

1 INFORMATION SUMMARY

THIS SECTION 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 PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN US.

1.1 HISTORY AND NATURE OF BUSINESS

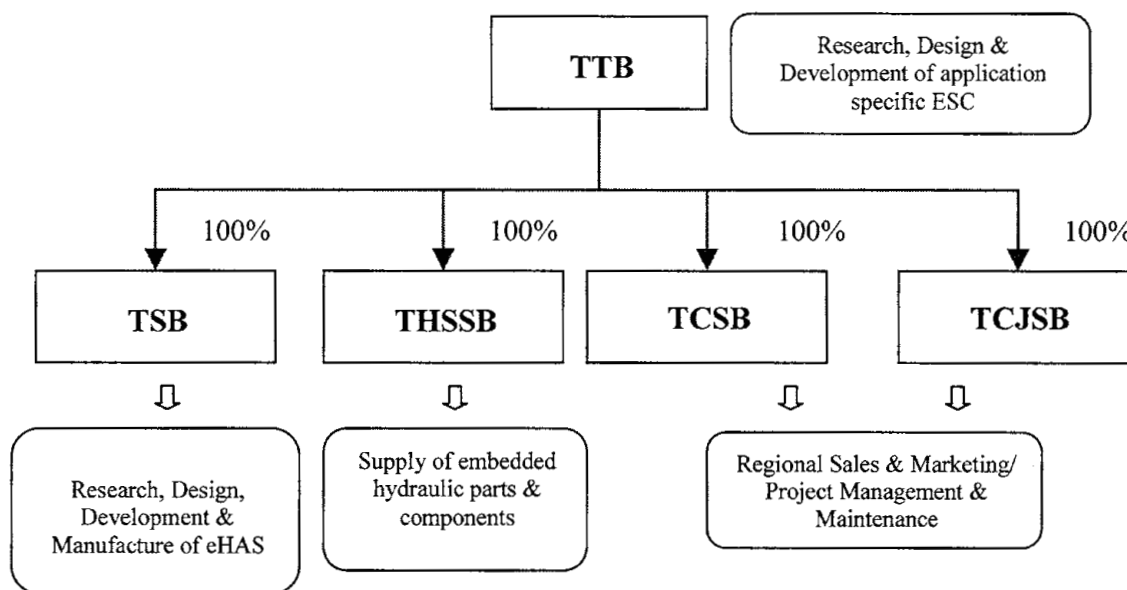
Incorporation, History and Principal Activities

Our Group is a hydraulic system specialist that provides designs in hydraulic systems by integrating electronic, mechanical and electrical engineering capabilities into industrial and commercial machinery and equipment. We are an eHAS solution provider that offers, among others, our own design and development of HMB and valve systems, ESC, actuators and power pack systems.

We were incorporated on 25 January 2005 as a private limited company in Malaysia under the name of Vitaligent Sdn. Bhd. On 26 May 2005 we changed our name to Tejari Technologies Sdn. Bhd. and was subsequently converted to a public company on 21 November 2005. We are principally an electronic system design house, who undertakes the activities in research, design and development of application specific ESC system for eHAS. We are an investment holding company of our four (4) subsidiaries in conjunction with our listing on the MESDAQ Market. Our four (4) subsidiaries are TSB, TCSB, TCJSB, and THSSB.

Group Structure

Our group structure is summarised as follows:



Further details on our history and business overview are provided in Sections 4.1 and 4.4 of this Prospectus.

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1 INFORMATION SUMMARY (Cont'd)

1.2 PRODUCTS AND SERVICES

A summary of our Group's integrated products and services are as follows:

| Company | Products/Services | Industry | Usage/End product application |
|----------------|--|---|---|
| TTB | - Design and development of application standard/ specific ESC systems | - Hydraulics Automation OEMs | - ESC Cards for eHAS |
| TSB | <ul style="list-style-type: none"> - Design and development of HMB and valves systems - Design and development of various actuator modules namely cylinders and pistons. - Design and Fabrication of hydraulic power pack systems - eHAS integration | <ul style="list-style-type: none"> - Automation Systems OEMs - Primary Industries (Steel/ Palm Oil/ Rubber/ Wood) - Semiconductor Industries - Automotive Industries - Logistic Industries - Construction and building Industries | - eHAS for heavy automated production processes such as high performance injection moulding, press, cutting, material handling machine and equipment that are often used in various automated factories or plants of its end customers. |
| THSSB | <ul style="list-style-type: none"> - Supply of embedded hydraulic parts and components for the hydraulic automation. - Provides customized embedded hydraulic parts and components assembly solutions | As per TSB above | - As per TSB above |
| TCSB/ TCJSB | - Regional Sales and Marketing/ Project Management and Maintenance | As per TSB above | As per TSB above |

Overall, our integrated eHAS solutions provide the following benefits to our customers:-

- (i) Reduced setup time;
- (ii) Less scrapped parts;
- (iii) More consistent results;
- (iv) Increased safety for workers in the customers' production floor; and
- (v) High power density and high power amplification.

Further details of our products and services are set out in Section 4.4.3 of this Prospectus.

1 INFORMATION SUMMARY (Cont'd)**1.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL**

Our promoters, substantial shareholders, Directors and key personnel and their respective shareholdings in TTB are set out in the table below:-

| Name | Country of Incorporation/ Nationality | Designation | Before the Public Issue | | After the Public Issue ^{NI} | |
|---------------------------------|--|--------------------|-------------------------|----------|--------------------------------------|----------|
| | | | Direct | Indirect | Direct | Indirect |
| Promoters | | | | | | |
| Komsama | Malaysia | - | 30,882,810 | 25.11 | 30,882,810 | 18.95 |
| Chan Ah Ba | Malaysian | Executive Chairman | 31,300,340 | 25.45 | 31,300,340 | 19.20 |
| Ooi Chai Huat | Malaysian | Managing Director | 16,682,940 | 13.56 | 16,682,940 | 10.23 |
| Fong Sai Chong | Malaysian | Executive Director | 6,558,000 | 5.33 | 6,558,000 | 4.02 |
| Chan Boon Seng | Malaysian | Technical Manager | 13,233,450 | 10.76 | 13,233,450 | 8.12 |
| Substantial Shareholders | | | | | | |
| Komsama | Malaysia | - | 30,882,810 | 25.11 | 30,882,810 | 18.95 |
| Chan Ah Ba | Malaysian | Executive Chairman | 31,300,340 | 25.45 | 31,300,340 | 19.20 |
| Ooi Chai Huat | Malaysian | Managing Director | 16,682,940 | 13.56 | 16,682,940 | 10.23 |
| Fong Sai Chong | Malaysian | Executive Director | 6,558,000 | 5.33 | 6,558,000 | 4.02 |
| Teoh Geok Cheng | Malaysian | Executive Director | 15,048,920 | 12.23 | 15,048,920 | 9.23 |
| Chan Boon Seng | Malaysian | Technical Manager | 13,233,450 | 10.76 | 13,233,450 | 8.12 |

1 INFORMATION SUMMARY (Cont'd)

| Name | Country of Incorporation/ Nationality | Designation | Before the Public Issue | | After the Public Issue ^{NI} | |
|---|--|------------------------------------|-------------------------|----------------|--------------------------------------|----------------|
| | | | Direct | Shareholding % | Direct | Shareholding % |
| Directors | | | | | | |
| Chan Ah Ba | Malaysian | Executive Chairman | 31,300,340 | 25.45 | 31,300,340 | 19.20 |
| Ooi Chai Huat | Malaysian | Managing Director | 16,682,940 | 13.56 | 16,682,940 | 10.23 |
| Fong Sai Chong | Malaysian | Executive Director | 6,558,000 | 5.33 | 6,558,000 | 4.02 |
| Teoh Geok Cheng | Malaysian | Executive Director | 15,048,920 | 12.23 | 15,048,920 | 9.23 |
| Ong Eng Choon | Malaysian | Non-Executive Independent Director | - | - | 100,000 ^{N2} | 0.06 |
| Dato' Dr. Chong Eng Keat @ Teoh Eng Keat | Malaysian | Non-Executive Independent Director | - | - | 100,000 ^{N2} | 0.06 |
| Key Personnel | | | | | | |
| Chan Ah Ba | Malaysian | Executive Chairman | 31,300,340 | 25.45 | 31,300,340 | 19.20 |
| Ooi Chai Huat | Malaysian | Managing Director | 16,682,940 | 13.56 | 16,682,940 | 10.23 |
| Fong Sai Chong | Malaysian | Executive Director | 6,558,000 | 5.33 | 6,558,000 | 4.02 |
| Teoh Geok Cheng | Malaysian | Executive Director | 15,048,920 | 12.23 | 15,048,920 | 9.23 |
| Chan Boon Seng | Malaysian | Technical Manager | 13,233,450 | 10.76 | 13,233,450 | 8.12 |

1 INFORMATION SUMMARY (Cont'd)

| Name | Country of Incorporation/ Nationality | Designation | Before the Public Issue ^{N1} | | After the Public Issue ^{N1} | |
|----------------|--|----------------------------|---------------------------------------|----------|--------------------------------------|----------|
| | | | Direct | Indirect | Direct | Indirect |
| Kok Seng Loong | Malaysian | Group Financial Controller | 4,075,000 | 3.31 | 4,075,000 | 2.50 |
| Ewe Liew San | Malaysian | Operation Manager | 1,597,490 | 1.30 | 1,597,490 | 0.98 |
| Teoh Tun Ching | Malaysian | Operation Manager | 997,850 | 0.81 | 997,850 | 0.61 |

Note:

N1 On the assumption that none of the ESOS options will be exercised.

N2 On the assumption that the respective individuals will subscribe for all their pink form allocation

Further details of our promoters, substantial shareholders, Directors and key personnel are set out in Section 8 of this Prospectus.

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1 INFORMATION SUMMARY (Cont'd)

1.4 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

| (i) Share capital | RM |
|--|-------------------|
| Authorised:- 250,000,000 TTB Shares | 25,000,000 |
| Issued and paid-up:- 123,000,000 TTB Shares credited as fully paid up | 12,300,000 |
| To be issued pursuant to the Public Issue:- 40,000,000 TTB Shares | <u>4,000,000</u> |
| Enlarged issued and paid-up share capital 163,000,000 TTB Shares | <u>16,300,000</u> |
| (ii) Issue Price per TTB Share | 0.28 |
| (iii) Market capitalisation of TTB based on the Issue Price | 45,640,000 |
| (iv) Proforma NTA | |
| Proforma NTA as at 30 November 2006 (after the Public Issue and utilisation of proceeds before ESOS) | 23,561,000 |
| Proforma NTA per TTB Share (based on the enlarged issued and paid-up share capital after the Public Issue before the ESOS) | 0.14 |

(v) Classes of shares and ranking

We only have one (1) class of shares namely ordinary shares of RM0.10 each. The Issue Shares will rank equally in all respects with our existing issued and paid-up Shares including voting rights and all dividends that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attaching to our Shares which may be issued by our Company in the future, the holders of our Shares shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions and in the event of our liquidation, any surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with our Company's Articles of Association.

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1 INFORMATION SUMMARY (Cont'd)**(vi) Consolidated Profit Forecast FYE 30 November 2007**

| FYE 30 November | Forecast 2007 RM'000 |
|---|-------------------------------------|
| Revenue | 23,568 |
| Gross profit | 11,555 |
| Consolidated PBT | 4,397 |
| Tax expense | 177 |
| MI | - |
| Consolidated profit after taxation and MI | 4,220 |
| Gross EPS (sen) | 2.89 <i>NI</i> |
| Net EPS (sen) | 2.77 <i>NI</i> |
| Gross PE Multiple (times) | 9.69 <i>NI & N2</i> |
| Net PE Multiple (times) | 10.11 <i>NI & N2</i> |
| Gross profit margin (%) | 49.03 |
| PBT margin (%) | 18.66 |

Notes:

N1 Based on the weighted average number of shares of 152,260,274 TTB Shares assuming that the Public Issue is completed by March 2007.

N2 Based on our Issue price of RM0.28 per TTB Share.

The principal assumptions upon which the consolidated profit forecast have been made are set out in Section 6.7 of this Prospectus.

For more details on our future financial information, please refer to Section 6.7 of this Prospectus.

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1 INFORMATION SUMMARY (Cont'd)

(vii) Dividend Forecast

Our Group forecasted a dividend of 15% tax exempt interim dividend amounting to RM2,445,000 for the FYE 30 November 2007.

| | FYE 30 NOVEMBER 2007 |
|--|---------------------------------|
| Gross/Net dividend per share | 1.5 sen |
| Gross/Net dividend yield based on the IPO price of RM0.28 per share | 5.36% |
| Gross/Net dividend cover based on Consolidated profit after taxation | 1.73 times |

1.5 PROCEEDS FROM PUBLIC ISSUE AND PROPOSED UTILISATION

The gross proceeds from the Public Issue of RM11,200,000 will accrue entirely to our Group and we shall bear all expenses relating to the Listing. We propose to utilise the proceeds in the following manner:-

| UTILISATION | RM | Expected time frame for utilisation |
|-------------------------------------|-------------------|--|
| Expansion of factory building | 2,650,000 | 18 months from listing |
| R&D expenditure | 1,240,000 | 36 months from listing |
| Repayment of bank borrowings | 1,300,000 | 6 months from listing |
| Purchase of machinery and equipment | 1,860,000 | 24 months from listing |
| Sales and marketing expenditure | 1,000,000 | 12 months from listing |
| Working capital | 1,800,000 | 24 months from listing |
| Estimated listing expenses | 1,350,000 | 6 months from listing |
| Total | 11,200,000 | |

Note:

N1 If funds are not fully utilised as intended, the remaining funds will accrue to the working capital requirements.

Further details of our proposed utilisation are set out in Section 2.5 of this Prospectus.

1.6 RISK FACTORS

In addition to other information contained in this Prospectus, you should carefully consider the following risk factors (which are not exhaustive) before applying for the Issue Shares. For a detailed commentary on the risk factors, please refer to Section 3 of this Prospectus:-

(A) OPERATIONAL RISKS:

- (i) Dependence on key personnel;
- (ii) Lack of long term contracts;
- (iii) Dependency on key products;
- (iv) Protection on intellectual properties;
- (v) Expansion to foreign markets and its related risks thereon;
- (vi) Foreign currency risk;
- (vii) Uncertainty of our business development plan;
- (viii) Uncertainty of the profit forecast; and
- (ix) Availability of skilled technical expertise.

1 INFORMATION SUMMARY (Cont'd)**(B) MARKET RISKS:**

- (i) No prior market for our Company's shares; and
- (ii) Delay in or abortion of the Public Issue.

(C) OTHER RISKS:

- (i) Competition from foreign players
- (ii) Political, economic and legislative considerations;
- (iii) Forward looking statements; and
- (iv) Credit and interest rate risk.

1.7 HISTORICAL FINANCIAL INFORMATION**1.7.1 Proforma Consolidated Income Statements**

The following is a summary of proforma consolidated income statements for the past three (3) FYE 30 November 2004 to 30 November 2006 which have been prepared on the assumptions that the current structure of our Group had been in existence throughout the years/period under review.

| FYE 30 November | 2004 RM'000 | 2005 RM'000 | 2006 RM'000 |
|--|----------------|----------------|----------------|
| Revenue | 14,278 | 16,796 | 20,948 |
| Gross profit | 6,240 | 8,495 | 9,319 |
| Earnings before interest, depreciation, taxation , amortisation and R&D | 2,710 | 4,384 | 4,721 |
| R&D expenses | (279) | (309) | (336) |
| EBITDA | 2,431 | 4,075 | 4,385 |
| Depreciation and amortisation | (428) | (514) | (712) |
| Interest expenses | (163) | (142) | (165) |
| PBT | 1,840 | 3,419 | 3,508 |
| Taxation | (511) | (405) | (148) |
| PAT | 1,329 | 3,014 | 3,360 |
| Proforma no. of shares ('000) ^{N1} | 123,000 | 123,000 | 123,000 |
| Gross Profit margin (%) | 44% | 51% | 44% |
| PAT margin (%) | 9% | 18% | 16% |
| Gross EPS (sen) ^{N2} | 1.5 | 2.8 | 2.9 |
| Net EPS (sen) ^{N3} | 1.1 | 2.4 | 2.7 |

N1 Based on the enlarged share capital after the Acquisitions and Sub-Division of Shares but before the Public Issue.

1 INFORMATION SUMMARY (Cont'd)

N2 The gross EPS has been calculated based on the PBT and on the assumption that the issued and paid-up share capital of TTB of 123,000,000 shares had been in issue throughout the financial years/period under review.

N3 The net EPS has been calculated based on the PAT and on the assumption that the issued and paid-up share capital of TTB of 123,000,000 shares had been in issue throughout the financial years/period under review.

Basis of preparation

The Proforma Consolidated Income Statements are provided for illustrative purpose only and have been prepared:-

- (i) based on the audited financial statements of all the companies within TTB Group after making such adjustments considered necessary (as referred to in notes 3.2 to 3.4 of Section 14 of this Prospectus) and on the assumption that TTB Group had been in existence throughout the years/period under review;
- (ii) in compliance with applicable approved accounting standards in Malaysia;
- (iii) based on the basis stated which is consistent with the accounting policies normally adopted by TTB Group in its audited financial statements for the financial year ended 30 November 2006;
- (iv) all significant inter-company transactions are eliminated on consolidation and the proforma TTB Group results reflect external transactions only;
- (v) the effective interest of TSB in the subsidiaries acquired during the years under review have been adjusted to reflect the effective interest of 100% as follows:

| | <u>FYE 30 November 2004</u> | | <u>FYE 30 November 2005</u> | |
|-------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | Audited effective interest | After adjustments | Audited effective interest | After adjustments |
| | % | % | % | % |
| TCSB | 84.40 | 100.00 | 90.00 | 100.00 |
| TCJSB | 78.40 | 100.00 | 80.00 | 100.00 |
| THSSB | 65.00 | 100.00 | 65.00 | 100.00 |

- (vi) there were no extraordinary or exceptional items included in the proforma consolidated income statements for the relevant years/period under review.

Our auditors have reported our financial statements above without any qualification for the financial years/period under review. For more details on the proforma consolidated financial information, please refer to Section 14 of this Prospectus.

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1 INFORMATION SUMMARY (Cont'd)

1.7.2 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets as at 30 November 2006 as set out below have been prepared for illustrative purposes to show the effects of the Listing on the assumption that it had been completed on 30 November 2006.

| | Audited TTB Group as at 30 November 2006 RM'000 | Adjustment I (Public Issue and Utilisation of proceeds) RM'000 | Proforma I (After Public Issue and Utilisation of proceeds) RM'000 | Adjustment II (Full exercise of ESOS options) RM'000 | Proforma II (After Full exercise of ESOS options) RM'000 |
|---|--|--|--|--|--|
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 3,870 | 4,750 | 8,620 | | 8,620 |
| Other investments | 120 | | 120 | | 120 |
| | <u>3,990</u> | | <u>8,740</u> | | <u>8,740</u> |
| CURRENT ASSETS | | | | | |
| Inventories | 7,374 | | 7,374 | | 7,374 |
| Receivables, deposits and prepayments | 8,173 | | 8,173 | | 8,173 |
| Tax recoverable | 158 | | 158 | | 158 |
| Cash and bank balances | 445 | 1,800 | 2,245 | 6,846 | 9,091 |
| | <u>16,150</u> | | <u>17,950</u> | | <u>24,796</u> |
| CURRENT LIABILITIES | | | | | |
| Payables | 2,213 | | 2,213 | | 2,213 |
| Hire purchase payables | 347 | (48) | 299 | | 299 |
| Bank borrowings | 1,032 | (1,032) | 0 | | 0 |
| Taxation | 19 | | 19 | | 19 |
| | <u>3,611</u> | | <u>2,531</u> | | <u>2,531</u> |
| NET CURRENT ASSETS | | | | | |
| | <u>12,539</u> | | <u>15,419</u> | | <u>22,265</u> |
| | <u>16,529</u> | | <u>24,159</u> | | <u>31,005</u> |
| SHARE CAPITAL | | | | | |
| SHARE PREMIUM | 12,300 | 4,000 | 16,300 | 2,445 | 18,745 |
| RESERVE ON CONSOLIDATION RETAINED PROFITS/ (ACCUMULATED LOSSES) | 0 | 5,850 | 5,850 | 4,401 | 10,251 |
| SHAREHOLDERS' EQUITY | 2,298 | | 2,298 | | 2,298 |
| | 1,113 | (2,000) | (887) | | (887) ^{NI} |
| | <u>15,711</u> | | <u>23,561</u> | | <u>30,407</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Hire purchase payables | 583 | | 583 | | 583 |
| Term loan | 220 | (220) | 0 | | 0 |
| Deferred taxation | 15 | | 15 | | 15 |
| | <u>818</u> | | <u>598</u> | | <u>598</u> |
| | <u>16,529</u> | | <u>24,159</u> | | <u>31,005</u> |
| NTA per share (RM) | | | | | |
| | <u>0.13</u> | | <u>0.14</u> | | <u>0.16</u> |

NI The accumulated losses are due to the utilisation of the listing proceeds on R&D expenses and sales and marketing expenses of RM 1.0 million each. The utilisation of these expenses are assumed to be immediate rather than over the three FYE 2008 as per the R&D plan as detailed out in Section 4.4.9.3 of this Prospectus. We expect these R&D and marketing expenses to generate future revenue over the future financial years when they are incurred.

1 INFORMATION SUMMARY (Cont'd)

The proforma consolidated balance sheets of TTB, for which our Directors are solely responsible, have been prepared for illustrative purposes based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of our Group as at 30 November 2006 which have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia and after making such adjustments that are considered necessary for Public Issue and ESOS had they been completed on that day. The details of the adjustments have been set out in the proforma consolidated balance sheets of Section 14 in this Prospectus.

Our auditors have reported our financial statements above without any qualification for the financial years/ period under review. For more details on the proforma consolidated financial information, please refer to Section 14 of this Prospectus.

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1 INFORMATION SUMMARY (Cont'd)

1.7.3 Proforma Consolidated Cashflow Statements

The proforma consolidated cash flow statement for the FYE 30 November 2006 has been prepared, solely for illustrative purposes, to show the cash flow of our Group had our Group been in existence during the financial year presented.

| | RM'000 |
|--|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | |
| Profit before taxation for the financial year | 1,508 |
| Adjustments for: | |
| Allowance for doubtful debts | 201 |
| Bad debts written off | 37 |
| Depreciation | 712 |
| Property, plant and equipment written off | 3 |
| Loss on disposal of property, plant and equipment | 1 |
| Gain on disposal of property, plant and equipment | (46) |
| Interest income | (#) |
| Interest expense | 165 |
| Operating profit before working capital changes | <u>2,581</u> |
| Inventories | 8 |
| Receivables, deposits and prepayments | (2,077) |
| Payables | 3 |
| Cash generated from operations | <u>515</u> |
| Interest received | # |
| Interest paid | (166) |
| Net taxation paid | <u>(334)</u> |
| Net cash flow from operating activities | <u>15</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | |
| Proceeds from disposal of property, plant and equipment | 50 |
| Purchase of property, plant and equipment (Note a) | <u>(5,993)</u> |
| Net cash flow from investing activities | <u>(5,943)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | |
| Proceeds from Public Issue | 9,850 |
| Proceeds from full exercise of ESOS | 6,846 |
| Net repayment of bank borrowings | (670) |
| Net repayment of term loan | (600) |
| Repayment of hire purchase payables | <u>(389)</u> |
| Net cash flow from financing activities | <u>15,037</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 9,109 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | (18) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note b) | <u><u>9,091</u></u> |

Less than RM1,000.00

1 INFORMATION SUMMARY (Cont'd)

Notes:

| | RM'000 |
|---|---------------|
| (a) Purchase of property, plant and equipment: | |
| - financed by hire purchase arrangement | 585 |
| - financed by cash | <u>5,993</u> |
| - additions during the financial year | <u>6,578</u> |
| (b) Analysis of cash and cash equivalents | |
| - cash and bank balances | <u>9,091</u> |

Our auditors have reported our financial statements above without any qualification for the financial years/ period under review.

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1 INFORMATION SUMMARY (Cont'd)

1.7.4 Proforma Statement of Assets and Liabilities

The proforma statement of assets and liabilities of our Group, for which our Directors are solely responsible, have been prepared for illustrative purpose based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of our Group as at 30 November 2006. This Proforma Statement of Assets and Liabilities have been prepared in accordance with the applicable MASB approved accounting standards in Malaysia and after showing the effects of the transactions described in Adjustment I and Adjustment II as referred to in the proforma consolidated balance sheets of Section 14 in this Prospectus on the assumption that the respective transactions have been completed on 30 November 2006 and should be read in conjunction with the notes thereon.

| | TTB Group RM'000 |
|---------------------------------------|---------------------------------|
| NON-CURRENT ASSETS | |
| Property, plant and equipment | 8,620 |
| Investments | 120 |
| | <u>8,740</u> |
| CURRENT ASSETS | |
| Inventories | 7,374 |
| Receivables, deposits and prepayments | 8,173 |
| Tax recoverable | 158 |
| Cash and bank balances | 9,091 |
| | <u>24,796</u> |
| CURRENT LIABILITIES | |
| Payables | 2,213 |
| Hire purchase payables | 299 |
| Taxation | 19 |
| | <u>2,531</u> |
| NET CURRENT ASSETS | <u>22,265</u> |
| | <u>31,005</u> |
| SHARE CAPITAL | 18,745 |
| SHARE PREMIUM | 10,251 |
| RESERVE ON CONSOLIDATION | 2,298 |
| ACCUMULATED LOSSES | (887) |
| SHAREHOLDERS' EQUITY | <u>30,407</u> |
| NON-CURRENT LIABILITIES | |
| Hire purchase payables | 583 |
| Deferred taxation | 15 |
| | <u>598</u> |
| | <u>31,005</u> |

Our auditors have reported our financial statements above without any qualification for the financial years/ period under review. For more details on the proforma consolidated financial information, please refer to Section 14 of this Prospectus.

2 PARTICULARS OF THE PUBLIC ISSUE

2.1 PURPOSE OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:-

- (i) To obtain a listing of and quotation for our entire enlarged issued and paid-up share capital onto the MESDAQ Market;
- (ii) To provide us with access to the capital market to raise funds for future expansion and growth;
- (iii) To provide an opportunity for Malaysian investors and institutions, eligible employees, Directors and business associates of our Group and the public to participate in our continuing growth; and
- (iv) To enhance our stature in marketing our products and services and to maintain our existing work force and attract new skilled personnel.

2.2 SHARE CAPITAL

| | |
|--|-------------------|
| <i>Authorised:-</i> | RM |
| 250,000,000 TTB Shares | <u>25,000,000</u> |
| <i>Issued and paid-up:-</i> | |
| 123,000,000 TTB Shares credited as fully paid-up | 12,300,000 |
| <i>To be issued pursuant to the Public Issue:-</i> | |
| 40,000,000 TTB Shares | 4,000,000 |
| Enlarged issued and paid-up share capital | |
| 163,000,000 TTB Shares | <u>16,300,000</u> |
| Issue Price per TTB Share | 0.28 |

We only have one (1) class of shares namely ordinary shares of RM0.10 each. The Issue Shares will rank equally in all respects with our existing issued and paid-up Shares including voting rights and all dividends that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attaching to our Shares which may be issued by our Company in the future, the holders of our Shares shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions and in the event of our liquidation, any surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with the Company's Articles of Association.

You, as our shareholder, are entitled to vote at any of our general meeting in person or by proxy or by attorney, and, on a show of hands. Every person present in the general meeting, who is a shareholder shall have one vote, and on poll, every shareholder presents in person or by proxy or by attorney or other duly authorised representative shall have one vote for every Share held. A proxy may but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar.

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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.3 PARTICULARS OF THE PUBLIC ISSUE

The Public Issue is an invitation by us to the public to subscribe for our Issue Shares at an issue price of RM0.28 per share subject to the terms and conditions in this Prospectus.

Our Issue Shares are made available for subscription by individuals, companies, societies, co-operatives and institutions by way of Private Placement and balloting as follows:-

| | No of Issue Shares to be allocated |
|--|---|
| (i) Eligible Directors, employees and business associates of our Group | 5,000,000 |
| (ii) General Public: | |
| (a) by way of private placement; and | 32,000,000 |
| (b) by way of balloting | 3,000,000 |
| Total | <hr/> <u>40,000,000</u> <hr/> |

Our basis of allocation takes into account the desirability of distributing the Issue Shares to a reasonable number of applicants to broaden our shareholding base to meet the public spread requirements and to establish a liquid and an adequate market in our Shares. To meet shareholding spread requirements, the final allocation to any single applicant shall not breach 5% or more of our enlarged issued and paid-up share capital upon Listing, regardless of the amount of Issue Shares applied for.

If the Issue Shares under Section 2.3(i) above are not taken up by our eligible Directors, employees and business associates of the TTB Group, such Issue Shares will be made available for application by investing public under Section 2.3(ii) by way of a private placement and/or balloting.

If there is an under-subscription of Issue Shares under section 2.3(ii)(b) above, such unsubscribed Issue Shares may be transferred from the public offer tranche and allocated by way of private placement, and vice versa.

Our minimum number of TTB Shares to be subscribed for the purpose of the Public Issue is 40,000,000 ordinary shares, being 100% of our Shares available under the Public Issue.

Our Issue Shares under Section 2.3(i) and (ii)(b) above have been underwritten by the Underwriter in compliance with the Listing Requirements. The Placement Agent has received irrevocable undertakings from selected investors to subscribe for the Issue Shares under Section 2.3(ii)(a) above.

Allocation of Issue Shares to our Non-Executive Directors

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

Based on the seniority, performance and length of service criteria, there are a total of approximately 145 Directors, employees and business associates who are eligible and are interested in taking up the reserved Issue Shares. The 5,000,000 Issue Shares have been allocated to eligible and interested Directors, employees and business associates based on their respective position, number of years of service/relationship and performance with our Group (as applicable).

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

The basis of allocation for the Issue Shares under Section 2.3(ii), to be determined shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants with a view of broadening our shareholding base to meet the public spread requirements and to establish a liquid and an adequate market in TTB Shares. To meet the shareholding spread requirements, the final allocation to any single applicant shall not breach 5% or more of our enlarged issued and paid-up share capital upon listing on the MESDAQ Market, regardless of the amount of Issue Shares applied for.

The allocation of the Issue Shares to our Non-Executive Directors are as follows:-

| Name of Director | No. of TTB Shares allocated |
|--|-----------------------------|
| Ong Eng Choon | 100,000 |
| Dato' Dr. Chong Eng Keat @ Teoh Eng Keat | 100,000 |

2.4 PRICING OF THE PUBLIC ISSUE

We and KIBB as the Adviser, Underwriter and Placement Agent, have determined and agreed on the Issue Price of RM0.28 per TTB Share, after taking into account, inter-alia, the following:-

- (a) Our Group's financial and operating history and conditions;
- (b) The forecasted (FYE 30 November 2007) net PE Multiple of 10.11 times based on the prospective net EPS of 2.77 sen (based on the weighted average number of 152,260,274 TTB Shares) respectively and the IPO price of RM0.28 per TTB Share;
- (c) The proforma consolidated NTA per TTB Share of approximately 14.0 sen based on the proforma consolidated NTA as at 30 November 2006 of RM23.561 million and the enlarged issued and paid-up share capital of 163,000,000 TTB Shares (after adjusting for the Public Issues and utilisation of proceeds before ESOS); and
- (d) The industry overview, future plans and strategies and outlook of our Group.

You should note that the market price of TTB Shares upon listing on the MESDAQ Market is subject to the vagaries of market forces and other uncertainties which may affect the market price of TTB Shares being traded. You should bear in mind the risk factors as set out in Section 3 of this Prospectus and form your own views on the valuation of the Issue Shares before deciding to invest in the Issue Shares.

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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.5 PROCEEDS FROM THE PUBLIC ISSUE AND PROPOSED UTILISATION

The gross proceeds from the Public Issue amounting to RM11,200,000 will accrue entirely to our Company and we shall bear all expenses relating to the Listing. We propose to utilise the proceeds in the following manner:-

| UTILISATION | RM | Expected time frame for full utilisation |
|-------------------------------------|-------------------|---|
| Expansion of factory building | 2,650,000 | 18 months from listing |
| R&D expenditure | 1,240,000 | 36 months from listing |
| Repayment of bank borrowings | 1,300,000 | 6 months from listing |
| Purchase of Machinery and Equipment | 1,860,000 | 24 months from listing |
| Sales and Marketing expenditure | 1,000,000 | 12 months from listing |
| Working capital | 1,800,000 | 24 months from listing |
| Estimated listing expenses | 1,350,000 | 6 months from listing |
| Total | 11,200,000 | |

Note:

N1 If the above funds are not fully utilised as intended, the remaining funds will accrue to the working capital requirements.

(i) Expansion of factory building

We propose to set aside RM2.65 million for the expansion of our factory building based on our recently acquired landed properties located at Mukim 13, Daerah Seberang Perai Tengah, Penang held under HSD 42626 and HSM 1492 respectively which will increase the current built-up area of 16,000 sq. ft. to 36,000sq. ft.. This expansion will provide the Group with additional space in line with our Group's future expansion plans.

(ii) R&D Expenditure

Our Group intends to channel RM1.24 million for R&D activities. The R&D expenditure will involve purchase of materials, equipment, software, tooling and R&D staff costs. Our Group is constantly looking into the development of new applications and products to expand our product range in line with our Group's strategy to contribute to a wider and stronger customer base. These R&D expenditure will ensure our Group will have the facilities, hardware, software and man power to develop the new applications and products for continuous growth in sales and keeping abreast with the latest technologies in order to maintain our competitive edge.

(iii) Repayment of Bank Borrowings

Our Group proposes to set aside a total of RM1.3 million of the proceeds for the repayment of our Group's bank borrowings. As at the LPD, the total bank borrowings of our Group amounted to approximately RM2.6 million, mainly consists of hire purchase financing, term loans, bankers acceptance and overdrafts of approximately RM0.94 million, RM0.40 million, RM0.30 million and RM0.96 million respectively. Such borrowings have been utilised to finance, inter alia, the working capital requirements of our Group.

The repayment of such bank borrowings will reduce our Group's gearing level from approximately 13.89% to 5.61% (based on the proforma Group's total borrowings of RM2.182 million as at 30 November 2006 and proforma Group's shareholders' equity as at 30 November 2006). At the effective interest rate as at 30 November 2006 of approximately 7.56%, our Group would be able to save interest cost totalling approximately RM98,000 per annum.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

(iv) Purchase of Machinery and Equipment

Our Group plans to utilise approximately RM1.86 million of the total proceeds to purchase more advanced new machinery and equipment to increase not only its manufacturing capacity in order to support future growth projections but also to improve on production in terms of quality and reduce labour cost.

(v) Sales and Marketing Expenditure

In line with our Group's future plan of expanding our market network, an amount of RM1.0 million has been allocated to finance sales and marketing activities. Our Group is determined to maintain and expand our market share by continuously setting up and expanding our sales and marketing network into major developing geographical areas around the world. Regular participation in local and overseas exhibitions will be strategically coordinated to increase awareness of our products and services.

(vi) Working Capital

We propose to allocate RM1.8 million to meet our additional working capital requirements arising mainly from the expected increase in our business volume following our expansion plan. The working capital portion will be used to defray operating expenses such as staff salaries, marketing, purchase of materials, etc.

(vii) Estimated Listing Expenses

The estimated listing expenses incidental to the Listing, to be borne by our Company, are as follows:-

| | RM'000 |
|--|---------------|
| Estimated Professional fees | 550 |
| Fees to authorities pursuant to the IPO | 80 |
| Other fees and related expenses such as printing, advertising and travelling expenses incurred in connection with the Public Issue | 250 |
| Underwriting, placement and brokerage | 250 |
| Miscellaneous & contingencies | 220 |
| Total | 1,350 |

Note : In the event that additional expenses are incurred, the additional amounts will be paid from the proceeds for its working capital requirement and/or otherwise.

Financial Impact from the Utilisation of Proceeds

The financial impact and benefits from the proceeds of the Public Issue include, inter-alia, the following:-

- (i) increase our Group's ability and facility for product development and enhancement activities to keep abreast with the needs of our customers and to maintain our competitive edge in the hydraulic solutions market;
- (ii) increase the revenue and earnings of our Group through expansion of our business operations both locally and overseas; and
- (iii) increase market awareness towards our products and services both locally and overseas.

The abovementioned benefits are expected to enhance our earnings in the future. In addition, the Public Issue will raise approximately RM1.8 million for working capital, which is expected to improve the liquidity and cash flow position of our Group.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.6 BROKERAGE, UNDERWRITING AND PLACEMENT COMMISSION

2.6.1 Brokerage Fee

We will pay the brokerage fee relating to the Issue Shares at the rate of one percent (1%) of the Issue Price per Issue Share in respect of successful applications which bear the stamps of KIBB, a member company of Bursa Securities or the Issuing House.

2.6.2 Underwriting Commission

KIBB as the Underwriter has agreed to underwrite the 8,000,000 Issue Shares, which are made available for application by eligible Directors, employees and business associates and general public. We will pay the underwriting commission at the rate of 2% per Issue Share at the Issue Price for the aggregate value of the Issue Shares underwritten by KIBB.

2.6.3 Placement Commission

KIBB has arranged for the placement of the Issue Shares at a rate of 1.5% per Issue Share for the aggregate value of the Issue Shares that have been successfully placed by KIBB at the Issue Price.

A management fee is payable by the Company to KIBB, at a rate of 0.5% per Issue Share at the Issue Price for the aggregate value of the Issue Shares under the private placement.

2.6.4 Salient Provisions of the Underwriting Agreement

The following are extracts of some of the clauses contained in the Underwriting Agreement dated 15 December 2006 entered into between our Company and the Underwriter, including escape clauses, which may allow the Underwriter to withdraw from obligations under the agreement after the opening of the offer :-

“CONDITIONS TO UNDERWRITING

The obligations of the Underwriter under this Agreement shall be conditional upon:-

- (a) *the SC having approved the issuance of the Prospectus and Bursa Securities having agreed in principle on or prior to the Closing Date to the listing of and quotation for the enlarged issued and paid-up ordinary share capital of the Company after the Public Issue amounting to 163,000,000 Shares on the MESDAQ Market of Bursa Securities on terms satisfactory to the Underwriter and the Underwriter being reasonably satisfied that such listing and quotation will be granted two (2) clear Market Days (or such other period as Bursa Securities may permit) after Bursa Securities has received all the necessary supporting documents and receipt of confirmation from Bursa Depository that all Central Depository System (“CDS”) accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants;*
- (b) *the proceeds / irrevocable undertakings from the placees for all shares described in Recital (D) (1) having been received by the placement agent of the Company prior to the Closing Date;*
- (c) *the delivery to the Underwriter prior to the date of issuance of the Prospectus of:-*
 - (i) *a certified true copy by an authorised officer of the Company of the Memorandum and Articles of Association of the Company and all the resolutions of the directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and*

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- authorising the execution of this Agreement and the issuance of the Prospectus; and*
- (ii) *a certificate dated the day of the Prospectus signed by the duly authorized officer of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 3.1 hereof;*
- (d) *the delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the board of directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change of condition or circumstances subsequent to the date of this Agreement that would or may have an adverse effect on the performance or financial position of the Company or any of its Subsidiaries;*
- (e) *the Underwriter having been satisfied that adequate arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 8;*
- (f) *the public shareholding spread as required pursuant to the MESDAQ Market Listing Requirements of Bursa Securities being met;*
- (g) *there not having been, on or prior to the Closing Date, any adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue, nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representation or warranty contained in this Agreement and in the Prospectus as though they have been given or made on such date;*
- (h) *the registration and lodgement with the SC and the Registrar of Companies of the Prospectus together with copies of all requisite documents in accordance with the requirements of Sections 41 and 42 of the Securities Commission Act 1993, the SC Guidelines on the Issue/Offer of Securities and the Prospectus Guidelines pursuant to Clause 7);*
- (i) *the Composite Index of Bursa Securities is at no less than 650 points, on or prior to the Closing Date;*
- (j) *the issue and subscription of the Public Offer Shares in accordance with the provisions hereof 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) and to take place within sixty (60) days from the date of this Agreement;*
- (k) *all necessary approvals and consents from the SC and Bursa Securities required in relation to the Public Issue having been obtained and being in full force and effect; and*
- (l) *this Agreement having been duly executed by all parties and stamped.*

If any of the conditions set forth above is not satisfied on or before the Closing Date the Underwriter shall thereupon be entitled to, terminate this Agreement by notice in writing to the Company and in that event the Parties hereto shall be released and discharged from their respective obligation hereunder 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 in Clause 8 hereof.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

TERMINATION OF UNDERWRITING OBLIGATION

If by 8.00 p.m. on the Closing Date or such other date as the Company and the Underwriter may mutually agree upon, Application Forms in respect of all the Underwritten Shares have been lodged for acceptance and received in accordance with the terms of Prospectus, together with valid banker's drafts or other forms of remittances for the full amounts payable thereunder, no obligation shall arise on the part of the Underwriter to apply for any of the Underwritten Shares under this Agreement.

TERMINATION

Reasons for Termination

On or before the Closing Date, the Underwriter shall thereupon be entitled to terminate this Agreement by notice in writing delivered to the Company, if:-

- (a) any of the conditions referred to in Clause 2.2 is not satisfied, provided that the Underwriter may at its discretion and subject to such conditions as the Underwriter may impose, waive compliance with the provisions of Clause 2.2; or*
- (b) any adverse change or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue, or the occurrence of any event rendering untrue or incorrect to an extent which is material any representations or warranties contained in Clause 3.1 as though they had been given or made on such date; or*
- (c) there is withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to this Agreement, and if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company and its Subsidiaries and related companies, the success of the Public Issue, or the distribution or sale of the new Shares pursuant to the Public Issue; or*
- (d) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter by reason of the coming into force of any laws of Governmental regulations or directives or any change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange or unforeseen circumstances beyond the reasonable control of the Underwriter and by reason of Force Majeure which would have, or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the success of the Public Issue, or which is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or*
- (e) there is failure on the part of the Company to perform any of its obligations herein contained; or*
- (f) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities which would prejudice materially the success of the Public Issue.*

Upon any such notice(s) being given pursuant to Clause 7.1, the Underwriter shall be released and discharged from its obligations hereunder whereupon this Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of this

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

Agreement, save and except that the Company shall remain liable for the payment of the Underwriting Commission and in respect of its obligation and liabilities under Clause 8 for the payment of costs and expenses already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies, and for any antecedent breach.

Effects of Termination

In the event of termination pursuant to Clause 7.1, the Underwriter hereto shall be released and discharged from its obligations hereunder, except for the liabilities of the Company for the payment of the Underwriting Commission and costs and expenses as provided for in this Agreement, which had been incurred prior to or in connection with such termination. Provided always that the parties hereto agree that in the event of termination of this Agreement pursuant to a Force Majeure event, the Underwriter and the Company may confer with a view to deferring the Public Issue or amending its terms or the terms of this Agreement and/or entering into a new underwriting agreement as the case may be with the mutual consent of the parties hereto."

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3 RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) BASED ON OUR EVALUATION, THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE APPLYING FOR THE ISSUE SHARES.

(A) OPERATIONAL RISKS

(i) Dependence on key personnel

Our continued success depends substantially on the abilities and continued efforts of our management team which include our Executive Chairman, Mr. Chan Ah Ba, our Managing Director, Mr. Ooi Chai Huat, our Executive Directors, Mr. Teoh Geok Cheng and Mr. Fong Sai Chong. We rely on our management team as they bring along their extensive knowledge and experience in the business. The loss of either one of the members in the management team may affect our Group's performance.

Our future success will also depend upon our ability to attract and retain a sufficient number of highly skilled employees. We mitigate this risk by continuing to hire personnel as and when necessary to accommodate any increase in the size of our Group's operations. Our Board believes that by offering a competitive remuneration package, training and conducive working environment, the risk should be further mitigated. Recognising the importance of our human resource, we take efforts to groom younger members of the management team to ensure a smooth transition to the senior management team.

We have also put in place an ESOS in conjunction with the Listing. The ESOS will be an incentive to the employees to serve our Group for long-term and to participate in the future growth and success of our Group.

The moratorium on the shareholding of our Promoters and/or shareholders together with their collective substantial shareholdings in our Company will also act as a mitigating factor against the risk of the key personnel exiting our Group.

(ii) Lack of Long Term Contracts

Our Group has historically not entered and presently does not enter into any long-term contract with its customers on the provision of our products and services. The lack of long term contracts with the customers is in line with the dynamics of the hydraulic equipment industry which is subject to technological changes and thus frequent product specification changes. Hence, the financial performance of our Group would be dependent on the ability of our Group to secure new contracts on a consistent basis. Consequently, the failure of our Group in securing new contracts in the future may have a material adverse financial impact on our Group.

Nonetheless, the risk of lack of long term contracts with our customers is mitigated by the established business relationships between our Group and our customers over the past five (5) years, as evidenced by the length of customer relationship which averages about 5 years and continuous repeat orders secured by our Group. In addition, our management recognises the need for revenue diversification and has embarked on this effort since 2001 through expansion into other geographical markets to widen our clientele base and continuous expansion and innovation on our products and services. While our management will make efforts in diversifying our revenue base, there can be no assurance that the aforesaid efforts will be able to mitigate the risk arising from lack of long term contracts with our Group's customers.

(iii) Dependency on Key Products

Our Group is dependent on the continued growth of the hydraulic automation solutions market. Any deterioration in such market or market acceptance would have a material adverse effect on our Group.

However, we are of the opinion that the present hydraulic automation solutions market is expected to grow in the future as more companies are aware of its potentials and benefits.

3 RISK FACTORS (Cont'd)

In addition, we seek to limit the risk by devoting substantial resources to R&D with the purpose of enhancing our existing products as well as developing new applications that meet the industry requirements and expectations.

(iv) Protection on Intellectual Properties

Our Group's success also depends on our ability to protect our technology know-how, engineering design and concepts developed. There can be no assurance that our Group is able to protect our proprietary rights against unauthorised third party copying, use or exploitation, any of which could have material adverse effects on our Group's business, operating results and financial conditions as well our competitive advantage. However, our Directors believe that the risk of authorised copying is relatively low due to the complexity involved in the eHAS systems design which include expertise in multiple engineering disciplines and the industrial applications of the various production processes and machinery and equipment functions. In view of the high customisation work, design and specification processes our Group has been involved, our Directors believe that our eHAS solutions are not easily replicated.

Our Group has successfully registered the industrial designs certification for our HMB namely "Double Pump Block" and "Saxon Lift Block" for our hydraulic systems. Our Group had applied to trademark the "TEJARI" and "COMMAND" brand in Malaysia on 27 May 2006 and 8 August 2006 respectively and to also trademark "COMMAND" in Singapore on 18 October 2006. Pending registration of these trademarks, there can be no assurance that there would not be challenges or disputes over the use of the trade mark or unauthorised copying, usage or exploitation of them by third parties. Despite the non-registration for our trademarks, our Directors are confident that our Group will still be able to continue selling our eHAS solutions based on their proven quality and competitive price.

(v) Expansion to foreign markets and its related risks thereon

We target to expand our operations to countries such as Thailand, Indonesia and other foreign markets. However, the future expansion could expose our Group to the risk relating to foreign markets, economic, political, legislative, foreign currency and other risks. Our business, financial condition and operating results will be affected if we fail to accurately assess these issues. With prudence, careful planning and our prior experience in dealing with our customers in these markets, our Board will ensure that these risks are mitigated.

(vi) Foreign currency risks

Our export sales and imported hardware are transacted in other currencies, mainly USD, Euro, SGD and other currencies. Any future significant fluctuation in the exchange rates may have material impact on our Group's financial performance. As at 30 November 2006, our Group's foreign currency exposure of trade receivables and trade payables are approximately RM86,000 and RM1.52 million respectively. As such, our Group is exposed to exchange risks.

Moving forward, we intend to expand further to overseas markets, in particular Thailand, Indonesia and other foreign markets to secure more projects. Hence, we will be further exposed to foreign exchange fluctuation risks. The management of our Group are constantly monitoring our Group's currency exposure. The Group intends to utilize forward contracts hedge against fluctuation on foreign exchange in the near future, if necessary.

(vii) Uncertainty of the Business Development Plan

The success of our business development plan will be mainly determined by:

- a. The commercial acceptability of our products;
- b. our marketing strategies;
- c. our R&D activities;
- d. our ability to further develop new applications;
- e. our ability to recruit and retain skilled management as well as technical, marketing, financial and other key personnel; and
- f. our ability to obtain further financing as and when needed.

3 RISK FACTORS (Cont'd)

There can be no assurance that we will be able to successfully implement our business plan or that anticipated expenses or problems or technical difficulties will not occur which would result in material delays in its implementation or even deviations from its original plans. In addition, the actual results may deviate from our business plan due to rapid technological changes, market as well as competitive pressures.

(viii) Uncertainty of the Profit Forecast

This Prospectus contains the consolidated profit forecast for the FYE 30 November 2007 of our Group which are based on assumptions that are subject to uncertainties and contingencies. Our Directors have considered the assumptions used in the preparation of the consolidated profit forecast to be reasonable. However, due to the inherent uncertainties of profit forecast and as a result of events and circumstances not occurring as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those shown or expected. You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the profit forecast contained in this Prospectus.

(ix) Availability of Skilled Technical Expertise

The hydraulic equipment industry is within the advanced fluid power technology industry which requires a combination of cross disciplines at highest standards from electronic engineering, mechanical engineering and computer engineering. A qualified design engineer at our Group will have a combination of these disciplines. As at LPD, our Group has forty three (43) technical staff, consisting of engineers and technicians, with an average of four (4) years experience in various disciplines of hydraulic automation system development from hydraulic system design, mechanical engineering to electrical and electronics design. Expertise with the combination of these fields are currently in short supply in this region. Our Group's technological development may be adversely affected by this shortage. Without the necessary skilled labour, our Group may suffer from inferior product quality, lag behind on technological development, fail to develop necessary solutions on schedules and loss of customers' confidence.

The management of our Group recognises the importance of human resource training and staying ahead of technological advancement. We endeavour to increase the design engineering workforce through early scouting at local universities/institutions. A database will be kept and developed to accelerate the learning curve of our new generation of designers.

We emphasise on training and development of our work force. Our designers are subject to new hire orientation programmes, on-the-job training and cross training in the various development processes.

(B) MARKET RISKS

(i) No prior market for the Company's shares

Prior to the Public Issue, there was no public market for TTB Shares. There can be no assurance that an active market can develop for TTB Shares upon our listing on the MESDAQ Market or if developed, that such a market can be sustained. Our Issue Price of RM0.28 per Issue Share has been determined after taking into consideration a number of factors, including but not limited to, our financial and operating history and conditions, R&D capability and technology, the prospects of the industry in which we operate and prevailing economic and market conditions. There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the MESDAQ Market upon or subsequent to the Listing.

(ii) Delay in or abortion of the Public Issue

The occurrence of any one (1) or more of the following events may cause a delay in or abortion of the Public Issue:-

- (a) the identified investors fail to subscribe for the portion of Issue Shares to be placed to them;

3 RISK FACTORS (Cont'd)

- (b) the Underwriter exercises its rights pursuant to the Underwriting Agreement and discharges itself from its obligations thereunder; or
- (c) TTB is unable to meet the public spread requirements, that is, at least 25% of the issued and paid-up share capital of the Company be held by a minimum number of 1,000 public shareholders holding not less than 100 TTB Shares each.

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

(C) OTHER RISKS

(i) Competition from foreign players

Competition in this industry arises mainly from hydraulic automation companies in the developed countries such as Germany and USA who have representative sales office in Malaysia. However, we believe that we will be able to compete effectively with our technological innovation, close relationships with our existing customers and our proven track record which will enable us to maintain our market share in the local market.

However, there can be no assurance that we will not be affected by the competitive strategies adopted by other foreign solutions providers within the same industry.

(ii) Political, economic and legislative considerations

Development in political and economic conditions in Malaysia and other countries in which our Group is currently operating or where our Group may market its products in the future could materially affect the financial prospects of our Group. Political and economic uncertainties include but are not limited to the risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts, fluctuations in foreign exchange rates, inflation, changes in interest rates and methods of taxation.

(iii) Forward looking statements

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts that are based on assumptions that are subject to uncertainties and contingencies. The word "anticipates", "believe", "intends", "plans", "expects", "forecast", "predicts" and similar expressions as they relate to our Group or our business are intended to identify such forward-looking statements. Our Group believes that, barring any unforeseen circumstances the expectations reflected in such forward-looking statements are reasonable at this point of time. There can be no assurance that such expectations will prove to have been correct. Any deviation from the expectations may have adverse effect on our Group's financial and business performance.

(iv) Credit and Interest Rate Risk

Our Group is exposed to credit risk mainly from trade receivables. These receivables are continually monitored to ensure that issue arising from non-collectibility are minimised. To mitigate the risk of bad and doubtful debts, our Group performs credit checks customers' financial status before granting them any credit term and other credit review process are carried out by our management to review the credit standing and credit limit of our customers. For further details on the aging of the trade receivables, please refer to Section 6.2.11 of this Prospectus.

Our Group has no significant interest-bearing financial assets or liabilities other than term loans, bank overdrafts and other bank borrowings which amount to RM2.182 million as at 30 November 2006. Given that our Group has borrowings and the payment of the loan interest is dependent on interest rate, future fluctuations of the interest rate would have effect on the Group's interest and principal repayment. For further details on the bank borrowings, please refer to Section 6.2.8 of this Prospectus.

4 INFORMATION ON TTB GROUP

4.1 HISTORY

Incorporation, History and Principal Activities

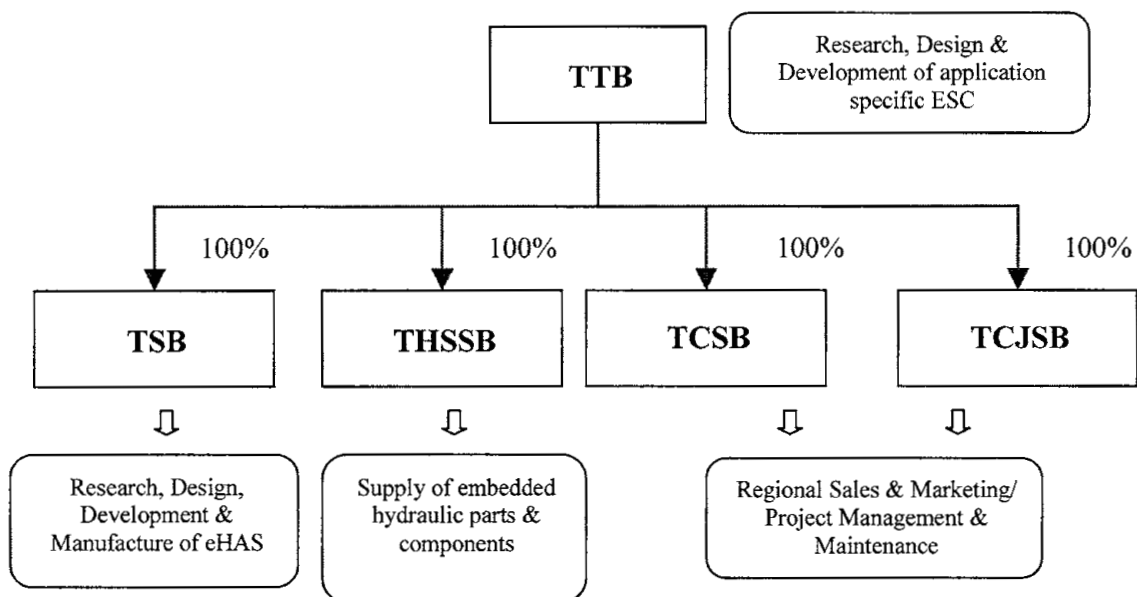
Our Group is a hydraulic system specialist that provides designs in hydraulic systems by integrating electronic, mechanical and electrical engineering capabilities into industrial and commercial machinery and equipment. We are an eHAS solution provider that offers, among others, our own design and development of HMB and valve systems, ESC, actuators and power pack systems.

We are incorporated on 25 January 2005 as a private limited company in Malaysia under the name of Vitaligent Sdn Bhd. On 26 May 2005 we changed our name to Tejari Technologies Sdn. Bhd. and subsequently were converted to a public limited company on 21 November 2005 and since then assumed its present name. We are the investment holding company of our Group in conjunction with our listing on the MESDAQ Market.

We are principally an electronic system design house, who undertakes the activities in research, design and development of application specific ESC system for eHAS. Our four (4) subsidiaries are TSB, TCSB, TCJSB, and THSSB.

Group Structure

Our group structure is summarised as follows:



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4 INFORMATION ON TTB GROUP (Cont'd)

4.2 RESTRUCTURING AND LISTING SCHEME

Restructuring and Listing Scheme

As an integral part of the Listing, we undertook a restructuring exercise that was approved by both the SC and FIC on 23 August 2006 and MITI on 23 May 2006. The restructuring exercise involved the following steps:-

4.2.1 Acquisition of TSB

Pursuant to the SSA I between TTB and the shareholders of TSB dated 26 January 2006, TTB acquired 2,407,500 ordinary shares of RM1.00 each in TSB, representing the entire issued and paid-up capital of TSB for a purchase consideration of RM12,299,998 satisfied entirely by the issue of 12,299,998 ordinary shares of RM1.00 each in TTB credited as fully paid-up.

The purchase consideration was arrived at on a willing-buyer willing seller basis after taking into consideration the proforma consolidated NTA of TSB as at 30 November 2005 of RM12,273,391 and its earnings potential. The acquisition of TSB was completed on 30 September 2006.

4.2.2 Acquisition of TSB Subsidiary Companies

Pursuant to the SSA II between TTB and TSB dated 26 January 2006, TTB acquired the following shares from TSB:

- a) 1,250,000 ordinary shares of RM1.00 each in TCSB, representing the entire issued and paid-up capital of TCSB for a nominal purchase consideration of RM1 satisfied entirely by cash;
- b) 300,000 ordinary shares of RM1.00 each in TCJSB, representing the entire issued and paid-up capital of TCJSB for a nominal purchase consideration of RM1 satisfied entirely by cash; and
- c) 350,000 ordinary shares of RM1.00 each in THSSB, representing the entire issued and paid-up capital of THSSB for a nominal purchase consideration of RM1 satisfied entirely by cash.

The above acquisitions are an internal reorganisation of our group structure. The acquisitions of TCSB, TCJSB and THSSB were completed on 2 October 2006.

4.2.3 Transfer of 2 Existing Ordinary Shares

On 02 October 2006, Siew Yoke Lam and Chan Seok Lay have transferred their 2 ordinary shares of RM1.00 each in TTB to Mr. Chan Ah Ba.

4.2.4 Sub-Division of Shares

TTB undertook to sub-divide its shares' par value of RM1.00 each into RM0.10 each.

The Sub-Division was completed on 2 October 2006.

4 INFORMATION ON TTB GROUP (Cont'd)

Upon completion of the Sub-Division of Shares, our Company's issued and paid-up capital of RM12,300,000 where 12,300,000 ordinary shares of RM1.00 each were sub-divided into 123,000,000 TTB Shares.

4.2.5 Public Issue

In conjunction with the Listing, TTB will issue 40,000,000 new TTB Shares at the Issue Price to individuals, companies, societies, co-operatives and institutions by way of private placement and public offer, subject to the terms and conditions of this Prospectus.

Upon completion of the Public Issue, our issued and paid-up share capital will increase from RM12,300,000 comprising 123,000,000 TTB Shares to RM16,300,000 comprising 163,000,000 TTB Shares credited as fully paid-up.

4.2.6 Listing

Upon completion of the Public Issue, our entire issued and paid-up share capital of RM16,300,000 comprising 163,000,000 TTB Shares will be listed on the MESDAQ Market.

4.2.7 ESOS

In conjunction with the Listing, we will implement an ESOS involving up to fifteen per centum (15%) of TTB's issued and paid-up share capital at any time during the existence of the ESOS, to be issued pursuant to the options to be granted under the ESOS to the eligible Directors and eligible employees of our Group in accordance with the By-Laws of the ESOS.

Our Board shall, within the duration of the ESOS, make offers to grant Options to eligible Directors and employees of our Group in accordance with the By-Laws adopted by the shareholders of our Company. These Options shall be exercisable at a price which is the weighted average market price of the TTB Shares for the five (5) Market Days immediately preceding the date on which the Option is granted less, if the Directors of our Company shall decide at their discretion from time to time, a discount of not more than 10%.

The ESOS shall be in force for a duration of five (5) years. The new TTB Shares to be issued upon the exercise of the Options will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up shares of our Company, except that the new shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the said TTB Shares. The new TTB Shares will be subject to all the provisions of the Articles of Association of our Company.

The ESOS Option Committee established under the By-Laws governing the ESOS may, in accordance with the By-Laws governing the ESOS, offer Options to the Non-Executive Directors of the Company, subject always to any adjustments which may be made in accordance with the By-Laws governing and constituting the ESOS. The ESOS includes the granting of Options to two (2) of the Non-Executive Directors who are entitled to the ESOS and their maximum entitlement under the ESOS is 100,000 Options each.

The By-Laws of the ESOS are set out in Section 16 of this Prospectus.

4 INFORMATION ON TTB GROUP (Cont'd)

4.3 SHARE CAPITAL

As at the date of this Prospectus, our authorised share capital is RM25,000,000 comprising 250,000,000 TTB Shares whilst the issued and paid-up share capital of TTB is RM12,300,000 comprising 123,000,000 TTB Shares credited as fully paid-up. Upon completion of the Public Issue, our issued and paid-up share capital will increase to RM16,300,000 comprising 163,000,000 TTB Shares credited as fully paid-up.

Details of the changes in our issued and paid-up share capital since incorporation are as follows:-

| Date of Allotment/ Sub-division | No. of Ordinary Shares Allotted/ Sub-divided | Par Value (RM) | Consideration | Resultant Number of Issued and Paid-Up Share Capital | Total Issued and Paid-Up Share Capital (Cumulative) (RM) |
|---------------------------------|--|----------------|------------------------|--|--|
| 25.01.05 | 2 | 1.00 | Subscribers' shares | 2 | 2 |
| 30.09.06 | 12,299,998 | 1.00 | Acquisition of TSB | 12,300,000 | 12,300,000 |
| 02.10.06 | - | 0.10 | Sub-Division of Shares | 123,000,000 | 12,300,000 |

4.4 BUSINESS OVERVIEW

4.4.1 Overview

TTB is principally involved in research, design and development of application specific ESC system for eHAS in various industrial automation applications. TTB mainly provides in-house design and develops ESC to eHAS which are widely used in industrial automation for the semiconductor, steel, rubber, palm oil, automotive, logistic and marine industries.

The history of our Group can be traced back to 1986 with the commencement of business of TSB, which was essentially involved in providing, retailing and trading of hydraulic parts and components from its principal suppliers. The business was founded by Mr Chan Ah Ba and Mr Ooi Chai Huat who possess more than twenty (20) years of experience in the hydraulic equipment market. The co-founders have been instrumental in the growth, success and development of our Group.

Since its inception, TSB has advanced itself up the value chain by transforming from a trading company to an integrated eHAS provider in Malaysia. Today, our Group is a one-stop solution company in the field of hydraulic automation design and equipment engineering. Since TSB's commencement of business, we have successfully undertaken the development of a wide range of hydraulic automation systems. Our customer base is made up of companies in the steel, palm oil, wood-based, automotive, logistic, semiconductor, marine and construction industries. We have since the FYE 30 November 2003 started to migrate from being an OEM to an OBM solutions provider by selling our products directly to the end users under the "Tejari" brandname.

4 INFORMATION ON TTB GROUP (Cont'd)

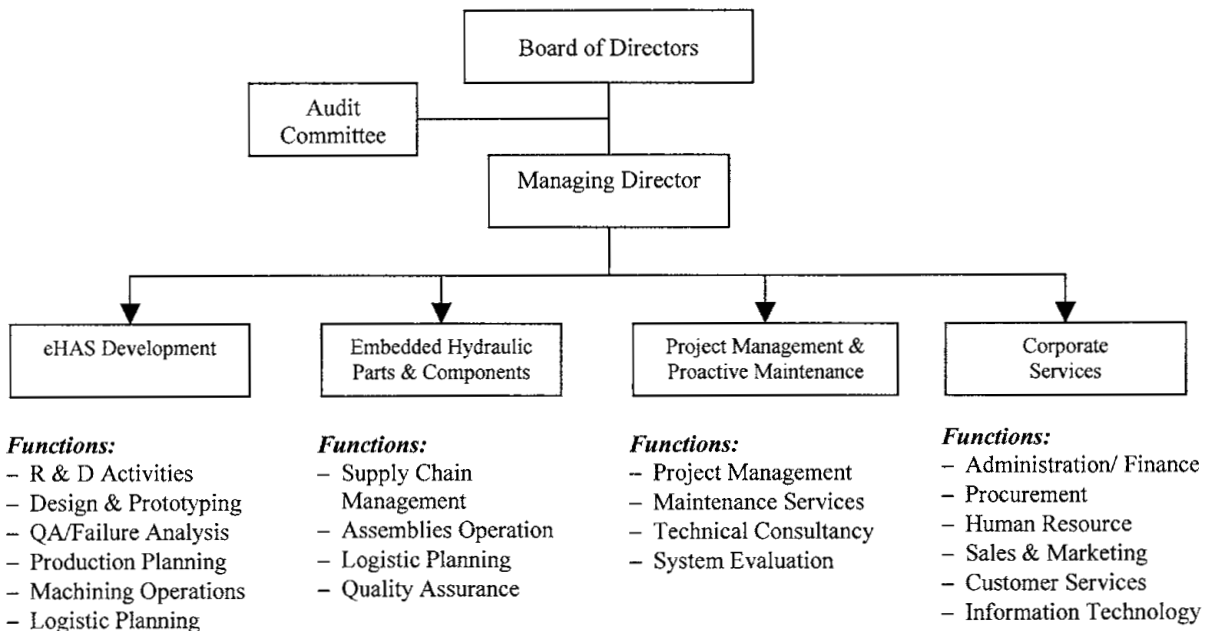
In August 2005, pursuant to the growing market demand, TSB transferred its ESC's R&D to TTB leaving TSB to focus mainly on the development and manufacturing of hydraulic automation systems and automation engineering. The internal re-organisation exercise enables our Group to focus on specific product development which is expected to shorten time to market

and thereby enhance the quality and performance of our solutions. In addition, our R&D resources will enhance our product to meet our customers' requirements, ensuring quality and cost competitiveness throughout every stage of the design. Currently, TTB is operating at 75 (2nd Floor) Persiaran Bayan Indah, 11900 Penang with a built up area of approximately 1,500 sq.ft..

4.4.2 Operating Mechanisms

4.4.2.1 Organisation Structure

An overview of the our Group organisation structure is depicted in the following organisation chart:



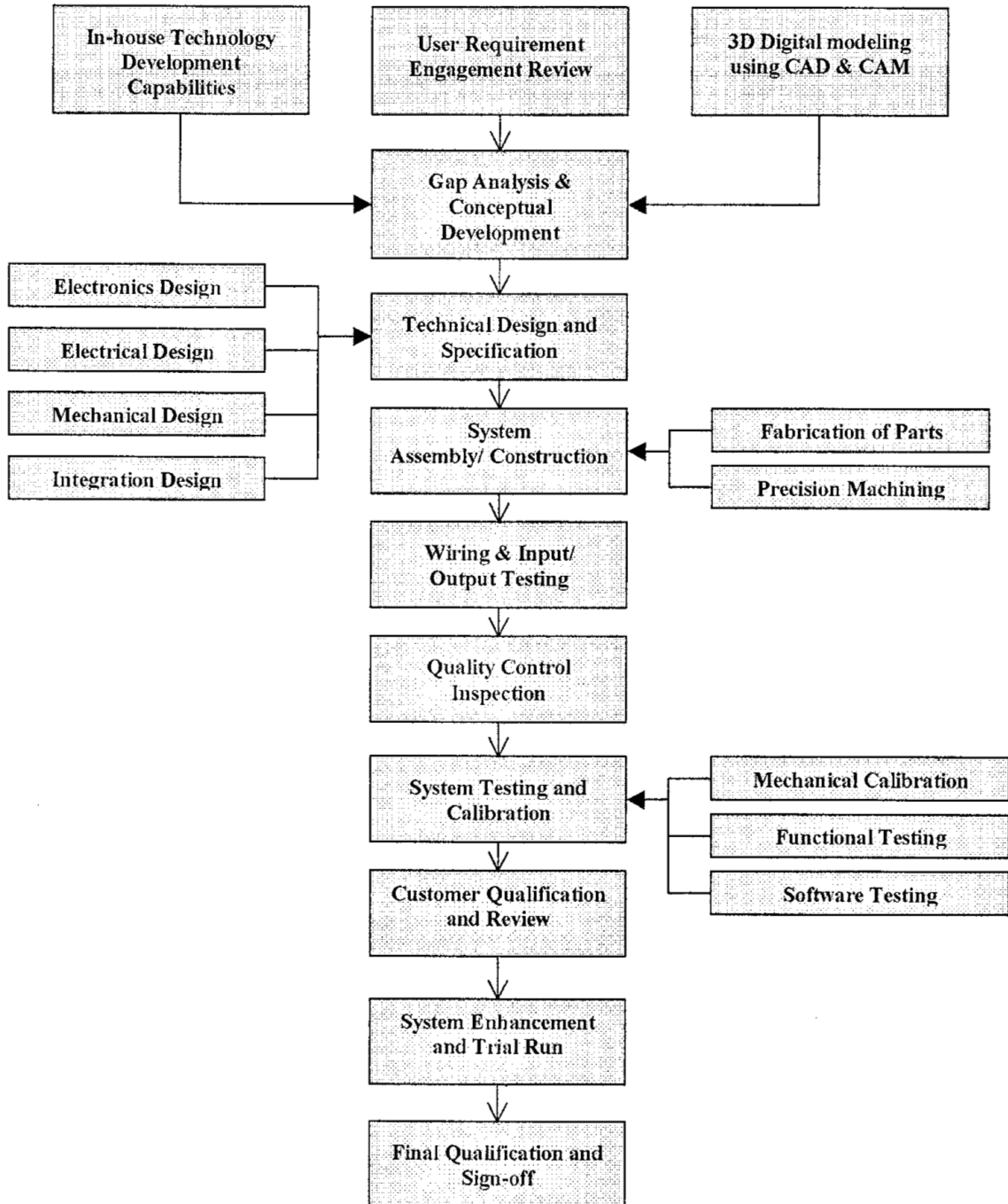
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4 INFORMATION ON TTB GROUP (Cont'd)

4.4.2.2 Product Development Process

Our Group's development/production processes are set out as follows:

eHAS Development Production Flow



4 INFORMATION ON TTB GROUP (Cont'd)

Under the eHAS division, our Group receives from our customers the technical and design specification engagement request of a system or the physical object. Our programme manager will then engage together our designing and R&D team to analyse each application requirements from multiple design parameters. This process involves examination of the availability of the resource and the technology requirements, followed by matching of our Group's in-house capabilities and resources to fill up any gaps.

Our Group has a systematically developed engagement protocols which consist of the appropriate tools, processes and communication schemes to be compatible with the customers' needs. This would facilitate correct and timely decisions, leading to successful project execution.

Our development projects require cross-disciplinary expertise which encompasses electronics design, electrical design, mechanical design and system integration design elements which forms the critical process of developing our eHAS. These design and specification processes can be explained in greater detail in the following table.

Design and Specification Processes

| Sub-Process | Description |
|--------------------|---|
| Electronics Design | Our Group's electronics design team offers electronics design expertise for a variety of controller and driver applications. Various CAE tools for hardware and software design and development of ESC are required to enhance the system's accuracy and performance. |
| Electrical Design | Our electrical design team designs and specifies electrical and wiring systems for the application hydraulic solution development. Emphasis is placed on maximising economic value to allow for more efficient energy optimization. The scope of development will focus on power and signals distribution, visual environment, motors, transformers, load control and use of CAD programmes. |
| Mechanical Design | <p>Our mechanical design team provides the close ties to the customers. This tie to customers ensures a higher level of ownership and accountability throughout the development life cycle. The involvement in the system development process does not end when the system is introduced to production process. Our mechanical design team continues their involvement throughout the production process with input into the specification, design and calibration of the system for a smooth transition to customers.</p> <p>Throughout the project life cycle, our mechanical design team communicates with customers and vendors with the use of robust collaborative design tools and processes. The use of solid model CAD tools provides the ability to visualize the design as it develops from early concepts through product introduction. Bi-directional interface between simulation layout tools and mechanical design tools are used to ensure critical specification issues are communicated.</p> |
| Integration Design | <p>Integration design is the bridging module that confirms the results of the design process meet both the internal and the customer's design requirements. Design validation ensures that the resultant module or product performs to the overall intended function of our customers manufacturing process.</p> <p>The process starts with the requirements phase which determines at which point the</p> |

4 INFORMATION ON TTB GROUP (Cont'd)

| Sub-Process | Description |
|---------------------------------------|---|
| | <p>intended use of the solution fit into our customer's overall manufacturing process. The basic forms, fits and functions are determined and then broken down to a list of parameters which integrate with the rest of the manufacturing process. These can then be partitioned into electronic requirements, mechanical requirements and environmental requirements.</p> |
| <p>System Testing and Calibration</p> | <p>The system design specification converts the raw requirements to detailed and parametric specifications from which a design can be generated. The calibration plan provides hydraulic procedures and pass/fail criterion linked through the design specification to the requirements document.</p> <p>The test or calibration plan provides the various methods to prove conformance to the requirements, which include inspection/audit, analysis and review. Inspections or audits, can be performed by our design team, an independent team or our customer. These run the gamut from ensuring compliance to process through determining "as designed/ as built" criterion. Analysis is usually performed by the designer and offered in support of a statement of compliance or in defence of the design during a review. Design reviews are a required part of our Group's design projects and the review board consists of the design team, independent reviewers and usually the customer. These give the design team benefit of the review board's aggregate experience and ensure that the required level of rigor and design discipline has been used in the execution of the design process.</p> <p>Test or calibration is the most visible method used in the verification process. A series of electrical, mechanical and environmental stimulus is applied to the design or its sub-systems and the responses are measured and judged for compliance to the specifications and requirements. Most developments require common testing such as vibration, shock, and leakage etc.</p> |

A project plan designed to carry out a product development will result in a list of tasks and linked resources often described by a project master schedule. The project master schedule shows the order of tasks, the critical paths and relationships of the product development.

Upon approval from our customers of the conceptual design, the approved system specification will be sent for production planning. Our dedicated programme coordinator will oversee the order processing and technical support coordination with customers. Component and resource planning will be sourced from designated suppliers both locally and abroad. The status of the production will be monitored and tracked closely by our programme coordinator to ensure compliance with the pre-established quality and characteristic specifications.

On-going supervision and inspection of the system will be carried out during the entire production process to facilitate corrective actions to eradicate causes of deviation at their sources.

The finished systems will then go through a final quality assurance inspection to ensure product quality and consistency is maintained before delivery to the customers. Apart from conducting own internal quality audit regularly, our Group's quality management system is also subject to senior management reviews with straight key performance indicators.

4 **INFORMATION ON TTB GROUP (Cont'd)**

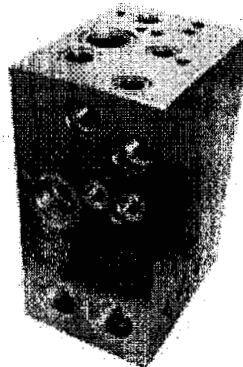
4.4.2.3 Technology Capabilities

HMB Technology

The HMB is a technology that utilises the cartridge concept in manifold blocks, with proportional type controls mounted directly to the motion device, eliminating interconnecting piping, tubing and/or hoses, thus reducing potential leaks, improving response time and incorporating such electronics that are needed for the system. The ability to provide integrated manifold designs which incorporate a variety of functions including flow, pressure and direction in a single HMB and attaching it to the motion device offers many advantages to its potential customers.

The barriers to new developers of HMB are as follows:

- Lack of technical know how, design-to-build applications as well as experience in various industry applications.
- Industries which TTB focus on such as, palm oil and steel mills require prior credentials in automation solutions. Such credentials will take years to establish and to be accredited by the industry.
- The design of the HMB requires expertise in various engineering disciplines such as mechanical, fluid power as well as industrial application design and such combination is difficult to obtain in the market place.



An example of HMB in eHAS

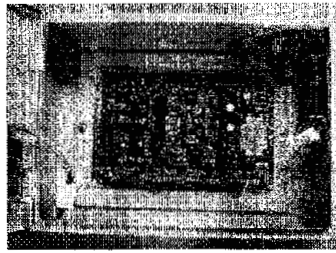
Our Group's HMB technology replaces the conventional hydraulic systems which use the conventional sub-plate manifolds, hard or flexible piping, connectors and clamps which are formerly known as distribution system. This is because HMB offers easy installation, is compact, safe, leak-free, cleaner and has more reliable features as opposed to the conventional hydraulic systems.

ESC

Our Group also designs and develops the ESC in all its eHAS solutions whereby the ESC is used to regulate the flow of fluid power through proportional valves thus reducing the "jerkiness" in motion as compared to conventional hydraulic systems using on/off control valves. ESC is capable of providing an output current proportional to the input voltage via pulse-width modulation. The output current is used to control on and off duration of a proportional valve. The on and off duration will regulate the flow of fluid through the proportional valve, hence control of the

4 INFORMATION ON TTB GROUP (Cont'd)

motion of other hydraulic actuators such as rotary pump and linear cylinder is achieved.



An example of ESC in eHAS

Our Group applies CAD/CAM software technologies in its product design and development process. Our Group's design team consists of technical staffs that are highly trained with years of expertise in the design software such as AutoCAD, Inventor and DELCAM.

As at LPD, our Group's R&D team, headed by Mr Chan Boon Seng, comprises eight (8) design and application engineers, with an average of six (6) years working experience in R&D and related technical fields. Our Group intends to expand the expertise of the R&D team to twelve (12) design and application engineers by 2008.

Our Group has developed and launched its first HMB application in 2000. In 2001, our Group introduced its first developed eHAS and in 2004, ESC was developed by our Group for its eHAS.

4.4.3 Products and Services

(i) eHAS Division

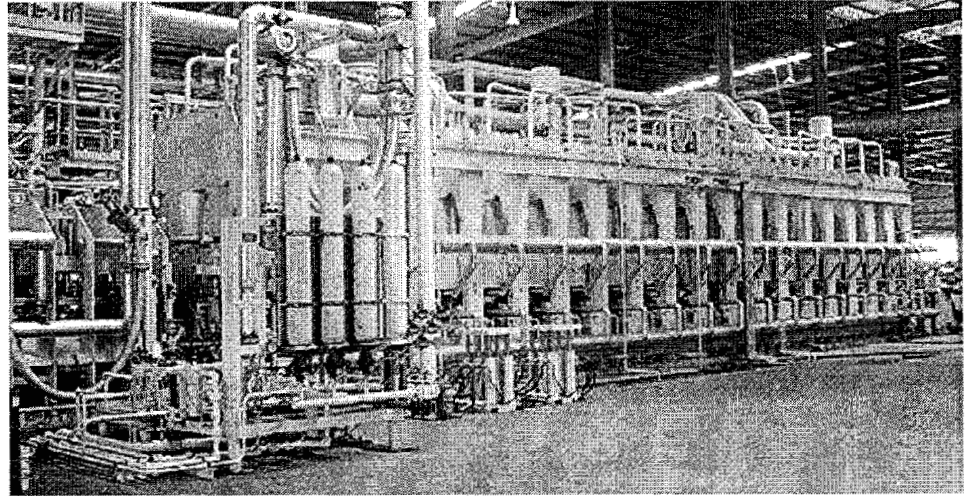
Our Group's integrated eHAS enhances the machine and equipment processes and systems with high power density and power amplification critical to heavy automated production processes such as high performance injection moulding, press, cutting, material handling machine and equipment that are often used in various automated factory or plant of its end customers.

Our eHAS solutions consist of the following product segments:

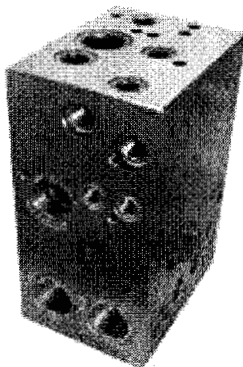
| Segment | Generic Name (Industry) | TTB Group eHAS solutions |
|---------|--|------------------------------|
| 1 | Valves | HMS/HMB (design and develop) |
| 2 | Controllers/ Other Hydraulic Equipment | ESC (design and develop) |
| 3 | Cylinders/Actuators | Design, develop & customise |
| 4 | Power Packs Systems | Design, develop & customise |
| 5 | Accumulators and Filters Systems | Customise |
| 6 | Pumps and Motors | Customise |

4 INFORMATION ON TTB GROUP (Cont'd)

The following picture shows an example of an eHAS used in a particle board making company:



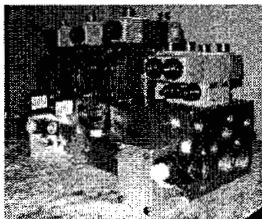
eHAS is made up of the following various systems and parts:



(HMB)

- HMB with Valves systems

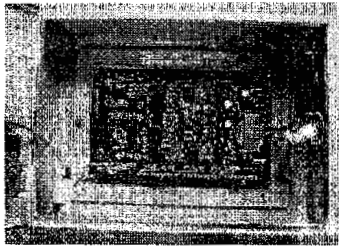
The HMB is a technology that utilises the cartridge concept in manifold blocks, with proportional type controls mounted directly to the motion device, eliminating interconnecting piping, tubing and/or hoses, thus reducing potential leaks, improving response time and incorporate such electronics that are needed for the system. The ability to provide integrated manifold designs which incorporate variety of functions including flow, pressure and direction in a single HMB and attaching it to the motion device offers many advantages to its potential customers.



(HMB with Valves)

Valves are designed to regulate the flow of fluids. They are classified into five designs—spool valves, poppet valves, flow valves, pressure valves and proportional valves. Popular among these are spool and poppet. Poppet variants include pilot and pre-fill valves, while linear spool is the most widely used directional control valve. Pressure control valves are categorized into three groups namely simple pressure control valves, pressure-sequencing valves, and pressure-reducing valves.

4 INFORMATION ON TTB GROUP (Cont'd)



(ESC)

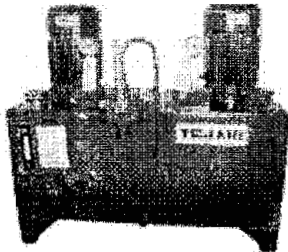
- Other Hydraulic Equipment

This equipment includes ESC and other accessories such as pressure switches, micro-switches controlled heaters, pressure gauges, sensors, reservoirs, brakes, hydraulic clutches, float switches and monitoring elements.



- Cylinders/ Actuators

Hydraulic cylinders, also known as actuators, produce mechanical power by converting hydraulic pressure into linear motion.



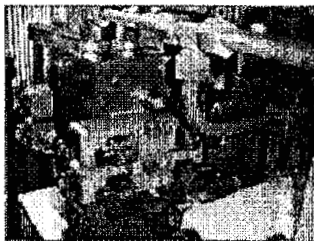
- Power Packs Systems

A power pack comprises circuit valves, pressure accumulators, in addition to a diesel engine or an electric motor. The diesel engine or electric motor is the main driving unit of the hydraulic pump. The size of these units varies from small portable systems to units of the size that can power bridge-lifting mechanism.



- Accumulators and Filters Systems

Accumulators are emergency standby reserves of high-pressure fluids capable of regulating hydraulic automation's operating pressure and pump pulsations. Accumulators are categorized into five types – bladder, membrane, piston, spring and weight. Filters help prevent contamination of the hydraulic fluid channel to ensure optimal operation of the system.



- Pumps and Motors

Hydraulic pumps transform mechanical energy to hydraulic energy by thrusting fluid into system. A hydraulic pump extracts hydraulic fluid from a holding tank to produce fluid flow with adequate pressure to offset the flow resistance. Hydraulic motors transform the pressure energy into rotational motion. All pumps and motors invariably offer fixed displacement, by displacing a fixed amount of fluid in every rotation of the drive shaft. Pumps and motors are divided into four classes; - gears, pistons, vanes and others.

4 INFORMATION ON TTB GROUP (Cont'd)

(ii) Embedded Hydraulic Parts and Components Division

The embedded hydraulic parts and component division offers its customers a wide range of hydraulic embedded products range such as hoses, fittings, accessories, jigs and fixture, sealing solutions and other components. With the wide base selection of hoses, and more fitting sizes and configurations, our Group is able to provide subsequent maintenance and after sales support to most of its customers.

Our Group is committed in applying innovative hydraulic technologies and customer knowledge in assisting customers on improving their existing systems through expert consulting on “best-fit” embedded hydraulic parts and components replacement. This division allows new customers with existing systems to build up confidence on the Group’s expertise which allows subsequent penetration on the overall systems.

Our in-house engineering capabilities in developing customized embedded hydraulic parts and components also provide our Group with competitive advantage and differentiation from other local suppliers in Malaysia. This is due to our ability to design and customise customers’ needs with a high level of flexibility at a competitive price. As a result, our Group is able to provide modifications to the customer’s existing systems to further enhance performance.

(iii) Project Management and Proactive Maintenance Division

Our Group’s commitment to creating stronger relationships with our customers is demonstrated by our line-up of technical expertise and support services. Capitalising on these strengths, our Group utilises project management approach that puts a focus on what the customers want the most - support, single-point of responsibility, communication, and quick turn around.

A dedicated team of experienced project managers, engineers, and co-ordinators, using the latest in tools and technology, handles order entry, logistics, financial management, drawing management, value engineering, warranty support, and operation and maintenance manuals.

Our project coordinators will track project costs and ensure drawings are provided on schedule and per contract requirements. Sometimes, in more complex projects, changes need to be made to fit the application. With our Group’s project management team, this will enable the project to be completed on a timely basis as our Group’s on-site project engineers have the experience to manage any variation to the original design.

The pro-active maintenance solution is an on-going value added proposition to our Group’s customers. With the “on call/occasion basis”, our Group’s pro-active maintenance offers our customers solutions by providing timely monitoring support on the hydraulic automation operating condition. Understanding the critical state of ensuring smooth operation of our customers, our Group provides a pro-active monitoring system which covers contamination and leakage detection so as to minimise shutdown of customers’ operation due to system failures.

Located in regional facilities, the project management and maintenance team aids the total Group solution by supplying a single-point of contact for all post-order activity, systematic status updates, modification to original design management, quick drawing approval process and smooth start-up processes.

4 INFORMATION ON TTB GROUP (Cont'd)

With the project management and pro-active maintenance solution, our customers gain added value, by reaping the benefits of not only a professional and knowledgeable sales staff but also a dedicated support organisation.

As at the LPD, there is no significant new or proposed products and services introduced apart from what have been disclosed above and in Section 4.4.9.4 of this Prospectus.

4.4.4 Market Coverage, Position and Share

The related industry that we are in is the hydraulic equipment industry. However, we are not able to estimate our market coverage, position and share, primarily because of the fact that there are no direct comparable players in the Malaysian market as these local players are mainly trading in hydraulic systems' spare parts and components of foreign brand products.

However, it is our Group's medium term plan to establish itself as a regional player in the hydraulic equipment market place specifically at South-East Asia. Based on the Global Strategic Business Report on Hydraulic Equipment by Global Industry Analyst, Inc. dated February 2005 ("Business Report"), the Asia Pacific region represents a market size of USD2.1 billion in 2005 and USD2.8 billion by 2010.

The Malaysia general industrial M&E, components and parts sub-sector covers a broad category of products such as air-conditioning plants, cold room equipment, elevators, cranes, conveyor systems, pumps, compressors, welding machines, fans & blowers, heat exchangers, pressure vessels, filtering equipment, valves, bearings, gears, actuators, etc. From January to November 2005, the total imports on general industrial M&E, components and parts amount to RM11.9 billion compared with RM11.6 billion for the whole year of 2004.

Although the M&E manufacturing industry has grown significantly over the last three decades to support the growth of other industries in Malaysia, there is still a large potential for import substitution as shown by import figures for M&E as shown in section 5.2 in this Prospectus.

4.4.5 Modes of Marketing and Distribution and Marketing Strategy

4.4.5.1 Marketing and Distribution

Currently, our Group's products and services cover various industries such as the semiconductor, steel, rubber, palm oil, automotive, logistic and wood-based. Our products and services are mainly sold to customers located in Malaysia and some are exported to overseas market such as Singapore, Thailand and Indonesia. The current trend which is moving towards highly customised hydraulics solution coupled well with the Group's products and services. Our Group will capitalise on this trend by offering its expertise, capabilities and services to support the customers operations and markets.

Our Group's marketing team consists of nineteen (19) sales/marketing staff that is spearheaded by the Managing Director. Due to the nature of our Group's services which involve high level of technical specifications and processes, the marketing department works closely with the R&D department for both pre-sales and post-sales activities. The marketing process involves a relatively lengthy cycle which begins with the initial contact with a prospective customer, followed by presentations of our Group's capabilities, facilities and track record, site visits, product demonstrations, audit and verification by the potential customer, qualification and finally price negotiations.

4 INFORMATION ON TTB GROUP (Cont'd)

Our marketing team is also responsible for front line post-sales customer service which covers project management including making the necessary logistic arrangements, overseeing quality matters to ensure scheduled and timely delivery to customers.

4.4.5.2 Market Strategy

Our Group's products and services are essentially captured under the various industries ranging from the semiconductor, steel, rubber, palm oil, automotive, logistic to wood-based, providing both intermediate and final solutions and services to these customers. Our customer base comprises companies with production facilities in Malaysia, Thailand and Indonesia.

For the medium to long term, our Group plans to expand its business via two approaches:-

(a) Penetrating New Regional Markets

Our Group plans to increase its market share by penetrating into countries such as Thailand, Indonesia and other countries in Asia. Thus, it is important to maintain a strong marketing channel and supporting network to ensure effective expansion to these countries. Our Group will be actively establishing and supporting the distribution network to provide a better support to the customers in these countries.

(b) Penetrating New Hydraulic Based Application Solutions

Our Group will continue to maintain good relationship with its existing customers. Such close ties have established mutual benefits in the technological development. With its past experiences, our Group plans to expand its current range of solutions and customer base. In addition, our Group will leverage on our competitive advantage on the proven track record with current key customers to extend the applications of our products and services.

4.4.6 Principal Assets and Principal Place of Business

Our principal assets and place of business are currently located at No. 44, Jalan Bawal, Taman Kimsar, 13700 Perai, Penang, Malaysia which serves as our Group's head office, housing the administrative, production, sales & marketing facilities as well as R&D facility and Lot 667 and 668, Mukim 13, Jalan Sungai Juru, 14100, Juru Industrial Estate, Seberang Prai, Penang of where production are carried out.

4.4.7 Operating Capacities and Output

As our Group is involved in the provision of hydraulic automation solutions, our operating capacity is determined by the number and experiences of the skilled engineers employees that we have. As such, we constantly monitor the requirements of our engineers employees in respect of their competency, skills and intuition to ensure that contracts secured could be delivered to customers as scheduled. To-date, we have not encountered any constraints in operating capacity. We also have not encountered any difficulty in increasing our headcount to meet the delivery of the increase in contracts. There is no fixed output to our manufacturing division as the total number of eHAS project completed varies in size, value, specification, customisation features, functionality and other factors.

4 INFORMATION ON TTB GROUP (Cont'd)

4.4.8 Quality Control Procedures

Our Group adopts a stringent internal quality management policy to ensure that its products and services are of high quality and meet its customers' specifications and stringent requirements. Our Directors believe our Group's ability to continue consistently produce high quality products and services to our customers will further enhance our Group's position as a preferred vendor specialising in hydraulic automation solutions to its existing customers as well as attracting new customers. Our Group is thus, committed to maintaining a high standard of quality control throughout the entire design and production process.

Our Group conducts 100% inspection control checks at various stages of the production process to facilitate corrective actions in order to eradicate any cause of deviation at their sources. Technological monitoring instruments and highly trained technical staff are also in place to ensure that the accuracy and reliability of every system are at the predetermined quality standards.

Our Group has obtained certification for its ISO 9001:2000 status for our quality management systems applicable to the design and manufacture of eHAS on 28 March 2006. As such our quality control process will be subject to regular external audits by the quality accreditation bodies for re-certification of its ISO and quality service standards.

4.4.9 R&D

Our TTB Group is an integrated eHAS provider in Malaysia. The record of solutions innovation is well documented in our history over the past decade and well known by our customers.

Our Group is committed to continuous R&D in order to remain our competitiveness amongst our competitors. Our Directors believe that growth through technical breakthrough is vital in maintaining its competitive edge in this industry. Headed by experience technical professionals, our R&D department consist of eight (8) design and applications engineers as at LPD and our Group targets to expand the team to twelve (12) staff by FYE 30 November 2008. Design excellence is the ultimate goal of the R&D charter and target to translate that to customers' performance.

To our Directors' best knowledge, there is no direct comparable integrated eHAS provider apart from the TTB Group in the local context as most of the local players are sales agents and/or distributors to foreign companies. Thus, most of the competition comes from technologically advanced nations such as the USA, Germany and Japan.

4.4.9.1 R&D Objectives

Our Group's R&D objectives are to:

- a. Develop and create value to the company and customers through design excellence;
- b. Ensure our Group's competitiveness and its intellectual property is enhanced through continuous improvement and breakthrough innovations.
- c. Launching cost competitive solutions to the marketplace on low cost and timely basis; and
- d. Challenging the status quo to maintain our Group's leading edge position.

4 INFORMATION ON TTB GROUP (Cont'd)

By setting the above objectives, policies and measures are put in place to meet them, our Group hopes to continuously improve its technology capabilities and explore new avenues to provide higher value added services to customers and to propel the future growth of our Group.

4.4.9.2 R&D Policy

Our Group has outlined an R&D master policy based on our Group's aspirations and anticipated developments within the industry. In our R&D master policy, our Group has identified certain projects which will form the thrust of our Group's R&D pursuits for the next three (3) years including structural improvements to facilitate our Group's R&D efforts. The structural improvements include development of our R&D staff force, leverage on information technology to boost our R&D capabilities and investment in the state-of-the-art infrastructure.

4.4.9.3 R&D Facilities and Personnel

Our Group's R&D team, headed by Mr Chan Boon Seng, comprises eight (8) design and application engineers as at LPD, with an average of six (6) years working experience in R&D and related technical fields. Our Group intends to expand the expertise of the R&D team to twelve (12) design and application engineers by the next two years.

As at to-date, our Group has invested approximately RM0.924 million in its R&D expenses over the last three (3) FYE 30 November 2004 to FYE 30 November 2006. To ensure that our Group is able to maintain its leading edge in the industry, our Group plans to invest approximately RM1.544 million in R&D related activities over the next two (2) FYE 30 November 2008. The R&D plan will focus on hydraulic technologies and product development where the design facilities will be enhanced and the internal capabilities will be addressed to improve productivity and reduce costs. This is necessary for our Group to remain competitive with those developed countries especially in the current knowledge-based economy.

A summary of the future R&D expenditure for the abovementioned activities in the next two (2) FYE 30 November 2008 are tabulated below:-

| FYE 30 November Activity | R&D Budget Allocations | |
|-----------------------------|------------------------|----------------|
| | 2007 RM'000 | 2008 RM'000 |
| R&D payroll | 508 | 796 |
| R&D equipment | 240 | 0 |
| | 748 | 796 |

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4 INFORMATION ON TTB GROUP (Cont'd)

The amount spent for R&D expenditure during the last three (3) FYE 30 November 2004 to 30 November 2006 and comparison as a percentage of TTB Group's turnover on corporation sponsored research and development activities are as follows:

R&D Budget Allocations

| | < ---FYE 30 November --- > | | |
|---|----------------------------|--------|--------|
| | 2004 | 2005 | 2006 |
| R&D Expenditure (RM'000) | 279 | 309 | 336 |
| Proforma Group Turnover (RM'000) | 14,278 | 16,796 | 20,948 |
| Percentage of R&D expenditure as compared to the Group's turnover (%) | 1.95 | 1.84 | 1.60 |

4.4.9.4 Existing and/or Ongoing R&D Projects

Our Group's R&D team has undertaken the following R&D projects development:-

(a) HMB Development

In 1996, our Group began its path-finding exploration on developing our own hydraulic components. What the OEM's and end users need are products that are priced competitively, more efficient and reliable.

The HMB is a technology that utilises the cartridge concept in manifold blocks, with proportional type controls mounted directly to the motion device, eliminating interconnecting piping, tubing and/or hoses, thus reducing potential leaks, improving response time and incorporate such electronics that are needed for the system.

The ability to provide integrated manifold designs which incorporates a variety of functions including flow, pressure and direction in a single HMB and attaching it to the motion device offers many advantages to its potential customers.

A HMB has a pressure line and tank line drilled down to the length of an aluminium or steel block. Manifolds are utilised for both parallel and series circuits. Directional valves are bolted to one face of the manifold and each connects into the common pressure and tank lines. The manifold contains working port connections for each valve station. The use of manifolds has greatly reduced the amount of piping, and therefore labour time, materials and leakage points.

Our Group uses AutoCAD, Inventor and DELCAM Software to design HMB.

Our Group HMB design offers its customer many benefits, which amongst them are:

4 INFORMATION ON TTB GROUP (Cont'd)

- A system built into HMB takes up much less space than does the same circuit built up with valves in individual bodies. This generally results in reduced weight of the final system.
- A system built into HMB has far fewer leakage points than does a system built up with valves in individual bodies.
- A system built into HMB requires less assembly time than does the same circuit built with valves in individual bodies.
- The skill level required to assemble a circuit built with valves in individual bodies is relatively high. Assemblers with such skills are in short supply. It may be more cost effective to use these people on other essential fabrication tasks.

(b) ESC Development

Our Group believes that continuous R&D initiatives will bring additional potential to the product development in the long term. Our Group's R&D team explored and developed the ESC for its first eHAS. As there are not many local designed ESC available commercially for sales in the market, this has presented our Group with a huge opportunity for the substitution of imported components.

Our Group designs and develops the ESC in all its eHAS solutions whereby the ESC is used to regulate the flow of fluid power through proportional valve thus reducing the "jerkiness" in motion as compared to conventional hydraulic systems using on/off control valves. ESC is capable of providing an output current proportional to the input voltage via pulse-width modulation. The output current is used to control on and off duration of a proportional valve. The on and off duration will regulate the flow of fluid through the proportional valve, hence control of the motion of other hydraulic actuators such as rotary pump and linear cylinder is achieved.

ESC plays an indispensable role in eHAS. Our Group's basic ESC can be used to create electronic hydraulic motion sequences flexibly and precisely by the users. The basic ESC offers numerous possibilities of determining motion sequences and linking signals.

(c) Future R&D Projects

Going forward, our Group will continue to initiate and explore technological innovations that will provide our Group with competitive advantage in the long run.

Based on our Group's R&D direction, the R&D focus can be divided into two areas namely hydraulic application development and ESC development.

Under the hydraulic application development division, resources will be dedicated for the exploration and path finding on improving the hydraulic efficiency and resolve current limitation on the existing systems. Improvement and development of hardware and software design will be carried out with

4 INFORMATION ON TTB GROUP (Cont'd)

priority focus on improving the performance and accuracy tolerance of various modules of the hydraulic system.

As the extension of the hydraulic application development initiative, path-finding development of hydraulic filtration system was initiated in 2005 and currently on going for conceptual and prototype development. As the performance requirement for hydraulic automation system increases, contamination imposes greater challenges for the industry. This presents a great potential for the filtration system market. Our Group intends to develop a “smart” filtration system leveraging on the electronic advancement in hydraulic automation system. The “smart filtration system” will provide our customers a proactive maintenance system and reduce down time for the customers’ operation. Barring any unforeseen circumstances, the “smart filtration system”, an innovative product for the Group, will be expected to be commercialised by the first half of year 2008.

As part of our management initiative in the new millennium, our Group will also expand its development of ESC into an advanced/multiple network/system interface ESC for application in control of hydraulic devices and systems in distributed factory. Barring any unforeseen circumstances, the advanced network interface ESC, an innovative product for our Group, will be expected to be commercialised by the first half of year 2008.

4.4.9.5 Achievements in R&D

Since the inception, our Group has established itself as the only integrated eHAS provider in Malaysia to many of its industrial clientele. The proven success of our Group’s solutions adopted by the customers in the industry is a live testimony of our Group’s technology superiority and commitment.

The successful introduction of HMB & ESC into the market place marked a great chapter in our Group’s historical milestone which symbolizes the key contribution of R&D effort over these years.

Our Group is proud to be recognised by customers and the industry for providing superior value and innovative solutions to meet the stringent technical challenges. Our Group has many years of business relationship with various industrial customers both local and international. Leveraging on our Group’s clientele profile, our Group has successfully expanded our solutions to other leading industry customers.

Over the years, our Group has grown the business content with these clienteles as our Group evolves from a component trading company to today’s one stop eHAS provider.

4.4.10 Interruptions in the Business During The Past Twelve (12) Months

There has been no interruption to our Group’s business or operations in the past twelve (12) months.

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4 INFORMATION ON TTB GROUP (Cont'd)

4.4.11 Key Milestones, Achievements and Awards

The key milestones, achievements and awards of our TTB Group are set out below:

| | |
|------|--|
| 1986 | TSB awarded distributorship for Vickers Systems Sdn Bhd products; and TSB penetrated into steel foundries automation system market. |
| 1987 | TSB penetrated into rubber processing automation system market. |
| 1988 | TSB developed its first hydraulic automation system for rubber production industry |
| 1991 | TSB penetrated into automotive industry automation system market. |
| 1995 | TSB penetrated into semiconductor automation system market. |
| 1998 | TSB commenced the path-finding exploration on development of HMB. |
| 2000 | TSB launched its first HMB based application. |
| 2001 | TSB introduced its first eHAS. |
| 2002 | TSB successfully qualified as OEM provider for power pack systems for Vickers System Sdn Bhd. |
| 2003 | TSB penetrated into palm oil refinery automation system market. |
| 2004 | TSB commenced the path-finding exploration on development of ESC. |
| 2005 | TSB commenced the path-finding exploration on development of hydraulic filtration system; TSB awarded High Technology Company Pioneer Status for design, development and manufacture of Ehas; and TTB awarded MSC status with 10 years pioneer status. |
| 2006 | TSB awarded ISO 9001:2000 certification; and TSB obtained industrial design certification on Double Pump Block and Saxon Lift Block for Hydraulic System under class 13-03. |

4.4.12 Exceptional Factors Affecting The Business

Save for the risk factors highlighted in Section 3 of this Prospectus, our Group does not foresee any exceptional factors, which may affect its business.

4.4.13 Seasonal or cyclical factors

The operation of our Group is not materially affected by any seasonal or cyclical factors, other than the general economic environment in which it operates.

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4 INFORMATION ON TTB GROUP (Cont'd)**4.4.14 Major Customers**

Our Group's customer base of more than 200 customers both local and overseas is made up of companies in their various industries. Our Group's five (5) largest customers for each of the three (3) FYE 30 November 2006 are as follows:

FYE 30 NOVEMBER 2004

| Customers | Country | Type of Industries | Turnover (RM'000) | % of the Group Turnover |
|------------------------------|----------|-------------------------|-------------------|-------------------------|
| 1. Merbok MDF Sdn Bhd | Malaysia | Wood Based Manufacturer | 559 | 3.9 |
| 2. Y & L Tractor Parts | Malaysia | Trading | 419 | 2.9 |
| 3. Southern Steel Bhd | Malaysia | Steel Mill | 369 | 2.6 |
| 4. Malayawata Steel Bhd | Malaysia | Steel Mill | 295 | 2.1 |
| 5. Kian Soon Plastic Sdn Bhd | Malaysia | Plastic Recycling | 268 | 1.9 |

FYE 30 NOVEMBER 2005

| Customers | Country | Type of Industries | Turnover (RM'000) | % of the Group Turnover |
|---|-----------|----------------------------|-------------------|-------------------------|
| 1. Vickers Systems Sdn Bhd | Malaysia | OEM Hydraulic Manufacturer | 1,444 | 8.6 |
| 2. Vickers Systems Asia Pacific Pte. Ltd. | Singapore | OEM Hydraulic Manufacturer | 823 | 4.9 |
| 3. Megasteel Sdn Bhd | Malaysia | Steel Mill | 588 | 3.5 |
| 4. Muda Paper Mills Sdn Bhd | Malaysia | Pulp and Paper Mill | 420 | 2.5 |
| 5. Southern Steel Bhd | Malaysia | Steel Mill | 353 | 2.1 |

FYE 30 NOVEMBER 2006

| Customers | Country | Type of Industries | Turnover (RM'000) | % of the Group Turnover |
|--|----------|----------------------|-------------------|-------------------------|
| 1. Hoe Heng Engineering Sdn Bhd | Malaysia | Equipment Fabricator | 655 | 3.13 |
| 2. Alam Bumi Palm Oil Mills Sdn Bhd | Malaysia | Palm Oil Mill | 601 | 2.87 |
| 3. HP Parts Sdn Bhd | Malaysia | Trading | 532 | 2.54 |
| 4. Universal Hydraulic Fitting Trading | Malaysia | Trading | 497 | 2.37 |
| 5. Y&L Tractor Parts | Malaysia | Trading | 359 | 1.71 |

4 INFORMATION ON TTB GROUP (Cont'd)

This distinctive customer base comprises a wide spread of industries in wood based, steel, pulp and paper, palm oil, semiconductor, logistic, etc. Thus, our Group does not have major dependence on any single customer from one industry.

The approximate classification of our Group's customer for the FYE 30 November 2005 and FYE 30 November 2006 by industry sectors are as follows:

| Industry Sectors | % of the Group Turnover for FYE 30 November 2005 | % of Group Turnover for FYE 30 November 2006 |
|---|---|---|
| Rubber/ Paper/ Palm Oil/ Wood/ Other Agricultural Based | 32 | 25 |
| Steel Mills/ Foundries | 23 | 12 |
| Semiconductors/ Electronics/ Tooling/ Automation | 16 | 7 |
| Logistics/Handling | 13 | 4 |
| Construction/ Building/ Others | 11 | 49 |
| Automotive | 3 | 3 |
| Marine | 2 | - |
| Total | 100 | 100 |

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4 INFORMATION ON TTB GROUP (Cont'd)**4.4.15 Major Suppliers**

Our Group's five (5) largest suppliers for each of the three (3) FYE 30 November 2006 are as follows:

FYE 30 NOVEMBER 2004

| Suppliers | | Country | Products/ Services Purchased | Purchases (RM'000) | % of the Group Purchases |
|-----------|--|-----------|----------------------------------|--------------------|--------------------------|
| 1. | Vickers Systems Sdn Bhd | Malaysia | Raw Hydraulic Parts & Components | 883 | 10.3 |
| 2. | Vickers Systems Asia Pacific Pte. Ltd. | Singapore | Raw Hydraulic Parts & Components | 760 | 8.9 |
| 3. | Hydra-Line Hydraulics Sdn Bhd | Malaysia | Hydraulic Barrels and Shafts | 235 | 2.7 |
| 4. | WH Wentech Hydraulic Trading Sdn Bhd | Malaysia | Hydraulic Accessories | 186 | 2.2 |
| 5. | Chuan Aun Hardware Sdn Bhd | Malaysia | Raw Steel Plates and Sheets | 146 | 1.7 |

FYE 30 NOVEMBER 2005

| Suppliers | | Country | Products/ Services Purchased | Purchases (RM'000) | % of the Group Purchases |
|-----------|---|-----------|----------------------------------|--------------------|--------------------------|
| 1. | Vickers Systems Sdn Bhd | Malaysia | Raw Hydraulic Parts & Components | 1,165 | 12.1 |
| 2. | Vickers Systems Asia Pacific Pte. Ltd. | Singapore | Raw Hydraulic Parts & Components | 693 | 7.2 |
| 3. | Min Hardware & Industrial Gases Sdn Bhd | Malaysia | Mild Steels and Industrial Gases | 241 | 2.5 |
| 4. | Sanko Soji Co. Ltd | Japan | Hydraulic Seamless Tubes | 231 | 2.4 |
| 5. | Hydra-Line Hydraulics Sdn Bhd | Malaysia | Hydraulic Barrels and Shafts | 183 | 1.9 |

FYE 30 NOVEMBER 2006

| Suppliers | | Country | Products/ Services Purchased | Purchases (RM'000) | % of the Group Purchases |
|-----------|--|-----------|----------------------------------|--------------------|--------------------------|
| 1. | Aeroquip Singapore Pte Ltd | Singapore | Raw Hydraulic Parts & Components | 2,366 | 21.10 |
| 2. | Vickers Systems Asia Pacific Pte. Ltd. | Singapore | Raw Hydraulic Parts & Components | 2,032 | 18.12 |
| 3. | Exmart Sdn Bhd | Malaysia | Components | 315 | 2.81 |
| 4. | Stauff Corporation Pty Ltd (Euro) | Australia | Hydraulic Accessories | 235 | 2.10 |
| 5. | Best Domain Technology Ltd | Taiwan | Raw Materials | 159 | 1.42 |

4 INFORMATION ON TTB GROUP (Cont'd)

The main raw materials which consist of raw hydraulic parts and components, accessories, steel plates & sheets etc. are used by us for our business activities are sourced locally and some imported. The prices of these principal raw materials are not volatile. Our Group has no dependency on any of our major suppliers. The raw materials for the development of our solutions are readily available and easily sourced from other suppliers.

4.4.16 Brand names, Patents, Trade Marks, Technical Assistant Agreements, Franchises and Other Intellectual Property Rights

Currently, TTB Group has obtained industrial design certification for the followings:

| Name of Applicant | Application No. and Date | Description | Status |
|--------------------------|---------------------------------|---|---|
| TSB | 05-00058 & 20-01-2005 | Industrial Design entitled Double Pump Block for Hydraulic System under class 13-03 | Registered on 20 January 2005 and will expire on 20 January 2010. However the period of registration may be extended for two further consecutive terms of 5 years each. |
| TSB | 05-00057 & 20-01-2005 | Industrial Design entitled Saxon Lift Block for Hydraulic System under class 13-03 | Registered on 20 January 2005 and will expire on 20 January 2010. However the period of registration may be extended for two further consecutive terms of 5 years each. |

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4 INFORMATION ON TTB GROUP (Cont'd)

Our Group has also applied for the following intellectual property registration: -

| Name of Applicant | Application No. and Date | Description | Status |
|-------------------|--------------------------|--|--|
| TSB | 2005-08390 & 27-05-2005 | Trade Mark- TEJARI for hydraulic control apparatus for machines; hydraulic control installations; hydraulic power tools; hydraulic power transmission units [other than for land vehicles]; hydraulic cylinders [machines or parts of machines]; hydraulic connectors [pipes] being parts of the machines; hydraulic connectors [pipes] being parts of motors [other than for vehicles]; metal hoses for use in hydraulic systems in machines; air pressure intensifiers for hydraulic accumulators; pressure controllers [regulators] being parts of machines; clamp connectors for piping [parts of machines]; filtration apparatus for industrial purposes; machines utilising punched [encoded] card for the control of a manufacturing process; gear pump; all included in Class 07. | Applied and pending approval for registration |
| TSB | 2005-08391 & 27-05-2005 | Trade Mark- TEJARI for peripheral control cards for electronic apparatus; electrical circuits for hydraulic control; pressure measurement tools; pressure measurement apparatus; electronic control apparatus for gear pumps, apparatus for checking the correct assembly for fittings; all included into Class 09. | Applied on 27 May 2005 but was objected by the Registrar on 22 May 2006 in view of a related application submitted earlier on 11 Oct 2004 by a third party (by the name of Tejari FZ-LLC) via application number 2004-15516. However, TSB has objected to this third party application and the Registrar's decision on TSB's objection is still pending. On the Registrar's objection on 22 May 2006, TSB has submitted its appeal to the Registrar on 21 July 2006. Pending decision on the appeal. |
| TSB | 2005-08392 & 27-05-2005 | Trade Mark- TEJARI for advisory services relating to industrial engineering; technological studies relating to hydraulic apparatus; development of industrial machinery; development of machining techniques; all included into Class 42. | Applied on 27 May 2005 but was objected by the Registrar on 15 March 2006 in view of a related application submitted earlier on 11 Oct 2004 by a third party (by the name of Tejari FZ-LLC) via |

4 INFORMATION ON TTB GROUP (Cont'd)

| Name of Applicant | Application No. and Date | Description | Status |
|-------------------|--------------------------|---|---|
| | | | application number 2004-15516. As noted above, the Registrar's decision on TSB's objection is still pending. On the Registrar's objection On 15 March 2006, TSB has submitted its appeal to the Registrar on 28 April 2006. Pending decision on the appeal. |
| TSB | 2006-14086 & 08-08-2006 | Trade Mark- COMMAND (Malaysia) for hydraulic control apparatus for machines; hydraulic control installations; hydraulic power tools; hydraulic power transmission units [other than for land vehicles]; hydraulic cylinders [machines or parts of machines]; hydraulic connectors [pipes] being parts of machines; hydraulic connectors [pipes] being parts of motors [other than for vehicles]; metal hoses for use in hydraulic systems in machines; air pressure intensifiers for hydraulic accumulators; pressure controllers [regulators] being parts of machines; clamp connectors for piping [parts of machines]; filtration apparatus for industrial purposes; machines utilising a punched [encoded] card for the control of a manufacturing process; gear pump; all included in Class 07 | Applied and pending approval for registration |
| TSB | T06/21920C & 18-10-2006 | Trade Mark- COMMAND (Singapore) for air pressure intensifiers for hydraulic accumulators; clamp connectors for piping [parts of machines]; filtration apparatus for industrial purposes; gear pumps; hydraulic connectors [pipes] being parts of machines; hydraulic connectors [pipes] being parts of motors [other than for vehicles]; hydraulic control installations; hydraulic control apparatus for machines; hydraulic cylinders [machines or parts of machines]; hydraulic power tools; hydraulic power transmission units [other than for land vehicles]; hoses (Metal-) for use in hydraulic systems in machines; pressure controllers [regulators] being parts of machines; machines utilising a punched | Applied and pending approval for registration |

4 INFORMATION ON TTB GROUP (Cont'd)

| Name of Applicant | Application No. and Date | Description | Status |
|-------------------|--------------------------|---|--------|
| | | [encoded] card for the control of a manufacturing process; electric pumps; hydraulic pumps; machine pumps; fluid pumps; rotary pumps; screw pumps; control valves (Hydraulic-); engine valves; hydraulic valves; pneumatic control valves; motorised valves; control valves [parts of machines]; manifolds [parts of engines]; manifolds [parts of machines]. | |

The successful registration of the trade marks and industrial designs will prevent unauthorised third party exploitation of these trade marks and industrial design in Malaysia and Singapore, which may have an effect on our Group's business. Pending registration of the trade marks, there can be no assurance that there would not be challenges or disputes over the use of the trade marks or unauthorised copying, usage or exploitation of them by third parties.

4.5 SUBSIDIARY COMPANIES

4.5.1 TSB

TSB was incorporated in Malaysia on 5 October 1984 under the Act as a private limited company under its present name. It commenced operations on 1 December 1986. In October 2005, TSB was granted pioneer status under the category of "high technology company" from MITI.

TSB is principally engaged in research, design, development and manufacture of eHAS. TSB focuses on providing mechanical and automation design solution based on its customers' requirements. TSB is also the manufacturing arm supporting the development of hydraulic automations of the Group.

TSB was co-founded by Mr Chan Ah Ba and Mr Ooi Chai Huat. Since the start-up, Mr Chan and Mr Ooi have developed TSB from a small hydraulic parts and components trading company to an integrated eHAS provider in Malaysia. With their experience and expertise in the design engineering, they started to build up the strong internal R&D capability and successfully developed a series of eHAS for various industries.

Currently, TSB is operating in 44, Jalan Bawal, Taman Kimsar, 13700 Prai, Penang, Malaysia and a manufacturing facility at Lot 667 and 668, Mukim 13, Jalan Sungai Juru, 14100, Juru Industrial Estate, Seberang Prai, Penang with a total built up area of approximately 20,000 sq. ft..

Details of the changes in the issued and paid-up share capital of the company since its incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value (RM) | Consideration | Total issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|---------------------|---|
| 05.10.84 | 2 | 1.00 | Subscribers' Shares | 2 |
| 26.11.86 | 49,998 | 1.00 | Cash | 50,000 |
| 27.05.87 | 50,000 | 1.00 | Cash | 100,000 |
| 31.05.88 | 32,500 | 1.00 | Cash | 132,500 |
| 30.08.88 | 32,500 | 1.00 | Cash | 165,000 |
| 24.04.89 | 85,000 | 1.00 | Cash | 250,000 |

4 INFORMATION ON TTB GROUP (Cont'd)

| Date of allotment | No. of ordinary shares allotted | Par value (RM) | Consideration | Total issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|--|---|
| 14.10.89 | 27,778 | 1.00 | Cash | 277,778 |
| 25.08.90 | 72,222 | 1.00 | Cash | 350,000 |
| 24.06.91 | 50,000 | 1.00 | Cash | 400,000 |
| 10.07.92 | 50,000 | 1.00 | Cash | 450,000 |
| 26.10.93 | 45,000 | 1.00 | Bonus Shares | 495,000 |
| 23.11.94 | 150,000 | 1.00 | Cash | 645,000 |
| 30.11.96 | 355,000 | 1.00 | Cash | 1,000,000 |
| 03.06.98 | 200,000 | 1.00 | Cash | 1,200,000 |
| 01.09.98 | 300,000 | 1.00 | Cash | 1,500,000 |
| 31.07.01 | 600,000 | 1.00 | Cash/Bonus Shares | 2,100,000 |
| 01.12.05 | 307,500 | 1.00 | Shares as consideration for acquisition of minority interests in TCSB, TCJSB and THSSB | 2,407,500 |

TSB is wholly-owned by TTB. As at the date hereof, TSB does not have any subsidiary and associated companies.

4.5.2 THSSB

THSSB was incorporated in Malaysia on 26 July 1990 under the Act as a private limited company under the name of Hoseal Sdn Bhd and later changed to its present name Tejari Hoseal Solutions Sdn Bhd. It commenced operations on 1 August 1990.

THSSB principally supplies embedded hydraulic parts and components for the hydraulic automation. It also provides customized hydraulic automation assembly solution to its customers.

Currently, THSSB is operating in 36, Jalan Bawal, Taman Kimsar, 13700, Prai, Penang, Malaysia with a built up area of approximately 4,800 sq. ft..

Details of the changes in the issued and paid-up share capital of the company since its incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value (RM) | Consideration | Total issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|---------------------|---|
| 26.07.90 | 3 | 1.00 | Subscribers' Shares | 3 |
| 16.08.90 | 66,997 | 1.00 | Cash | 67,000 |
| 15.10.92 | 9,000 | 1.00 | Cash | 76,000 |
| 26.03.94 | 20,500 | 1.00 | Cash | 96,500 |
| 27.12.96 | 3,500 | 1.00 | Cash | 100,000 |
| 16.11.98 | 100,000 | 1.00 | Cash | 200,000 |
| 30.06.00 | 150,000 | 1.00 | Cash | 350,000 |

THSSB is wholly-owned by TTB. As at the date hereof, THSSB does not have any subsidiary and associated companies.

4 INFORMATION ON TTB GROUP (Cont'd)

4.5.3 TCSB

TCSB was incorporated in Malaysia on 26 September 1997 under the Act as a private limited company under the name of Tejari Industries Sdn Bhd. On 25 July 1998 it changed its name to Tejari Controls Sdn Bhd. It commenced operations on 1 October 1997.

TCSB is principally the sales and marketing arm of the Group and was strategically set up to serve the central region of Malaysia. It is also positioned to provide dedicated customer service and after sales support to its customer within this region.

Currently, TCSB is operating in No.1, Ground Floor, Highway Centre, Jalan 51/205, 46050, Petaling Jaya, Selangor, Malaysia with a built up area of approximately 3,500 sq. ft..

Details of the changes in the issued and paid-up share capital of the company since its incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value (RM) | Consideration | Total issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|---------------------|---|
| 26.09.97 | 2 | 1.00 | Subscribers' Shares | 2.00 |
| 15.03.99 | 349,998 | 1.00 | Cash | 350,000 |
| 30.06.99 | 150,000 | 1.00 | Cash | 500,000 |
| 12.06.00 | 500,000 | 1.00 | Cash | 1,000,000 |
| 30.11.02 | 250,000 | 1.00 | Cash | 1,250,000 |

TCSB is wholly-owned by TTB. As at the date hereof, TCSB does not have any subsidiary and associated companies.

4.5.4 TCJSB

TCJSB was incorporated in Malaysia on 28 July 2000 under the Act as a private limited company under its present name. It commenced operations on 1 August 2000.

TCJSB is principally the sales and marketing arm of the Group and was strategically set up to serve the southern region of Malaysia. It is also positioned to provide dedicated customer service and after sales support to its customer within this region.

Currently, TCJSB is operating in No.45, Jalan Ros Merah 2/3, Taman Johor Jaya, 81100, Johor Bahru, Johor, Malaysia with a built up area of approximately 2,000 sq. ft..

Details of the changes in the issued and paid-up share capital of the company since its incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par value (RM) | Consideration | Total issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|---------------------|---|
| 28.07.00 | 2 | 1.00 | Subscribers' Shares | 2.00 |
| 25.11.00 | 99,998 | 1.00 | Cash | 100,000 |
| 22.05.01 | 100,000 | 1.00 | Cash | 200,000 |
| 30.11.02 | 85,713 | 1.00 | Cash | 285,713 |
| 30.11.04 | 14,287 | 1.00 | Cash | 300,000 |

TCJSB is wholly-owned by TTB. As at the date hereof, TCJSB does not have any subsidiary and associated companies.