

## 6. INFORMATION ON MNCW GROUP

### 6.1 INCORPORATION

We were incorporated as a private limited company in Malaysia on 3 December 2003 under the Act. We converted to a public company on 22 June 2004. As at 28 August 2005, our authorised share capital is RM25,000,000 comprising 250,000,000 Shares, of which RM4,500,000 comprising 45,000,000 Shares have been issued and fully paid-up.

The details of the changes in our issued and paid-up share capital since our date of incorporation until the date of this Prospectus are set out below:-

Date of Allotment / Sub-division	No. of ordinary shares	Par Value (RM)	Consideration / type of issue	Cumulative Total (RM)
3 December 2003	2	1.00	Cash	2
10 June 2004	2,240,541	1.00	Otherwise than cash	2,240,543
26 August 2005	2,259,457	1.00	Rights Issue	4,500,000
26 August 2005	45,000,000	0.10	Share Split	4,500,000

### 6.2 SHARE OPTIONS

As at the date of this Prospectus, save for the ESOS to be implemented, no person has an option or is entitled to be given an option to subscribe for any of our Shares or our subsidiary's shares.

### 6.3 RESTRUCTURING AND LISTING SCHEME

In conjunction with, and as an integral part of the Listing, we implemented a Restructuring Exercise which was approved by the SC on 18 April 2005, involving the following:-

#### 6.3.1 Rights Issue

On 26 August 2005, we implemented a renounceable rights issue of 2,259,457 new ordinary shares of RM1.00 each to our existing shareholders, on the basis of approximately 1.008 new ordinary shares of RM1.00 each for every one (1) of our existing ordinary share of RM1.00 each held at an issue price of RM1.00 each payable in full upon application. The Rights Shares rank *pari passu* with our then existing shares in all respects.

The Rights Issue resulted in our issued and paid-up share capital increasing from RM2,240,543 comprising 2,240,543 ordinary shares of RM1.00 each to RM4,500,000 comprising 4,500,000 ordinary shares of RM1.00 each.

#### 6.3.2 Share Split

On 26 August 2005, we implemented a share split involving a sub-division of every existing one (1) of our ordinary share of RM1.00 each into ten (10) new Shares.

Upon completion of the Share Split, our issued and paid-up share capital changed from RM4,500,000 comprising 4,500,000 ordinary shares of RM1.00 each to RM4,500,000 comprising 45,000,000 Shares.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

### 6.3.3 Public Issue

As part of the Listing, we will issue 16,000,000 new Shares at an Issue Price of RM0.48 per share in the following manner:-

- (a) 1,628,000 Shares have been reserved for our eligible Directors and employees;
- (b) 3,000,000 Shares will be made available for application by the public, companies, societies, co-operatives and institutions; and
- (c) 11,372,000 Shares will be made available for application by private placement to selected institutional and individual investors.

Upon completion of the Public Issue, our issued and paid-up share capital will increase from RM4,500,000 comprising 45,000,000 Shares to RM6,100,000 comprising 61,000,000 Shares.

Our Shares in respect of paragraphs (b) and (c), have been fully underwritten by the Underwriter. Any Shares in respect of paragraph (a) not subscribed for will be made available for application by way of private placement, failing which, such remaining Shares shall be made available to the public and will be underwritten.

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

### 6.3.4 Bonus Issue

As part of the Listing and as an incentive to our shareholders subsequent to the Public Issue, we shall implement a Bonus Issue of 30,500,000 new Shares to all our shareholders prior to the Listing on the basis of approximately one (1) of our new Share for every two (2) of our existing Shares held after the Public Issue and this will be completed prior to the Listing. The Bonus Issue will be capitalized from the share premium account arising from the Public Issue.

The Bonus Issue will result in our issued and paid-up share capital increasing from RM6,100,000 comprising 61,000,000 Shares to RM9,150,000 comprising 91,500,000 Shares.

Our new Shares to issued pursuant to the Bonus Issue shall rank *pari passu* with our then existing Shares in all respects except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the Bonus Issue Shares.

### 6.3.5 ESOS

We had on 18 April 2005 and 27 August 2005 obtained the approval of the SC and our then existing shareholders respectively, to establish an ESOS to motivate, retain and reward eligible executives whose services are vital to our Group's operation and continued growth.

The ESOS will involve up to 15% of our issued and paid-up share capital at any time during the existence of the ESOS, to be issued pursuant to the options to be granted under the ESOS to the Eligible Persons. Based on our enlarged issued and paid-up share capital of RM9,150,000 comprising 91,500,000 Shares, the maximum number of Shares to be issued pursuant to the ESOS is 13,725,000.

Our new Shares to be issued upon the exercise of the options will, upon allotment and issue, rank *pari passu* in all respects with our existing issued and paid-up Shares, except that our 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 the allotment of our said Shares. Our new Shares will be subject to all the provisions of our Articles of Association.

**6. INFORMATION ON MNCW GROUP (CONT'D)**

In accordance with the Bursa Securities LR on Employees' Share Option Schemes, the ESOS can be launched or implemented upon receipt of relevant approvals from the SC, Bursa Securities and our shareholders, the fulfilment of any conditions attached thereto and upon the adviser for the ESOS submitting to Bursa Securities the final copy of the By-Laws of the ESOS and shall thereafter continue for a period of five (5) years from the date the ESOS is implemented, subject however, to extensions at the discretion of the Option Committee for a period of up to five (5) years commencing from the day after the date of expiration of the original five (5) year period.

In conjunction with our Listing on the MESDAQ Market, our Directors made an initial grant of up to 7,000,000 options to the Eligible Persons ("Initial Grant"). The exercise price of the options which are the subject matter of the Initial Grant is the Issue Price.

In addition to the Initial Grant, our Board of Directors shall, within the duration of the ESOS, make offers to grant options to the Eligible Persons in accordance with the ESOS By-Laws adopted by our shareholders. Each such option which is not part of the Initial Grant shall be exercisable at a price which shall be set at a discount of not more than 10% of the weighted average market price of our Shares as shown in the Daily Official List of Bursa Securities for the five (5) market days immediately preceding the offer date (or such other pricing mechanism as may be permitted by Bursa Securities or any other relevant regulatory authorities, from time to time) provided that the exercise price of the options shall in no event be less than the par value of our Shares.

Our Directors intend to utilize the proceeds from the exercise of the ESOS Options as and when received for working capital purposes.

Further details of the ESOS, which are contained in the By-Laws, are set out in Section 15 of this Prospectus.

**6.3.6 Listing and Quotation**

We will seek the listing of and quotation for our entire issued and paid-up share capital of RM9,150,000 comprising 91,500,000 Shares and for our new Shares that may be issued upon the exercise of the ESOS Options on the MESDAQ Market.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

## 6. INFORMATION ON MNCW GROUP (CONT'D)

### 6.4 HISTORY AND BACKGROUND

We were incorporated in Malaysia on 3 December 2003 under the Act with an issued and fully paid-up share capital of RM2.00. We were set up with the purpose of developing wireless mobile and multimedia solutions comprising software and content. On 7 January 2004, we obtained our MSC status from the MDC. To facilitate the Proposed Listing, we converted to a public company on 22 June 2004.

As at 28 August 2005, our authorised share capital is RM25,000,000 comprising 250,000,000 Shares, of which RM4,500,000 comprising 45,000,000 Shares have been issued and fully paid-up.

We had on 10 June 2004, entered into an agreement to acquire the entire equity interest in MNCC from Mr Lionel Koh Kok Peng, Ms Lee Sze Inn, Mr Chung Jaan Hao and Mr Christopher Micheal Cheow for a total consideration of RM2,240,541 satisfied via the issuance of 2,240,541 new ordinary shares of RM1.00 each in our Company. The consideration was arrived at on a "willing-buyer, willing-seller" basis after taking into consideration the audited shareholders' funds of MNCC as at 31 December 2003 of RM841,528 and adjusting for the capitalisation of shareholders' advances amounting to RM1,399,013. The shareholders' advances were for purchase of fixed assets such as computers and related equipments, furniture and fittings, office equipments, office renovation, capitalised product development expenses and day-to-day working capital expenses. We included the capitalised development expenses in the consideration as we were of the view that the development was integral to MNCC's future products and services. Upon completion of the acquisition, MNCC became our wholly-owned subsidiary company.

MNCC was incorporated on 1 July 2002 under the Act with an issued and paid-up share capital of RM2.00. MNCC is mainly engaged in the implementation of m-business solutions as well as management of content resources for B2B and B2C enterprise applications. MNCC provides consultancy services in the areas of mobile technology and content solutions, in order to enable traditional businesses to "mobilise" their operations in an increasingly wireless market in the broad areas of CRM, marketing, sales / field force automation and m-commerce. MNCC has since developed and implemented robust solutions to help its clients such as Bonuslink, DiGi Telecommunications, EMI, PMP, Permanis and NTV7. As at 28 August 2005, the authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which RM1,499,013 comprising 1,499,013 ordinary shares of RM1.00 each has been issued and fully paid-up.

The early days of m-marketing in Malaysia were mostly confined to the broadcasting of advertisement-laced SMS messages to mobile phone users. Since its incorporation, MNCC has propagated "permissive marketing" for its m-marketing practice. MNCC is also one of the pioneers of the m-marketing practice of integrating the mobile phone as part of a multimedia campaign with other forms of traditional media such as print, TV, radio and the Internet.

The exponential growth in mobile phone penetration as well as the proliferation of wireless handheld devices such as PDAs and hybrid smart phones in Malaysia presented an untapped opportunity for an unlimited number of new and innovative services. Our Promoters, with their diverse and rich backgrounds in the areas of telecommunications, mobile data services, e-commerce, marketing and advertising, immediately recognised the business opportunity and the potential to further define and grow the concept of m-business.

At present, we are involved in:-

- (a) the development of advanced mobile technology solutions such as mobile-interactive TV, wireless ticketing and mobile video streaming;
- (b) the offering of a real world incubation testing environment for new technologies through our consumer mobile service portal "www.gospecial.com";
- (c) the development of content for major mobile service portals such as Samsung Fun Club and Motorola's portal "www.mymobilesoft.com"; and

## 6. INFORMATION ON MNCW GROUP (CONT'D)

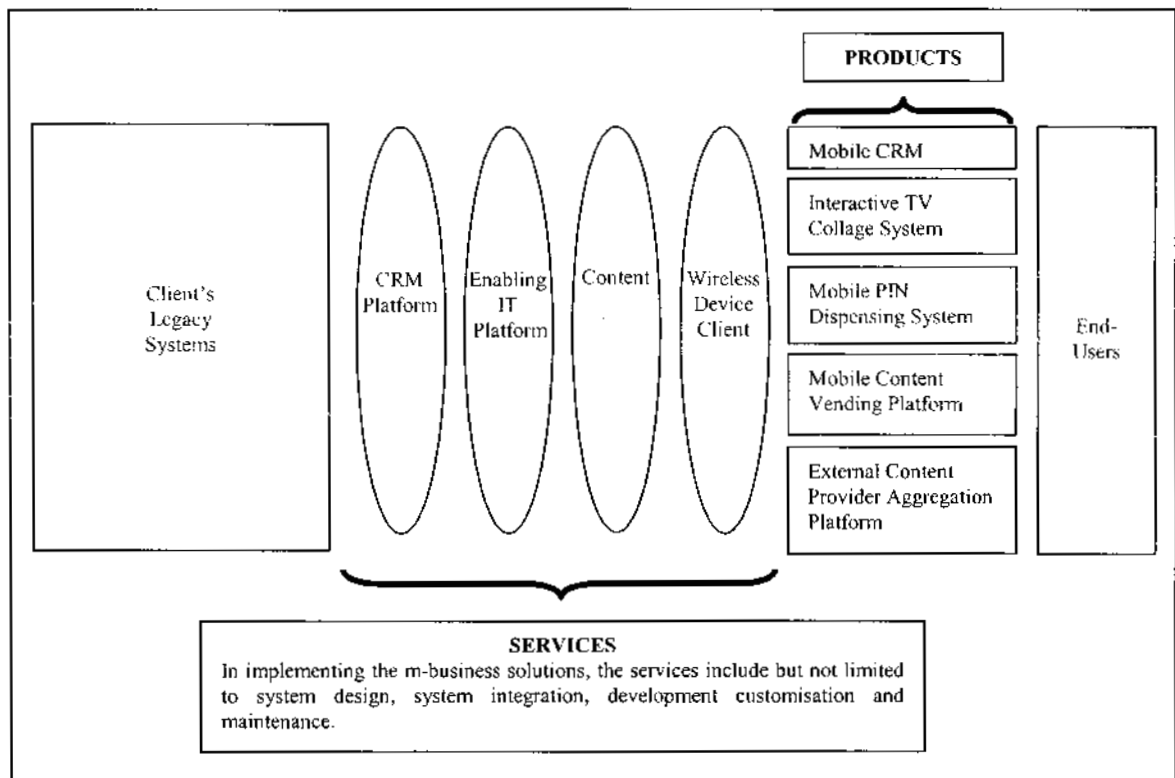
- (d) the development of compelling mobile content that helps build consumer loyalty and retention to some of the m-business initiatives of our Group through content partnerships with EMI and Bonuslink.

Our products are developed based on wireless and mobile technologies such as SMS, MMS, WAP, GPRS, EDGE, 3G and Wi-Fi. Our products run on a combination of open source and Microsoft platforms using programming languages such as Java, C++ and Microsoft.Net. Other programming languages such as Symbian C++ and J2ME are also utilised in the development of various software for wireless client devices such as Java games and other mobile applications.

Our global technology and content partners include established companies such as Air Games in Canada and Xgate in Hong Kong.

### 6.5 PRODUCTS AND SERVICES

The following diagram depicts the role of our Group within the m-business value chain in providing its products and services:-



Our Group's product range is as follows:-

#### 6.5.1 Wireless And Multimedia Software Applications

This is a broad category where the development of multi-media, multi-channel access entertainment, productivity and business enabling solutions take place, converging mobile, video, the Internet and TV broadcasting technologies.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

The sub-categories in this business segment are as follows:-

### (i) M-business CRM Platform

As the core platform for our Group's m-business solutions, this platform gathers all information from other m-business application touch points, such as interactive terminals located at clients' business premises, and provides rule-based business intelligence to enhance sales, marketing and CRM across multiple inter-connected business solution applications.

We have continued to enhance the platform to enable a web-based user interface with easy contact management for B2B2C usage. This new version has been re-launched to the market on 18 June 2005 branded as Go!SMS™ and have been used by clients such as PMP, Naga DDB, Rapp Collins (M) Sdn. Bhd. and BAT.

We intend to continuously develop new and enhanced m-business solutions built around the Go!SMS™ while moving towards rule-based business intelligence and Artificial Intelligence ("AI")-based business intelligence by 2007.

### (ii) Interactive TV Collage System ("iTVS")

The iTVS is a TV broadcasting solution that enables the creation of interactive graphical overlays within a traditional broadcasting environment where TV viewers may interact live with the TV programmes through SMS, WAP, MMS, the Internet and voice. This solution provides live interactive TV applications such as chat, dedication, voting, polling, jukebox and online community games, with full graphical and video support. The iTVS also allows users to create TV broadcast quality graphical interfaces, advertising banners and text crawlers "on the fly".

At present, NTV7 is utilizing our Group's iTVS.

In essence, the iTVS is made up of two (2) subsystems. One subsystem will reside with us while the other subsystem will reside in the TV broadcasting station's premise. Our subsystem is responsible for receiving/sending SMS from/to the SMSC of a mobile network operator. It relays the messages received from the SMSC of a mobile network operator via the Internet to the other subsystem that resides in the TV broadcasting station's premise. The messages can be in the form of SMS chatting, voting, polling, online gaming and various types of interactive activities. The subsystem that resides in the TV broadcast station receives and processes the messages to generate the required output result to be fed into the broadcasting system.

The iTVS system have been branded as Go!iTV™ since September 2004 for easy market recognition and reference.

### (iii) Mobile PIN Dispensing System ("MPDS")

The MPDS is an end-to-end virtual PIN dispensing solution with comprehensive client-supplier accounts management modules. It is designed for IDD service distributors to replace printing and physical distributions of IDD credit reload PINs to their client call shops through the ubiquitous SMS channel.

R&D is currently being conducted to expand this solution to allow secure distribution of PINs to mobile devices through encryption and digital authentication methods. R&D is focused on creating a solution that is easily accessible to the public, easy to use and secure. This solution is targeted at financial institutions to replace physical printing of PINs, thus providing better security and improving customer experience through the speedier process.

---

**6. INFORMATION ON MNCW GROUP (CONT'D)**


---

**(iv) Mobile Content Vending Platform (“MCVP”)**

The MCVP is a multi-channel access content delivery platform that allows multiple formats of content to be stored and retrieved for download by mobile devices. Its multi channel access supports the ordering of content through SMS, MMS, voice, WAP and the Internet. Delivery of content is through SMS, MMS or WAP.

Due to the multiple formats of content that caters to multiple specifications of mobile devices, the MCVP is designed to correctly deliver the appropriate content based on the mobile device used to access the download.

R&D on the latest mobile device specifications is constantly performed to upgrade the MCVP to cater the latest content to the latest mobile devices.

The MCVP is suitable for mobile carriers, mobile content aggregators and content providers to be used as a platform to enable downloads of rich mobile content.

**(v) External Content Provider Aggregation Platform (“ECPP”)**

The ECPP is a platform designed to allow aggregate content and services from external content providers. The platform is suitable for deployment by mobile network operators and mobile content aggregators who can easily aggregate content from multiple third party content providers without affecting their existing billing and content delivery infrastructures.

The ECPP essentially has two sides. On one side, it manages the delivery and billing system infrastructures liaison such as short codes, billing codes and delivery notifications with the network operator systems. On the other side, it provides a centralised interface that “shields” those intricacies for the external content provider, thereby allowing for the external provider to focus on what they do best, that is to provide innovative and exciting contents.

The current version of ECPP supports delivery and charging of SMS and WAP based services.

The ECPP system have been branded as Go!Content Suite™ and Go!CPA™ since September 2004 for easy market recognition and reference.

**6.5.2 Mobile Content**

Our Group also develops multimedia mobile content and games for the latest mobile phones and devices. Our R&D team works closely with our creative team of game developers, graphic artists and musicians to create content that enhances the mobile lifestyle of users. Our success is evidenced by our appointment as an official provider of the latest mobile content to Motorola (South Asia) Pte. Ltd., which provides Motorola’s regional mobile service portal “www.mymobilesoft.com” and Samsung Fun Club. Our mobile content is also provided to Celcom, DiGi Communications, Maxis and MobileOne.

**(i) EMS / MMS Content**

EMS / MMS content comprises animated graphics, ring tones, phone themes and messages that are sought after content by mobile users today. We develop such content based on extensive R&D on the target mobile device’s operating platform before appropriate service development tools are developed or sourced for the creative team members to utilize and create the actual content.

Go!™ and mjuice™ are our main consumer brands for B2C services, and are our trademarks. Go!™ is a download service portal, with the registered domain name www.gospecial.com. A variety of mobile content and services are offered, such as content download services, interactive services and information services.

**6. INFORMATION ON MNCW GROUP (CONT'D)**

**(ii) Java Games**

Our Group is one of the first Malaysian companies to develop Java games for Nokia series 40 handsets. Our first Java game, developed using J2ME and in conformity to MIDP 1.0 standard, "Fruitti Jingo" was successfully launched under the Maxis Developer Programme. The games are marketed through smart partnerships with all local mobile network operators, as well as to foreign mobile network operators through partnerships with large international game aggregators.

Examples of Java Games already in place are as follows: -

- **Fruitti Jingo**

The objective of the game is to catch falling fruits in the enchanted farm before it hits the ground and turns into venomous snakes. It is a challenging multi level game featuring Malaysian fruits such as rambutan, durian, mangosteen and banana.

- **Boss Buster**

The objective of the game is to create a character in the likeness of your boss to drop objects on him/her. It is a fun and stress relieving game and features multiple level game plays with weapons upgrade through the various levels.

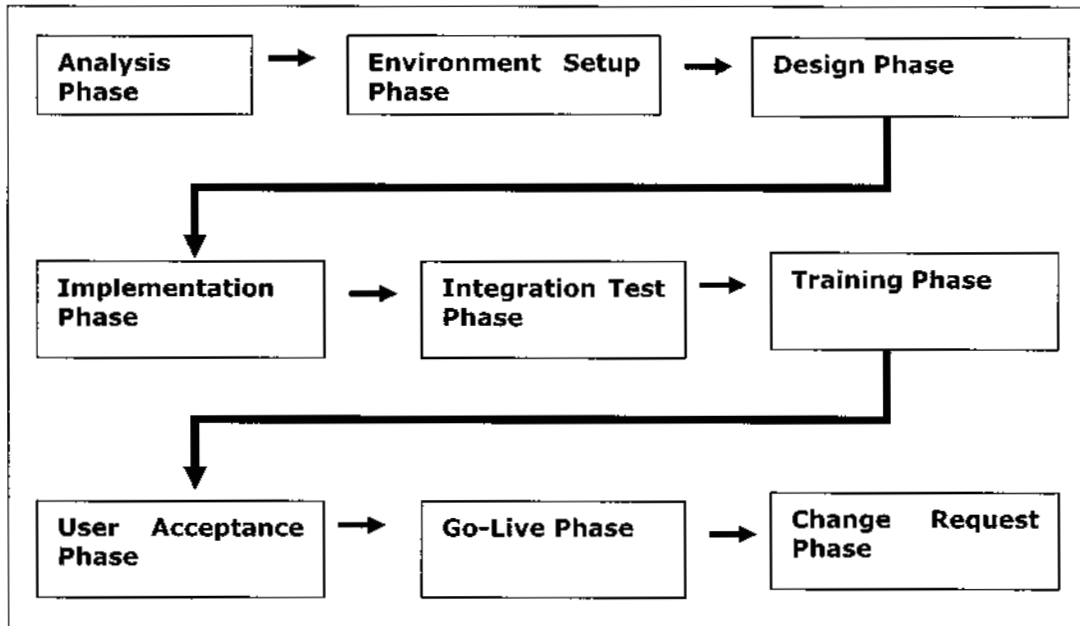
**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**



## 6. INFORMATION ON MNCW GROUP (CONT'D)

### 6.6 PROJECT MANAGEMENT

Our Group employs a standard methodology to project management that covers the following process flow:-



### 6.7 QUALITY MANAGEMENT

Our Group employs stringent quality management in the development of all products and services. This is clearly reflected in our project management processes. In general, the quality management procedures comprise of the following:-

- Documentation and sign-off on product/service user requirements;
- Documentation and sign-off on technical specifications and architecture;
- Documentation and sign-off on technical acceptance testing;
- Documentation and sign-off on user acceptance testing; and
- Continuous documentation of “bug” reports for future enhancements.

### 6.8 MARKETING AND BUSINESS DEVELOPMENT

Our marketing approach can be categorised into the following three (3) channels:-

1. Our marketing team;
2. Our business partners; and
3. through our wholly-owned subsidiary company, MNCC.

Our marketing team works closely in collaboration with MNCC to adopt the most effective marketing approach for our products and solutions. We will market directly primarily to our B2C clients, whereas MNCC will market and promote our products and solutions mainly to our B2B clients.

Through our Group’s strategic partnerships with various mobile networking operators, content providers, advertising agencies and various other alliances, our products and applications are promoted and introduced to new markets.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

Our marketing strategies are as follows:-

(i) Sales and Marketing Team

We have a dedicated team of sales and marketing personnel. Our management will ensure that this group of staff is well versed with our products and solutions to reach out to existing clients and to tap into new markets and forge new partnerships.

(ii) Forming Strategic Partnerships

Business partners are crucial to our business. Strategic partnerships work well in enabling us to tap into new markets. This structure and relationship also maximizes marketing reach without incurring the high cost of marketing staff. We will seek new business partners and concurrently improve on our Group's existing partnerships.

(iii) Pricing Strategy

We offer affordable local professional services and reasonable solution pricing for the customer. The prices of the products and solutions offered by us are less expensive if compared to other foreign competitors.

(iv) Promotion

We will take part in technology seminars and exhibitions to promote and introduce our products and services to the general market. The marketing promotion programme will also include activities like workshops and tradeshow to inform customers of our new product offerings.

### 6.9 RESEARCH AND DEVELOPMENT

Our Group's R&D activities involve the development of new products, improvement on existing products and applications, conducting extensive research as well as ensuring quality control.

Our Group's R&D expenditure for the six (6)-month period ended 31 December 2002, FYEs 31 December 2003 and 2004 and the six (6)-month period ended 30 June 2005 are as follows:-

	6-month period ended 31 December 2002 RM'000	FYE 31 December 2003 RM'000	FYE 31 December 2004 RM'000	6-month period ended 30 June 2005 RM'000
Turnover	247	8,602	12,355	7,084
R&D expenditure	-	586	1,137	854
R&D expenditure as a proportion of turnover (%)	-	6.8	9.2	12.1

R&D activities are conducted both at our Group's head office located at No. 45, Block A, Level 3, Unit 3.03, Medan Setia 1, Plaza Damansara, Bukit Damansara, 50490 Kuala Lumpur and at our satellite office situated at No. 43000, Jalan APEC, Cyberjaya, 63000 Selangor. As at 28 August 2005, our Group's R&D team comprises 44 personnel. Mr Hooi Hing Chuan, the Chief Technology Officer, is responsible for providing the product and technology roadmap of our Group and heading our R&D team. Mr Hooi has more than ten (10) years of relevant experience, while our R&D team has an average of four (4) years of experience. The profile of Mr Hooi has been set out in Section 9.6.1 of this Prospectus.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

Most development work are first carried out at the head office before being transported over to our satellite office in Cyberjaya for further environment testing and development in a live environment. At Cyberjaya, our Group also has access to Nokia's Developer Hub in Singapore for certain testing that involves the use of the latest telecommunications infrastructure.

Our Group's R&D activities include amongst others, developing new products, improving on existing products and applications, conducting extensive research as well as ensuring quality control. Since our incorporation and up to the FYE 31 December 2003, our Group has spent approximately RM0.6 million in R&D, representing 7% of our Group's proforma aggregate revenue, and have developed the wireless and multimedia software applications and mobile content set out in Section 6.5 above. In FYE 31 December 2004 and the six (6)-month period ended 30 June 2005, the amount increased significantly to approximately RM1.1 million and RM0.8 million, respectively.

### 6.9.1 Improvement on existing products and applications

We continuously strive to improve our products and applications to meet the demand for mobile solutions. With more sophisticated mobile devices introduced into the marketplace together with growth in supporting infrastructure, more value-added features can be made available to the consumers. The followings are some of the improvement being made to our existing products and applications:-

- **Mobile Content Vending Platform ("MCVP")**

We had on May 2005 launched the first version for DiGi's MTV Powerpack, a mobile download service. We plan to include more features in the future releases of the MCVP to allow its users to easily create content and services through wizards as well as automated transcoding capabilities to convert a single content source for multiple handset device support. Video streaming will also be incorporated into the MCVP in the near future.

- **External Content Provider Aggregation Platform ("ECPP")**

Currently packaged and branded under the Go!CPA™ and Go!Content Suite™. Going forward, extensive R&D will be conducted to scale the ECPP for MMS content and high load support.

- **Mobile Member Acquisition Application ("MMAA")**

The MMAA is a PDA client that enables the user to fill in and capture consumer database that is relayed live through GPRS or Wi-Fi to a database server. Its online capability allows the user to immediately register new customers, duplication and update existing customer information. It is useful for enterprises that wish to capture consumer database during product road shows.

Other variants of this application are field staff sales automation and field consumer surveys. These "anytime and anywhere" applications empower and help users to improve productivity and serves as a means to do away with physical filling of forms and data entry.

Our Group's existing client using the MMAA is BAT.

- **Java Games**

We are conducting further R&D to develop next generation networked Java games based on the MIDP 2.0 platform.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

### 6.9.2 Products and applications currently under development

The following are some of our R&D efforts that are currently being developed:-

- **Location Based CRM System**

We are currently developing a CRM system that is able to track the physical location as well as purchase habits of consumers through a combination of LBS and RFiD. Conceived as a permission-based solution, the system will be able to track the physical location of the consumer and to provide relevant value added discounts or services to the consumer, while providing valuable marketing information to the enterprise users of the system.

This system will also be able to cater towards the tracking of field staff or staff within an enclosed building.

The CRM system is targeted to be commercialised in the second quarter of 2006.

- **Mobile Catalogue Shopping**

With the support of digital wallet and encryption in upcoming releases of smart phones, m-commerce will become more accessible than e-commerce. We are currently in development a mobile catalogue shopping service that allows physical retailers to sell and take orders from consumers through mobile devices.

We foresee that consumers will be able to view products, check stock, place order and even pay through the application that resides in the smart phone.

The Mobile Catalogue Shopping is targeted to be commercialised in 2007.

- **Content Trading Platform**

We intend to create a content trading platform that allows users to create and sell content through mobile and fixed Internet. This platform will be integrated with the mobile operator's billing systems for reverse billing. We will charge the users a transaction fee for each content sold through the platform.

The Content Trading Platform is targeted to be commercialised in 2007.

### 6.9.3 Products and applications to be developed

Our Group plans to develop the following:-

- **Mobile Client Applications**

We maintain a dedicated R&D team to constantly develop networked mobile client applications for both productivity and entertainment purposes. Productivity applications are designed based on specific industry requirements to improve productivity, sales or operations. Entertainment applications comprise of add-on fun multimedia applications that enhances the lifestyle of the mobile user.

Productivity applications are targeted for enterprises, while entertainment applications are targeted for mobile network operators as value-added services to their subscribers.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

The Mobile Client Applications that our Group plans to develop include the following:-

**(1) Rich Avatar Chat Over 3G**

This application is conceptualized as a chat service that will be designed to maximize the higher bandwidth provided by a 3G network and leverage on more powerful multimedia mobile devices in the future.

This chat application will be differentiated from current chat services through its new multimedia capabilities. We foresee that users will be able to customize their avatars, communicate through voice/graphics and experience communications in themed environments created by the application.

It is conceivable that such an application may also be customized for enterprise use, where encryption of messages and files enable the safe transfer of data on the go.

We plan to develop this application in 2006.

**(2) Mobile Karaoke Over 3G**

This application is conceived to allow the streaming of karaoke video files over a 3G network, to be controlled and played back on a client karaoke player application. 3G connectivity will allow the user to access and stream from a huge database of karaoke files.

Depending on mobile device capabilities in the future, the mobile phone may also be used as a microphone with an output to the TV.

We plan to develop this application in 2006.

**(3) Mobile Massive Multiplayer Online Game ("MMMOG")**

The convergence of console game technology and mobile network connectivity is expected to result in mobile massive multiplayer online games that allow multiple users to play together or against one another on a mobile device in real time.

Nokia's development of a game-driven mobile phone, the "N-Gage" is seen as a first step to online mobile gaming.

We expect to leverage and extend our current game development skills and experiences to further develop MMOGs in the near future.

We plan to develop this application in 2006.

**6. INFORMATION ON MNCW GROUP (CONT'D)****6.10 KEY MILESTONES**

Our Group's key corporate and product / services milestones are as follows:-

<b>Date</b>	<b>Key Corporate and Products/Services Milestones</b>
20 August 2002	Signed Application Service Provider Agreement with Natseven TV Sdn. Bhd. for the provision of mobile based application services for interactive TV in Malaysia
20 October 2002	Launched NTV7's "E-Space" SMS Contest, Malaysia's first 3-question speed master SMS contest
20 December 2002	Launched "I-Spy" SMS Contest, a Motorola-sponsored mobile project which was highly publicised on local print media and a TV channel
27 December 2002	Launched 36633.com, the first SMS download service using a common short code in Malaysia for users of Maxis, DiGi Communications, Celcom and TM Touch (which has since integrated with Celcom) mobile networks
2 January 2003	Launched "Shanghai Knights Speed Master" Contest, another blockbuster movie officially sponsored by Motorola
28 January 2003	Launched "Motorola Chinese New Year Ang Pow" SMS Contest on TV3, the first mobile interactive TV SMS contest on a terrestrial TV channel
18 February 2003	Launched "Pepsi Blue" SMS Contest, Malaysia's first ever SMS contest being promoted via printed Pepsi cans
19 February 2003	Launched AXN's "CSI" SMS Contest, Malaysia's first ever SMS contest aired and promoted on an international channel
18 April 2003	Launched "Number Express", a Premium Information Service providing fast, personalised lottery results via SMS
18 April 2003	Re-launched 36633.com as "Go!™", the Group's premium download brand, with a series of radio, Light Rail Transit and print media branding exercises
22 May 2003	Signed Service Provision Agreement with Motorola Electronics Pte. Ltd. for the provision of premium rate SMS content download services and contests in Malaysia
1 June 2003	Launched "Lipton Proof-of-Purchase" SMS Contest, Malaysia's first proof-of-purchase contest using SMS mechanics, in collaboration with Unilever (Malaysia) Holdings Sdn. Bhd.
4 July 2003	Launched Coca-Cola sponsored "Amazing Race IV" SMS Contest on AXN, a leading international TV channel
15 August 2003	Signed Services Agreement with Maxis Multimedia Sdn. Bhd. for the appointment as one of the eight pioneer companies in the Maxis Developer Programme Pioneer Participants in order to launch Malaysia's maiden locally-developed J2ME mobile game for the Nokia Series 40 platform, "Fruitti Jingo"
23 August 2003	Appointed as one of the pioneer external content providers for Celcom's GPRS launch
25 September 2003	Won the Asian Brand Marketing Effectiveness Commendation Award 2003 for "Most Effective Use of Direct Marketing – New Media"
27 September 2003	Launched "Ezlynn Mobile Fan Club", a first of its kind artiste membership mobile portal and download service in Malaysia, in collaboration with Beyond DDB Sdn. Bhd. and local pop star, Ezlynn

## 6. INFORMATION ON MNCW GROUP (CONT'D)

Date	Key Corporate and Products/Services Milestones
18 October 2003	Launched "mjuice™", the Group's second download brand adopting low price, good quality and no frills strategies
25 October 2003	Launched Kylie Minogue's "Money Can't Buy" SMS Contest, the first grand-scale SMS contest in collaboration with EMI, involving trips to London for Kylie Minogue's private album preview party and prize money
25 October 2003	Signed Revenue Share Agreement for Interactive Television System with TV3 for the provision of mobile based application services for interactive TV in Malaysia
27 October 2003	Launched TV3's "Ramadan Program", Malaysia's first iTVS-based service on terrestrial TV, providing real-time mobile download and chat messages display on a TV screen
1 December 2003	Signed Application Service Provider Agreement with CH-9 Media for the provision of mobile based application services for interactive TV in Malaysia
21 December 2003	Launched "Pixie" (English and Malay version), Asia's first ring tone download service via auto speech recognition technology
15 January 2004	Launched "Blue" SMS Contest, a second grand-scale collaboration with EMI (Malaysia) Sdn. Bhd. involving trips to Japan for Blue's concert and prize money
30 January 2004	Signed Letter of Intent with PMP for the provision of mobile solutions and services
5 March 2004	Launched mobile download contents for Samsung Fun Club in Malaysia
13 March 2004	Launched "Pixie" (Mandarin version), Asia's first ring tone download service via auto speech recognition technology
25 March 2004	Launched "Pepsi-Beyonce" SMS Contest in collaboration with Permanis, in conjunction with nationwide release of Pepsi's new pop artistes TV commercial and trips to Beyonce's concert and prize money
1 April 2004	Launched "Intimate Dinner with Vince" SMS Contest and a series of m-marketing campaigns including "Vince's Downloads", "SMS2Vince" and "Vince's Diary" for the Akademi Fantasia 2003 winner in collaboration with EMI (Malaysia) Sdn. Bhd.
18 April 2004	Launched "Vince's Music Video Voting Game" on TV3 and 8TV, Malaysia's first interactive voting game that allowed viewers to vote for the music video's ending, where the winner is given the opportunity to appear alongside Vince in his next music video
19 April 2004	Signed Mobile Service Provider Agreement with EMI for the creation, sale and distribution of mobile graphic and non-graphic contents of its owned or controlled artistes
1 May 2004	Launched the country's first "Chinese Horror/Ghost Story" SMS service, a new story-telling concept via SMS
28 May 2004	Launched "Pepsi-Football" SMS Contest in collaboration with Permanis, in conjunction with nationwide release of Pepsi's new sport idols TV commercial and trips to Manchester United's matches and prize money
12 June 2004	Launched the first SMS-controlled interactive penalty shoot-out TV game on TV3 concurrent with the EURO 2004 football championship

## 6. INFORMATION ON MNCW GROUP (CONT'D)

Date	Key Corporate and Products/Services Milestones
2 September 2004	Showcased new services Go!SMS™, Go!CPA™, Go!Content Suite™ and Go!TV™ in conjunction with the Asean Communications Expo & Forum (ACM) 2004 in the Mines International Exhibition and Conference Centre (MIECC)
11 September 2004	Go!™ launched FIR showcase with exclusive mobile services in collaboration with Galaxy Group Sdn. Bhd., a major Chinese music events promotions company
29 September 2004	DiGi launched "Football Fever" services using our contents and services
12 October 2004	Launched strategic partnership to develop and maintain "m-services", a m-CRM service for Bonuslink
15 October 2004	Launched customized interactive TV game known as "Gila Duit Raya" for TV3 during the Ramadhan month
6 November 2004	Launched Go!Funshotz™, the 1st of its kind MMS Framing Service in Malaysia  Launched Live SMS Football news and results via Go!™
18 November 2004	Go!™ launched Landy Wen Lan's showcase with exclusive mobile services in collaboration with Galaxy Group Sdn. Bhd.
1 December 2004	Go!™ launched Leo Ku's showcase with exclusive mobile services in collaboration with Galaxy Group Sdn. Bhd.
13 December 2004	Go!TV™ used to present a Chinese chat and Emoticons programme on NTV7's Family Happy Hour
1 January 2005	Launched upgraded website for Go!™ with better and friendlier functionalities  Go!™ launched Lee Hom showcase with exclusive mobile services in collaboration with Galaxy
18 January 2005	Launched Go!SMS™, a m-CRM solution allowing mass SMS broadcast and database management for enterprises and corporations.
1 March 2005	Launched NTV7's Chinese Chat on WA TV using Go!TV™
19 March 2005	We were named <i>Business of the Year 2004</i> by the Asia-Pacific Centre for SMEs for the "Potential Company" category.
6 May 2005	DiGi's MTV Powerpack Service launched. We developed the WAP portal and provides mobile content services for this new service
14 June 2005	Showcased mobilife™ and Go!Mail™, the first of its kind mobile face recognition and mobile WAP email service in South East Asia at Communic Asia 2005, one of Asia's largest Communications & Information Technology Exhibition in Singapore
9 August 2005	Chosen as one of the Top Ten most outstanding SME in the Golden Bull Awards organized by Nanyang Press Holdings Berhad  DiGi Community Zone launched. We developed the WAP portal and provides mobile content, mobile voucher and m-CRM services for this new service



**6. INFORMATION ON MNCW GROUP (CONT'D)****6.11 INTERRUPTION TO OPERATIONS OF OUR GROUP**

Our Group has not experienced any major interruptions to our business during the past twelve (12) months.

**6.12 MANAGEMENT OF OUR GROUP**

The brief profiles of our Directors and key management are set out in Section 9 of this Prospectus.

**6.13 MANAGEMENT SUCCESSION PLAN**

Our management recognises the importance of maintaining strong leadership within the Group to avoid interruption to our operations.

Our organisation structure provides a pool of middle management team that are currently being groomed for senior management position in the future. We have a policy of sourcing internally first to fill management position should they fall vacant. Continuous training and exposures are given to our staff for this purpose. Hence, this provides upward mobility potential which we view as an attractive factor for retention of key staff and instilling loyalty amongst our workforce.

We also undertake recruitment exercises to meet our expansion needs and succession gaps should we be unable to source internally.

All internal/external appointments of senior management position are approved by the Executive Management Committee which comprises of:-

Name	Position
Tey Lik Yang	Deputy General Manager -- Content & Telecommunication Services
Hooi Hing Chuan	Chief Technical Officer
Tony Koh Kok Beng	Financial Controller

Nonetheless, we are confident that we will be able to retain our Group's key management staff given our prospects.

**6.14 EMPLOYEES**

As at 28 August 2005, our Group has 60 key personnel, including Directors, as categorised below:-

Category	No. of Employees	%	Average Length of Service (Years)
Directors	2	3.34	3.0
Management	3	5.00	2.5
Product and Technical Division	5	8.33	2.0
Marketing and Business Development Division	2	3.34	2.0
R&D	44	73.33	2.0
<b>Total Knowledge Workers</b>	<b>56</b>	<b>93.34</b>	
Finance and Administrative	4	6.66	2.0
<b>Total</b>	<b>60</b>	<b>100.00</b>	

**6. INFORMATION ON MNCW GROUP (CONT'D)**

With the changing needs of our Group, in line with our expansion plans, our Group aims to achieve our human resource objectives of retaining suitable qualified personnel by:-

- Providing additional training in order for technical staff to keep abreast with industry trends and solutions;
- Offering competitive remuneration packages and fringe benefits; and
- Implementing the ESOS to promote employee ownership.

The training development programmes undertaken by our Group between January 2004 and December 2004, and planned for FYE 31 December 2005 are as follows:-

Type of programmes	Number of programmes		
	FYE 31 December 2004	FYE 31 December 2005	
	Completed	Completed	On-going / Planned
Technical	9	3	6
Managerial	4	2	2
	13	5	8

Our Group's employees are not members of any labour unions and our employees have a cordial working relationship with our management. There have not been any industrial disputes in the past between our employees and our management.

**6.15 PREMISES**

Our Group operates from our head office at Bukit Damansara as well as from our satellite office at Cyberjaya. Our Group's head office is located at No. 45, Block A, Level 3, Unit 3.03, Medan Setia 1, Plaza Damansara, Bukit Damansara, 50490 Kuala Lumpur with a total floor space of approximately 8,000 square feet. The head office currently serves as our Group's administrative, operations and marketing hub, as well as R&D facility.

Our Group's R&D activities are carried out from our head office as well as its satellite office located at No. 43000, Jalan APEC, Cyberjaya, 63000 Selangor, with a total floor space of approximately 100 square feet.

**6.16 COMPETITIVE ADVANTAGES**

Our Group's advantage is in our ability to stay ahead of market trends and our keen eye for consumer needs which is reflected in our continuous R&D initiatives and efforts in market research.

Our Group is a complete wireless technology group, competing successfully both in the enterprise m-business sector as well as the mobile consumer service sector. Our combined experiences with MNCC provide a significant advantage if compared to our Group's respective competitors. This is further detailed in terms of the following:-

**(i) Synergistic Experience**

Our consumer mobile service experience provides a wealth of experience to our m-business solutions. As we provide the test-bed for the latest consumer wireless technologies, our first-hand real-world consumer experience contributes to our deployment of m-business solutions that work effectively.

On the other hand, some of our service layers of m-business solutions involve deployment of consumer mobile services which are our specialization. MNCC provides business leads to us that benefit from deploying its mobile consumer services for enterprise use, thus providing additional business and diversified income sources.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

### (ii) Industry Pioneer and active promoter

MNCC is one of the pioneers and an active promoter of m-business in Malaysia. MNCC's early-entry advantage gives it more insight, experience and credibility over any later-entry competitors. This advantage allows MNCC to set high standards of how m-business is shaped in this country for others to follow. MNCC's list of blue chip clients such as Bonuslink, DiGi Telecommunications, Kurnia Insurans, Motorola, PMP, Permanis, Unilever and so forth is a testimony to its success as an industry leader.

In 2003, MNCC's capabilities were further recognized when it won an Asia Pacific-wide award from "Media", a well regarded regional advertising magazine, for the category of 'marketing effectiveness' in respect of the Chinese New Year Greetings Campaign for PMP.

On 19 March 2005, we were named Business of the Year 2004 by the Asia-Pacific Centre for SMEs for the "Potential Company" category and followed by the Golden Bull Awards organized by Nanyang Press Holdings Berhad on 9 August 2005 which we were chosen as one of the top ten most outstanding SME.

### (iii) Sound and Experienced Management Team

Our Group's management team comprise of young, energetic and experienced visionaries with over an average of ten (10) years of relevant experience who are qualified and ready to grow and bring our Group to compete effectively at the regional level. Our management's ability to carve a successful business out of a previously non-existent m-business solution business segment within a span of a mere 18 months is a testimony to our management's abilities.

Our middle management team consists of individuals from diverse and relevant technical and business backgrounds in mobile telecommunications, mobile content development and IT software development.

This allows our management team to effectively lead and guide our team members in a dynamic and ever-changing wireless technology world.

### (iv) Dedicated R&D

We maintain a dedicated R&D team that constantly updates us on the latest wireless technologies. In addition, we are also part of the Forum Nokia Pro Programme, allowing us to have early access to new technology documentations & tools, prototype devices as well as use of Nokia's Developer Hub in Singapore and other hubs worldwide.

Nokia's Developer Hub is equipped with the latest wireless technology platforms and infrastructure that allows us to test our products in a real life environment. We are also a member of the Ericsson Mobility World and Maxis Developers Programme.

### (v) Strategic Partnerships and Alliances in Technology, Content and Product Distribution

Our Group's strategic technology alliance with Xgate allows us to share and get access to the latest wireless and multimedia technology developments from Europe and Hong Kong.

Our Group's strategic content alliances allow us to develop compelling products and services based on exclusive copyrighted content. Our Group's content partners include EMI and Air Games.

Our Group's international product distribution alliances allow us to effectively distribute our products worldwide. This is a suitable business expansion approach for our Group, as our primary role is to become an enabler of wireless services for mobile network operators, TV stations, and mobile content portals. This allows our Group to assess the viability of each foreign market before commitment of any direct investment funds for our Group's secondary mobile portal service business.

## 6. INFORMATION ON MNCW GROUP (CONT'D)

Our Group's strategic alliance partners allow our Group to gain access to a large pool of corporate clients in Malaysia and around the world.

Our Group's key strategic alliance partner is DDB Worldwide, one of the largest advertising and communications group in the world. Our alliance with DDB Worldwide provides not only corporate client leads, but also opportunities to jointly develop m-marketing solutions that are integrated with the clients with total marketing and communication strategies. This allows our Group to provide solutions that work in tandem with our client's overall strategy very easily.

### (vi) Technical Breadth and Experience

We have a breadth of technical experience that allows us to successfully deploy m-solutions that often requires convergence of multiple IT platforms.

To date, we have successfully deployed mobile solutions that converge SMS, Mobile Internet, Web, Interactive TV, Multimedia Kiosks and even RFID. Such an experience can only be gained from deployment of large-scale mobile solutions, and with our real life experience coupled with constant R&D, we are truly a technology leader in mobile solutions.

### (vii) Income Diversity and Solid Growth Opportunities

Our management is of the view that the consumer mobile services market grew rapidly in 2003, its low barriers to entry also encouraged the entry of companies competing in SMS content downloads.

Our Group's vision has never been to build our business solely based on SMS content downloads but rather, on deployment of high value wireless solutions and content. While we acknowledge that we are still dependent on the mobile content business at this point in time, our reliance on revenue contribution from our mobile content business has reduced from 75.8% in the FYE 31 December 2004 to 70.6% in the six (6)-months period ended 30 June 2005. Our Group's vision paid off with solid income from diversified enterprise and consumer sources. Well-positioned in both the enterprise and consumer segments, our Group is ready to ride the wave of growth in the mobile telecommunication industry. Our diversified income also cushions us well from any industry shakeout that might result from fierce competition, policy changes by mobile network operators/regulators or adverse changes in the general operating environment.

## 6.17 TECHNOLOGY TRANSFER / DEVELOPMENT PROGRAMME, INTELLECTUAL PROPERTY AND LICENSES

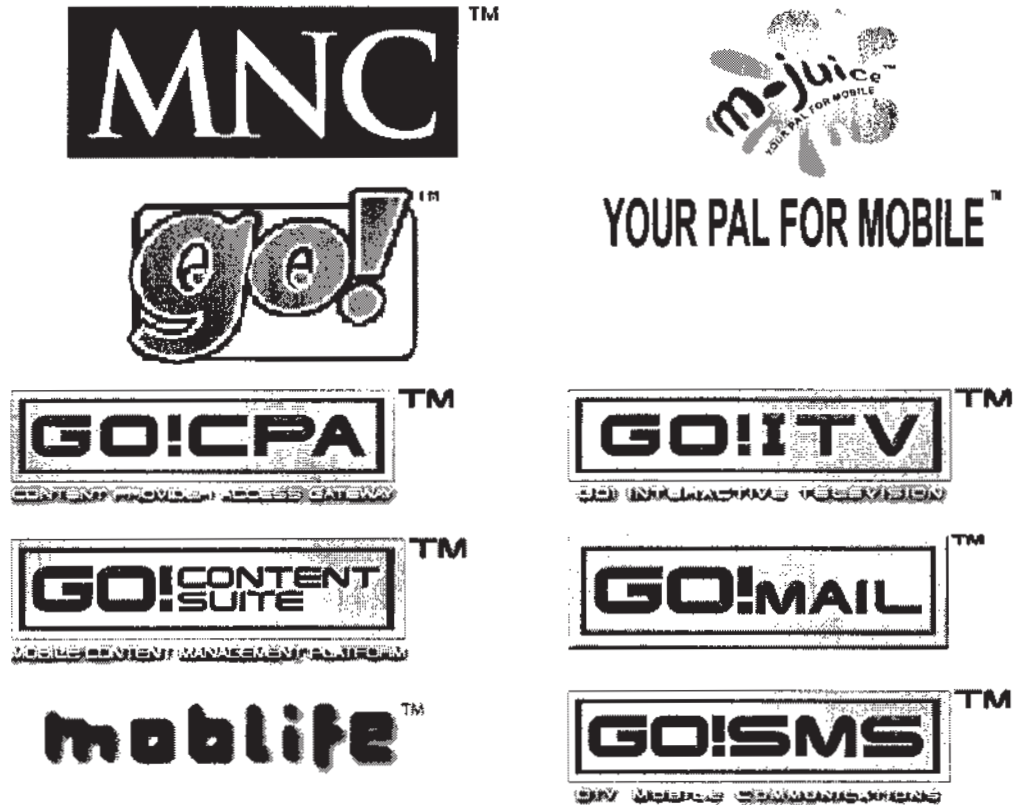
Our Group has forged strategic alliances with mobile network operators, other mobile technology companies, as well as broadcasting, advertising and distribution players in both the Malaysian and overseas markets. These smart partnerships enhance the technology transfer and convergence of different technologies, which will subsequently be passed on to us.

Our Group relies on a combination of copyright protection, trademark and domain name registration to establish and protect our intellectual property, brand name and logos and Internet domain name.

Our Group's intellectual property includes our main consumer brands and trademarks of Go!<sup>TM</sup> and mjuice<sup>TM</sup>. Go!<sup>TM</sup> is an Internet download service portal, with the registered domain name of "www.gospecial.com". Under the Go!<sup>TM</sup> brand, we have also registered trademark of "Go!SMS<sup>TM</sup>", "Go!iTV<sup>TM</sup>", "Go!CPA<sup>TM</sup>", "Go!Mail<sup>TM</sup>", "Go!Content Suite<sup>TM</sup>", Go!Funshotz<sup>TM</sup> and "Moblif<sup>TM</sup>".

**6. INFORMATION ON MNCW GROUP (CONT'D)**

Our Group has taken steps to protect our trademarks in Malaysia as shown below:-



Application for the registration of the trademarks of “Go!SMS<sup>TM</sup>”, “Go!ITV<sup>TM</sup>”, “Go!CPA<sup>TM</sup>”, “Go!Mail<sup>TM</sup>”, “Go!Content Suite<sup>TM</sup>”, Go!Funshotz<sup>TM</sup> and “Moblife<sup>TM</sup>” are made under Class 38 in Malaysia. Applications for the registration of “Your Pal for Mobile<sup>TM</sup>” and “m-juice<sup>TM</sup>” trademarks/logos were made under Class 38 in Malaysia. The trademark for the “MNC” logo is pending registration under Class 38 in Malaysia.

Our copyrights are in relation to all the content of our website “www.mnc.com.my” and our Group’s products.

Under the Malaysian Copyright Act 1987, copyright is the exclusive right to control in Malaysia the reproduction in any material form, the performance, showing or playing in public, the broadcasting, the communication by cable and the distribution of the copies to the public by sale, rental, lease or lending, of the whole or substantial part thereof, either in its original or derivative form. The copyright shall subsist during the life of the author and fifty years after his death.

Copyright of a work shall vest initially with the author. Nevertheless, where a work is commissioned by a person which is not the author’s employer under a contract service or apprenticeship or is made in the course of the author’s employment, the copyright shall be deemed to be transferred to the person who commissioned the work or the author’s employer, subject to any agreement between the parties excluding or limiting such transfer. The aforesaid products were authored by our Group’s employees who did so in the course of their employment.

We were granted an Applications Service Provider (“ASP”) Class License by the MCMC pursuant to Section 44 of the Communications and Multimedia Act, 1998 to provide any/all of the applications services as stated in Rule 30 of the Communications and Multimedia Rules (Licensing), 2000. We have registered with the MCMC on 25 May 2004 as a holder of an ASP Class License. Such registration is valid for one (1) year and must be renewed annually. We have renewed our ASP Class License for 2005 and will ensure that submission of the relevant application to renew our registration with the MCMC as a holder of the ASP Class License is done every year.

We were awarded the Grant of MSC Status on 7 January 2004 by the MDC. Further details in respect of this grant are included in Section 4.5.2.

**6. INFORMATION ON MNCW GROUP (CONT'D)****6.18 PRINCIPAL OR TARGET MARKETS**

Our Group anticipates the mobile telecommunications industry to be a fast-growing industry for the next few years, and especially so in Malaysia. As a result of the convergence of different technologies with those of mobile technology, the room for development is virtually limitless. Our Group has identified target markets in which we believe our competitive advantage lies. The target markets are: -

- (i) Enterprises;
- (ii) Mobile/Wireless Content Companies;
- (iii) Software Publishing Houses;
- (iv) Telecommunication Companies;
- (v) Technology Partners;
- (vi) Broadcasting Stations; and
- (vii) Consumers.

Besides expanding our market in Malaysia, our Group's target markets regionally are Singapore, PRC, Thailand and the Philippines. Furthermore, we are looking into exporting our products and technological know-how to some of the selected said regional target markets.

**6.19 MAJOR CUSTOMERS**

Our Group's major customers during FYE 31 December 2004 are as follows:-

Customer	% contribution to revenue for FYE 31 December 2004	Length of relationship (years)
Maxis*	31.63	2.00
Celcom*	28.33	2.00
DiGi Telecommunications*	22.84	2.00
Naga DDB	7.79	1.00
Commercial Marketers and Distributors Sdn. Bhd.	3.11	Less than 1 year
Grey Direct & Interactive Sdn. Bhd.	1.48	1.25
PMP	1.46	2.00
Bonuslink	1.41	Less than 1 year
Sales Force Asia Sdn. Bhd.	0.28	1.25
Proton Commerce Sdn. Bhd.	0.22	Less than 1 year

**Note:-**

\* Revenue generated through these mobile network operators are via consumption of mobile content and services by the end mobile services subscribers.

The non-mobile network operators are corporate customers which includes media owners, business owners and advertising agencies. Revenues generated through these customers are via, amongst others, wireless and multimedia software applications and provision of related services.

Maxis makes up a significant contribution to our Group's revenue for FYE 31 December 2004. We have undertaken steps to reduce the dependency on any single customer by expanding to other business activities beside mobile content.

Please refer to Section 4.2.8 of this Prospectus on risk of dependency on major customer(s).

**6. INFORMATION ON MNCW GROUP (CONT'D)****6.20 MAJOR SUPPLIERS**

Our Group's major suppliers during FYE 31 December 2004 are as follows:-

Supplier	% contribution to cost of sales for FYE 31 December 2004*	Length of relationship (years)
Maxis Collections Sdn. Bhd.	8.61	2.00
DiGi Telecommunications	4.54	2.00
Telekom Malaysia Berhad	3.35	2.00
Naga DDB	2.94	Less than 1 year
Online One Software (MSC) Sdn. Bhd.	1.72	Less than 1 year
Perdana Grafik Sdn. Bhd.	1.89	2.00
MACP	1.06	2.00
Ikogo Sdn. Bhd.	0.51	Less than 1 year
Pro AV & Technology Sdn. Bhd.	0.26	2.00
Cetheus Sdn. Bhd.	0.25	1.00

*Note:-*

\* 60.21% of the total cost of sales for FYE 31 December 2004 are made up of revenue-sharing with the respective mobile network operators in Malaysia.

**6.21 MARKET COVERAGE, POSITION AND SHARE**

We are unable to accurately assess our estimated market coverage, position and share, primarily because of the fact that the mobile solutions and services industry is at present, an un-regulated one in terms of market coverage, position and share.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**6. INFORMATION ON MNCW GROUP (CONT'D)****6.22 SUBSIDIARY AND ASSOCIATED COMPANIES**

Details of our subsidiary company are as follows:-

Name of Company	Date and Place of Incorporation	Issued and Paid-Up Capital	Effective Equity Interest (%)	Principal Activities
MNCC	1 July 2002, Malaysia	RM1,499,013	100	<ul style="list-style-type: none"> <li>• Consultation, sales, marketing and implementation of m-business solutions for B2B and B2C enterprise applications</li> <li>• Management of content resources for B2B and B2C enterprise applications</li> </ul>

As at the date hereof, we do not have any associated companies.

**6.22.1 Information on MNCC****History and Business**

MNCC was incorporated in Malaysia on 1 July 2002 under the Act.

The principal activities of MNCC are as follows:-

- (i) Consultation, sales, marketing and implementation of m-business solutions for B2B and B2C enterprise applications; and
- (ii) Management of content resources for B2B and B2C enterprise applications.

**Share Capital**

As at 28 August 2005, the authorized share capital of MNCC is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which RM1,499,013 is issued and fully paid-up.

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

Date of Allotment	No. of new Shares	Par Value (RM)	Consideration	Cumulative Total (RM)
1 July 2002	2	1.00	Cash	2.00
2 September 2002	99,998	1.00	Cash	100,000.00
1 June 2004	1,399,013	1.00	Cash	1,499,013.00

**Substantial Shareholders**

MNCC is our wholly-owned subsidiary.

**Subsidiary and Associated Companies**

As at the date hereof, MNCC does not have any subsidiary or associated companies.

**6.23 DESCRIPTION OF LANDED PROPERTIES**

As at the date hereof, our Group does not own any landed property.



## 7. INDUSTRY OVERVIEW AND OUTLOOK

### 7.1 OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

In the first quarter of 2005, Malaysia's GDP growth was sustained at 5.7% (Q4 2004: 5.8%) against expectations of a lower rate in line with the softening global economy. Services and agriculture contributed to the stronger-than-expected growth in the first quarter of 2005. The services sector was the key contributor driven largely by robust activities in tourism, transportation and telecommunication sub-sectors.

Private sector continued to lead the expansion of the economy, as the public sector progressively consolidated its fiscal position. As a whole, domestic demand expenditure remained firm, contributing significantly to the economic growth at 5.9% (Q4 2004: 6.7%). Private consumption increased strongly by 10.1%, continuing its double-digit growth since the second quarter of 2004. The robust consumer spending was attributed largely to the positive effects of rising disposable incomes, high export earnings, firm commodity prices and stable labour market conditions. In contrast, public consumption recorded a negative growth of 2.3%, the first time since the third quarter of 2000.

There are signs indicating the slowing down in world growth and trade, with increasing risks from sustained high oil prices and persistent international imbalances. Barring unforeseen shocks and abrupt disruptions to the structural adjustments taking place, the Malaysian economy is expected to sustain a respectable growth in 2005. The positive growth of 8.8% in the March 2005 Leading Index trends support to the favourable outlook in the coming quarters of 2005.

*(Source: Ministry of Finance's Malaysian Economy Quarterly Update – 1<sup>st</sup> Quarter, June 2005)*

### 7.2 THE MALAYSIAN INFORMATION AND COMMUNICATION TECHNOLOGY (“ICT”) INDUSTRY

#### 7.2.1 Multimedia Super Corridor (“MSC”)

The Malaysian Government has established the MDC as the agency responsible for overseeing the MSC implementation, as well as providing commitment to MSC status companies in that it would provide a comprehensive and realistic regulatory framework of cyberlaws and intellectual property laws to facilitate in the development of an ICT and multimedia environment.

For companies granted with the MSC status, the Malaysian Government has given ten (10) commitments under the Bill of Guarantees, including provision of infrastructure, freedom of ownership, and sourcing of funds as well as recruitment of knowledge workers regardless of citizenship. The tax incentives accorded to the MSC companies are also extended to multimedia facilities located outside the MSC. A multimedia facility is referred to as a centre of learning which provides courses in media, computer, information technology, telecommunications, communications, and contents relating to data, voice, graphics and images.

*(Source: The Malaysian Budget Speech 2004)*

As at 13 June 2005, there were 1,265 MSC status companies, comprising 912 Malaysian-owned, 320 foreign-owned and 33 joint-venture companies. Currently there are 67 international world-class companies operating in the MSC.

In 2004, total sales from MSC activities is expected to reach RM6.8 billion, of which RM5.3 billion are exported while RM1.5 billion are local sales.

In terms of R&D, MSC companies have had significant success. R&D expenditure of MSC companies is anticipated to increase significantly by 21.2% to RM657 million in 2004 (2003: RM542 million). The research activities focused on areas such as communications, software solutions, micro-systems and integrated circuit designs. Arising from the R&D efforts, a total of 151 patents, 41 industrial designs and 188 trademarks were registered, signifying the achievements of the 590 R&D personnel working in the MSC.

## 7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

Development of the local ICT industry, shared services and business process outsourcing has been identified as new sources of high growth. Specific measures have been implemented to facilitate the development of this sector, including attracting ICT talents through the brain-gain programme and enhancing ICT infrastructure, especially in wider broadband connectivity. Concerted efforts are ongoing in promoting strategic alliances and synergistic partnerships in areas of business process outsourcing and shared services. Arising from these measures, homegrown IT companies, now provide services to one of the world's leading telecommunication companies in customer support operations and manage regional supply chain activities and logistics for a major electrical and electronics ("E&E") company in the Asia Pacific region.

In order to attract more multinational and foreign companies to set up their businesses in the MSC, MDC continues to deliver world-class technology infrastructure such as high-capacity digital fibre optics network, modern business centres and efficient transportation as well as comfortable living environment to attract ICT investors.

*(Source: Economic Report 2004 / 2005)*

### 7.2.2 Knowledge-based economy

Apart from the Malaysian Government's initiatives such as the setting up of the MSC and the enactment of the Communications and Multimedia Act 1998, more concerted efforts will be undertaken to position Malaysia as a competitive knowledge-based economy, with ICT facilitating the development. As a knowledge-based economy requires new skills and competencies, as well as broadband connections for advanced multimedia applications, greater emphasis will be given to human resource development and network infrastructure to enable Malaysians to benefit fully from rapid technological developments.

Building on the relatively developed infrastructure and the conducive environment put in place during The Seventh Malaysia Plan 1996-2000, focus will be given towards further strengthening the human resource capabilities, hard and soft infrastructure as well as the building of a critical mass of SMEs and Internet users to enable Malaysia to move rapidly towards becoming a developed nation with a knowledge-based society. Towards this end, the strategic thrusts for the development of ICT include the following:-

- (a) positioning Malaysia as a major global ICT and multimedia hub;
- (b) upgrading and expanding the communications infrastructure to increase accessibility throughout the country as a means of bridging the digital divide;
- (c) enhancing human resource development in ICT to increase the supply of highly skilled and knowledge manpower;
- (d) promoting e-commerce and enhancing its use to enable Malaysia to compete more effectively in the global market;
- (e) fostering local capabilities in creative content development;
- (f) rolling out the MSC flagships to further provide the momentum for the development of the MSC;
- (g) nurturing a critical mass of ICT-based SMEs; and
- (h) promoting R&D activities on soft factors of ICT and Information Age developments that affect individuals, organisations and societies.

## 7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

Throughout the period from 2001 to 2005, a total of RM5.2 billion will be allocated for ICT-related programmes and projects, consisting of flagship applications, computerisation, R&D, bridging the digital divide, local content and others.

*(Source: The Eighth Malaysia Plan 2001-2005)*

### 7.2.3 The Malaysian ICT Industry and Us

Our business fits well into the Malaysian Government's intention to position the country as a competitive knowledge-based economy. We compete in the mobile content and application market. We are one of the pioneer and active promoter of m-business in Malaysia. Our product range covers both wireless and multimedia software applications and mobile contents details of which are set out in Section 6.5 of the Prospectus.

Our success is evidenced by the MSC status granted to us by the MDC on 7 January 2004 and our appointment as an official provider of the latest mobile content to Motorola (South Asia) Pte. Ltd., which provides Motorola's regional mobile service portal "www.mymobilesoft.com" and Samsung Fun Club. Our mobile content is also provided to DiGi Telecommunications, Celcom and Maxis, powering the mobile network operators' WAP download portals. For further details of our key milestones, kindly refer to Section 6.10.

### 7.2.4 The Mobile Telecommunications Industry

The mobile telecommunication market is characterised by a rapid introduction of new technologies incorporated into mobile communication devices and services.

Mobile phone subscribers increased by 34.6% to reach 15.8 million in the first quarter of 2005 compared to 2004 of the same quarter. This is a registration of a 60.4% penetration rate, attributable to intense promotional efforts, more innovative features and competitive charges on monthly subscription rates and SMS. There are currently three (3) mobile network operators namely, Maxis, Celcom and DiGi Telecommunications. TM Touch has since 17 April 2003 merged with Celcom (M) Sdn. Bhd.

*(Source: Ministry of Finance's Malaysian Economy Quarterly Update – 1<sup>st</sup> Quarter 2005, June 2005)*

## 7.3 THE MOBILE CONTENT AND APPLICATION MARKET

As the mobile phone usage increases, so will the demand for mobile solutions. With more sophisticated mobile devices introduced into the marketplace together with growth in supporting infrastructure, more value-added features can be made available to the consumers.

The mobile content and application market has benefited from these developments. New and existing mobile content and application providers have been quick to capitalize it by introducing richer contents and applications incorporating multimedia supported by these new technologies.

The table below list the major participants in the mobile content and application market and their respective roles/functions:-

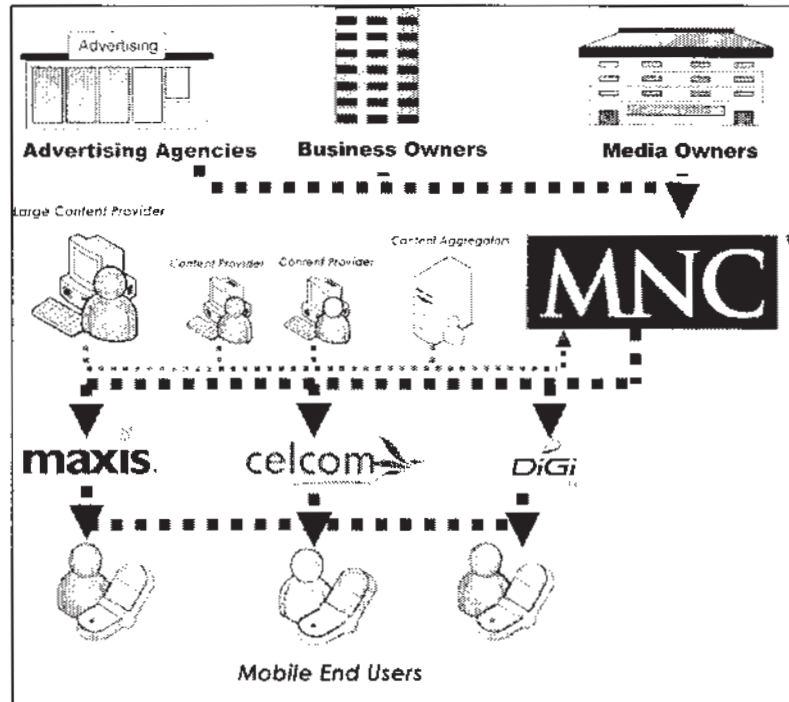
Major participants	Roles/functions
Mobile end-users	<ul style="list-style-type: none"> <li>Collectively, all mobile phone users can be categorised into this group of participants; and</li> <li>Demand for various mobile solutions from SMS to more advance features such as internet roaming, downloading of ringtones and pictures, payment of bills, gaming and MMS, all via mobile phone or other mobile telecommunication devices.</li> </ul>

**7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)**

<b>Major participants</b>	<b>Roles/functions</b>
Mobile network operators	<ul style="list-style-type: none"> <li>• Mobile network operators that provide and support the infrastructures for the mobile telecommunication services;</li> <li>• Provide increasingly sophisticated mobile telecommunication services in tandem with the advancement in mobile communication devices and broadband data network; and</li> <li>• Currently there are three (3) operators, namely Maxis, Celcom and DiGi Telecommunication. Our Group have existing service agreements with all three (3) mobile network operators.</li> </ul>
Media owners	<ul style="list-style-type: none"> <li>• Comprises of television broadcasters, radio broadcasters, press/publishing companies which utilises the mobile solutions such as SMS contest, web portal and m-marketing services to reach their target markets; and</li> <li>• Media owners which our Group have been working with include, among others, TV3, NTV7 and Ch-9 Media.</li> </ul>
Business owners	<ul style="list-style-type: none"> <li>• Non-media businesses that mostly utilise traditional mass media services provided by the media agencies above to reach their target markets;</li> <li>• Growing demand for m-solutions as an alternative channel to reach their target markets; and</li> <li>• Some of the business owners which our Group has worked with include, among others, Motorola, Permanis and Unilever.</li> </ul>
Advertising agencies	<ul style="list-style-type: none"> <li>• Partners with content providers and/or content aggregators to provide mobile marketing and sales force automation services to business owners to meet their marketing needs; and</li> <li>• Some of the advertising agencies which our Group has worked with include, amongst others, Naga DDB, DDB International Sdn. Bhd., Grey Direct &amp; Interactive Sdn. Bhd., Grey 2 Sdn. Bhd, Mindshare Sdn. Bhd. and J Walter Thompson Sdn. Bhd.</li> </ul>
Content aggregators	<ul style="list-style-type: none"> <li>• Companies that provide external messaging services for third party providers such as content providers and media owners; and</li> <li>• Some of the content aggregators in the industry includes ourselves, Buzzcity (Singapore) Ptd. Ltd., Xgate, Amerge Pte. Ltd., Mobile-Exec Sdn. Bhd., AKN Messaging Technology Berhad, UnrealMind Interactive Berhad and Nextnation Communication Berhad.</li> </ul>
Content providers	<ul style="list-style-type: none"> <li>• Companies that develop rich contents and mobile applications for the consumers or customised to meet the needs of the media agencies and/or business owners;</li> <li>• Example of contents include ringtones, games and graphics;</li> <li>• Example of mobile services include stock market updates, weather and traffic reports;</li> <li>• Example of mobile applications includes mobile banking, mobile voting and mobile tracking; and</li> <li>• Major content providers include, among others, ourselves, AKN Messaging Technology Berhad, UnrealMind Interactive Berhad, mTouche Technology Berhad, Iguana Mobile Sdn. Bhd., M-mode Berhad, Mobile-Exec Sdn. Bhd. and Nextnation Communication Berhad, further details of which has been set out in Section 7.4 of this Prospectus.</li> </ul>

## 7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)

The diagram below illustrates the participants and the delivery flow from the media agencies and business owners to the consumers/end-users and our role/function of within the same:-



### 7.4 INDUSTRY PLAYERS AND COMPETITION WITHIN THE MOBILE CONTENT AND APPLICATION MARKET

We are both a service provider and content provider in the mobile content and application market. We are also a content aggregator. Our key products and service which are described in Section 6.5 of this Prospectus cater for the B2B and B2C markets. As at 28 August 2005, we are of the opinion that our major competitors are as follows:-

Company	Category / Type	Key products / services	Market focus
AKN Messaging Technology Berhad	Service provider / content provider / content aggregator	<ul style="list-style-type: none"> <li>SMS Banking</li> <li>SMS Tracking</li> <li>SMS Securities</li> <li>SMS Insurance</li> <li>Mobile news, games, ringtones and picture downloads</li> </ul>	B2B and B2C
UnrealMind Interactive Berhad	Content provider / content aggregator	<ul style="list-style-type: none"> <li>Mobile news, games, ringtones and picture downloads</li> </ul>	B2C
mTouche Technology Berhad	Service provider / content provider	<ul style="list-style-type: none"> <li>Interactive voting</li> <li>Entertainment and gaming services</li> <li>Instant messaging</li> <li>Information and transaction based services</li> </ul>	B2B and B2C
Iguana Mobile Sdn. Bhd.	Content provider	<ul style="list-style-type: none"> <li>Mobile news, games, ringtones and picture downloads</li> </ul>	B2C

**7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)**

<b>Company</b>	<b>Category / Type</b>	<b>Key products / services</b>	<b>Market focus</b>
M-mode Berhad	Content provider	<ul style="list-style-type: none"> <li>• Mobile news, games, ringtones and picture downloads</li> </ul>	B2C
Mobile-Exec Sdn. Bhd.	Service provider / content provider / content aggregator	<ul style="list-style-type: none"> <li>• Wireless business solutions, mobile news, games, ringtones and picture downloads</li> </ul>	B2B and B2C
Nextnation Communication Berhad	Service provider / content provider / content aggregator	<ul style="list-style-type: none"> <li>• Wireless value-added application developer solutions</li> <li>• Commercial enterprise developer solutions</li> </ul>	B2B and B2C

**7.5 RELEVANT LAWS AND REGULATIONS GOVERNING THE ICT INDUSTRY**

MCMC is the regulator for the converging communications and multimedia industry. At the time it was created its key roles were the regulation of the communications and multimedia industry based on the powers provided for in the Malaysian Communications and Multimedia Commission Act (1998) and the Communications and Multimedia Act (1998). Pursuant to these Acts, the role of MCMC is to implement and promote the Government's national policy objectives for the communications and multimedia sector. MCMC is also charged with overseeing the new regulatory framework for the converging industries of telecommunications, broadcasting and on-line activities.

(Source: [http://www.mcmc.gov.my/mcmc/about\\_us/roles.asp](http://www.mcmc.gov.my/mcmc/about_us/roles.asp))

We were granted an Applications Service Provider ("ASP") Class License by the MCMC pursuant to Section 44 of the Communications and Multimedia Act, 1998 to provide any/all of the applications services as stated in Rule 30 of the Communications and Multimedia Rules (Licensing), 2000. We have registered with the MCMC on 25 May 2004 as a holder of an ASP Class License. Such registration is valid for one (1) year and must be renewed annually. We have renewed our ASP Class License for 2005 and will ensure that submission of the relevant application to renew our registration with the MCMC as a holder of the ASP Class License is done every year.

We were awarded the Grant of MSC Status on 7 January 2004 by the MDC. Further details in respect of this grant are included in Section 4.5.2.

**7.6 DEMAND AND SUPPLY CONDITIONS IN THE MOBILE CONTENT AND APPLICATION MARKET**

We believe that the local mobile solutions providers for mobile content and application are able to meet at least 80% of the demand of local market. The other 20% is procured from overseas via content providers' own branches in Malaysia or via existing local gateway providers such as ourselves.

We also foresee an increase in demand for mobile contents and applications in the future. Broadband data networks will bring along exciting possibilities for the growth of data services into services that are more sophisticated and enabling. An area of growth would be m-business application enabling "e-" to "m-" business services for enterprise use from small to large scale businesses. Increased bandwidth will also mean that the mobile network operators will be hungry for new services to be marketed and manage the content and the content provisioning platform. New "converged" (voice, video, data and animation) services will also emerge with the launch and spread of 2.5G, EDGE and 3G network coverage and take-up.

We are already providing such services to DiGi Telecommunications, Sony Ericsson and Samsung Fun Club. Large broadcaster and entertainment labels will also start to transform their businesses to target mobile consumers and will need companies such as ours to transfer their content to mobile consumable formats.

## **7. INDUSTRY OVERVIEW AND OUTLOOK (CONT'D)**

Nevertheless, we also foresee a decrease in the number of companies providing similar services via an industry consolidation exercise due to market forces. This market consolidation will result in more specialized companies providing dedicated services instead of a wide array of services.

### **7.7 SUBSTITUTE PRODUCTS AND SERVICES FOR THE MOBILE CONTENT AND APPLICATION MARKET**

We believe there is currently no real substitute for mobile content and application.

### **7.8 PROSPECT AND OUTLOOK OF THE MOBILE CONTENT AND APPLICATION MARKET**

The mobile telecommunications industry is expanding rapidly as new technologies are discovered and introduced around the world. Mobile phones are fast becoming a necessity in today's business environment. With the vast improvement of products and services for mobile phone users, it is of no surprise that both the number of users as well as usage popularity is on a steep rise.

The mobile phone's capability to connect to a user anytime anywhere creates a whole new way for marketers to reach their customers in ways not possible through traditional means of media. For a seasoned marketer, the right combination of traditional media with mobile technology creates a potent marketing mix never possible before this. Via the integration of the mobile phone with customer relationship systems, marketers are now able to reach their customers in an intuitive and pervasive manner.

The potential for growth in mobile content and application market is tremendous. This is especially so in Malaysia and the rest of the Asian region, which are both lagging behind in the adoption of the latest mobile technologies when compared to developed nations such as Sweden and Japan.

The regional market for the development of products and applications which enhance and add-on to mobile phone functionality is still a new field. Malaysia, in particular, is an ideal market due to the relatively few players and an increasing user base.

### **7.9 INDUSTRY RELIANCE ON AND VULNERABILITY TO IMPORTS**

The market in Malaysia is generally well-adapted to imports. However, localisation is necessary especially in adjusting for content sensitivity, such as religion and race, and also to language needs. For example, contents from Korea are popular but need translation. Content from Hong Kong may fit nicely in terms of language but may need to be localised in terms context in which it is applied such as names of place.

Hence, imports of foreign mobile contents are mostly done by the local mobile content providers themselves which provide more choices for the market. It would in turn increase demand for mobile content services.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

## 8. SUMMARY OF BUSINESS DEVELOPMENT PLAN

### 8.1 BUSINESS DEVELOPMENT PLAN

The following is a summary of our Business Development Plan prepared for the purpose of inclusion in this Prospectus.

We will focus our business activities in the key areas of:-

1. Wireless and Multimedia Software Applications Development; and
2. Mobile Content Development

In order to achieve our business objectives, we have set forth the following growth strategies: -

#### (a) Credible Mobile Consulting Services Methodology Creation and Development

Our Group intend to create a credible and holistic approach and method covering the areas of:-

- (i) Mobile strategy design; and
- (ii) Mobile process design.

The first step undertaken in realising this was the establishment of the Consulting and System Integration team of five (5) personnel in October 2004 appointed from the Marketing and Business Development Division. It comprises individuals with backgrounds in ICT consulting and project management. The team specialised in consulting and system integration, being responsible for the following tasks:-

- (i) consulting;
- (ii) new services “think-tank”;
- (iii) customised enterprise services;
- (iv) product development; and
- (v) project management.

#### (b) Effective Wireless Solutions (Application and Platform) Development

Our long term feasibility is dependant on a sound and solid array of useful mobile solutions. The growth focus in this area would be:-

- (i) Product development and R&D focus; and
- (ii) Smart solutions packaging.

Since September 2004, we have launched and utilised in the market numerous proprietary mobile marketing, mobile CRM, sales/field force automation and/or m-commerce platforms and services. Some examples include:-

- (i) Mobile marketing platform via Go!iTV™ which have been utilised since June 2004 by CH-9 Media, NTV7, TV3 and 8TV.
- (ii) A proprietary mobile-marketing and mobile-CRM platform known as Go!SMS™ which was launched on 18 January 2005 and is currently utilised by PMP, Prudential Assurance, Great Eastern, BHLB Trustee and Trinity Towers. New releases of the platform with new functionalities have been planned.
- (iii) Version 1.0 of our sales/field force automation was launched with BAT in November 2003. The new version was launched in August 2005. Another new release is planned for January 2006.



**8. SUMMARY OF BUSINESS DEVELOPMENT PLAN (CONT'D)**

We have continuously applied smart packaging in marketing our products and services. This is evident since September 2004 whereby our services were re-branded with the brand Go!<sup>TM</sup> for easy reference, such as Go!SMS<sup>TM</sup>, Go!iTV<sup>TM</sup> and Go!CPA<sup>TM</sup>. Each of our standard product is offered to customers with the flexible possibility of customisation as in the case of customer database integration for PMP and Go!SMS<sup>TM</sup> for Prudential Assurance.

These wireless solutions developments are on going processes which are essential for us to remain competitive in the mobile telecommunication industry.

**(c) Knowledge Invention and Human Resource Development**

Our Group intends to actively promote the m-business in Malaysia by setting industry standards, training and best-in-class practices.

We provide internal as well as external training for our staffs in the area of the m-business and will continue to do so in the future. Our consulting and system integration department was set up with this purpose in mind so as to train suitable candidates to provide sound m-business strategies to customers and colleagues.

**(d) Financial Strategies**

Our Group plans to strengthen our financial position by:-

- (i) Maintaining a healthy cash flow within our Group by close monitoring of our debtors position and operating expenditure;
- (ii) Careful consideration of proposal for capital expenditure or borrowing and its effects on us; and
- (iii) Raising capital from our listing on the MESDAQ Market.

**(e) Smart Partnerships**

Smart partnerships with the following parties which provide our Group with added credibility and strengths in different areas of the m-business/solutions value chain, such as:-

- (i) Advertising / communication agencies;
- (ii) Mobile devices manufacturers;
- (iii) Major hardware and software developers; and
- (iv) Mobile operators.

**(f) Marketing Strategies**

Our Group acknowledge that marketing is a key factor in selling its solutions and establishing its brand name. The focal marketing initiatives to be undertaken by our Group in the next five (5) years would be:-

- (i) Practicing consumer-centricity in consultation, product design and experience; and
- (ii) Establishing a strong brand name via:-
  - Creating a strong corporate persona;
  - Aggressive self propagation;
  - Testimonials and endorsements from partners and business targets;
  - Smart branding; and
  - Continuous leadership claim in innovation and market leadership.

## 8. SUMMARY OF BUSINESS DEVELOPMENT PLAN (CONT'D)

### (g) Human Resource Policy

Our Group's strong and dedicated management team is one of the key competitive advantages of our Group. This competitive advantage can also be built through proper human resource planning.

Most of our technical staffs are skilful with vast experiences and technical knowledge of the industry. In order to maintain good quality of human resources, our Group provide in-house training and on-the-job training for our staff.

### 8.2 REGIONAL MARKET EXPANSION PLAN

Our Group's business partnerships with multinational companies such as Air Games and Xgate will be a springboard for our Group's planned regional expansion activities. At present, we have identified two (2) areas for regional expansion, which are set out as follows:-

- Expansion of products and services

In order to stay competitive in the mobile content and application market, we intent to continue our strategic partnership with multinational companies such as Air Games and Xgate to develop a wider range of products and services in order to meet the vast changing demand in this industry. As part of our Group's expansion plans, we intend to continue forming strategic alliances with foreign companies with complementary mobile technology and content solution to accelerate our products expansion plans.

- Geographical expansion

At present, we have identified Singapore, the PRC, Thailand and the Phillipines as targeted areas for expansion. In order to speed up the process for geographical expansion, we intend to form strategic alliances with reputable and prominent local companies in order to establish our market presence in the aforesaid target markets. In addition, we are also looking into exporting our products and technological know-how to the said regional target markets.

We are constantly exploring opportunities to identify suitable potential third parties with respect to the aforesaid plans. Further details of the utilisation of proceeds for overseas expansion are set out in Section 3.9 (iii) of this Prospectus.

### 8.3 OUR PROSPECT AND OUTLOOK

We are confident that the mobile contents and applications will continue to experience strong growth in Malaysia and Asian region in line with the growth of the mobile communication industry. We are poised to take on a bigger slice of the mobile content and application market with the implementation of our growth strategies, as detailed in Section 8.1 of this Prospectus.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**