
1. CORPORATE INFORMATION

BOARD OF DIRECTORS

Directors	Address	Occupation	Nationality
Tan Sri Abdul Rashid Bin Abdul Manaf <i>Independent Non-Executive Director/ Chairman</i>	4, Lorong Bukit Pantai 6 Bukit Pantai 59100 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian
Dato' Mohd Suhaimi Bin Abdullah <i>Managing Director/Chief Executive Officer</i>	46, Green Meadow 13/5 Kelab Golf Sultan Abdul Aziz Shah 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Wong Chee Keong <i>Executive Director</i>	51, Jalan SS18/3B Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Zakhirah @ Zamariah Binti Mohd Zabidi <i>Executive Director</i>	19, Jalan Mulia 2/4 Taman Bukit Mulia Bukit Antarabangsa 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Ho Chee Meow @ Ho Chee Mee <i>Non-Independent Non-Executive Director</i>	47, Jalan Desa Maju Taman Desa Jalan Klang Lama 58000 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian
Ku Mohd Muzamir Bin Ku Ibrahim <i>Independent Non-Executive Director</i>	A2-3, Villaria Condo Jalan Mulia 1/5 Bukit Mulia Bukit Antarabangsa 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Tan Sri Abdul Rashid Bin Abdul Manaf	Chairman	Independent Non-Executive Director/ Chairman
Ku Mohd Muzamir Bin Ku Ibrahim	Member	Independent Non-Executive Director
Ho Chee Meow @ Ho Chee Mee	Member	Non-Independent Non-Executive Director

1. CORPORATE INFORMATION (*cont'd*)

COMPANY SECRETARY : Chua Siew Chuan (*MAICSA 0777689*)
No. 6, Jalan SS14/8E
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Tel: 03 2084 9000
Fax: 03 2094 9940

HEAD/MANAGEMENT OFFICE : 4-6, Jalan 28/70A
Desa Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan

Tel: 03-2300 0163
Fax: 03-2300 0291

E-Mail: corporate@silverridge.com.my
Website: www.silverridge.com.my

AUDITORS/REPORTING ACCOUNTANTS : Ernst & Young (*AF 0039*)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan

Tel: 03-2087 7000

SOLICITORS : Zain, Megat & Murad
Suite 4.2 & 4.3A, Fourth Floor
Menara Aik Hua
Changkat Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan

Tel: 03-2032 1101

1. CORPORATE INFORMATION (*cont'd*)

- PRINCIPAL BANKERS** :
- Malayan Banking Berhad (3813-K)
62, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
- Tel: 03-7729 1449
- Export-Import Bank of Malaysia Berhad (357198-K)
Level 14, Bangunan Bank Industri
Bandar Wawasan
1016, Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
- Tel: 03-2692 7077
- BCB Bank Berhad (13491-P)
Taman Maluri
279, Jalan Perkasa 1
Off Jalan Cheras
55100 Kuala Lumpur
Wilayah Persekutuan
- Tel: 03-9284 7900
- ISSUING HOUSE** :
- MIDF Consultancy and Corporate Services Sendirian
Berhad (11324-H)
Tingkat 12, Bangunan MIDF 195A
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
- Tel: 03-2161 3355
- SHARE REGISTRAR** :
- Securities Services (Holdings) Sdn Bhd (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
- Tel: 03-2084 9000

1. CORPORATE INFORMATION *(cont'd)*

- ADVISER, SPONSOR,
UNDERWRITER AND
PLACEMENT AGENT** : Avenue Securities Sdn Bhd (682-X)
Level 1 Bangunan Avenue
8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Tel: 03-2089 1800
- INDEPENDENT MARKET
RESEARCHER** : Infocredit D&B (Malaysia) Sdn Bhd (527570-M)
Level 9-3A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan

Tel: 03-2718 1000
- STOCK EXCHANGE LISTING
SOUGHT** : MESDAQ Market of the Bursa Securities

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2. SUMMARY INFORMATION

This section of information is only a summary of the salient information about us and the Public Issue and is extracted from the full text of this Prospectus. You should read and understand this section together with the whole of this Prospectus before you decide whether to invest in our Company.

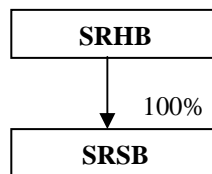
2.1 OUR BUSINESS

We were incorporated in Malaysia as a public limited company under the Act on 29 September 2004 as an integral part of our Listing Scheme. We are principally involved in investment holding, provision of management services and general trading.

Our subsidiary is involved in the following principal activities:-

Company	Date/Country of incorporation	Effective equity interest %	Issued and paid-up capital	Principal activities
SRSB	5 November 1992/ Malaysia	100.00	1,500,000	NGTS provider that provides telecommunication system architecture and design, next generation network solution as well as telecommunication related software solutions.

The corporate structure of our Group is as set out below:-



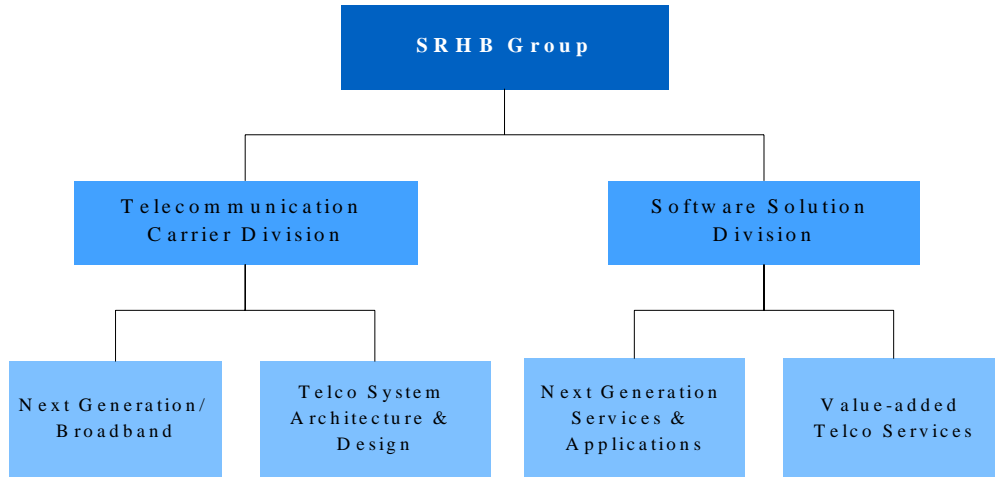
Our Group's core areas of excellence is the deployment of NGTS which blends seamlessly with the PSTN and the PSDN, creating a single multi-service network that can be efficiently managed.

Our Group is a NGTS provider that provides telecommunication system architecture & design, next generation network solution as well as telecommunication related software solutions. These solutions are carried out by our 2 main divisions, namely Telecommunication Carrier Division and Software Solution Division.

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2. SUMMARY INFORMATION (cont'd)

Our Business Divisions are as follows:-



Telecommunication Carrier Division	Next Generation/Broadband	Solutions for Telcos in enhancements of telecommunication infrastructure using cutting edge IP and 3G cellular telecommunication technology. These technologies include 3G, MSAN, DSLAM and NGN.
	Telco System Architecture and Design	Solutions include the planning, design and development of various telecommunication systems and networks to enhance coverage and performance of existing cellular and fixed line systems as well as assisting in migration to 3G networks. Our scope covers EiQ, PLS and BSS Solutions.
Software Solution Division	Next Generation Services and Applications	Software products that leverage on next generation telecommunication technologies to meet consumer/enterprise needs such as LBS and Tele-X-Change.
	Value-Added Telco Services	Software products and associated services that utilise existing telecommunication technologies to cater to niche enterprise needs such as Card Guard, Golden Gateway and Value-Added Billing Solution.

Further information on our history and business is set out in Section 5.2 of this Prospectus.

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2. SUMMARY INFORMATION (cont'd)

2.2 INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

The beneficial interests, direct and indirect, of our Promoter, substantial shareholders, Directors, key management or key technical personnel after the Public Issue are as follows:-

2.2.1 Promoter

Promoter	Nationality	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of SRHB Shares held	% held	No. of SRHB Shares held	% held
Dato' Mohd Suhaimi Bin Abdullah	Malaysian	59,473,853*	59.47	-	-

Note:-

* Assuming our eligible Directors and employees have fully taken up their entitlements to the pink form shares.

2.2.2 Substantial Shareholders

Substantial Shareholders	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of SRHB Shares held	% held	No. of SRHB Shares held	% held
Dato' Mohd Suhaimi Bin Abdullah	59,473,853*	59.47	-	-
Iskandar Dzulkarnain Bin Abdul Khalid	3,500,000*	3.50	3,000,000 ¹	3.00

Notes:-

¹ Deemed interested via his spouse, Elis Safina Binti Zainal Abidin's direct interest in SRHB.

* Assuming our eligible Directors and employees have fully taken up their entitlements to the pink form shares.

2.2.3 Directors

Directors	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of SRHB Shares held	% held	No. of SRHB Shares held	% held
Tan Sri Abdul Rashid Bin Abdul Manaf	1,050,000*	1.05	-	-
Dato' Mohd Suhaimi Bin Abdullah	59,473,853*	59.47	-	-
Wong Chee Keong	500,000*	0.50	-	-
Ho Chee Meow @ Ho Chee Mee	50,000*	0.05	-	-
Zakhirah @ Zamariah Binti Mohd Zabidi	1,400,000*	1.40	-	-
Ku Mohd Muzamir Bin Ku Ibrahim	1,350,147*	1.35	-	-

Note:-

* Assuming our eligible Directors and employees have fully taken up their entitlements to the pink form shares.

2. SUMMARY INFORMATION (cont'd)**2.2.4 Key Management or Key Technical Personnel**

Key management or key technical personnel	Designation	< ----- Direct ----- >		< ---- Indirect ---- >	
		No. of SRHB Shares held	% held	No. of SRHB Shares held	% held
Dato' Mohd Suhaimi Bin Abdullah	Managing Director/ Chief Executive Officer	59,473,853*	59.47	-	-
Wong Chee Keong	Executive Director/ General Manager of Business Operation	500,000*	0.50	-	-
Zakhirah @ Zamariah Binti Mohd Zabidi	Executive Director/ Head of Legal/ Human Resource/ Administration Division	1,400,000*	1.40	-	-
Vikram Rao	General Manager/ Head of R&D Division	400,000*	0.40	-	-
Iskandar Dzulkarnain Bin Abdul Khalid	Head of Business Development	3,500,000*	3.50	3,000,000 ¹	3.00
Kelvin Foo Chian Wei	Head of Corporate Affairs	300,000*	0.30	-	-

Notes:-

¹ Deemed interested via his spouse, Elis Safina Binti Zainal Abidin's direct interest in SRHB.

* Assuming our eligible Directors and employees have fully taken up their entitlements to the pink form shares.

Further information on our Promoter, substantial shareholders, Directors, key management or key technical personnel of our SRHB Group are set out in Sections 7.1, 7.2 and 7.5 of this Prospectus.

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2. SUMMARY OF INFORMATION (*cont'd*)

2.3 TECHNOLOGY

As a premier NGTS provider, we utilise cutting-edge technologies in our Telecommunication Carrier Division and Software Solutions Division as follows:

Telecommunication Carrier Division

Our Group's niche lies with the capabilities in providing telecommunication system architecture and design, NGN solution to different segments of the telecommunications infrastructure industry. Our Group's technology is a collection of best practices and technical expertise gained through the cumulative years of experience with our technology partners. These partnerships have exposed us to global trends and advances in telecommunications technology that can be leveraged in the development of our Group's solutions.

Our Group's solutions utilises an extensive knowledge of leading edge next generation broadband and cellular telecommunication systems design and optimisation. Some of the technologies employed by us are as follows:-

- 3G/WCDMA
- NGN
- Broadband technology
- CDMA 2000
- GPRS
- GSM
- RF propagation design and analysis
- Link budget analysis for cellular system deployment
- In-building propagation expertise
- Product specific technology knowledge

Software Solutions Division

The Software Solutions Division's underlying principle is to create applications that contribute to our customers' success and complements our Telecommunication Carrier Division. The following technologies are used in our software solutions:-

- SMS over cellular networks such as GSM/CDMA
- Knowledge of GPRS and CDMA as a means of data delivery
- Enterprise Switching expertise PABX
- Operator/Carrier Billing Systems functioning
- GPS on chipset
- Linux as operating system
- Practical Extraction and Report Language Programming, Mini Structured Query Language, Apache
- Java Front end
- Windows operating system

Further information in relation to technology is set out in Sections 5.2 of this Prospectus.

2. SUMMARY OF INFORMATION *(cont'd)*

2.4 FINANCIAL HIGHLIGHTS

2.4.1 Proforma Consolidated Income Statements

The following sets out a summary of the proforma consolidated income statements of our Group for the past 3 FYE ended 2003 to 2005 prepared on the assumption that our current Group structure has been in existence throughout the years under review and prepared based on a basis consistent with the accounting policies normally adopted by our Company and our subsidiary company, which are in accordance with applicable approved accounting standards in Malaysia issued or adopted by the Malaysian Accounting Standards Board. The proforma consolidated income statements should be read in conjunction with the accompanying notes and assumptions set out in Section 12.5 and Section 13 of this Prospectus.

	FYE 2003	FYE 2004	FYE 2005
	RM'000	RM'000	RM'000
Revenue	18,670	39,478	86,767
Gross profit	8,472	7,851	12,257
Gross profit margin (%)	45.4	19.9	14.1
Other operating income	327	71	889
Administrative and other operating expenses	(6,187)	(5,336)	(7,190)
EBITDA*	2,612	2,586	5,956
Depreciation	(336)	(378)	(430)
Amortisation of intangible assets	-	(300)	(293)
Finance costs	(64)	(136)	(138)
Profit from operations before exceptional items and minority interests	2,212	1,772	5,095
PBT	2,212	1,772	5,095
Taxation	(1,140)	(720)	(1,764)
PAT before minority interests	1,072	1,052	3,331
PAT margin (%)	5.8	2.7	3.8
Minority interests	-	-	-
PAT and minority interests	1,072	1,052	3,331
No. of ordinary shares assumed to be in issue ('000) ¹	73,424	73,424	73,424
Gross EPS ² (RM)	0.03	0.02	0.07
Net EPS ² (RM)	0.01	0.01	0.05

Notes:-

* Earnings before interest, depreciation, taxation and amortisation.

¹ Based on number of shares assumed in issue after the Acquisition of SRSB but before the Public Issue.

² The gross EPS and net EPS are calculated based on proforma PBT and proforma PAT before minority interests respectively over the number of ordinary shares assumed to be issued pursuant to the Acquisition of SRSB but before the Public Issue.

There were no exceptional or extraordinary items throughout the periods under review.

2. SUMMARY OF INFORMATION *(cont'd)*

2.4.2 Proforma Consolidated Statement of Assets and Liabilities

The following table sets out the summary of proforma consolidated statement of assets and liabilities of our Group as at 31 December 2005 as if the Acquisition of SRSB, Public Issue and utilisation of proceeds had been effected on that date. Details of the proforma consolidated statement of assets and liabilities of our Group are set out in Section 12.5 of this Prospectus:-

	I	II
	After Acquisition	After I and
Proforma balance	of SRSB	Public Issue and
sheet as of	of SRSB	utilisation of
31 December 2005	RM'000	proceeds
RM'000	RM'000	RM'000
Non-Current Assets		
Plant and equipment	-	876
Development cost	-	-
	-	876
	-	1,126
	-	3,500
	-	4,626
Current Assets		
Work in progress	-	1,479
Trade receivables	-	49,790
Other receivables	652	2,440
Cash and bank balances	*	25,959
	652	79,668
	-	1,479
	-	49,790
	652	2,440
	*	28,464
	652	82,173
Current Liabilities		
Trade payables	-	65,573
Other payables	658	2,634
Borrowings	-	1,486
	658	69,693
	-	65,573
	658	2,634
	-	-
	658	68,207
Net Current (Liabilities)/Assets	(6)	9,975
	(6)	13,966
	(6)	18,592
Financed by:		
Share capital	#	7,342
Share premium	-	-
(Accumulated Losses)/Retained earnings	(6)	3,351
Shareholders' (Deficit)/Equity	(6)	10,693
	-	10,000
	-	5,597
	(6)	2,851
	(6)	18,448
Long Term and Deferred Liabilities		
Deferred tax	-	59
Hire-purchase payables	-	99
Non-Current Liabilities	-	158
	-	144
	-	59
	-	99
	-	158
	-	144
	-	59
	(6)	10,851
	(6)	18,592
(NTL)/NTA per share (RM)	(300)	0.15
	(300)	0.15

Notes:-

* *Negligible.*

Represents 20 subscribers' shares of RM0.10 each.

2.4.3 Auditors' Qualifications

There has been no qualification in the audited financial statements of our Group throughout the relevant years under review.

2. SUMMARY OF INFORMATION *(cont'd)*

2.5 RISK FACTORS

There are a number of risk factors (which may not be exhaustive), both specific to our Group and relating to the general business environment, which may impact the operating performance and financial position of our Group. To appreciate the risk factors associated with an investment in our Company, this Prospectus should be read in its entirety. Details of the risk factors of which investors should be aware are set out in Section 4 of this Prospectus:-

Risks relating to our business

- (i) Business risks;
- (ii) Operational risks;
- (iii) Control by our promoter/substantial shareholder;
- (iv) Rapid technological change;
- (v) Dependence on technology partners;
- (vi) Political, economic and changes in regulatory conditions;
- (vii) Competition in the telecommunication/ICT industry;
- (viii) Success of R&D to develop and market new solutions;
- (ix) Dependence on major customer;
- (x) Dependence on major supplier;
- (xi) Project risks;
- (xii) Dependence on key management or key technical personnel;
- (xiii) Intellectual property protection;
- (xiv) Insurance coverage on assets;
- (xv) Financial risk; and
- (xvi) Security and systems disruptions.

Risks relating to our Shares

- (i) No prior market for our Shares;
- (ii) Failure/delay in our Listing;
- (iii) Delay between settlement and trading of our Shares;
- (iv) Profit forecast; and
- (v) Our Company's share price may be volatile.

Other risks

- (i) Disclosure regarding forward-looking statements.

See Section 4 for the detailed information on the risk factors.

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2. SUMMARY OF INFORMATION (*cont'd*)

2.6 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE**2.6.1 Share Capital of our Company**

	RM
<i>Authorised</i>	
250,000,000 ordinary shares of RM0.10 each	25,000,000
<i>Issued and fully paid-up as at the date of this Prospectus</i>	
73,424,000 ordinary shares of RM0.10 each	7,342,400
<i>To be issued and credited as fully paid-up pursuant to the Public Issue</i>	
26,576,000 ordinary shares of RM0.10 each	2,657,600
<i>Enlarged issued and paid-up share capital</i>	10,000,000

There is only 1 class of shares in our Company, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Public Issue Shares will, upon issue and allotment, rank pari passu in all respects with the other existing issued and fully paid-up ordinary shares, including voting rights and rights to all dividends and distributions that may be declared on the shares of the Company, the entitlement date of which is on or after the date of issuance.

See Section 3.4 of this Prospectus for details of our share capital and types of securities.

2.6.2 Issue Price and Market Capitalisation

	RM
Issue Price	0.36
Market capitalisation upon Listing	36,000,000

See Section 3.6 of this Prospectus for details of our market capitalisation

2.6.3 Proforma Consolidated NTA as at 31 December 2005

	NTA RM'000	NTA per share
Proforma consolidated NTA after the Acquisition of SRSB	10,693	0.15 ¹
Proforma consolidated NTA per share after the Acquisition of SRSB and the Public Issue	14,948	0.15 ²

Notes:-

- 1 Based on the enlarged issued and paid-up share capital of 73,424,000 SRHB Shares after the Acquisition of SRSB.
- 2 Based on the enlarged issued and paid-up share capital of 100,000,000 SRHB Shares after the Acquisition of SRSB, Public Issue, utilisation of proceeds and after deducting listing expenses.

See Section 12.5 of this Prospectus for further details on the proforma consolidated NTA.

2. SUMMARY OF INFORMATION *(cont'd)*

2.6.4 Consolidated Profit Forecast

Our Directors forecast that the consolidated profit forecast of our Group for the FYE 2006 will be as follows:-

FYE 2006	Forecast RM'000
Revenue	<u>119,320</u>
PBT	5,135
Less: Taxation	<u>1,481</u>
PAT	<u>3,654</u>

Based on enlarged issued and paid-up share capital:-

Net EPS ¹ (sen)	0.37
Net PE Multiple (based on issue price of RM0.36 per share) (times)	9.7

Note:

1 Based on the enlarged issued and paid-up share capital of 100,000,000 SRHB Shares.

See Section 12.3 and 12.4 of this Prospectus for further details on the consolidated profit forecast.

2.7 KEY ACHIEVEMENTS OF OUR GROUP

We have achieved numerous key achievements over the years that have raised our profile, the details of which are set out in Section 5.2.12 of this Prospectus.

2.8 UTILISATION OF PROCEEDS

Based on an Issue Price of RM0.36 per share, we expect the gross proceeds arising from the Public Issue to be approximately RM9.567 million. The proceeds are expected to be utilised in the following manner:-

Purpose	RM'000	Expected timeframe for utilisation
Upgrading of information technology systems	250	Within 1 year from date of the Listing
Marketing campaigns in promoting products	500	Within 2 years from date of the Listing
Expansion of R&D activities and facilities	3,500	Within 3 years from date of the Listing
Repayment of loans	1,500	Within 6 months from date of the Listing
Estimated listing expenses	1,312	Within 3 months from date of the Listing
Working capital	2,505	Within 1 year from the date of the Listing
	<u>9,567</u>	

See Section 3.8 of this Prospectus for the detailed information on the utilisation of proceeds.

3. PARTICULARS OF THE PUBLIC ISSUE

This Prospectus is dated 26 June 2006.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC. The SC and ROC do not take any responsibility for the contents of those documents.

The approvals from the SC were obtained on 27 October 2005, 15 December 2005, 19 April 2006 and 16 May 2006, whilst the approval-in-principle from Bursa Securities was obtained on 2 June 2006 for our admission to the Official List of the MESDAQ Market of Bursa Securities and for the dealing in and quotation for our entire issued and fully paid-up shares including the Public Issue Shares, which are the subject of this Prospectus. Our Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment will be despatched to all successful applicants.

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 the investors should rely on their own evaluation to assess the merits and risks of the Public Issue.

Acceptance of applications for the Public Issue Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation for our entire enlarged issued and fully paid-up share capital on the MESDAQ Market. Accordingly, monies paid in respect of any application accepted from the Public Issue will be returned without interest if the said permission for listing is not granted within 6 weeks from the date of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid time frame. If any such monies are not repaid within 14 days after we have become liable to repay it, the provision of sub-section 52(2) of the Securities Commission Act, 1993 shall apply accordingly.

Pursuant to Section 14(1) of the Central Depositories Act, the Bursa Securities has prescribed our Shares as a prescribed security. In consequence thereof, we will deposit the Public Issue Shares directly with the Bursa Depository. Any dealings in our Shares will be carried out in accordance with the aforesaid Act and the Rules. We will not issue share certificates to successful applicants.

Pursuant to the Listing Requirements, we are required to have at least 25% of our issued and paid-up share capital to be in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the Listing. We expect to meet the public shareholding requirement at the point of Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all Applications.

To apply for the Public Issue Shares, an applicant must have a CDS account. Applicants using Application Forms should state his/her CDS account number in the space provided in the Application Form and he/she shall be deemed to have authorised the Bursa Depository to disclose information pertaining to the CDS account to MIDFCCS/SRHB for the purpose of crediting the Public Issue Shares allotted to him/her into his/her CDS account. In the case of an application by way of Electronic Share Application, the applicant shall furnish his/her CDS account number according to the instructions on the ATM screen at which he/she enters his/her Electronic Share Application. A corporation/institution cannot apply for the Public Issue Shares by way of Electronic Share Application.

3. PARTICULARS OF THE PUBLIC ISSUE *(cont'd)*

You should rely only on the information contained in this Prospectus. Our advisers or we have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus.

The distribution of this Prospectus and the sale of the Public Issue Shares are subject to Malaysian law and Avenue and our Company take no responsibility for the distribution of this Prospectus and/or sale of the Public Issue Shares outside Malaysia, which may be restricted by law in other jurisdictions.

This Prospectus will not be registered under any securities legislation of any jurisdiction except Malaysia and the Public Issue Shares will not be sold in any country other than Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

You should rely on your own evaluation to assess the merits and risks of the Public Issue and an investment in us. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.1 OPENING AND CLOSING OF APPLICATION LISTS

The Application for the Public Issue will open at 10.00 a.m. on 26 June 2006 and will remain open until 5.00 p.m. on 7 July 2006 or for such further period or periods as our Directors and/or the Underwriter in their absolute discretion may decide. Late applications will not be accepted.

3.2 DATES OF SPECIAL EVENTS

The important events and their dates or tentative dates are as follows:-

Event	Date
Opening of Application for the Public Issue Share	26 June 2006
Closing of Application for the Public Issue Share*	7 July 2006
Event	Tentative Date
Date of balloting of Application	11 July 2006
Date of allotment to successful applicants	13 July 2006
Despatch of notices of allotment for our Shares to successful applicants	18 July 2006
Listing of and quotation for our Company's entire issued and paid-up share capital on the MESDAQ Market	21 July 2006

Note:-

* *Our Directors and the Underwriter may mutually decide to extend the closing date of the Application to a further date or dates. If the closing date of the Application is extended, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the MESDAQ Market might be extended accordingly. We will notify the parties via an advertisement in a widely circulated Bahasa Malaysia and English newspaper in Malaysia if there is an extension of time on the closing date of the Application.*

3. PARTICULARS OF THE PUBLIC ISSUE

3.3 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:-

- (i) To enable our Group to gain recognition and certain stature through our listing status and to access to the capital markets to raise funds for future expansion and continued growth of our Group;
- (ii) To raise funds to meet our Group's future R&D activities;
- (iii) To provide an opportunity for our eligible Directors, employees and business associates of the our Group as well as the Malaysian Public to participate in the continuing growth of the our Group by way of equity participation; and
- (iv) To obtain the listing of and quotation for the entire issued and paid-up share capital of 100,000,000 SRHB Shares on the MESDAQ Market, which is expected to enhance the business profile and future prospects of our Group.

3.4 NUMBERS AND TYPES OF SECURITIES TO BE ISSUED

	RM
<i>Authorised</i>	
250,000,000 ordinary shares of RM0.10 each	25,000,000
<i>Issued and fully paid-up as at the date of this Prospectus</i>	
73,424,000 ordinary shares of RM0.10 each	7,342,400
<i>To be issued as fully paid-up pursuant to the Public Issue</i>	
26,576,000 ordinary shares of RM0.10 each	2,657,600
<i>Enlarged issued and paid-up share capital</i>	
100,000,000 ordinary shares of RM0.10 each	10,000,000
<i>Issue Price</i>	0.36

There is only 1 class of shares in our Company, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Public Issue Shares will, upon issue and allotment, rank pari passu in all respects with our other existing issued and fully paid-up ordinary shares, including voting rights and entitlement to rights to all dividends and distributions that may be declared the entitlement date of which is on/or after the date of issuance.

Subject to any special rights attaching to any shares which may be issued by our Company in the future, the holders of our ordinary shares shall, in proportion to the amount paid-up on the ordinary shares held, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of our Company, such surplus shall be distributed among the members in proportion to the paid-up share capital at the commencement of the winding up, in accordance with the Articles of Association of our Company.

3. PARTICULARS OF THE PUBLIC ISSUE

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by power of attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or power of attorney of a shareholder shall have 1 vote, and, on a poll, every shareholder present in person or by proxy or by power of attorney or other duly authorised representative shall have 1 vote for each ordinary share held. A proxy may, but need not be, a member of our Company. If the proxy is not a member, the proxy need not be an advocate, an approved company auditor or a person approved by the CCM.

3.5 DETAILS OF THE PUBLIC ISSUE

The Public Issue Shares issued at RM0.36 per share are payable in full upon application. The Public Issue is subject to the terms and conditions of this Prospectus and upon acceptance, the Public Issue Shares will be allocated in the following manner:-

(i) **Malaysian Public**

5,000,000 of the Public Issue Shares representing 5% of the enlarged issued and paid-up share capital, will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, to be allocated via ballot.

(ii) **Our Eligible Directors, Employees and Business Associates**

5,000,000 of the Public Issue Shares have been made available for application by our eligible Directors, employees and business associates of our Group.

The abovementioned Public Issue Shares were allocated based on the following criteria:-

- (i) eligible employees' position in our Group;
- (ii) duration of service with our Group;
- (iii) performances of our Group's Directors and employees;
- (iv) special contributions by our employees, which is above their job requirements; and
- (v) contribution of our business associates towards our Group's business and length of relationship.

Based on the above criteria, our eligible Directors, employees and business associates who are entitled to subscribe for the pink form shares as at 31 May 2006 are as follows:-

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3. PARTICULARS OF THE PUBLIC ISSUE

(a) Directors

The Directors of our Group who are eligible for pink form shares allocation and their respective entitlements are as follows:-

Directors	Designation	Number of Pink Form Shares
Tan Sri Abdul Rashid Bin Abdul Manaf	Independent Non-Executive Director/ Chairman	50,000
Dato' Mohd Suhaimi Bin Abdullah	Managing Director/Chief Executive Officer	650,000
Wong Chee Keong	Executive Director	500,000
Zakhirah @ Zamariah Binti Mohd Zabidi	Executive Director	400,000
Ho Chee Meow @ Ho Chee Mee	Non-Independent Non-Executive Director	50,000
Ku Mohd Muzamir Bin Ku Ibrahim	Independent Non-Executive Director	350,000

(b) Employees

Eligible employees must be at least 18 years of age and must be confirmed in service. Allocation to eligible employees are based on criterias mentioned in Section 3.5 (ii) above, with the allocation ranging from 5,000 Shares to 400,000 Shares per eligible employee. The total number of eligible employees for pink form allocation is 78.

(c) Business Associates

Business associates of our Group (excluding persons connected to our Directors) are determined on the length of relationship (at least 6 months) with our Group for FYE 2005 and their contribution towards our Group's business.

(iii) Identified investors

16,576,000 of the Public Issue Shares have been made available for private placement to identified investors.

10,000,000 of the Public Issue Shares to be made available to the Malaysian Public referred to in sub-sections (i) and (ii) above have been fully underwritten at an underwriting commission of 2.0% of the Issue Price of RM0.36 per share.

16,576,000 of the Public Issue Shares made available for private placement referred to in sub-section (iii) above will not be underwritten as the said Public Issue Shares will be placed with institutional and/or individual investors by the placement agent. As at the date of this Prospectus, the said Public Issued Shares have been fully placed out.

3. PARTICULARS OF THE PUBLIC ISSUE

In the event of an under-subscription by the Malaysian Public, all the Public Issue Shares not applied for will be made available to identified placees. Any Public Issue Shares not subscribed for by our eligible Directors, employees and business associates of our Group will be made available for Application by the Malaysian Public and/or identified investors via private placement.

3.6 MARKET CAPITALISATION

Based on the Issue Price and our enlarged issued and paid-up share capital comprising 100,000,000 Shares upon listing, our total market capitalisation is estimated to be RM36,000,000.

3.7 BASIS OF ARRIVING AT THE ISSUE PRICE

The Issue Price of RM0.36 per share was determined and agreed upon by our Company and Avenue, as the Adviser and Underwriter, based on various factors after taking into account, inter-alia, the following factors:-

- (i) Our Group's financial operating history and conditions and financial position as outlined in Section 12 of this Prospectus;
- (ii) The prospects of the industry in which our Group operates as outlined Section 5.6 of this Prospectus;
- (iii) Our Group's business growth potential and revenue prospects;
- (iv) The forecast net PE Multiple of approximately 9.7 times based on the forecast consolidated net EPS of our Group of approximately RM0.037 (computed based on the consolidated PAT after Listing and the enlarged number of Shares in issue) for the FYE 2006; and
- (v) The proforma consolidated NTA of our Group as at 31 December 2005 of RM0.15 per share, based on the enlarged issued and paid-up share capital of our Company after the Listing.

However, you should also note that the market price of our Shares upon Listing are subject to the uncertainties of market forces and other factors, which may affect the market price of our Shares being traded. You should form your own views on the valuation of the Public Issue Shares before deciding to invest in us.

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3. PARTICULARS OF THE PUBLIC ISSUE

3.8 UTILISATION OF PROCEEDS

We expect to raise approximately RM9.567 million from the Public Issue which will be utilised in the following manner:-

Purpose	Notes	RM'000	Expected timeframe for utilisation
Upgrading of information technology systems	1	250	Within 1 year from date of the Listing
Marketing campaigns in promoting products	2	500	Within 2 years from date of the Listing
Expansion of R&D activities and facilities	3	3,500	Within 3 years from date of the Listing
Repayment of loans	4	1,500	Within 6 months from date of the Listing
Estimated listing expenses	5	1,312	Within 3 months from date of the Listing
Working capital	6	2,505	Within 1 year from the date of Listing
		9,567	

Notes:-

1. *Upgrading of information systems to ensure timeliness of management information system, better inventory control and to conduct administrative activities with greater efficiency. RM250,000 will be utilised for purchase of hardware for administrative use, such as personal computers, servers, liquid crystal display projectors, printers and back-up power supply, as well as the purchase of software such as project based accounting software, inventory control software and human resources software.*
2. *Our Group proposes to utilise RM500,000 for participating in exhibitions, advertising and promotions. This is in line with our marketing strategy to expand its market locally as well as overseas.*
3. *Breakdown of R&D expenses of RM3,500,000:-*

	RM'000
(i) <i>Computers/software/tools and upkeep of facilities</i>	280
- <i>Mainly consist of investment in additional computers, notebooks, additional network device, hardware equipment as well as specific software programs for R&D purposes.</i>	
(ii) <i>R&D expansion</i>	3,220
- <i>Mainly consist of remuneration and recruitment cost for software designer, software engineer and specialist technician, which is in line with the R&D plans to achieve our Groups' R&D objective.</i>	
	3,500

3. PARTICULARS OF THE PUBLIC ISSUE

4. Our Company will be allocating RM1,500,000 for the repayment of bank borrowings, either in part or in full, which will result in interest savings of approximately RM120,000 per annum based on an average interest rate of 8%. Details of the outstanding of bank borrowings to be repaid are set out below:-

<i>Banks/Financial Institutions</i>	<i>Purpose</i>	<i>Type of facilities</i>	<i>Facility amount RM</i>	<i>Outstanding amount as at 31 May 2006 RM</i>
Bank of Commerce	Working capital	Overdraft/BG	1,500,000	1,447,803
Malayan Banking Bhd	Working capital	Overdraft/LC/TR/BA	400,000	-
				1,447,803

5. Set out below is the breakdown of the estimated listing expenses:-

	<i>RM'000</i>
Professional fees	600
Fees of the authorities	100
Underwriting commission ^a	72
Placement fee ^p	119
Brokerage fees ^c	18
Printing and advertising fees	300
Issuing house	50
Miscellaneous expenses	53
	1,312

Notes:-

- (a) Assuming underwriting commission of 2.0% on 10,000,000 of the Public Issue Shares available for application by the Malaysian Public and eligible employees, Directors and business associates of our Group at RM0.36 per share.
- (b) Assuming placement fee of 2.0% on 16,576,000 of the Public Issue Shares available for placement to the identified investors at RM0.36 per share.
- (c) Assuming brokerage fees of 1.0% on 5,000,000 of the Public Issue Shares available for application by the Malaysian Public at RM0.36 per share.
6. The allocated sum of RM2,505,000 will be utilised to fund the working capital requirements of our Group. In view of our Group's plan to expand our operations, our Group anticipates that we would require higher working capital to carry out our expansion plan.

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

3.9 BROKERAGE FEES, UNDERWRITING COMMISSION AND PLACEMENT FEE

Avenue being the Underwriter has agreed to underwrite 10,000,000 of the Public Issue Shares to be issued to the Malaysian Public, our eligible employees, Directors and business associates of our Group. Underwriting commission is payable by our Company in respect of the Public Issue Shares at the rate of 2.0% of the total underwritten shares of 10,000,000 at the Issue Price of RM0.36 per share.

Brokerage is payable by our Company in respect of Public Issue Shares made available for application by the Malaysian Public at the rate of 1.0% of the Issue Price of RM0.36 per share in respect of successful applications which bear the stamp of Avenue, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

Placement fee is payable by our Company to Avenue in respect of the 16,576,000 of the Public Issue Shares to be placed out by Avenue, at the rate of 2.0% of the Issue Price of RM0.36 per share.

3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

3. PARTICULARS OF THE PUBLIC ISSUE

The following are extracts of some of the salient terms contained in the underwriting agreement dated 28 April 2006 (“Underwriting Agreement”) including terms, which allow the Underwriter to withdraw from the underwriting obligation after the opening of the Public Issue:-

- (i) The obligations of the Underwriter under this Underwriting Agreement shall further be conditional upon:-
 - (a) Bursa Securities having agreed in principle on or prior to the Closing Date (defined as the last date for the receipt of the application for the Public Issue which will be 14 days from the date of issue of the Prospectus or such later date as agreed by the Company and the Underwriter) to the listing and quotation for all the issued ordinary share capital of the Company on MESDAQ Market on terms satisfactory to the Underwriter and the Underwriter being reasonably satisfied that such listing and quotation will be granted 2 market days (which Bursa Securities is opened for business) (or such other period as Bursa Securities may permit) after Bursa Securities has received all the necessary supporting documents and receipt of confirmation from the Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants;
 - (b) the issue of the Public Issue Shares having been approved by the shareholders of the Company in an extraordinary general meeting;
 - (c) there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Company or its subsidiary company (which in the reasonable opinion of the Underwriter is or will be material in the context of the Public Issue) from that set forth the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect an extent which is or will be material in any of the Company’s representations, warranties and undertakings contained in this Underwriting Agreement if they are repeated on and as of the Closing Date;
 - (d) the issue and subscription of the Public Issue Shares in accordance with the provisions of this Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (e) the Prospectus having been lodged with the ROC and registered with the SC;
 - (f) all necessary approvals and consents required in relation to the Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (g) the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in this Underwriting Agreement (including but not limited to those referred to in Section 3.8 of this Prospectus); and
 - (h) all agreements/letters of undertaking in relation to the private placement in a form acceptable to the Underwriter have been duly executed before the issuance of the Prospectus (upon request of the Underwriter).

3. PARTICULARS OF THE PUBLIC ISSUE

In the event any of the conditions set out in item (i) above are not satisfied on or before the Closing Date, the Underwriter shall be entitled to remedy the breach within 5 working days from the receipt of the notice by the Company from the Underwriter. In the event the Company fails to remedy the breach within the said 5 working days, the Underwriter shall be entitled to terminate this Underwriting Agreement by notice given to the Company not later than the Closing Date and upon such termination, the Company and the Underwriter shall be released and discharged from their respective obligations under this Underwriting Agreement PROVIDED THAT the Company shall remain liable for the payment of the underwriting commission and of all other costs and expenses including but not limited to those referred to in Section 3.8 of this Prospectus. The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Underwriting Agreement.

- (ii) Notwithstanding anything contained in this Underwriting Agreement, the Underwriter may at any time be entitled to terminate its obligations under this Underwriting Agreement with a notice in writing delivered to the Company on the occurrence of all or any of the following matters, on or before the Closing Date if the success of the Public Issue is, in the opinion of the Underwriter, seriously jeopardised by:-
- (a) any Government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriter seriously affects or will seriously affect the business and/or financial position of the Company or any of its subsidiaries; or
 - (b) any change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriter prejudice materially the success of the Public Issue and their distribution or sale (whether in the primary or in respect of dealings on the secondary market); or
 - (c) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, which in the opinion of the Underwriter has or is likely to have a material adverse effect on the condition (financial or otherwise) or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Company and/or its subsidiaries; or
 - (d) any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which has or is likely to have the effect of making any material part of this Underwriting Agreement incapable of performance with its terms or which prevents the processing of application, crediting of accounts and/or payments pursuant to the Public Issue or pursuant to the underwriting hereof; or
 - (e) The Bursa Securities composite index falling below 600 points and remain below 600 points for 5 consecutive market days (which Bursa Securities is opened for business) based on the closing market price at any time between the date of this Underwriting Agreement and the Closing Date.

On delivery of such a notice by the Underwriter to our Company and confirmation of such a notice by hand or facsimile, this Underwriting Agreement shall be terminated and the Underwriter and the obligations of the Underwriter under this Underwriting Agreement shall be discharged accordingly. In the event of any such termination under this Section 3.9 (ii) of

3. PARTICULARS OF THE PUBLIC ISSUE

the Prospectus, our Company shall bear all the costs and expenses incurred under this Underwriting Agreement.

- (iii) Upon any breach of the said warranties, representations or agreements made in this Underwriting Agreement, or any failure to perform any of the said warranties, representations or agreements or any change rendering any of the said warranties, representations or agreements inaccurate in a material respect coming to the notice of the Underwriter prior to the Closing Date, the Company shall remedy the breach within the said 5 working days from the receipt of the notice by the Company from the Underwriter informing of the breach. In the event the Company fails to remedy the breach within 5 working days, Underwriter shall be entitled (but not bound) by notice to the Company to elect to treat such breach, failure or change as releasing or discharging itself from its obligations under this Underwriting Agreement PROVIDED THAT the Company shall remain liable for the payment of the costs and expenses referred to in this Underwriting Agreement (including but not limited to those referred to in Section 3.8 of this Prospectus) which are incurred prior to or in connection with such release and discharge AND PROVIDED FURTHER THAT failure to make such election as aforesaid shall be without prejudice to the right of the Underwriter to treat any further or other breach, failure or change as releasing and discharging the Underwriter from its obligations as aforesaid.

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4. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we, and to a large extent our activities, are subject to the legal, regulatory and business environment in Malaysia and other countries which we operate in. Our business is subject to a number of factors, many of which are beyond our control. Prior to making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations as set out below. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

4.1 RISKS RELATING TO OUR BUSINESS

4.1.1 Business Risks

Our Group is subject to certain business risks inherent in the telecommunication/ICT Industry. This may include increase in labour and overhead costs, foreign exchange rate fluctuations, increase in the prices of imported and local components, entry of new players, unfavourable changes in the government and international policies and changes in general economic, business and credit conditions and other business risks include credit risks, financing risks and risks of over expansion. Other inherent risk that our Group faces is the ability to offer new telecommunication network solutions, maintaining and forming alliance with new technology partners in the future.

In order to mitigate such risks, our Group has taken effort to embrace new technologies emerging within the telecommunication/ICT industry by seeking potential technology partners, who are MNCs that provides telecommunication infrastructure. These MNCs will then provide our Group the technology transfer and technical knowledge on any emerging technology. We also embarked on R&D for new solutions and software applications to meet our customer's needs. However, no assurance can be given that these measures will have its desired effects and any change in the business environment will not have a material adverse effect on our Group's business.

4.1.2 Operational Risks

Every business faces consequential losses arising from events of emergencies such as breakout of fire, energy crisis, explosion, sabotage or act of God. We have taken note of such risks and have taken various steps to reduce such risks from occurring, however our project sites are mainly in the Telco's premises and the Telco carry out periodical review on its security and maintenance by assigned personnel. We have also taken insurance coverage wherever required to mitigate the financial losses from such happenings. In addition, our Group also regularly trains our employees to manage and impede any fire breakout or other emergencies. Our management believes that our Group's operations are not normally prone to these critical emergencies.

Although our Group has not experienced any breakout of fire, energy crisis and/or other emergencies, no assurance can be given that such happening of any of these events will not happen.

4.1.3 Control By Our Promoter/Substantial Shareholder

Upon completion of the Public Issue, the Promoter, namely Dato' Mohd Suhaimi Bin Abdullah will effectively hold an aggregate of 59,473,853 SRHB Shares (assuming Dato' Mohd Suhaimi Bin Abdullah have fully taken up his entitlement to the pink form shares) which represents approximately 59.47% of the enlarged issued and paid-up share capital of our Company and hence he will be the major controlling shareholder of our Company.

4. RISK FACTORS (*cont'd*)

As a result, it is likely that he will be able to effectively control the outcome of certain matters requiring shareholders' approval including the constitution of our Board. Depending on how he chooses to vote and because of the size of his shareholding, the controlling shareholder will have a significant influence over matters requiring the passing of ordinary resolutions from our Company's shareholders, unless he is required to abstain from voting by law and/or the relevant authorities.

Nevertheless, we have appointed 2 independent non-executive Directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on normal commercial terms and on arm's-length basis. Furthermore, Dato' Mohd Suhaimi Bin Abdullah is not a member of our Audit Committee.

4.1.4 Rapid Technological Change

The telecommunication industry is characterised by the rapid technological developments, evolving industry standards, swift changes in customer's requirements, computer operating environments and software applications as well as frequent new product introductions and enhancements. Our Group's success depends substantially upon our ability to address the increasingly sophisticated needs of the industry. Not only that our Group will face the emergence of newer and better technology in our own niche, but our business model will also be affected by new breakthrough in other services, which will indirectly shift the demand from our services to another.

The timely development of new and enhanced services or products is a complex and uncertain process. Although we believe that we will have sufficient knowledge and skills to implement our business plan, there is no assurance that we can forecast accurately the technological change even though there are sufficient resources in our Group or in the event the change in technology will not affect the market trend. As in most business, we cannot eliminate all risks associated with the design, marketing and other difficulties that could delay or prevent the development, introduction and marketing of our new or enhanced services or products. Our Group mitigates this risk by collaborating with leading technology MNCs such as Huawei, Motorola and ADC to develop and enhance our services and products to meet the industry trend.

Failure to develop new or enhancement in our existing services or products on a timely and cost-effective manner as well as failure to obtain market acceptance would adversely affect our Group's position in this highly competitive environment. In recognition of this, our Group will constantly endeavour to develop new or enhance solutions or software applications using the latest appropriate technology to deliver a leading edge service/product in the market.

4.1.5 Dependence On Technology Partners

The ability of our Group to deliver quality services to our clients is dependent on the technical know-how of our pool of engineers, which in turn are trained by our Group's technology partners. Our Group also depends largely on the technology transfer for the implementation of various telecommunication projects which exposed our Group's engineers to global trends and advances in telecommunication that can be leveraged in our Group's own development process.

Our Group is currently working with technology partners namely, Huawei, Motorola and ADC. Our Group is working closely with Huawei in the provision of total solution for the 3G cellular network. Our Group also works closely with Huawei and ADC for the implementation of broadband solutions. Besides the technology transfer from Huawei to us, we are jointly involved in the survey, design and plan, implement and optimise the 3G solution based on the WCDMA platform in Malaysia.

In addition, Motorola has appointed our Group as a technology partner in Malaysia to carry out turnkey implementation of cellular networks based on the GSM and CDMA technologies.

4. RISK FACTORS (*cont'd*)

We have built our relationship with our technology partners from various telecommunication projects successfully implemented. Technology partners such as Huawei has also shown continuous and committed support to our Group and as a result, together with Huawei, we were successful in bidding for projects, such as the implementation of 3G network for Telekom Malaysia. Although our Group seeks to mitigate these risks by having contractual arrangements with our technology partners, there can be no assurance that our Group will not face risks of losing our competitive edge in terms of new emerging technologies. Recognising that our Group's dependence on the technology partners, as further mitigating factor, we have also established our own in house R&D department, to innovate and developed new solutions, which are independent of our technology partners.

4.1.6 Political, Economic And Changes In Regulatory Conditions

Like all other business entities, adverse developments in political, economic and regulatory conditions in Malaysia and the South East Asian region could unfavourably affect the financial position and business prospects of our Group. Other political uncertainties that could unfavourably affect our Group include changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing sales orders and contracts, changes in interest rates and methods of taxation and currency exchange rules and changes in licensing regulations by the Government.

Whilst our Group strives to continue to take effective measures such as prudent financial management, strategic planning and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially affect us.

4.1.7 Competition In The Telecommunication/ICT Industry

The Malaysia telecommunication industry is growing rapidly with more new products being offered in a short span of time. In tandem with the robust growth, this market will grow in depth and width. Like any business, our Group faces competition within the telecommunication/ICT industry. The industry is well recognised as posing high competition and consolidation within the industry could limit our Group's ability to attract and retain customers.

Notwithstanding the strong competition, our Group has over the years, established a track record of profitability and leadership position in several key areas such as NGTS, which is a next generation architecture that has the ability to push central-office functionality to the edge of a network. In addition, our Board is of the opinion that we will be able to mitigate the risk of a highly competitive market due to the following strengths of our Group:-

- Strong technical capabilities with the staff strength of 60 qualified engineers, IT professionals and skilled technical personnels. Our capabilities in technology are further strengthened through our alliances with technology focused MNCs such as Huawei, Motorola and ADC;
- Our Group is also noted to be one of the market leaders for NGTS in Malaysia. Our Group has also established a good reputation and credibility as one of the pioneer in sub-contracting services involving design, installation, testing and commissioning of cellular networks; and
- Over 10 years of expertise and know-how for telecommunication system and network architecture, design and solution with collaboration between technology partners for deployment of local and international projects.

However, no assurance can be given that the competition will not materially and adversely affect our Group's business, operating results and financial conditions.

4. RISK FACTORS (*cont'd*)

4.1.8 Success of R&D to Develop and Market New Solutions

Our Group has been providing and implementing telecommunication systems architecture and design in the past and we are expanding our business into the implementation of NGN solutions and software application for Telcos, local business entities, MNCs and financial institutions in Malaysia.

The R&D activities of our Group are focused on the development and enhancements of telecommunication networks and software solutions based on our expertise in 3G systems and NGN. Our capabilities in technology are further strengthened through our strong alliances and close working relationships with technology partners, such as Huawei, Motorola and ADC. These partnerships have exposed our Group to global trends and advances in telecommunication that can be leveraged in the development of solutions. In addition, technology/knowledge transfers are carried out through constant training provided by our Group's technology partners.

However, there can be no assurance that our R&D effort will always result in a product that will be readily adopted by customers. Any delay in R&D may also delay the timely implementation of solutions and consequently may affect our Group's competitive position. In addition, these solutions to be developed by our own R&D team will be new in the market and they may or may not eventually find sufficient market acceptance for the services to be commercially viable. Non-acceptance services could be a result of changes in technology, industry standards or customers' requirements, or due to the availability of competing services at lower costs and/or with superior capabilities. In such an event, our Group's revenues and profitability will be adversely affected.

In this respect, our management recognises the importance of R&D and will carefully plan and research to determine the feasibility of solutions being developed by our R&D team before commercialising the applications in the market.

4.1.9 Dependence On Major Customer

As at the FYE 2005, the largest customer of our Group is Telekom Malaysia, which accounted approximately 91% of the Group's total revenue for the FYE 2005. Our other major customers are Motorola and Huawei.

In order to mitigate the risk of dependency on major customer, we have established close working relationship with Telekom Malaysia and also providing technical support for them. All our current projects with Telekom Malaysia are on-going. We have secured contracts with Telekom Malaysia in September 2004 to implement 3G network in Malaysia, which was successfully implemented in the 1st quarter 2005. In addition, we are constantly working closely with technology partners such as Huawei and Motorola to design, develop and customise broadband solutions which enable service providers to offer converged and next generation services using technologies such as 3G, Softswitch, SHDSL, MSAN, DSLAM, IP networking and videoconferencing on a unified platform to residential, business and cellular customers. As Telekom Malaysia and its group of companies are the premier Telco in Malaysia, we will endeavour to strengthen and enhance the close relationship with them for new projects in the future.

To further mitigate factor for this risk, our Group's future plans for our Telecommunication Carrier Division is to expand our services and offerings to overseas customers and at the same time, we are also seeking new customers both locally and globally for our Software Solutions Division. We have expanded our services to overseas customers in countries such as South Africa, Ghana and recently Indonesia.

4. RISK FACTORS *(cont'd)*

4.1.10 Dependence On Major Supplier

Our major supplier is Huawei in FYE 2005, which accounted approximately 81% of the total purchases for the FYE 2005. Huawei (Hong Kong/China) supplies telecommunication equipment hardware for broadband subsystems, network hardware and accessories to our Group.

We seek to mitigate this risk by securing long-term relationship with our major supplier, which has spanned over 4 years since year 2002. In addition, we have established arrangement with Huawei, whereby our Group, together with Huawei, provides total solutions to network operators in the turnkey implementation and operations of broadband networks in Malaysia.

This risk factor is further mitigated by continuously searching for potential suppliers of telecommunication equipments globally in terms of pricing and technology transfer. Apart from Huawei, there are other telecommunication infrastructure equipment vendors such as Siemens, Alcatel, Nokia, Motorola, Ericsson and other MNCs.

4.1.11 Project Risks

Our Group's contracts with our customers are generally entered into on a project basis. Due to the complexity of the projects that our Group undertakes, the projects are subject to the following risk factors:-

- (i) Most of our Group's services are based on fixed-value contracts of which the value is determined at bid time or upon award, based on estimates. As in all contracts won by bidding, there is always a risk element associated in such contracts, like cost overruns, delays and other under-estimated overheads that may reduce profits or incur losses;
- (ii) Clients may delay or cancel their projects due to unforeseen circumstances. Delays may arise from incomplete specifications or unanticipated difficulties during the project implementation stage. Project delays will affect profit margin as time spent negotiating and resolving issues will delay the recognition of revenues. Additional costs may also be incurred as a result of these delays. However we believe our close working relationship with our customers is a strong mitigating factor; and
- (iii) As with all projects, risks associated with customer's expectations especially on interpretation on specifications.

Our Group will conduct studies on the complexity and the specification of each project in order to ensure smooth implementation and minimise cost overrun. We have also sought technical advice or hold discussions with our technology partner in the past prior to acceptance of projects to mitigate the risk of project failure and will continue this strategy in order to maintain our project success record and to offer our customers the latest telecommunication technology available.

4.1.12 Dependence On Key Management Or Key Technical Personnel

Our Group believes that our continued success will depend, to a significant extent, upon the abilities and continued efforts of our existing Directors and senior management. Though our Group practises team efforts, the loss of any key member of our Board or senior management may disrupt temporarily our Group's ability to compete effectively in the telecommunication/ICT industry.

To mitigate this risk, our management believes strongly in employees' retention and as such practises a strong corporate culture to set goals, strategies and to provide direction for our employees. Our management maintains close and cordial relationship with our employees as well as provides performance incentives to motivate our key management.

4. RISK FACTORS (*cont'd*)

In line with our succession plan, overall we have a strong management team and most of our key management staff is from different age group. In view of the years of experience and qualification possess by our key management staff, our Directors are of the opinion that they will enable the long-term sustainability of our Group performances. Our Group also creates a healthier and more comfortable working environment, which emphasis regular recreational and annual social events for our employees. Notwithstanding, there can be no assurance that our Group will be successful in recruiting or retaining our workforce in the future.

4.1.13 Intellectual Property Protection

Our Group relies on a combination of trademark, service mark, and domain name registrations, common law copyright protection and contractual restrictions to establish and protect our own technology developments, brand names and logos, marketing designs, and Internet domain names. There is no assurance that the steps taken by our Group in this regard will adequately protect our intellectual property.

Third parties or persons may challenge our Group's exclusive right to use our technologies, and brands names and logos and our Group could incur substantial costs in defending any claims relating to our intellectual property rights. Issues relating to intellectual property rights can be complicated and there is no assurance that disputes will not arise or that the disputes can be resolved in our Group's favour.

4.1.14 Insurance Coverage On Assets

Our Group is aware of adverse consequences arising from inadequate insurance coverage that could affect our business operation. In ensuring such risks are kept to the minimum, our Group reviews and ensures adequate coverage for our assets, test equipment and inventories on a continued basis. The delivery of the equipments from overseas or locally is insured either by our Group or our customers.

Though our Group has back-to-back guarantee with our key technology partner, there is a risk that our Group's interests may not be adequately protected in the event of litigation. However, to date, our Group has not experienced any material liability claims on any equipment supplied.

For our Group's operations, all assets such as buildings, equipment, inventory, office equipment and furniture and fitting are sufficiently insured under fire and other insurance policies.

4.1.15 Financial Risks

Save as disclosed in Section 12.2.3 of this Prospectus, the Company does not have any other indebtedness in the form of borrowings. As at 31 May 2006 (being the latest practicable date prior to the printing of this Prospectus), the Company's total borrowings amounted to approximately RM1.58 million.

Some of the Company's working capital requirements are met partially by borrowings and internally generated funds. Given that the Company has borrowings and the payment of the loan interest is dependent on interest rate, future fluctuations of the interest rate may have material effects on our Company's interest and principal repayments. However, our low gearing strategy will minimise such risks.

4.1.16 Security and systems disruptions

Our Group's premises and project sites are reasonably secured. There is always a risk of system disruption due to among others, blackouts, natural disasters and war. The management of our Group has taken all necessary precautions including scheduled maintenance, backups, updates and checks to ensure minimal interruption to our operations.

4. RISK FACTORS (*cont'd*)

There has been no security or system disruption on our Group's operations, which have significantly affected our operations in the past 12 months prior to 31 May 2006 (being the latest practicable date prior to the registration of this Prospectus).

The Group will continue to take all necessary preventive measures as to prevent any major disruption of the security and system, however there is no assurance that any security and system disruption will not occur in the future that will materially affect our Group's operations.

4.2 RISKS RELATING TO OUR SHARES

4.2.1 No Prior Market For Our Shares

Prior to our Public Issue, there has been no public market for our Shares. There can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained. There can also be no assurance that the Issue Price will correspond to the price at which the our Shares will be traded on the MESDAQ Market upon or subsequent to its Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

The Issue Price of RM0.36 per share has been determined after taking into consideration a number of factors, including but not limited to, our financial and operating history and condition, our prospects and the prospects of the industry within which our Group operates. The price at which our Shares would trade on the MESDAQ Market after the Public Issue may be influenced by a number of factors, which include, among others, the liquidity of the market of our Shares, announcements of new and/or enhanced products and services by our Group and the difference between our Group's actual financial performance and those expected by the investors and analysts and the perception of the investor. There is no assurance that the Issue Price will correspond to the price at which our Shares will be traded on the MESDAQ Market upon or subsequent to our Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing. The price at which our Shares will trade on the MESDAQ Market upon or subsequent to our Listing will be dependent upon market forces beyond our control.

4.2.2 Failure/Delay In Our Listing

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

- (i) our eligible Directors, employees and business associates of our Group fail to acquire the Public Issue Shares allocated to them;
- (ii) the Underwriter of the Public Issue Shares fail to honour its obligations under the Underwriting Agreement;
- (iii) the identified investors under the Private Placement fail to acquire the Public Issue Shares allocated to them; and
- (iv) our Company is unable to meet the public spread requirements i.e. at 25% of our enlarged issued and paid-up share capital must be held by a minimum number of 1,000 public shareholders.

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

4. RISK FACTORS (*cont'd*)

4.2.3 Delay Between Settlement And Trading Of Our Shares

After our Shares have been allotted to investors' CDS accounts in the Depository, which would occur at least 2 clear market days prior to the anticipated date for admission, it potentially may not be possible to recover monies paid in respect of these shares from our Company in the event that admission and the commencement of trading of our Shares on the MESDAQ Market do not occur. Delays in the admission and the commencement of trading in shares on Bursa Securities have occurred previously. In order for our Company to return monies to investors in respect of Public Issue Shares following their allotment in the Depository, a reduction of our Company's capital would be necessary. This would require a special resolution of our Company and the approval of courts in Malaysia. There can be no assurance that monies can be recovered within a short period of time or at all. If Bursa Securities does not admit our Shares on to the MESDAQ Market, the market for our Shares will be illiquid and it may not be possible to trade our Shares. This may also have a material adverse effect on the value of our Shares.

4.2.4 Profit Forecast

This Prospectus contains the consolidated profit forecast of our Group that are based on assumptions which our Directors deem to be reasonable, but which nevertheless are subject to uncertainties and are contingent in nature. Due to the inherent uncertainties of the consolidated profit forecast and as events and circumstances frequently do not occur as expected, there can be no assurance that the consolidated profit forecast contained herein will be realised and actual results may be materially different from the forecast. Investors will be deemed to have read and understood the assumptions and uncertainties underlying the consolidated profit forecast that are contained herein.

Investors are advised to read carefully the assumption made in this Prospectus of the consolidated profit forecast as set out in Section 12.3 of this Prospectus.

4.2.5 Our Company's Share Price May Be Volatile

The price of our Shares may fluctuate as a result of variations in its operating results. If the trading volume of our Company's ordinary shares is low, the price fluctuations may be exacerbated, particularly as no stabilising transactions can or will be undertaken in respect of our Company's ordinary shares in connection with this Public Issue or thereafter. Since our Company's prospects are intricately linked with technology and our Company's businesses are to a great extent driven by technology, the price of our Shares may rise and fall in tandem with announcements of technological or competitive developments. The price of our Shares, as are typical of those of companies in technology sectors, are also prone to news regarding the gain or loss of significant customers or key personnel, as well as changes in securities analysts' estimates of our financial results or recommendations.

4.3 OTHER RISKS

4.3.1 Disclosure Regarding Forward-Looking Statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results, and any statements which are forward-looking in nature are subject to uncertainties and contingencies. All forward-looking statements are based on forecasts and assumptions made by the our Group, and although believed to be reasonable, are subject to unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially for the future results, performance of achievements expressed or implied in such forward-looking statements. Such factors include, inter alia, general economic and business conditions, competition and the impact of new laws and regulations affecting our Company. In the light of these risks and other uncertainties, the inclusion of any forward-looking statements in this Prospectus should not imply that the plans and objectives of our Company will be fully implemented and satisfied.