

7.1.2. Background on Substantial Shareholders and Promoters

The Promoters of AKN MTech are AKN Capital Sdn Bhd, Mr. Lim Seng Boon, Mr. Lim Eng Thong and Mr. Ooi Boon Leong. Mr. Lim Seng Boon and Mr. Lim Eng Thong are directors of AKN MTech and their profiles are set out in the section on "Board of Directors". A brief background of the substantial shareholders of AKN MTech, apart from those who are directors of the Company, is set out below.

AKN Capital Sdn Bhd was incorporated in Malaysia on 22 October 1994 under the Companies Act, 1965 as a private limited company. It is an investment holding company and is a substantial shareholder of AKN Technology Berhad, a company listed on the Main Board of the KLSE. Its issued and paid-up share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. Dato' Ahmad Kabeer bin Mohamed Nagoor and his wife, Datin Dr. Wahida binti Abdul Rahman, are the sole directors and shareholders of AKN Capital Sdn Bhd.

Ooi Boon Leong, a Malaysian aged 40, is a businessman and a private investor. He is a member of the Malaysian Institute of Certified Public Accountants. He was attached to Hanafiah Raslan & Mohamad until 1986 when he left the profession to join the commercial sector.

7.1.3. Directorships in Other Public Corporations

None of the substantial shareholders or Promoters of AKN MTech has held directorships in any other public corporations for the past two (2) years ended 10 December 2002, save for Lim Eng Thong whose directorship is shown in the section on "Directorships of Directors in Other Public Corporations".

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7.1.4. Substantial Shareholdings in Other Public Corporations

None of the substantial shareholders or Promoters of AKN MTech has had substantial shareholdings, whether directly or indirectly, in any other public corporations for the past two (2) years ended 10 December 2002, save for the following:-

Name of Substantial Shareholder / Promoter	Name of Company	Principal Activities	Shareholding			
			Direct No. of Shares	%	Indirect No. of Shares	%
AKN Capital Sdn Bhd ^(a)	AKN Technology Berhad	Investment holding and the provision of electroplating services	14,286,804	16.49	-	-
Ooi Boon Leong ^(c)	AKN Technology Berhad	Investment holding and the provision of electroplating services	6,162,188	7.11	^(b) 307	-

Note:-

- (a) *AKN Capital Sdn Bhd also has a direct interest in 41,874 warrants in AKN Technology Berhad, representing 0.17% of the total number of outstanding warrants in AKN Technology Berhad as at 10 December 2002.*
- (b) *Deemed interested by virtue of Ooi Boon Leong's interest in Corringway Sdn Bhd.*
- (c) *Ooi Boon Leong also has a direct interest in 603,384 warrants and an indirect interest in 3,208,354 warrants in AKN Technology Berhad, representing 2.51% and 13.37% respectively of the total number of outstanding warrants in AKN Technology Berhad as at 10 December 2002. His indirect interest is held through Corringway Sdn Bhd.*

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7.2. Changes in Substantial Shareholders

The changes in the registered substantial shareholders of AKN MTech and their shareholdings since incorporation up to the date of this Prospectus are as follows:-

Name	----As at 6.5.1999-----		----As at 11.6.1999-----		----As at 29.6.1999-----		----As at 12.1.2000-----		----As at 2.2.2000-----	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Liang Bee	99	99.00	4,999	4.99	4,999	2.50	26,499	5.89	26,499	5.89
Tunku Jaafar Laksamana Tunku Nong	-	-	55,000	55.00	55,000	15.71	55,000	12.22	55,000	12.22
Lim Seng Boon	-	-	30,000	30.00	30,000	8.57	30,000	6.67	30,000	6.67
Haminuddin bin Mohd Derus	-	-	10,000	10.00	260,000	74.29	325,000	72.22	10,000	2.22
AKN Dotcom Ventures Sdn Bhd	-	-	-	-	-	-	-	-	220,500	49.00
Smartbase Mark Sdn Bhd	-	-	-	-	-	-	-	-	94,500	21.00
AKN Capital Sdn Bhd	-	-	-	-	-	-	-	-	-	-
Ooi Boon Leong	-	-	-	-	-	-	-	-	-	-
Goh Lee Lang	-	-	-	-	-	-	-	-	-	-
Lim Eng Thong	-	-	-	-	-	-	-	-	-	-

Name	----As at 21.2.2000-----		----As at 20.9.2000-----		----As at 30.4.2002-----		----As at 13.6.2002-----	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Liang Bee	30,499	6.78	30,499	6.78	-	-	-	-
Tunku Jaafar Laksamana Tunku Nong	-	-	-	-	-	-	-	-
Lim Seng Boon	81,000	18.00	81,000	18.00	81,000	18.00	13,150,000	19.48
Haminuddin bin Mohd Derus	10,000	2.22	10,000	2.22	-	-	-	-
AKN Dotcom Ventures Sdn Bhd	220,500	49.00	220,500	49.00	220,500	49.00	2,205,000	3.27
Smartbase Mark Sdn Bhd	94,500	21.00	-	-	-	-	-	-
AKN Capital Sdn Bhd	-	-	94,500	21.00	134,999	30.00	26,995,990	39.99
Ooi Boon Leong	-	-	-	-	-	-	12,654,000	18.75
Goh Lee Lang	-	-	-	-	-	-	4,400,000	6.52
Lim Eng Thong	-	-	-	-	-	-	4,500,000	6.67

7.3. Moratorium on Promoters' Shares

Pursuant to the Listing Requirements, Shares held by the Promoters amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market, are to be placed under moratorium. The Promoters whose Shares are subject to moratorium are as follows:-

Promoters	Under Moratorium Upon Listing		Under Moratorium After Full Exercise of ESOS	
	No. of Shares	%	No. of Shares	%
AKN Capital Sdn Bhd	21,500,000	23.89	21,500,000	21.72
Lim Seng Boon	13,150,000	14.61	13,150,000	13.28
Ooi Boon Leong	6,900,000	7.67	6,900,000	6.97
Lim Eng Thong	3,000,000	3.33	3,000,000	3.03
	44,550,000	49.50	44,550,000	45.00

The moratorium has been fully accepted by the Promoters. They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of the MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under moratorium on a straight-line basis.

This restriction is specifically endorsed on the Share certificates of AKN MTech representing the respective shareholdings of the Promoters which are under moratorium to ensure that the Company's Registrars shall not register any transfer not in compliance with the moratorium restrictions.

In addition, Dato' Ahmad Kabeer bin Mohamed Nagoor and his wife, Datin Dr. Wahida binti Abdul Rahman, being the ultimate shareholders of AKN Capital Sdn Bhd, have given undertakings that they will not sell, transfer or otherwise dispose of any part of their interest in AKN Capital Sdn Bhd until the expiry of three (3) years from the date of the Company's admission to the MESDAQ Market.

7.4. Board of Directors

Datuk Dr. Awang Adek bin Hussin, a Malaysian aged 47, is the Independent Non-Executive Chairman of AKN MTech. He obtained a Bachelor of Arts (cum laude) in Mathematics and Economics from Drew University, New Jersey, United States of America in 1977. He also holds a Master of Arts (Economics) and a PhD in Economics from Wharton Business School of the University of Pennsylvania. He held various positions in Bank Negara Malaysia from 1985 to 2001 where he last served as the Assistant Governor. He was also seconded to the Labuan Offshore Financial Services Authority (LOFSA) as its first Director General. He is currently a businessman and also the Chairman of Tenaga Nasional Berhad.

Dato' Ahmad Kabeer bin Mohamed Nagoor, a Malaysian aged 45, is the Non-Executive Deputy Chairman of AKN MTech. He holds a Master's Degree in Finance from the University of St. Louis, Missouri, United States of America. He started his career with the Bank of Nova Scotia in 1986 in the foreign exchange division and later became a lecturer in the School of Management, Universiti Sains Malaysia from 1988 to 1994.

Since 1994, he has invested in various businesses and established himself as a reputable Bumiputra businessman with wide-ranging interests in technology, advanced manufacturing, facility management, automobile distribution, heating ventilation, air-conditioning engineering and general investments. Some of his notable investments in the technology and advanced manufacturing field include AKN Technology Berhad, MEMS Technology Sdn Bhd and AKN MTech.

Datuk Haji Hasan bin Malek, a Malaysian aged 56, is the Chairman of the Audit Committee and an Independent Non-Executive Director of AKN MTech. He graduated with a Bachelor of Arts (Hons.) degree in Sociology from University of Malaya in 1973 and obtained a Diploma in Development Administration from University of Manchester, United Kingdom in 1978. He started his career in 1964 as a clerk in the Ministry of Education, Kuala Lumpur and later became a teacher and lecturer between 1967 to 1973 in Jelebu and Mantin. He joined Perbadanan Kemajuan Negeri, Negeri Sembilan in 1973 where he last served as an Assistant General Manager. Since 1995, he has been the appointed State Assemblyman for the Juasseh District.

Lim Seng Boon, a Malaysian aged 45, is the Managing Director and founder of AKN MTech. He possesses over twenty (20) years of experience in the computer / information technology industry, both locally and abroad. His experience ranges from computer hardware and servicing to information technology knowledge in personal computers to systems integration, network implementation and the development of business applications. In 1984, he established World Value Sdn. Bhd., a company which deals with computer hardware and systems integration.

He was also the key person responsible for the establishment of Multisoft Business Systems Sdn Bhd, a company which has developed numerous business applications software focusing on the concept of messaging through the internet.

He has established numerous ties with local and foreign corporations, namely Advox of Sweden, Infinite Technology of the USA, Microsoft Malaysia, EasyCall Malaysia and Celcom Berhad. He was solely responsible for the successful alliance between Advox's technology in messaging and EasyCall pagers in January 1999.

Krishnan C K Menon, a Malaysian aged 53, is a Non-Executive Director of AKN MTech. He is currently the Chief Executive Officer of the AWCFS Group. He is a Fellow of the Institute of Chartered Accountants in England & Wales and also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He started his career in 1975 with Hanafiah Raslan & Mohamad/Touche Ross where he became an Audit/Insolvency partner until April 1987, after which he left to become the head of the Corporate Finance Group of Touche Ross, Leicester from August 1987 to 1988. Thereafter, he joined Public Bank Berhad as an Executive Vice-President until 1994. He has extensive experience in audit, corporate finance, insolvency, banking and property management.

Lim Eng Thong, a Malaysian aged 41, is an Executive Director of AKN MTech. He is a public accountant and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. He started his career with Hanafiah Raslan and Mohamad in 1981 and left the firm as a Senior Audit Manager in 1992 to join KYM Holdings Bhd as its General Manager. He was then appointed as the Group Executive Director of KYM Holdings Bhd in 1995. He left KYM Holdings Bhd in 1998 to become a financial consultant. He is currently a director of AKN Technology Berhad.

Lee Kok Khee, a Malaysian aged 34, is an Executive Director of AKN MTech. He is an accountant by training, having qualified as a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants. He spent four (4) years in Ernst & Young and left the firm as an Audit Senior.

Subsequent to leaving Ernst & Young, his work has predominantly been in the area of investment banking. He was a team leader in the Corporate Finance Department of Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad). He left Arab-Malaysian Merchant Bank Berhad in 1999 as a Senior Manager. He joined Tokyo-Mitsubishi International (Singapore) Ltd as the Vice-President of Mergers and Acquisitions in February 1999. In 2001, he joined AKN Capital Sdn Bhd as a Director of Corporate Finance.

Shareholdings in AKN MTEch

Based on the Register of Directors' Shareholdings of AKN MTEch as at the date of this Prospectus, the direct and indirect interests of the directors in the issued and paid-up capital of the Company are as follows:-

Name of Director	Before Issue				After Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Dr. Awang Adek bin Hussin	-	-	-	-	-	-	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	-	-	^(a) 26,995,990	39.99	-	-	^(a) 26,995,990	30.00
Datuk Haji Hasan bin Malek	-	-	-	-	-	-	-	-
Lim Seng Boon	13,150,000	19.48	-	-	13,150,000	14.61	-	-
Lim Eng Thong	4,500,000	6.67	-	-	4,500,000	5.00	-	-
Lee Kok Khee	250,000	0.37	-	-	250,000	0.28	-	-
Krishnan C K Menon	250,000	0.37	-	-	250,000	0.28	-	-

Name of Director	After Full Exercise of ESOS ^(b)			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Dr. Awang Adek bin Hussin	-	-	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	-	-	^(a) 26,995,990	27.27
Datuk Haji Hasan bin Malek	-	-	-	-
Lim Seng Boon	14,150,000	14.29	-	-
Lim Eng Thong	5,250,000	5.30	-	-
Lee Kok Khee	1,000,000	1.01	-	-
Krishnan C K Menon	250,000	0.25	-	-

Note:-

- (a) Deemed substantial interest through AKN Capital Sdn Bhd
- (b) The ESOS will only be implemented i.e. the Options under the ESOS will only be offered to eligible directors and employees of the Company, on the date of the Company's listing on the MESDAQ Market.

Directorships of Directors in Other Public Corporations

None of the directors of AKN MTEch has held directorships in other public corporations during the last two (2) years except for the following:

Name of Director	Name of Company	Date of Appointment
Datuk Dr. Awang Adek bin Hussin	Tenaga Nasional Berhad	2.12.2002
	Bank Kerjasama Rakyat Malaysia Berhad	1.10.2002
	Pos Malaysia and Services Holdings Berhad	12.10.2001
	Ya Horng Electronic (M) Berhad	6.10.2001
	Kumpulan Melaka Berhad	1.4.2001
Dato' Ahmad Kabeer bin Mohamed Nagoor	AKN Technology Berhad	21.1.1998
Krishnan C K Menon	Symphony House Berhad	25.11.2002
	MESB Berhad	29.6.2002
	SPK Sentosa Corporation Berhad	26.3.2002
	Malaysian International Shipping Corporation Berhad	30.8.2001
Lim Eng Thong	AKN Technology Berhad	20.8.2001
Lee Kok Khee	D'nonce Technology Berhad	12.3.2002
	AWC Facility Solutions Berhad	13.6.2001

Substantial Shareholdings of Directors in Other Public Corporations

Save as disclosed below, none of the directors of AKN MTEch has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years up to 10 December 2002.

Name of Director	Name of Company	Principal Activities	^(a) Shareholding			
			Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Ahmad Kabeer bin Mohamed Nagoor	AKN Technology Berhad	Investment holding and the provision of electroplating services	13,210,837	15.24	^(b) 14,286,804	16.49

Notes:-

(a) *Dato' Ahmad Kabeer bin Mohamed Nagoor also has a direct interest in 645,088 warrants and an indirect interest in 41,874 warrants in AKN Technology Berhad, representing 2.69% and 0.17% respectively of the total number of outstanding warrants in AKN Technology Berhad as at 10 December 2002. His indirect interest is held through AKN Capital Sdn Bhd.*

(b) *Deemed interested through AKN Capital Sdn Bhd*

Directors' Remuneration

For the financial year ended 30 June 2002, a total sum of RM120,000 was paid to a director of AKN MTEch as remuneration for his service in all capacities to the Company. No remuneration was paid by the Company to the other directors.

7.5. Audit Committee

AKN MTEch has set up an Audit Committee which comprises the following Board members:-

Name	Designation	Directorship
Datuk Haji Hasan Bin Malek	Chairman	Independent Non-Executive Director
Datuk Dr. Awang Adek bin Hussin	Member	Independent Non-Executive Chairman
Lim Eng Thong	Member	Executive Director

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

7.6. Key Management and Technical Personnel

Lester Neil Francis, a Malaysian aged 32, is the General Manager of AKN MTEch. He is an Applied Science graduate from Victoria University of Technology, Australia. Upon his return to Malaysia, Mr Francis has been actively involved in the health and fitness industry. He was involved in the set-up and operations of Lifestyle Health & Fitness Centres, a local and regional fitness and beauty facility.

Mr Francis was previously the General Manager of Dataco (M) Sdn. Bhd., a leading licensed provider of Premium Rate Audiotex services. He was also actively involved in the television production arm of Dataco (M) Sdn Bhd, and acted as the Production Manager for all the company's production efforts. His tenure at Dataco (M) Sdn Bhd was between 1997 and 1999, before he moved to AKN MTEch upon its incorporation.

Ng Heng Kit, a Malaysian aged 30, is the Operations Manager of AKN MTech. He holds a Bachelor of Science degree from Cambell University, United States of America and has more than ten (10) years of experience in information technology management, operations and business intelligence. He was extensively involved in the initial development of the MSC flagship applications such as smart schools and has embarked on numerous information and communications technology, web and e-business online payment systems projects to date.

These previous experiences were gathered during his employment in establishments such as Multisoft Business Systems Sdn Bhd (1991-1997), DapanNet Sdn Bhd (1997-2000) and WizOffice.com (M) Sdn Bhd (2000-2001). Some of his previous projects at these companies included developing applications for the UK Government information and communications technology project, Malaysian Textile & Apparels Centre (MATAC), Prime Minister's Office (SMPKE), Proton Berhad, smart schools, Securities Commission and Penang Skills Development Centre.

Shelly Chuah, a Malaysian aged 29, is the Marketing and Communications Manager of AKN MTech. She obtained a diploma in Cost Accounting from the London Chamber of Commerce and Industry in Systematic Business Training Centre in 1992. She then worked in the hotel industry for about five (5) years. Before she joined AKN MTech, she was the Sales Manager of Shangri-La Hotel, Penang.

Ng Eng Coln, a Malaysian aged 31, is the Channel Sales Manager of AKN MTech. He obtained the Stamford Certificate of Marketing from Stamford College, Kuala Lumpur in 1992 and a Diploma in Marketing from Systematic Business Training Centre (School of Marketing), Kuala Lumpur in 1993. Prior to joining AKN MTech in 1999, he was a Branch Executive in Cellstar Amtel Sdn Bhd.

Maisarah Sahran, a Malaysian aged 26, is the Information Systems Manager of AKN MTech. She graduated from University of Malaya with a degree in Computer Science in 1996. Her current duties in AKN MTech include designing computer program logic and applications systems, identifying and evaluating new messaging technologies, and training and development of R & D team members.

Danny Gan Yin Seng, a Malaysian aged 28, is the Technical Manager of AKN MTech. He graduated from the University of Wollongong with a Bachelor of Computer Science and Business Systems. He also has a professional qualification in MCP (Microsoft) and is a Certified Linux Engineer.

Shareholdings in AKN MTech

Save as disclosed below, none of the key management and technical personnel holds Shares in AKN Mtech:-

Name	Before Issue				After Issue			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Lester Neil Francis	900,010	1.33	-	-	900,010	1.00	-	-
Ng Heng Kit	350,000	0.52	-	-	350,000	0.39	-	-

Directorships in Other Public Corporations

None of the key management and technical personnel of AKN MTech has held directorships in other public corporations during the last two (2) years.

Substantial Shareholdings in Other Public Corporations

None of the key management and technical personnel of AKN MTech has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years.

7.7. Relationships and Associates

There are no family or business relationships amongst the substantial shareholders, Promoters, directors, key management and technical personnel of the Company save for the following:-

- (a) Lim Seng Boon and Goh Lee Lang are husband and wife;
- (b) Dato' Ahmad Kabeer bin Mohamed Nagoor is a director and substantial shareholder of AKN Capital Sdn Bhd. He is also the Executive Chairman and a substantial shareholder of AKN Technology Berhad, a company in which AKN Capital Sdn Bhd has a substantial shareholding; and
- (c) Lim Eng Thong is a director of AKN Technology Berhad, of which AKN Capital Sdn Bhd and Dato' Ahmad Kabeer bin Mohamed Nagoor are substantial shareholders.

See "Statutory Information – Related-Party Transactions and Conflict of Interest" for details on any related-party transactions.

7.8. Service Agreements

The executive directors and key management and technical personnel are employed under ordinary letters of appointment with no special terms. All employees of the Company have standard employment contracts.

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8. SUMMARY OF FIVE-YEAR BUSINESS DEVELOPMENT PLAN

The following is a summary of the Five-Year Business Development Plan dated June 2002 prepared by AKN MTech for the purpose of inclusion in this Prospectus.

8.1. Background of the Company

AKN MTech was incorporated in Malaysia on 6 May 1999 under the Companies Act, 1965 as a private limited company with the name of Messaging Technologies Sdn Bhd. The Company changed its name to AKN Messaging Technologies Sdn Bhd on 31 May 2002 and it was subsequently converted to a public limited company on 20 June 2002 under the name of AKN Messaging Technologies Berhad.

On 24 October 2000, AKN MTech was accorded the MSC status by MDC. AKN MTech had obtained an ASP Class Licence from the MCMC on 18 December 2000 to provide "mobile-internet" messaging solutions using SMS and WAP technology. AKN MTech develops and provides both enabling technology as well as content for messaging solutions.

8.2. Future Plans and Strategy

With the increasing popularity of text over voice messages and the incorporation of more features on mobile phones, AKN MTech's future plans are focused on the following areas:-

- (a) Development of new applications and services for its content and applications business segment;
- (b) Continuation of its efforts to collaborate with the mobile network operators to provide more content and services for the partnership programs;
- (c) Intensification of its efforts to expand its corporate clientele base and the usage of the IMP;
- (d) Intensification of its efforts to develop the IMP into a SMS m-business platform;
- (e) Expansion of its operations to other countries in Asia. The immediate plan for the next one (1) year is to establish its presence in Hong Kong, Thailand and either China or Indonesia. Such establishments are planned to be set up on a joint venture basis with suitable local partners; and
- (f) Initiation of R & D on 3G applications in line with the technology trend of the mobile communications industry. The Company expects the 3G applications to be rolled out in three (3) years' time.

The overall strategies adopted by AKN MTech to achieve its vision of being the premier SMS content provider and technology enabler are to obtain the first mover advantage and penetrate into the subscriber base of the mobile network operators.

8.3. Human Resource Policy

In line with the Company's expansion plan, the Company will continue to employ additional staff to support the level of business and operations. The Company conducts in-house training for its technical staff and keeps them informed of the latest technology in the market through external courses and seminars. In recognition of the employees' contribution to the Company's success, the ESOS will be implemented in conjunction with the Company's listing on the MESDAQ Market.

8.4. Conclusion

The Company is well-positioned to take advantage of the anticipated growth in the number of mobile phone users with its mobile messaging solutions and applications. The above represents the strategies and policies of the Company to achieve its vision of providing and developing a comprehensive suite of mobile communications services, to be a premier content and applications provider and technology enabler for the mobile communications industry, and to expand to the Asia Pacific countries.

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9. STATUTORY INFORMATION

9.1. Incorporation and History of the Company

AKN MTech was incorporated in Malaysia on 6 May 1999 under the Companies Act, 1965 as a private limited company with the name of Messaging Technologies Sdn Bhd. The Company changed its name to AKN Messaging Technologies Sdn Bhd on 31 May 2002 and it was subsequently converted to a public limited company on 20 June 2002 under the name of AKN Messaging Technologies Berhad.

On 24 October 2000, AKN MTech was accorded the MSC status by MDC. AKN MTech had obtained an ASP Class Licence from the MCMC on 18 December 2000 to provide "mobile-internet" messaging solutions using SMS and WAP technology. AKN MTech develops and provides both enabling technology as well as content for messaging solutions.

9.2. Share Capital and Changes in Share Capital

As at the date of this Prospectus, AKN MTech has an authorised capital of RM25,000,000 comprising 250,000,000 Shares and an issued and paid-up capital of RM6,750,000 comprising 67,500,000 Shares. Upon completion of the Issue, the enlarged issued and paid-up capital of AKN MTech will be RM9,000,000 comprising 90,000,000 Shares.

The details of the changes in the Company's issued and paid-up share capital since its date of incorporation are set out below:-

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
6.5.1999	100	1.00	Cash	100
11.6.1999	99,900	1.00	Conversion of advances to equity	100,000
29.6.1999	100,000	1.00	Cash	200,000
29.6.1999	150,000	1.00	Conversion of advances to equity	350,000
12.1.2000	100,000	1.00	Cash	450,000
12.6.2002	4,500,000	0.10	Sub-division of shares of RM1.00 each into shares of RM0.10 each	450,000
13.6.2002	63,000,000	0.10	Conversion of advances to equity	6,750,000

9.3. Share Options

As at the date of this Prospectus, apart from the ESOS, no person has an option or is entitled to be given an option to subscribe for any Shares of the Company.

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9.4. Listing Proposals

The Company's listing proposals comprise the following, which were approved by the SC and KLSE on 8 October 2002 and 15 October 2002 respectively:-

(a) Public Issue

The initial public offering by AKN MTech will involve the Issue of 22,500,000 new Shares at the Issue Price of RM0.45 per Share. Upon completion of the Issue, the issued and paid-up share capital of AKN MTech will be increased from RM6,750,000 comprising 67,500,000 Shares to RM9,000,000 comprising 90,000,000 Shares. The Issue of a total of 22,500,000 Shares representing 25% of the enlarged issued and paid-up share capital of 90,000,000 Shares, is to be allocated in the following manner:-

- (i) 2,500,000 Issue Shares will be made available for application under the public offer; and
- (ii) 20,000,000 Issue Shares will be made available for application under the private placement.

The Issue Shares under paragraph (i) above will be underwritten by the Underwriters in compliance with the KLSE Listing Requirements for the MESDAQ Market. The Placement Agent has received irrevocable undertakings from selected investors to take up the Issue Shares under paragraph (ii) above. In the event of an under-subscription of the public offer, the unsubscribed public offer Shares may be made available for application under the private placement and if these Shares are not subscribed for by way of private placement, they will be subscribed for by the Underwriters in the proportion specified in the Underwriting Agreement dated 16 December 2002.

All the Issue Shares to be issued pursuant to the Issue shall rank pari passu in all respects with the existing issued Shares of the Company including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

The Issue is for a total of 22,500,000 Shares at RM0.45 per Share. There is no minimum level of subscription in respect of the Issue.

(b) ESOS

In conjunction with its proposed listing, the Company proposes to implement an ESOS involving up to 10% of the Company'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 executive directors and eligible employees of AKN MTech.

On the date of the listing of the Company on the MESDAQ Market, the directors of the Company propose to grant up to 6,500,000 Options to the executive directors and eligible employees of AKN MTech ("**Initial Grant**"). The exercise price of the Options which are the subject matter of the Initial Grant is the Issue Price of the Shares.

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In addition to the Initial Grant, the Board of Directors of the Company shall, within the duration of the ESOS, make offers to grant Options to the executive directors and eligible employees of AKN MTech in accordance with the ESOS Bye-Laws adopted by the shareholders. Each such Option which is not part of the Initial Grant shall be exercisable at a price which is the weighted average market price of the Company's Shares for the five (5) market days immediately preceding the date on which the Option is granted less, if the directors of the 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. However, the ESOS may be extended for another five (5) years at the discretion of the Board upon the recommendation of the Option Committee. The new 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 the 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 Shares. The new Shares will be subject to all the provisions of the Articles of Association of the Company.

9.5. Statutory Information on the Company

Statutory information on AKN MTech is set out below.

(a) History and Business

AKN MTech was incorporated in Malaysia on 6 May 1999 under the Companies Act, 1965 as a private limited company with the name of Messaging Technologies Sdn Bhd. The Company changed its name to AKN Messaging Technologies Sdn Bhd on 31 May 2002 and it was subsequently converted to a public limited company on 20 June 2002 under the name of AKN Messaging Technologies Berhad. The Company is principally involved in the development and provision of mobile-internet messaging solutions using SMS and WAP technology.

(b) Share Capital

The authorised and issued and paid-up share capital of AKN MTech are as follows:-

	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	250,000,000	0.10	25,000,000
Issued and Paid-Up	67,500,000	0.10	6,750,000

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

Date of Allotment	No. of Shares	Par Value (RM)	Consideration	Total (RM)
6.5.1999	100	1.00	Cash	100
11.6.1999	99,900	1.00	Conversion of advances to equity	100,000
29.6.1999	100,000	1.00	Cash	200,000
29.6.1999	150,000	1.00	Conversion of advances to equity	350,000
12.1.2000	100,000	1.00	Cash	450,000
12.6.2002	4,500,000	0.10	Sub-division of shares of RM1.00 each into shares of RM0.10 each	450,000
13.6.2002	63,000,000	0.10	Conversion of advances to equity	6,750,000

(c) Substantial Shareholders

The direct and indirect interests of the substantial shareholders of AKN MTech have been set out in Section 7.1.1 of this Prospectus.

(d) Subsidiary and Associated Companies

The Company does not have any subsidiary or associated company.

(e) Employees

As at 10 December 2002, AKN MTech had 44 employees.

9.6. Summary of Landed Properties

The Company does not own any landed properties.

9.7. Related Companies with Similar Trade

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company.

9.8. Related-Party Transactions and Conflict of Interest

(a) Related-Party Transactions

None of the directors of the Company has any interest, direct or indirect, in the promotion of, or in any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to, the Company or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company as a whole, save as disclosed below.

Save as disclosed below, there are no current and/or subsisting related-party transactions or arrangements between the Company and its shareholders and/or directors and/or key management and technical personnel:-

(i) Dataco (M) Sdn. Bhd

The Company has since 11 October 2001 been subscribing for the provision of premium rate telephone services and IVR services from Dataco (M) Sdn Bhd. Lim Liang Bee, the sister of Lim Seng Boon, is a director and shareholder of Dataco (M) Sdn Bhd. She was a director and shareholder of the Company at the time the Company entered into the above-mentioned transaction with Dataco (M) Sdn Bhd.

The premium rate telephone services enable the Company's subscribers to call designated telephone numbers starting with the "600" prefix in order to download the Company's content and services. Such subscribers are charged a premium rate for SMS downloads. The revenue generated from the premium rate telephone services is shared between the Company and Dataco (M) Sdn Bhd.

The Company pays Dataco (M) Sdn Bhd a monthly fee of RM7,500 for the provision of IVR services. These fees enable the Company's subscribers to call designated telephone numbers in order to make enquiries as a form of customer service provided by the Company.

(b) Conflict of Interest

AmMerchant Bank, Ernst & Young and Raslan Loong believe there is no issue of conflict of interest in respect of their respective roles in the proposed listing of the Company.

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