

INNO-PACIFIC HOLDINGS LTD

(Company Registration No. 197301788-K)

OUTSOURCING AGREEMENT FOR BROADBAND OVER POWER LINE EQUIPMENT AND INSTALLATION WITH REALM ENERGY SDN BHD (“RESB”)

The Director of Inno-Pacific Holdings (the “Company”) are pleased to announce that the Company had on 6th August, 2007 entered into an Outsourcing Agreement (“Agreement”) with RESB pursuant to which the Company has been appointed as RESB’s exclusive agent to provide and supply all the necessary products, equipment and facilities to RESB for the installation of Broadband over Power Line (“BPL”) technology, broadband internet last-mile connectivity and premium services, such as voice-over-IP (VOIP), web-TV, IPTV and grid management.

Pursuant to the terms of the Agreement, RESB has also appointed the Company as its main Contractor for the installation of the BPL services to RESB’s customers who comprise Internet Service Providers and other persons, such as property developers and property owners and management companies who wish to provide broadband internet connectivity and services and also to the end-users of these customers, within Malaysia.

RESB will pay the Company for the cost of supplying and installation of all necessary BPL hardware to RESB’s customers. The Company will also receive a recurrent fee of Five Malaysian Ringgit (RM5.00) per customer per month, so long as the customer continues to subscribe for RESB’s broadband internet service.

Under the terms of the Agreement, RESB will use its best endeavour to secure a target of one million (1,000,000) subscribers for BPL broadband internet service within the next three (3) years. The total value of the project over the next three years will be in excess of Malaysian Ringgit 500 million if this target is achieved.

RESB’s BPL Technology

BPL technology is an alternative communication method that utilises existing power line, i.e. electrical power cable, as a medium to deliver data, voice and multimedia services. BPL technology transmits and receives high frequency (1-38Mhz) signals through existing power cables via couplers. Through a 50Hz power supply, the power line simultaneously carry modulated signals within the frequency (1-38Mhz) that enable high speed broadband communication of up to 205Mbps to every power socket.

BPL technology is a cost-effective and innovative last-mile solution that literally brings broadband to every power socket.

The 1st generation BPL technology has been in the market for more than a decade, using chipsets and equipment that are capable of delivery speed of between 2Mbps to 45Mbps. Such deployments can be found in the USA, Germany, Spain, Australia and Hong Kong.

The latest 2nd generation chipset was introduced in 2004, addressed all the problems inherent in the 1st generation chipset, such as line noises, standing waves, distances performance and non linearity problems that historically have limited the useable bandwidth on the power lines.

ABOUT RESB

RESB is a company incorporated in Malaysia and has successfully conducted trials and test of the latest BPL equipment from various manufacturers culminating in the final acceptances from the regulatory bodies such as the Malaysian Multimedia Commission ("MCMC") and the Energy Commission. In 2006, RESB was awarded a Network Facilities Provider (NFP) license and a Network Services Provider (NSP) license by MCMC under the Malaysian Communications and Multimedia Act 1998 under which licenses, RESB may undertake BPL deployment in Malaysia.

RESB is currently implementing a nationwide deployment of Broadband over Power Line services in Malaysia.

By order of the Board

Wong Chin Yong
Managing Director

6th August 2007