

5. MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

5.1. Profit Record

The table below sets out a summary of the audited results of the Company for the financial period from 6 May 1999 to 30 June 2000 and the two (2) financial years ended 30 June 2002, and is based on the audited financial statements of AKN MTech:-

	6.5.1999 to 30.6.2000 RM'000	Year ended 2001 RM'000	Year ended 2002 RM'000
Revenue ^(a)	77	950	4,228
(Loss) / profit before interest, depreciation, amortisation and tax	(651)	(1,139)	1,508
Interest expense ^(b)	(5)	(3)	(3)
Depreciation	(72)	(731)	(783)
Amortisation ^(c)	(7)	(47)	(85)
(Loss) / profit before tax	(735)	(1,920)	637
Taxation	-	-	-
(Loss) / profit after tax	(735)	(1,920)	637
No. of Shares (based on enlarged share capital) ('000)	90,000	90,000	90,000
Net (loss) / earnings per Share (sen) ^(d)	(0.82)	(2.13)	0.71

Notes:-

- (a) The analysis of revenue is set out in the Accountants' Report in Section 11 of this Prospectus.
- (b) Interest expense is in relation to interest charges on the hire purchase financing of a motor vehicle.
- (c) Amortisation charges are in relation to the amortisation of the product development expenditure capitalised by the Company. The product development expenditure is amortised at 15% per annum.
- (d) The net loss / earnings per Share has been calculated based on the loss / profit after tax and the number of Shares in the enlarged share capital of the Company after the Issue.
- (e) There were no extraordinary items or minority interests in any of the periods under review.

Save as disclosed in this Prospectus, the Directors of AKN MTech are of the view that the financial performance, position and operations of AKN MTech are not affected by any of the following:-

- (a) Any known trends, demands, commitments, events or uncertainties that have had or that AKN MTech expects to have a material favourable or unfavourable impact on the financial performance, position and operations of AKN MTech;

- (b) Any material commitments for capital expenditure;
- (c) Any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of AKN MTech; and
- (d) Any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

5.2. Pro-forma Balance Sheets

The table below sets out the pro-forma balance sheets of the Company as at 30 June 2002 based on the audited financial statements of AKN MTech:-

	Audited as at 30.6.2002 RM'000	After Public Issue RM'000	After Full Exercise of ESOS RM'000
Plant and equipment	5,781	5,781	5,781
Intangible assets	576	576	576
Current assets			
Trade receivables	2,733	2,733	2,733
Other receivables	282	282	282
Cash and bank balances	230	9,230	13,280
	<u>3,245</u>	<u>12,245</u>	<u>16,295</u>
Current liabilities			
Short term borrowings (secured)	14	14	14
Trade payables	518	518	518
Other payables	4,162	4,162	4,162
Amount due to a director	165	165	165
	<u>4,859</u>	<u>4,859</u>	<u>4,859</u>
Net current (liabilities) / assets	(1,614)	7,386	11,436
	<u>4,743</u>	<u>13,743</u>	<u>17,793</u>
Financed by:-			
Share capital	6,750	9,000	9,900
Share premium	-	6,750	9,900
Accumulated losses	<u>(2,018)</u>	<u>(2,018)</u>	<u>(2,018)</u>
Shareholders' funds	4,732	13,732	17,782
Hire-purchase payable	11	11	11
	<u>4,743</u>	<u>13,743</u>	<u>17,793</u>
Enlarged share capital ('000 Shares)	90,000	90,000	99,000
NTA per Share	4.62 sen	14.62 sen	17.38 sen

The notes to the pro-forma balance sheets as at 30 June 2002 are set out in Section 12 of this Prospectus.

5.3. Cash Flow Statement

The table below sets out the cash flow statement of the Company for the financial year ended 30 June 2002 and is provided for illustrative purposes based on the audited financial statements of AKN MTEch:-

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	637
Adjustments for:-	
Amortisation of product development expenditure	85
Bad debts written off	3
Depreciation	783
Interest expense	3
Loss on disposal of plant and equipment	1
Operating profit before working capital changes	<u>1,512</u>
Changes in working capital:-	
Increase in receivables	(2,753)
Increase in payables	1,894
Increase in amount due to a director	114
Cash generated from operations	<u>767</u>
Interest paid	(3)
Net cash generated from operating activities	<u><u>764</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposal of plant and equipment	1
Product development expenditure	(305)
Purchase of plant and equipment	(278)
Net cash used in investing activities	<u><u>(582)</u></u>
CASH FLOWS FROM FINANCING ACTIVITY	
Repayment of hire-purchase payable, representing net cash used in financing activity	<u>(9)</u>
Net increase in cash and cash equivalents	173
Cash and cash equivalents at beginning of year	57
Cash and cash equivalents at end of year	<u><u>230</u></u>

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5.4. Key Financial/Operating Ratios

The table below sets out key financial ratios which are provided for illustrative purposes based on the audited financial statements of AKN MTEch:-

	6.5.1999 to 30.6.2000 RM'000	Year ended 30.6.2001 RM'000	Year ended 30.6.2002 RM'000
Pre-tax (loss) / profit margin (%)	(954.5)	(202.1)	15.1
Effective tax rate (%)	-	-	-
Total bank borrowings	41	35	25
Interest expense	5	3	3
Interest cover (times)	(146)	(639)	213

5.5. Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

(b) Revenue Recognition

(i) Sale of Products

Revenue from sales of products is recognised net of service taxes and discounts when the transfer of risks and rewards have been completed.

(ii) Sale of Services

Revenue from the sales of services rendered is recognised net of service taxes and discounts as and when the services are rendered.

(c) Plant and Equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The carrying values of plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

Depreciation of plant and equipment is provided on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:-

Computers and software	10% - 15%
Furniture, fixtures, fittings and office equipment	15%
Motor vehicles	10%
Renovation	10%

(d) Intangible Assets

Product development expenditure comprises costs incurred in relation to programming and development activities and is amortised at 15% per annum.

The carrying value of the product development expenditure and the amortisation period are reviewed annually at each balance sheet date.

(e) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse. Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation.

(f) Finance Leases and Hire-Purchase

A lease is recognised as a finance lease if it transfers substantially to the Company the risks and rewards incident to ownership. Hire-purchase contract is a form of finance lease.

The Company recognises finance leases as assets and liabilities in the balance sheet at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable plant and equipment as described in Note 5.5(c).

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(i) Provisions for Liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(j) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

5.6. Analysis and Commentary on Financial Information

A detailed analysis of the financial condition and operations of the Company is as follows.

Revenue and Profitability

The increasing trend of revenue generated by AKN MTEch is due to the introduction of additional products and services commencing from the financial year ended 30 June 2001, such as the eCast platform solution and M@ds launched in May 2000 and the smart partnership programs. Revenue for the eCast platform solution comprises one-off installation fees (relating to software and programming costs) and SMS transaction charges.

During the financial year ended 30 June 2002, the Company formed smart partnerships with local mobile network operators such as TM Touch and Celcom in August 2001 and November 2001 respectively, to deliver content and services to their subscribers on a revenue sharing basis. The Company develops the content and applications in-house and the mobile network operators' subscribers are able to download items such as ring tones and icons through these smart partnership arrangements. As a result, the Company's services were extended to a larger customer base. These smart partnerships had contributed to higher sales and also provided for higher profit margins as compared to the other products and services.

The Company incurred a higher loss before tax of RM1,920,000 in the financial year ended 30 June 2001 as compared to a loss before tax of RM735,000 in the financial period ended 30 June 2000 due to higher fixed costs such as depreciation and staff costs as a result of a full year of operations. The Company achieved a profit before tax of RM637,000 for the financial year ended 30 June 2002 as compared to losses in the previous periods/years, as a result of increased sales following the offering of a wider range of products and services. Furthermore, revenue from the smart partnerships had a higher margin compared to the other types of products and services.

The Company had not experienced any interruptions in the business which may have had a significant effect on the operations of the Company during the past 12 months.

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Revenue Analysis

The Company's revenue can be broken down into the following types:-

	6.5.1999 to 30.6.2000 RM'000	Year ended 30.6.2001 RM'000	Year ended 30.6.2002 RM'000
eBuzz	77	716	412
eCast platform solution	-	52	316
M@ds	-	2	183
Setup and installation fees (eCast)	-	180	73
Smart partnerships	-	-	2,744
Sales of the rights to use SMS and GSM software	-	-	500
Total	77	950	4,228

The set up and installation fees relate to the eCast platform solution, and it is a one time upfront fee charged to the corporate customers for the installation of software at the customers' premises to link to the Company's gateway server.

The sales of the rights to use SMS and GSM software are in respect of the sales of the Company's SMS gateway server software as well as its SMS content and applications amounting to RM500,000 to Messaging Technologies (H.K.) Limited, a third party. It is part of the Company's move to export its expertise and range of products to other mobile internet-savvy countries.

Credit terms

The Company's normal policy is to grant credit terms of between 30 to 60 days to its customers. The analysis of the receivables' turnover days is as follows:-

	6.5.1999 to 30.6.2000	Year ended 30.6.2001	Year ended 30.6.2002
Trade receivables' turnover	49 days	78 days	236 days
No. of days for computation of trade receivables' turnover	100 days	365 days	365 days

The high receivables' turnover for the financial year ended 30 June 2002 was mainly due to the increase in revenue from the smart partnership programs with TM Touch and Celcom commencing from January 2002. Subsequent to the year end, up to 10 December 2002, approximately RM1,323,000 which was outstanding as at 30 June 2002 has been collected.

The normal credit terms granted by suppliers is 30 days on average. The analysis of the payables' turnover days is as follows:-

	6.5.1999 to 30.6.2000	Year ended 30.6.2001	Year ended 30.6.2002
Trade payables' turnover	45 days	191 days	172 days
No. of days for computation of trade payables' turnover	100 days	365 days	365 days

Approximately 70% of the trade payables represent amounts due to mobile network operators for SMS charges. Payments are normally made after the credit period granted. Subsequent to the year end, up to 10 December 2002, approximately RM159,000 which was outstanding as at 30 June 2002, has been paid to trade creditors.

5.7. Working Capital, Borrowings and Contingent Liabilities

The directors of the Company are of the opinion that after taking into consideration the cash flow forecast including the proceeds of the Issue, and barring unforeseen circumstances, the Company will have adequate working capital for its present and foreseeable future requirements.

As at 10 December 2002 (being the latest practicable date prior to the printing of this Prospectus), the Company's total bank borrowings amounted to approximately RM21,000 comprising hire purchase facilities.

Save as disclosed above, the Company does not have any other capital outstanding or loan capital created but unissued or mortgages or charges outstanding on that date.

As at 10 December 2002 (being the latest practicable date prior to the printing of this Prospectus), the Company does not have any material capital commitments or contingent liabilities.

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6. BUSINESS OVERVIEW

6.1. Overview of the Malaysian Economy

The Malaysian economy entered 2002 on a stronger footing, after recovering from a downturn experienced in the last two quarters of 2001. Riding on the back of an earlier-than-expected recovery of the United States (“US”) economy and a stronger out-turn in the later half of 2002, the Malaysian economy is expected to register a higher but moderate growth in gross domestic product (“GDP”).

The year began with optimism as the world economy recovered, led by the US on account of better demand for housing, motor vehicles, increased public expenditure on defence and a turnaround in the demand for electronics. The high expectations of a strong recovery for the year were, however, marred by a series of uncertainties, particularly a weak second quarter performance, reflecting a slower US GDP growth and lower corporate earnings. Elsewhere, the euro area’s moderate expansion and Japan’s recovery from recession are envisaged to remain on track, despite increasing risks. With global economic growth intact and supported by a strong domestic sector, Malaysia’s economy is expected to further strengthen, particularly during the second half of 2002.

Real GDP is projected to grow at 4% to 5% as targetted in Budget 2002, within an environment of low inflation and stronger economic fundamentals, supported by both prudent fiscal and accommodative monetary policies. The higher GDP growth of 4% to 5%, driven by the domestic sector for the second year running, is expected to emanate from increasing contribution of the private sector. The services sector is expected to continue to be the leading contributor to economic growth adding 3 percentage points to growth, followed by the manufacturing sector with 1.6 percentage points arising from the turnaround and improvements in global demand for information and communications technology (“ICT”) products. The strong performance of mobile phones and internet services of the telecommunications industry and the rise in local port transshipment activities is expected to continue to contribute to the expansion in the transport, storage and communications sub-sector at 5.4% (2001: 7.5%). In respect of the telecommunications sub-sector, the number of cellular telephone subscribers is expected to grow by 38% in the year 2002 due to better services, improved technology and wider coverage. This is in line with the Government’s concerted efforts to position Malaysia as a competitive knowledge-based economy, which has resulted in a more rapid development of ICT in the country.

With the mild recovery intact in 2002 and expected to gather momentum in 2003, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6%. The US is forecast to chart a stronger GDP growth of 2.6%, while the euro area is expected to further improve by 2.9%. Japan, which has shown further signs of bottoming out, has entered into a recovery mode and is projected to grow by 1.1% in 2003.

The Malaysian economy, with the stronger macroeconomic fundamentals already in place and complemented by more resilient corporate and financial sectors, is now poised to benefit from the much-improved global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with GDP envisaged to chalk 6% to 6.5%, arising from a broader based economy with growth emanating from a more pronounced role of a revitalized and dynamic private sector. The manufacturing sector is expected to continue its expansion to record 8.5% increase in output and contribute 2.6 percentage points to GDP growth while the services sector, with a projected increase of 5.9%, remains the major contributor to growth with 3.3 percentage points. The construction sector is forecast to expand 4.5% while the agriculture and mining sectors are envisaged to improve by 3.4% and 2.5%, respectively.

(Source: Economic Report 2002/2003)

6.2. Mobile Telecommunications Market

The mobile telecommunications market is characterised as one of the fastest growing sectors within the Malaysian telecommunications industry. Based on the MCMC's Communications and Multimedia Industry statistics, the 2001 annual growth rate in mobile phone subscribers was 46%, surpassing the internet (dial-up) subscriber growth rate of 27.5%. Mobile phone penetration in 2001 was 31.1 persons per 100 population as compared to 8.8 persons and 19.6 persons for internet (dial-up) and fixed line connections respectively. The following table sets forth the number of mobile phone subscribers in Malaysia from 1997 to September 2002.

Million	1997	1998	1999	2000	2001	2002 September
Mobile phone subscribers	2,461	2,150	2,717	5,122	7,477	8,579
Growth rate (%)	62.7	(12.6)	26.4	88.5	46.0	^(a) 6.9

Note:-

(a) Growth rate compared to second quarter of 2002.

(Source: MCMC Communications and Multimedia Industry Statistics - Third Quarter 2002)

AKN MTech believes that the key drivers of the growth in the mobile telecommunications market are:-

- (a) The continuing population growth and the increasing GDP per capita;
- (b) Changes in lifestyle and a growing youth consumer segment have led to a growing preference for mobile communications as opposed to the traditional fixed line services, due to the "mobility" factor in mobile phones and higher acceptance by the youth consumer market of new technologies in communications;
- (c) The increasing affordability of mobile communications through the reduction in handset prices and attractive call plans including prepaid packages; and
- (d) The increased competition within the telecommunications industry driving overall market growth.

The main players in the Malaysian mobile telecommunications market are Maxis, TM Touch, Celcom, DiGi and TIMECel. As AKN MTech's business falls within a sub-sector of the mobile telecommunications market, its growth rate will be dependent on the growth of the overall subscriber base of the aforementioned mobile network operators. Having forged smart partnerships with all the five (5) mobile network operators in Malaysia, AKN MTech's coverage of the country's mobile subscriber base is now complete.

6.3. Company's Mission

The aim and vision of AKN MTech is to:-

- (a) Provide and continue to develop a comprehensive and innovative suite of products and services for the GSM SMS and mobile communications industry;
- (b) Maintain its premier position in Malaysia as a content and applications services provider, and technology enabler for the mobile communications market, by creating new products and services with state-of-the-art technology; and
- (c) Leverage on the Company's know-how and experience and expand to the Asia Pacific region in the quickest time possible.

6.4. Technology Trends

AKN MTech operates within the telecommunications sector. More specifically, the Company has carved a niche for itself as a service provider cum enabler in the field of SMS and its related services. In this regard, technology developments and advancements in SMS and its evolution towards Enhanced Messaging Services (“**EMS**”) and Multimedia Messaging Services (“**MMS**”) would be of primary relevance to the Company’s business operations. Secondary to it will be WAP and the evolution of the Global System for Mobile Communications (“**GSM**”).

6.4.1. Technology Trends for SMS

SMS is a mechanism for the delivery of short messages that can comprise alpha or numeric characters or both, over mobile networks. It is a store and forward way of transmitting messages to and from mobile devices. The message from the sending mobile is stored in a central short message service centre which then forwards it to the destination mobile. This means that if the recipient is not available, the message can be stored and sent later. SMS is also the current technology for downloads of logos and mono-ring tones.

An interesting feature of SMS is return receipts. This means that the sender can get a small message notifying him or her whether the message has been delivered to the intended recipient. Since SMS uses signaling channels as opposed to dedicated channels, these messages can be sent / received simultaneously with the voice / data / fax service over a GSM network. SMS supports national and international roaming. This means that messages can be sent to any other GSM mobile user around the world. With the Personal Communications Services (“**PCS**”) networks based on all the three (3) technologies, GSM, Code Division Multiple Access (“**CDMA**”) and Time Division Multiple Access (“**TDMA**”) supporting SMS, SMS is more or less a universal mobile data service.

SMS has seen unprecedented growth in the last few years. In Europe, SMS has already crossed the three (3) billion messages per month mark. SMS is a first generation GSM service.

6.4.1.1. EMS

EMS is a mechanism by which users can send a comparatively richer message that is a combination of text, simple melodies, pictures (simple, black and white) and animations to an EMS compliant handset. The service is very much based on the existing SMS. It basically extends the User Data Header (“**UDH**”) in SMS (UDH makes it possible to include binary information in the message header) and in fact needs no upgrade to the network infrastructure. The handsets however need to be EMS compliant. The first EMS handsets by Motorola, Alcatel and Sagem are already in the market.

6.4.1.2. MMS

The next step in the evolution of SMS, which requires substantial changes to the network infrastructure, is the MMS that allows a combination of text, sounds, images and video. MMS will support pictures and interactive video. It will be possible, for example, to send mobile greeting cards and visiting cards using MMS. The first MMS compliant handsets are currently available in the market.

6.4.2. Technology Trends for WAP

WAP is an attempt to define the standard on how the content from the internet is filtered for mobile communications. It provides data-oriented (non-voice) services to the mass market and is capable of benefiting a greater number of end-users, as compared to the personal computer. WAP provides a universal open standard for bringing internet content and advanced value-added services to mobile phones and other wireless devices. It is the platform for the new generation of "media phones".

As a result, WAP makes a wide range of wireless network technology possible. WAP will enable users of mobile phones supporting the protocol to have access to information, stock trading, banking services, directory services, exchange rates, flight schedules, and train and bus timetables.

As WAP and web development tools are similar, it is relatively straightforward to adapt existing applications and information technology systems to the mobile environment.

The key demerit of WAP currently is the network support platform, as the current GSM network that transmits at 9.6 kbps results in slow delivery and operations. It is envisaged that this weakness will eventually be addressed with the introduction of General Packet Radio Services ("GPRS") and third generation GSM.

GPRS is a new non-voice value-added service that permits information to be sent and received across a mobile telephone network. GPRS is a packet base data service that provides much higher throughput. It can transmit at 115 kbps, so the issue of speed of data transmission (a weakness of the current GSM network) is addressed. Immediacy is one of the key advantages of GPRS (and SMS). GPRS will be another step towards enabling internet application (therefore WAP) over the mobile network. WAP applications on the new GPRS standard are currently available in the Malaysian market. At this time, the hardware, i.e. mobile devices are already available in the local stores, however the network supporting GPRS has been activated in selected areas only.

Ultimately, the introduction of third generation ("3G") technology will be the network platform for WAP as it will enable advanced internet capabilities for mobile devices. However, the introduction of 3G technology as a network platform is not anticipated to occur in the near to medium term as it requires substantial infrastructure and capital investment before 3G can be introduced to the Malaysian telecommunications industry.

6.4.3. Evolution of the GSM Platform

The GSM platform is a highly successful wireless communications platform and an unprecedented story of global achievement. In less than ten (10) years since the first second generation GSM network was commercially launched, it has become the world's leading and fastest growing mobile platform spanning more than 178 countries. The GSM family of wireless communications platforms account for approximately 70% of the total digital wireless market today.

The GSM family of wireless communications platforms is growing and evolving and already offers an expanded and feature-rich family of voice and data enabling services. The GSM family consists of today's GSM, the up and coming GPRS and ultimately 3GSM.

6.5. Future of SMS

Although there are new technologies like WAP and GPRS, the future of SMS is not likely to be affected. This is because SMS is a bearer service and it is a mechanism for sending short messages. WAP provides the user with services and protocols that can be used on top of SMS. With the increased use of WAP, the SMS traffic in networks should see considerable increase.

Unlike SMS, GPRS provides a real time data bearer. The users are always connected to the network. But GPRS and SMS do not really compete with each other in the real sense. The costs involved in sending small messages for an end-user in the case of SMS are expected to be lower than that in GPRS because the responsibility for sending the message to the recipient in the case of SMS lies entirely on the short message centre as opposed to the user in GPRS.

In GPRS there is no concept of storage. Confirmation of delivery is a unique feature of SMS because of the very nature of short message service. Simultaneous transmission with GSM voice, data and fax services is another distinguishing characteristic of SMS.

SMS needs no special network elements and handsets as opposed to GPRS. Almost every mobile user can use their existing mobile phone to send messages to any other mobile phone user without worrying about the capabilities of the mobile phone and its network.

GPRS will be a much better option to use for services like WAP, but will not be a near term solution as the availability of GPRS and GPRS-compliant handsets will take some time to pick up.

SMS, because of its very nature, has unique advantages that other non-voice services do not have. It provides a very convenient method of exchanging small bits of information between mobile users. The reason for the enormous popularity of SMS is that it saves time and costs less.

With new information services and unique value-added services being offered by the mobile network operators, the popularity of SMS is increasing further. SMS is also uniquely positioned as a very attractive advertising medium. SMS should no longer be treated as a "value-added" service in mobile networks. SMS is not only providing a useful mechanism for a host of innovative services over mobile networks but it also acts as a point of entry for new data services like WAP in mobile networks.

For example, the online stock-trading model permits investors to buy and sell stocks from the comfort of their own homes or offices. However, they cannot be at the computer at all hours of the day. Nevertheless, they are constantly in reach via their mobile devices. Although SMS trading is a long time coming, it can now be utilised as an alert or notification tool, whereby the investor can know his investment status anytime, anywhere, without the need to be in front of his desktop.

SMS here is integrated with the online m-business trading system whereby the investor is able to set relevant parameters to constantly monitor his investments. Immediate alerts are sent to his mobile device as soon as there are favourable changes or otherwise, which can initiate immediate responses. This simple application has proven to provide the investor with the ability to make necessary adjustments to his investments when seen fit.

SMS in the m-business environment is a rising solution which can be applied to any online scenario which requires some sort of "interaction" between the corporation and its clients. AKN MTech as an established value-added content developer has already forged ahead in terms of keeping abreast with technological developments whether it involves software advances, mobile devices hardware development or network development. It continues to roll out time to market products for the messaging market. For the Company, this is an on-going process whereby content and services development and network development will be undertaken diligently to ensure that it stays at the forefront of the industry.

6.6. Business Activities and Revenue Model

AKN MTEch's business activities can be broadly classified into two (2) distinct categories, namely SMS content and service provider and SMS technology enabler.

6.6.1. SMS Content and Service Provider

AKN MTEch develops content and services based on SMS and WAP technology to cater mainly to the retail market. The SMS content and services are currently provided by AKN MTEch via the *eBuzz* prepaid package and partnerships with mobile network operators such as TM Touch, Celcom, DiGi, Maxis and TIMECel.

eBuzz is the brandname for AKN MTEch's content and services offered through prepaid packs marketed by dealers. As at the date of this Prospectus, the main content and services offered through *eBuzz* are as follows:-

Content / Services	Function / Features
Instant eBuzz	Sends messages directly from the web to any local GSM mobile phone
eBuzz Active WebMail	A one-stop e-mail centre
eBuzz Active Mail Box	Sends e-mail alerts and forwards e-mails to your mobile phone without internet access through the Company's software
eBuzz Instant Dial-up	Sends messages without internet access through the Company's software
eBuzz Virtual Mail	Use your e-mail account to send SMS
eBuzz Messenger	Send e-mail from your mobile phone via SMS
eBuzz WAP	Access your mailbox and other WAP services with your WAP phone
eBuzz NetMon	Be alerted when your server experiences a failure
eBuzz Active Info	A range of value-added, updated information sent to your mobile phone at pre-set times
eBuzz Greeting	Send instant SMS greetings to recipients' mobile phones on specific dates pre-set by you
eBuzz Diary	Be alerted/reminded on your mobile phone of pre-set appointments
eBuzz Inter-Operator	Send inter-operator SMS locally and/or internationally.
eBuzz Solat	Solat time updates and alerts directly to your mobile phone
eBuzz Chat	Provides an alternative for individuals to "chat" with numerous other new friends simultaneously in "virtual chat rooms"
eBuzz International	Send SMS from the web to over 170 mobile networks worldwide
eBuzz Conference	SMS conference with multiple users in a virtual private room
eBuzz Active Phonebook	Send SMS to a single/multiple recipients or to a dedicated group simultaneously from your mobile phone
eBuzz Event	Latest event updates directly to your mobile phone. This includes soccer, Formula One and basketball results etc.
eBuzz Active Messenger	Send e-mail to a single/multiple recipients or to a dedicated group simultaneously via your mobile phone

Content / Services	Function / Features
eBuzz Fax 2 Email	Receive faxes from anyone routed to your e-mail account
eBuzz SMS 2 Fax	Send faxes via SMS using your mobile phone
eBuzz Ring Tone Downloads and Dedications	Download ring tones and dedications
eBuzz Operator Logos	Downloads and dedications to other compatible mobile devices
eBuzz Picture Messages	Download pictures and dedications
eBuzz Enhanced SMS	Multiple SMS and also "flashing" and "blinking" SMS services
eBuzz KLSE	KLSE "live" information and alerts

AKN MTech has forged partnerships with several local mobile network operators and corporations. These partnerships enable the Company to distribute its content and services to the customers of such mobile network operators and corporations, thereby indirectly broadening its own subscriber base.

Under its partnership programs with the mobile network operators in Malaysia, AKN MTech's content and services are provided to the subscribers of the respective mobile network operators. AKN MTech gets a share of the revenue generated from the usage of the content and services by the mobile network operators' subscribers.

Besides providing content and services to the mobile network operators, AKN MTech also provides its content and services through Premium Rate Audiotext Service, i.e. the 600 series Interactive Voice Response ("IVR") platform known as *funky SMS*.

AKN MTech will continue to develop new content and services for its smart partnership programs. Besides developing new content and services in-house, AKN MTech will also continue to source for content partnerships with other content providers. One example of such partnerships is that with Virtual Commerce Sdn Bhd, which facilitates the provision of real time stock quotes to mobile phone users.

(a) Revenue Model – Retail

The revenue derived from the *eBuzz* prepaid packs is based on the sale of credits in the form of data packs. Upon subscribing to the *eBuzz* data pack, the user is provided with a volume of credits. The *eBuzz* data packs are sold in denominations of 500 credits and 200 credits through dealers or distributors in the retail market.

These credits can be utilised to purchase the services provided under *eBuzz*. Most of the services provided under *eBuzz* would require a minimum of 2 credits. The credits in the data packs can be topped up or reloaded after they have been fully utilised.

(b) Revenue Model – Partnership Programs

In the partnership program revenue model, AKN MTech provides the content and applications to the mobile network operators and also the Premium Rate Audiotext Service operators. AKN MTech will share part of the revenue derived from the downloading of content and applications such as ring tones and icons by subscribers. The apportionment of revenue is predetermined in each case and takes into consideration, amongst other things, the amount of advertising and promotions borne by the partners.

6.6.2. SMS Technology Enabler

As a SMS technology enabler, AKN MTech acts as a gateway for corporations to transmit information to their customers. The services offered to corporations are branded under eCast, IMP and M@ds.

(a) eCast

The eCast solution allows corporations to send SMS alerts for loan repayment reminders, stock transactions, insurance policy updates, etc. Such information is automatically generated from the corporation's information systems and transported to AKN MTech's gateway server via leased lines or the internet. The information is then sent out via SMS from AKN MTech's gateway to the relevant mobile network operator's SMS centre and thereafter broadcast to the mobile phones of the respective recipients.

Revenue Model

The related services under the eCast solution for corporate customers are based on the "enabler" concept, whereby AKN MTech simply provides a gateway for the transport of SMS messages between the client and its customers (and vice versa).

AKN MTech charges an initial set up and commissioning fee upon installation of the eCast solution and the SMS transaction charges are dependent on the mobile network operator utilised. At the end of each month, an invoice is generated for each particular client based on the above fee structure.

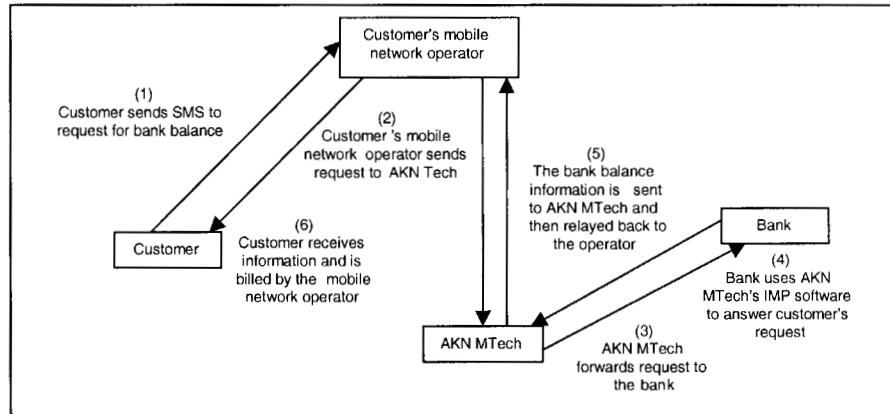
(b) IMP

The IMP solution is an interactive mobile service and it is a tripartite arrangement between AKN MTech's corporate customers, AKN MTech and the mobile network operators. End-users can access and request for information from the corporation using SMS through their mobile phones. Billing will be charged to their phone bills and AKN MTech will collect its share of revenue from the mobile network operators. This arrangement is similar to the smart partnerships with the mobile network operators for the consumer content services market.

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Revenue Model

The IMP revenue model is based on value-added services offered by the client to its customers. For example, a bank offers its customers access to their current account balance by using their mobile phones. The revenue model for the IMP tripartite arrangement is shown in the diagram below:-



AKN MTech will share part of the mobile network operator's billing revenue relating to the above transaction.

(c) **M@ds**

The M@ds solution allows corporations or advertisers to send advertisements through SMS to targeted customers. The corporations or advertisers will be charged a premium rate for the SMS sent.

Revenue Model

The revenue derived from M@ds is based on the number of SMS transactions. A premium is charged for the SMS advertisement sent out. The rates charged to the clients differ based on the following criteria:-

- (i) Volume of messages purchased; and
- (ii) Database utilised (AKN MTech's or that obtained from the client).

6.7. Market Outlook

6.7.1. SMS as a Preferred Communication Tool

AKN MTech believes that SMS is viewed as the preferred communication tool for the following reasons:-

- (a) SMS is not a new technology, hence, it is applicable to any mobile device currently available in the market. There is no need for a WAP or GPRS device, therefore, it is easily accessible;
- (b) SMS is cost effective. In Malaysia, the average cost of an SMS is RM0.15 per transaction. Compared to a voice call or even "snail-mail", it is definitely the cheapest option to communicate; and
- (c) Although e-mails are free, SMS provides one with the ability to stay in touch anytime, anywhere, as long as one possesses a mobile device.

6.7.2. Enhancement of SMS Content and Products

The mobile phone manufacturers continue to improve the hardware, allowing richer content to be developed. EMS, which is now a standard adopted by the leading manufacturers (Ericsson, Siemens, Samsung, Alcatel and Motorola) allows graphics and songs to be attached to a standard SMS message, while Nokia is pushing ahead with MMS.

Java phone is currently available and this enables applications to be written / downloadable to the mobile phone itself. For example, a salesman can run sales order entries from his mobile phone and wirelessly connect to the company's sales order control system, thus giving the system an online trading environment.

6.7.3. SMS as an Advertising Medium

Advertisement messages via SMS have slowly gained popularity due to their effectiveness. SMS advertisement allows a company to cater its advertisement to specific audiences in a cost-effective manner, directly and instantly to their mobile phones. SMS advertisement can be effectively used for the following:-

- (a) Target advertisements;
- (b) Exhibitions / fairs and other events;
- (c) Sales / promotions announcements;
- (d) Mobile discounts;
- (e) Announcements;
- (f) Classified / personalised advertisements;
- (g) New products / services launch; and
- (h) Customer retention programs.

6.7.4. SMS as an m-Business Tool

The capability of "*interactive SMS*", upon which the Company's IMP is built, offers a "*breakthrough*" to develop SMS as an m-business tool with wide application. Through the IMP, the mobile phone user is able to extract his personal updated data directly from the corporation using SMS with a secure format (ie. using a personal identification number).

For example, when providing the IMP in the banking environment, the current account holder is able to process information such as current account balance, ordering cheque books or stop payment instructions via SMS – a simple, hassle free, readily accessible and cost effective mode.

Interactive SMS in business can be utilised in various different environments – i.e. securities, insurance, freight forwarding, retail plus many other business scenarios that require two-way communication between corporations and consumers.

At the moment, interactive IMP is restricted to general information dissemination only. No monetary transfer or transactions are made via SMS. However, the Company believes that this trend will change once the Malaysian public is more convinced and comfortable with the security aspects of SMS.

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6.8. Overall Strategy

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.

AKN MTEch is the first independent SMS provider to have a lease line connection with Celcom and Maxis, the two (2) largest mobile network operators in Malaysia. Currently, besides Celcom and Maxis, AKN MTEch has also connected with TM Touch and DiGi.

To set the infrastructure for m-business applications, AKN MTEch has started to build up its corporate clientele base by securing clients through its eCast platform since early 2000. AKN MTEch is now considering offering its IMP to its existing corporate clients without any charge. The Company believes that these cohesive actions have provided the Company with the first mover advantage.

In order to have a larger customer base for its content, AKN MTEch has formed smart partnerships with the mobile network operators to deliver its content to the end-users and share revenue with the operators. As at the date of this Prospectus, AKN MTEch has already formed smart partnerships with TM Touch, Celcom, DiGi, Maxis and TIMECel. AKN MTEch continues to spend on advertising and promotion to promote its content and services and has budgeted a certain percentage of its revenue for future advertising and promotion activities. To further generate interest in SMS, AKN MTEch will be organising various contests to attract participants using SMS.

Currently, the Company's principal market is Malaysia. However, in seeking to expand the Company's business network, the Company has on 15 June 2002 entered into a Technology Transfer and Technical Assistance Agreement with Messaging Technologies (H.K.) Limited ("**MTEch HK**"), a company incorporated in Hong Kong. The Company subsequently entered into a Supplemental Agreement dated 26 June 2002 with MTEch HK to clarify their position and respective rights and obligations under the Technology Transfer and Technical Assistance Agreement.

Under the Technology Transfer and Technical Assistance Agreement (as amended by the terms of the Supplemental Agreement), the Company has agreed to grant the rights to use certain processes, know-how and technical knowledge which the Company possesses, to MTEch HK to enable it to provide similar content and services as the Company provides in Malaysia, in the People's Republic of China, including the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Republic of China (Taiwan).

MTEch HK basically replicates the business model of AKN MTEch in Malaysia with the provision of *eBuzz*, eCast and IMP plus the provision of content and applications to the local networks in Hong Kong. Upon obtaining the funding from its initial public offering exercise, AKN MTEch will speed up the establishment of its regional operations. Besides Hong Kong, AKN MTEch plans to establish operations in Thailand and either China or Indonesia.

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6.9. Distribution Channels

AKN MTech's products and services are marketed via various different channels. The modes of marketing are catered to suit the different types of products and services, taking into account their effectiveness.

(a) *eBuzz*

This product is currently sold / marketed through various channels including:-

- (i) Physical retail outlets – approximately 350 active outlets nationwide;
- (ii) Online “e-store”; and
- (iii) Via Interactive Voice Response (“IVR”) purchase over a premium rate audiotext channel.

Since the launch of *eBuzz*, the product has been periodically promoted via print and radio advertising.

(b) Smart Partnerships with Mobile Network Operators

In this area, some of the marketing is done by the mobile network operators themselves in promoting and advertising AKN MTech's content, services and applications. However, AKN MTech also conducts its own advertising and promotion campaign for such services via smaller but more consistent print advertisements in the major dailies and popular local media of various languages in Malaysia.

(c) Corporate Applications (eCast and IMP)

As these services were initially catered towards specific industries, such as banks, securities and insurance companies, AKN MTech has marketed these services via personal introductions and visits, instead of investing in advertising.

However, as the IMP solution can be catered towards any corporates wishing to provide a more efficient and effective communication channel between themselves and their clients, AKN MTech will be looking into advertising this solution through press releases and print advertisements.

6.10. Competition

It is difficult to ascertain whether AKN MTech has any direct competitors as its product suite is comprehensive and its services are provided under various platforms (i.e. corporate sector, entertainment services, and network operator content and applications). There is a limited number of entities in the region, which currently provide such a wide suite of products through the various channels.

However, within individual channels, there are other entities providing similar services. For example, under the corporate sector (eCast and IMP platforms), competing products would include those provided by companies such as QuickNet Com (M) Sdn Bhd and I-WAP Systems (Asia) Sdn Bhd. For the entertainment based services such as the provision of ring tones and other downloadable items, competing companies include Gen-X Technologies Sdn Bhd and WAP Portal Sdn Bhd.

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In order to stay competitive in the industry, AKN MTEch adopts the following strategies:-

- (a) AKN MTEch is connected via lease line connections to the major mobile network operators. The dedicated lease lines will ensure a secure, efficient and high quality standard of delivery;
- (b) AKN MTEch's twenty four (24) hours a day and seven (7) days a week support provides round-the-clock monitoring and maintenance of all services operated / managed;
- (c) For the downloadable items and new technology, AKN MTEch will continue to develop the latest in such services in line with the new technology developments. Examples include multiple device ring tones and icons, EMS products and MMS products. AKN MTEch has been appointed by some of the mobile phone manufacturers to develop such items for their compatible devices to be marketed regionally; and
- (d) Time to market – being one of the first in the Malaysian market, AKN MTEch's experience, expertise and infrastructure are geared towards managing and operating all related services with high quality.

The possibility of new companies entering the market using the same business model is inevitable. However, since the Company commenced operations, the management has gone through a learning process enroute to identifying a winning formula. The R & D, investment of time and effort coupled with a team of dedicated and ambitious professionals have resulted in an entity that can effectively compete with existing competitors as well as new entrants.

The Company has already established a stable, reliable and secure platform with a proven track record, especially with renowned corporate clients such as HSBC Bank Malaysia Berhad. The agreements with the mobile network operators are imperative to provide the products and services offered by the Company. They allow secure mass transactional possibilities, backed by the high standard of delivery which is a necessity for customer satisfaction. Such links are one of the Company's main strengths when viewed by potential clients.

The Company has secured partnership programs with mobile network operators and also with corporations. Hence, with the Company's existing partnership programs, corporate clients and future potential, AKN MTEch is poised to maintain its leading edge in the industry.

The directors of AKN MTEch believe that the Company is currently the market leader for SMS technology and enhanced services, as the Company is the only content and applications service provider which has forged partnerships with all the mobile network operators in Malaysia. This has led many other corporations providing synergistic applications to approach AKN MTEch as a business partner. The recent Ericsson Mobility World cum Kacip@Cut-Edge Awards 2001/2002 for the Company's SMS *eBuzz* portal, is a testimony of AKN MTEch's capability in creating award-winning solutions and applications.

6.11. Premises

The Company currently operates from two (2) premises, one in Pusat Dagangan Phileo II, Petaling Jaya and one in Cyberjaya. The Company's corporate office is also located in Pusat Dagangan Phileo II.

6.12. Research and Development

AKN MTech will continue to invest in R & D activities in both technology enabling applications and content. The IMP is an example of AKN MTech's efforts in the development of technology enabling applications. As for content development, AKN MTech collaborates closely with the mobile phone manufacturers to keep abreast with their developments. As at todate, AKN MTech is an independent provider that is capable of offering ring tone downloads for all major makes of mobile phones.

AKN MTech is a member of Ericsson's Malaysia Focal (formerly known as Malaysia WAP Focal) and Forum Nokia, initiatives by two (2) of the world's largest manufacturers of mobile communications devices, which provide a global network of knowledge sharing and business opportunities for their members.

For example, as a member of the Malaysia Focal, AKN MTech receives advance information about Ericsson products and access to pre-release development tools, prototype handsets, as well as Ericsson's physical test laboratory in Kelana Jaya, Selangor Darul Ehsan. Members of the Malaysia Focal are also invited to join Ericsson in marketing activities such as conferences and exhibitions. The Malaysia Focal also provides AKN MTech with an end-to-end physical test bed for it to run its applications.

Forum Nokia is a program which brings together professional developers working with technologies and platforms supported by Nokia mobile devices and provides the Company with information needed to develop applications using the technologies supported by Nokia's products. Forum Nokia also provides a business-to-business marketplace which connects applications developers to service providers and operators, thereby making it easier to trade mobile applications and content.

AKN MTech's R & D team consists of 12 software programmers / developers. All the aforesaid personnel are local graduates who constantly undergo various in-house and external training courses to continuously update their knowledge and skill in the area of telecommunications technology.

The Company intends to perform R & D on new content and applications such as EMS animated graphics, polyphonic ring tones, games and other mobile phone applications. The Company expects to introduce EMS content and applications such as EMS icons, ring tones, messaging and animations by the first quarter of 2003, and MMS content and applications such as multimedia greeting cards, audio and video clips by the third quarter of 2003. The Company is also developing content and applications for the GPRS and 3G platforms.

Besides performing R & D, the research team also plays a key role in the Company's quality control program. All new products and services are tested by the programmers in the R & D team, and the content team, and if approved, will be subjected to further testing by the rest of the Company's employees. Only when a product or service is found to have performed satisfactorily will it be released to *eBuzz* subscribers and then to the general public.

6.13. Major Customers

For the financial year ended 30 June 2002, there were no customers who individually contributed 10% or more of the Company's total revenue, save as disclosed below:-

Name of Customer	Type of Revenue	Length of Relationship (Months)
Celcom	Smart partnership for content and applications	6
TM Touch	Smart partnership for content and applications	9
Messaging Technologies (H.K.) Limited	Sales of software	6

The total contribution of the Company's other customers amounted to approximately 29% of the total revenue for the financial year ended 30 June 2002.

As at 30 June 2002, AKN MTEch had approximately 50 corporate customers and 350 retailers.

6.14. Major Suppliers

For the financial year ended 30 June 2002, there were no suppliers who individually supplied 10% or more of the Company's total purchases, save as disclosed below:-

Name of Supplier	Materials / Services Supplied	Length of Relationship (Years)
Maxis Broadband Sdn Bhd	Dedicated leased lines	2
Celcom	Dedicated leased lines	2
Music Authors' Copyright Protection (MACP) Berhad	Royalty payments for ring tone downloads	1

The total contribution of the Company's other suppliers amounted to approximately 48% of the total direct costs for the financial year ended 30 June 2002.

As at 30 June 2002, AKN MTEch had approximately 21 suppliers.

6.15. Employees

The Company has a flat organisational structure that keeps all levels of the organisation actively involved in meeting the dynamic needs of the customers and partners.

As at 10 December 2002, the Company had 44 full-time employees in the following categories:-

Category	No. of Employees	%	Average Length of Service (Years)
Managers	11	25.0	2.0
Business Executives	10	22.7	1.5
Programmers	11	25.0	2.0
Networking Engineers	2	4.6	1.0
Support Staff	10	22.7	0.8
Total	44	100.0	

All technology and product training is conducted in-house. However, training on new technologies and future developments is provided through external courses and seminars. These include courses on MMS / GPRS and 3G conducted by industry movers such as Ericsson and Nokia.

The Company has ambitious plans for growth and with the higher profile achieved through the listing exercise, the ability of the Company to attract qualified knowledge workers in the future to cater for the anticipated growth will be enhanced. In order to maintain its skilled staff force and other workers, the Company will be implementing the ESOS in conjunction with its listing on the MESDAQ Market of the KLSE.

The Company does not have any collective agreements with trade or labour unions and is not aware of its employees being members of labour unions. The employees enjoy cordial relationships with the management. There have not been any industrial disputes in the past between the employees and the management.

6.16. Intellectual Property

The Company has applied for the registration of two (2) *eBuzz* logos as servicemarks under Class 38. The Company has also registered the following domain names which it uses in connection with its business, with the MYNIC:-

- (a) wcdma.com.my;
- (b) 3g.com.my;
- (c) smsmail.com.my;
- (d) indocyber.com.my;
- (e) result.com.my;
- (f) results.com.my;
- (g) oldschoollmates.com.my;
- (h) oldschoollmate.com.my;
- (i) smsfax.com.my;
- (j) wapmail.com.my;
- (k) gprs.com.my;
- (l) smsetext.com.my;
- (m) mtech.com.my;
- (n) gsm.com.my;
- (o) gsmmobiles.com.my;
- (p) ebuzz.com.my;
- (q) www.moodswingers.com.my; and
- (r) www.moodswinger.com.my.

6.17. Operating Licences

6.17.1. ASP Class Licence

AKN MTech holds an ASP Class Licence which was granted by the Minister of Energy, Communications and Multimedia pursuant to Section 44 of the Act, to provide mobile internet messaging solutions utilising SMS and WAP as the base platform, and the Company was registered with the MCMC on 18 December 2000 as a holder of an ASP Class Licence. Such registration is valid for one (1) calendar year and must be renewed annually. The Company has renewed its registration with the MCMC as a holder of an ASP Class Licence, which registration is valid until 20 May 2003.

As a holder of an ASP Class Licence, AKN MTech is licensed to provide, amongst others, messaging services. However, the Company is subject to the standard licence conditions imposed by the Act or by the Minister of Energy, Communications and Multimedia from time to time. As a holder of an ASP Class Licence, the Company must, amongst others, comply with any consumer codes registered under the Act which are relevant to its activities.

6.17.2. Service Tax Licence

AKN MTech was issued a service tax licence by the Royal Customs and Excise Department on 18 April 2002 pursuant to the Service Tax Act, 1975 to provide telecommunications services, which are taxable under the Second Schedule of the Service Tax Act, 1975. The service tax licence authorises AKN MTech to collect service tax for the services it provides.

Company No. 482772-D

Apart from the licences mentioned above, the Company does not possess and has not applied for any other licence from any other governmental department or regulatory authority or agency in connection with its business. The Company currently complies with the requirements of the operating licences mentioned above.

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