, the Group's products have been conferred protection against infringing activities under the Malaysian copyright law. The Group has also put in place several security measures to protect its proprietary technology, including not disclosing the source codes of the Group's software to its customers to whom the software is sold. The nature of the Group's wireless and communication solutions also acts as a barrier against illegal usage as specialised knowledge and familiarisation with the hardware and software are required to make it work, and most of its software, hardware and infrastructure designs requires special training and domain knowledge to develop or customise; hence, such solution is often sold to customers together with the Group's professional services.

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1. INFORMATION SUMMARY (Cont'd)**1.4 FINANCIAL HIGHLIGHTS**

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, prepared on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 9 of this Prospectus.

	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)	period ended 31 October 2005 (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

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.

1. INFORMATION SUMMARY (Cont'd)

- # 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 the Airocom Group for the years under review were not subjected to any audit qualification and there were no exceptional and extraordinary items for the years under review.

1.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF THE GROUP AS AT 31 OCTOBER 2005

The Proforma Consolidated Balance Sheets as at 31 October 2005 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of Airocom, had the Listing Scheme been effected on that date.

	Audited as at 31 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 EQUIPMENT	3,538	3,538	3,538
INTANGIBLE ASSET	3,156	3,156	3,156
DEVELOPMENT COST	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
	22,258	36,058	36,058
CURRENT LIABILITIES			
Trade and Other Payables	12,508	12,508	12,508
Amount Due To Holding Company	28	28	28
Borrowings	1,002	1,002	1,002
Hire Purchase Creditors	96	96	96
	13,634	13,634	13,634
NET CURRENT ASSETS	8,624	22,424	22,424
	17,062	30,862	30,862
FINANCED BY :			
SHARE CAPITAL	7,500	10,100	15,150
SHARE PREMIUM	-	11,200	6,150
RETAINED PROFITS	7,127	7,127	7,127
SHAREHOLDERS' FUNDS	14,627	28,427	28,427
LONG TERM LIABILITY			
Borrowing	1,938	1,938	1,938
Hire Purchase Creditors	497	497	497
	17,062	30,862	30,862
NTA per share (RM)	0.13	0.23	0.16

1. INFORMATION SUMMARY (Cont'd)

Notes: -

Proforma I : After 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/or business associates of the Airocom Group, and settlement of estimated listing expenses of RM1.8 million.

Proforma II : After Bonus Issue II 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. The Bonus Issue II will be effected via capitalisation of share premium arising from the Public Issue.

Detailed Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets is set out in Section 8.5 of this Prospectus.

1.6 SUMMARY OF MATERIAL RISK FACTORS

An investment in the shares listed/ to be listed on the Bursa Securities involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and to carefully consider the investment considerations before buying any of the Public Issue, which are the subject of this Prospectus. The investment consideration that should be considered includes, but not limited to, the following: -

Item	Risk factors	Summary
(a)	Business Risks	As in any other business, Airocom is subject to risks inherent in the wireless and communication solutions industry.
(b)	Financial Risks	Save as disclosed in section 8.4(ii) of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings.
(c)	New Venture(s)	The Group may venture into new venture and the success of the venture would depend on external factors which are beyond the control of the Group.
(d)	New Products and Services	The customers' acceptance of the Group's products/ services is dependent on various factors, namely branding, pricing, sentiment, government policies/ regulation and others.
(e)	Industry Life-Cycle	The mobile content services and wireless communication technology enabler market is in its early stages of development in Malaysia. General wireless communication product usage may not continue to increase.

1. INFORMATION SUMMARY (Cont'd)

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| (f) | Dependence on Third Party Telecommunications Infrastructure/ Vendors | The Group adopts various measures to minimise the risk on dependency on certain contractors/ suppliers. |
| (g) | Foreign Currency Risk | As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, all the revenue and purchases of the Group are generated from the local market. |
| (h) | Dependence on Directors and Key Management | The Group's success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and key management. |
| (i) | Dependence on protection of intellectual property | The Group's success is dependent upon its ability to protect the intellectual proprietary of its products. |
| (j) | Maintenance and Reliability of the Telecommunications Network Infrastructure and Security Risks | The Group is operating in high technology environment where its operations are susceptible to various security risks in the form of computer viruses, industrial espionage, hacking and fraud. |
| (k) | Disaster Recovery | The Group's daily operations may be affected by events of emergency such as explosion, fire, flooding, energy crisis, health crisis, sabotage, civil commotion, war or acts of God. |
| (l) | Insurance Coverage on Assets | The Group reviews and ensures adequate coverage for its assets and projects on a continuous basis. |
| (m) | Rapid or Over Expansion/ Rapid Development of Technological Change | The Group's future depends substantially upon its ability to address the increasingly sophisticated needs of its customers by supporting existing and emerging hardware, software, database and networking platforms. |
| (n) | Competitive Risks | The Group faces competition from new entrants and established players in the wireless and communication solutions industry. |
| (o) | Dependence on Revenue Derived from >mtelecomm™ Services | As disclosed in Section 8.2.1 of the Prospectus, one of the Group's major revenue streams of approximately 76% is derived from >mtelecomm™ for the financial period ended 31 October 2005. However, Airocom has developed AiroGate Lite which will be sold and marketed to the non-mobile network operators and ISPs for the >menterprise™ solutions. These markets include enterprises and corporations that require wireless and mobile connectivity. |

1. INFORMATION SUMMARY (Cont'd)

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|-----|---|---|
| (p) | Dependence on Particular Markets and Geographical Locations | The Group believes that it will not be overly dependent on any particular market and geographical location in the near future. |
| (q) | Dependence on Major Customer | The Group believes that it will not be overly dependent on any particular customer. |
| (r) | Economic Conditions and Cycles that are Significant or Peculiar to the Industry | Adverse developments in political, economic, regulatory and environment conditions in Malaysia and other countries where the Group may operate could materially and adversely affect the financial prospects of the Group. |
| (s) | Control by Promoters/ Shareholders | After the Public Issue, the Promoters and the persons connected with the Promoters will collectively control 64.51% of Airocom's issued and paid-up share capital. They will effectively control the outcome of certain matters requiring voting of shareholders. |
| (t) | Government Control or Regulation Considerations | Like all other business entities, any adverse developments in political, economic, regulatory and environment conditions in Malaysia and other countries where the Group may operate could materially and adversely affect the financial and business prospects of the Group. |
| (u) | Material Litigation/ Legal Uncertainties | Save as disclosed in Sections 1.10, 3(u), 8.4(v) and 14.6 respectively of the Prospectus, the Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group. |
| (v) | Financial Performance | Save as disclosed in Section 8.4 of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings. |
| (w) | Change in or Loss of MSC Status | As an MSC status company, Airocom enjoys certain financial and non-financial incentives, which are guaranteed under the Malaysian Government's Bill of Guarantees for MSC status companies. There can be no assurance that the Company will continue to retain its MSC status or that it will continue to enjoy or not experience delays in enjoying the MSC incentives outlined above, all of which could materially and adversely affect the Group's business, operating results and financial condition. |

The MSC Pioneer Status of Airocom for the initial period of five (5) years expired on 29 December 2005, and the Company had submitted its application for extension of the tax relief period under the pioneer status on 28 December 2005.

1. INFORMATION SUMMARY (Cont'd)

- | | | |
|------|--|---|
| (x) | Disclosure Regarding Forward-Looking Statements | There can be no assurance that forward-looking statements in relation to the Group as contained in the Prospectus will prove to be correct. Any differences in the expectations of the Group may materially affect the Group's financial and business performances and plans. |
| (y) | Uncertainties in the Five (5) Year Business Development Plan | There can be no assurance that Airocom will be able to successfully implement its business plan or that unanticipated expenses or problems or technical difficulties will not occur which could result in material delays in its implementation or even deviation from its original plan. |
| (z) | Related Party Transactions/
Conflict of Interest | The Directors, substantial shareholders and key management have provided an undertaking that all business transactions between the Group and the Directors and substantial shareholders (and their connected persons) and the key management shall be based on arms length basis. |
| (aa) | No Prior Market for Airocom's Shares | There can be no assurance of an active market for Airocom shares upon its listing on the MESDAQ Market of the Bursa Securities. |
| (ab) | Failure/ Delay In the Listing | The success of the listing exercise is also exposed to the risk that it may fail or be delayed should certain event occurs. |

Further details of the material risk factors are set out in Section 3 of this Prospectus.

1.7 PROFORMA CONSOLIDATED NTA AS AT 31 OCTOBER 2005

	⁽¹⁾ Proforma Group NTA (RM'000)	⁽²⁾ NTA per ordinary share (RM)
After adjusting for the Public Issue ⁽²⁾	23,527	0.23
After adjusting for the Bonus Issue II ⁽³⁾	23,527	0.16

Notes: -

- (1) After deducting the estimated listing expenses of RM1.8 million. Please refer to Section 2.7(iv) for details on the estimated listing expenses.
- (2) The above proforma consolidated NTA is based on enlarged issued and paid-up share capital of 101,000,000 ordinary shares of RM0.10 each of the Company.
- (3) The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 151,500,000 ordinary shares of RM0.10 each in the Company.

Detailed calculations of the proforma consolidated NTA are set out in Section 8.6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.8 PRINCIPAL STATISTICS RELATING TO THE ISSUES****1.8.1 Share Capital**

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

	Number of ordinary share of RM0.10 each	Share capital (RM)
AUTHORISED SHARE CAPITAL	250,000,000	25,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL:	75,000,000	7,500,000
• New ordinary shares to be issued pursuant to Public Issue	26,000,000	2,600,000
ENLARGED SHARE CAPITAL AFTER PUBLIC ISSUE	101,000,000	10,100,000
• New ordinary shares to be issued pursuant to Bonus Issue II	50,500,000	5,050,000
ENLARGED SHARE CAPITAL AFTER BONUS ISSUE II	151,500,000	15,150,000
ISSUE PRICE PER SHARE		0.60
MARKET CAPITALISATION UPON ADMISSION		60,600,000

The issue price is RM0.60 per Public Issue Share is payable in full upon application, subject to the terms and conditions of this Prospectus.

Investors are to take note that the Bonus Issue II will be implemented prior to the official quotation of the entire enlarged issued and paid-up share capital of Alrocom on the MESDAQ Market. Based on the Issue Price of RM0.60 per Public Issue Share, the theoretical ex-bonus price will be RM0.40 per ordinary share.

1.8.2 Class Of Shares

There is only one class of shares in the Group namely ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Public Issue Shares and Bonus Shares II rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Group including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

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1. INFORMATION SUMMARY (Cont'd)**1.9 PROPOSED UTILISATION OF PROCEEDS**

The total gross proceeds arising from the Public Issue will be utilised by the Group in the following manner: -

	Timeframe for utilisation	Amount (RM)
i. Marketing and Operational activities for >mlifestyle™	12 months	1,800,000
ii. R&D Expenses and Equipment for GSM/ GPRS	24 months	1,600,000
iii. R&D Expenses and Equipment for 3G	24 months	1,500,000
iv. R&D Personnel and Training Expenses	24 months	4,061,008
v. Loan Repayment – Existing Facility	Immediate	1,183,787
vi. Listing Expenses	Immediate	1,800,000
vii. Working Capital	12 months	3,655,205
Total proceeds		15,600,000

Details of the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1.10 MATERIAL LITIGATIONS, COMMITMENTS, BORROWINGS, AND CONTINGENT LIABILITIES**(i) Material Litigations**

Save as disclosed in Sections 3(u), 8.4(v) and 14.6 respectively of this Prospectus, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of Airocom and its subsidiaries.

(ii) 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.

(iii) Borrowings

As disclosed in Section 8.4(ii) of this Prospectus, 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: -

1. INFORMATION SUMMARY (Cont'd)

Borrowings	Amount (RM '000)	Amount (RM '000)
Long Term borrowings		
• <i>Interest bearing</i>	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.

(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.

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2. PARTICULARS OF THE IPO

This Prospectus is dated **3 April 2006**.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the ROC who takes no responsibility for its contents.

The approvals from the SC were obtained on 29 November 2004 and 10 March 2006, whilst the approval from Bursa Securities was obtained 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. The approvals of the SC and Bursa Securities shall not be taken to indicate that the SC and Bursa Securities recommend the Public Issue and that investors should rely on their own evaluation to assess the merits and risks of the Public Issue.

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

Approvals have been obtained from SC and Bursa Securities on 29 November 2004 and 2 December 2004 respectively for the proposed listing of Airocom. Approval has also been obtained from Bursa Securities for the admission of Airocom to the Official List of the MESDAQ Market. These shares will be admitted to the Official List on the MESDAQ Market of the Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to the MMLR, at least 25% but not more than 49% of the total number of shares for which listing is sought by the Company must be held by a minimum number of 200 public shareholders holding not less than 100 shares each, upon admission to the MESDAQ Market. In the event that the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with its listing on the MESDAQ Market of the Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned without interest if the said permission is not granted.

The Bursa Securities assumes no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the MESDAQ Market of the Bursa Securities is not to be taken as an indication of the merits of the Company or of its shares.

Persons submitting applications by way of an Application Forms or by way of Electronic Shares Applications or Internet Share Application must have a CDS Account. In the case of an application by way of Application Form, an applicant should state his CDS account number in the space provided in the Application Form. In a case of an Applicant by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number if the instruction on the ATM screen at which he enters his Electronic Share Application requires him to do so. In the case of an application by way of Internet Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the shares by way of Electronic Share Application.

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

2. PARTICULARS OF THE IPO (Cont'd)

The distribution of this Prospectus and the making of the Public Issue in certain other jurisdictions outside Malaysia may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Public Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers.

2.1 SHARE CAPITAL

	Number of ordinary share of RM0.10 each	Share capital (RM)
AUTHORISED SHARE CAPITAL	250,000,000	25,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL:	75,000,000	7,500,000
• New ordinary shares to be issued pursuant to Public Issue	26,000,000	2,600,000
ENLARGED SHARE CAPITAL AFTER PUBLIC ISSUE	101,000,000	10,100,000
• New ordinary shares to be issued pursuant to Bonus Issue II	50,500,000	5,050,000
ENLARGED SHARE CAPITAL AFTER BONUS ISSUE II	151,500,000	15,150,000
ISSUE PRICE PER SHARE		0.60
MARKET CAPITALISATION UPON ADMISSION		60,600,000

The Issue Price is RM0.60 per ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus.

There is only one class of shares in the Company, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Public Issue Shares and Bonus Shares II will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

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

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each ordinary share held.

2. PARTICULARS OF THE IPO (Cont'd)**2.2 OPENING AND CLOSING OF APPLICATION**

The Application for the Public Issue will open at 10.00 a.m. on 3 April 2006 and will remain open until 5.00 p.m. on 10 April 2006 or for such further period or periods as the Directors and/or Promoters of Airocom together with the Managing Underwriter in their absolute discretion may decide. Late applications will not be accepted.

2.3 CRITICAL DATES OF THE PUBLIC ISSUE

Events	Tentative Date
Opening Date of the Public Issue	3 April 2006
Closing Date of the Public Issue	10 April 2006
Tentative Balloting Date	13 April 2006
Tentative Listing Date	28 April 2006

The application period will remain open until 5.00 P.M. on 10 April 2006 or for such further period or periods as the Directors and/or promoters of Airocom together with the Managing Underwriter in their absolute discretion may decide subject to the approval of the Bursa Malaysia Securities Berhad.

Should the closing date of the aforesaid application be extended, the dates for the balloting, allotment and listing of Airocom's entire issued and paid-up share capital on the MESDAQ Market of Bursa Securities might be extended accordingly and changes to the application period for the public issue will be notified to the public at least one (1) market day before the original closing date via an advertisement in a widely circulated daily Bahasa Malaysia and English newspapers.

2.4 BASIS OF ARRIVING AT THE ISSUE PRICE

The Issue Price of RM0.60 per share was determined and agreed upon by the Company and AmMerchant Bank as Adviser and Managing Underwriter based on various factors including the following: -

- (i) The Group's financial operating history and conditions and financial position as outlined in Sections 4 and 8 of this Prospectus;
- (ii) The prospects of the industry in which the Group operates as outlined Sections 4.4 and 4.7 of this Prospectus;
- (iii) The Group's technology, estimates of business growth potential and revenue prospects of the Group;
- (iv) Comparison with other companies involved in the wireless and communication solutions industry as set out in Section 4.4.5 of this Prospectus; and
- (v) The Proforma Consolidated NTA of Airocom as at 31 October 2005 of RM0.16 per share based on the enlarged issued and paid-up share capital of 151,500,000 ordinary shares of RM0.10 each in Airocom.

Investors are to take note that the Bonus Issue II will be implemented prior to the official quotation of the entire enlarged issued and paid-up share capital of Airocom on the MESDAQ Market. Based on the Issue Price of RM0.60 per Public Issue Share, the theoretical ex-bonus price will be RM0.40 per ordinary share.

2. PARTICULARS OF THE IPO (Cont'd)

Investors should also note that market price of the Public Issue Shares, upon and subsequent to the listing on the MESDAQ Market are subject to the vagaries of market forces and other uncertainties which may affect the price of these shares. Investors should bear in mind the risk factors as set out in Section 3 of this Prospectus and form their own views on the valuation of the Public Issue Shares before deciding on whether or not to invest in the Public Issue Shares.

The Directors and Promoters of the Group and AmMerchant Bank are of the opinion that the Issue Price is fair and reasonable after careful consideration of the abovementioned factors.

2.5 DETAILS OF THE PUBLIC ISSUE

The Public Issue of 26,000,000 new ordinary shares at an issue price of RM0.60 per share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner: -

(i) Public

2,000,000 Public Issue Shares will be made available for application by individuals, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Employees, Directors and/ or Business Associates of the Group

8,100,000 Public Issue Shares will be reserved for the eligible employees, Directors and/or the business associates (which include the suppliers, sales agents and customers) of the Group.

4,100,000 Public Issue Shares have been allocated to 31 eligible employees and Directors of the Group based on the following criteria as approved by the Group's Board of Directors: -

- (a) At least eighteen (18) years old;
- (b) Job position; and
- (c) Length of service.

Details of the Directors' pink form allocation are as follows: -

Name of Directors	Designation	Pink Form Allocation
Ir Mohd Salleh @ Mohamed Ali Bin Yusoff	Independent Non- Executive Director	200,000
Dato' Azman Bin Mahmood	Independent Non- Executive Director	200,000
Khairil Anuar Bin Abdullah	Independent Non- Executive Director	200,000
Total		600,000

4,000,000 Public Issue Shares have also been allocated to 21 eligible business associates of the Group based on the following criteria as approved by the Group's Board of Directors: -

- (a) Contribution to Airocom's current and future business operations and opportunities; and
- (b) Length of business relationship.

2. PARTICULARS OF THE IPO (Cont'd)

(iii) Places

15,900,000 Public Issue Shares are reserved for private placement to selected investors, of which at least 30% is to be set aside, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

All the 9,500,000 Public Issue Shares available for application by the Public and the eligible employees, Directors and/or business associates of the Group have been fully underwritten, save for Directors' pink form allocation of 600,000 Public Issue Shares where the Directors' have provided irrevocable undertakings to take up the Public Issue Shares. The 15,900,000 Public Issue Shares available for application by the selected investors are not underwritten. The Placement Agent has received irrevocable undertakings from the selected investors to take up the Public Issue Shares available for application under the placement.

Any Public Issue Shares which are not taken up by eligible employees and Directors of the Group and/or the business associates of the Group will be made available for application by the Public via balloting and/or selected investors via placement. Any Public Issues shares which are not taken up by the Public will be made available to selected investors via placement if the placement is oversubscribed and vice versa. Any further Public Issue Shares not subscribed for will be made available for subscription by the Underwriters in the proportions specified in the Underwriting Agreement dated 6 March 2006.

2.6 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows: -

- (i) To provide the opportunity for the eligible employees and Directors of the Group and/or the business associates of the Group and the investing public and institutions to participate in the equity and continuing growth of the Group;
- (ii) To enable the Group to gain recognition and certain stature through its listing status and further enhance its corporate reputation and assist the Group in expanding its customer base;
- (iii) To provide additional funds to meet the present and future R&D and working capital requirement of the Group;
- (iv) To enable the Group to gain access to the capital market to raise funds for future expansion, diversification, modernisation and continued growth of the Group; and
- (v) To facilitate the listing of and quotation for the entire enlarged issued and paid-up share capital of the Group on the MESDAQ Market of the Bursa Securities.

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2. PARTICULARS OF THE IPO (Cont'd)**2.7 UTILISATION OF PROCEEDS**

The Public Issue is expected to raise gross proceeds of approximately RM15.60 million, which shall accrue to the Group.

The Group intends to utilise the proceeds raised in the following manner: -

	Timeframe for utilisation	Amount (RM)
i. Marketing and Operational activities for >mlifestyle™	12 months	1,800,000
ii. R&D Expenses and Equipment for GSM/ GPRS	24 months	1,600,000
iii. R&D Expenses and Equipment for 3G	24 months	1,500,000
iv. R&D Personnel and Training Expenses	24 months	4,061,008
v. Loan Repayment – Existing Facility	Immediate	1,183,787
vi. Listing Expenses	Immediate	1,800,000
vii. Working Capital	12 months	3,655,205
Total proceeds		15,600,000

The Group will bear all expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of Airocom on the MESDAQ Market of the Bursa Securities, which include underwriting commission, placement fees, brokerage, professional fees, authorities fees, advertising and other fees of which the aggregate is estimated to be RM1.8 million.

There is no minimum subscription to be raised from the Public Issue as the Public Issue Shares are fully underwritten.

Notes: -

(i) Marketing and Operational activities for >mlifestyle™

An amount of RM1.8 million shall be utilised to finance the operational requirements of >mlifestyle™ business, which is undertaken by a wholly-owned subsidiary, Airoport. Airoport is involved in the mobile content business. Airoport is moving from the traditional mobile content offerings such as ringtones to other content offerings such as IOD, education and broadcasting related mobile content services. Airoport is introducing new mobile content such as mobile video on demand and mobile news on demand.

Airoport shall expand its operations both locally and overseas. The Group is in the midst of negotiation with various service providers in Brunei and Singapore to provide the new mobile contents as mentioned above. This mobile content will eventually be expanded to other countries such as Indonesia, Vietnam and Thailand.

This business expansion requires substantial marketing and promotional expenses.

(ii) R&D Expenses and Equipment

The Group plans to acquire new and separate set of equipment for the 3G development program amounting to RM1.5 million. The 3G development program is for the development of the new AiroGate™ 3G, which is a multi-function messaging gateway for the 3G network as mentioned in Section 4.2.11(v) of this Prospectus. Airocom will procure 3G network test equipment to develop the AiroGate™ 3G product.

2. PARTICULARS OF THE IPO (Cont'd)

An amount of RM4.0 million is to be utilised in 2006 and 2007 for various R&D expenditure including personnel expenses, training and other cost in relation to acquiring System Certification from SEI. The Company plans to market its products internationally, and therefore requires internationally recognized standards for its software development. The SEI certification is one of the standards that is internationally recognized for software development.

The Group plans to utilise RM1.6 million to purchase the R&D GSM/ GPRS Test Equipment in 2006. The test equipment shall enable the Company to develop and conduct testing on the GSM/ GPRS products developed as stated in the product milestone as referred to in Sections 4.2.11(iv) and (v) and also to ensure a timely delivery of the services. The Group is in the midst of finalizing a new banking facility to finance the purchase of the above test equipment. In the event the said banking facility is used to purchase the test equipment, this RM1.6 million will be used to repay the new banking facility.

(iii) Repayment of Borrowings

The Group shall utilise RM1,183,787 for the part repayment of borrowings.

As at 28 February 2006, being the latest practicable date prior to the issuance of this Prospectus, the total borrowings of the Group amounted to approximately RM4.4 million.

Such borrowings have been utilised for Group's working capital purposes, including the purchase of assets (hire purchase), guarantees and other payments to vendors.

The repayment of such borrowings will reduce Airocom's gearing level from approximately 30% to 19% based on audited shareholders funds as at 31 October 2005. The repayment of such borrowings reduces the interest expenses by approximately RM93,097 per annum.

(iv) Estimated Listing Expenses

The estimated listing expenses for the listing of and quotation for the enlarged share capital of 151,500,000 ordinary shares of RM0.10 each in Airocom on the MESDAQ Market of the Bursa Securities are as follows: -

Estimated listing expenses	Amount (RM)
Fees to authorities	50,000
Professional fees #	1,046,200
Underwriting and brokerage fees	228,000
Printing, advertising and other miscellaneous expenses @	475,800
Total	1,800,000

Notes: -

Includes fees for the Adviser, Reporting Accountants, Solicitors, IP Valuer, Placement Agent and other professional advisors.

@ Any unutilised amount shall be used for working capital purposes of the Group.