2. PROSPECTUS SUMMARY

THE FOLLOWING IS A SUMMARY OF OUR SALIENT INFORMATION AND THE PUBLIC ISSUE AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION AND FINANCIAL STATEMENTS APPEARING ELSEWHERE IN THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN US.

2.1 HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

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.

On 10 June 2004, we have 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 settled by the issuance of 2,240,541 of our new ordinary shares of RM1.00 each in our Company. Upon completion of the acquisition, MNCC became our wholly-owned subsidiary company. 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.

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, MNCC's 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

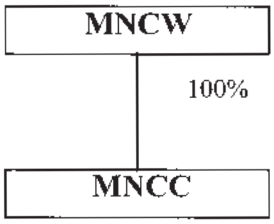
2. PROSPECTUS SUMMARY (CONT'D)

(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.

The present structure of our Group is as follows: -



Further information on our Group's history, principal activities and group structure are set out in Section 6 of this Prospectus.

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2. PROSPECTUS SUMMARY (CONT'D)

2.2 OWNERSHIP AND MANAGEMENT

Based on our Register of Members as at the date of this Prospectus, the direct and indirect interests of the Promoters, Directors, substantial shareholders, key management and technical personnel in our issued share capital before and after the Public Issue and Bonus Issue (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Public Issue) are as follows:-

		Before Public Issue				After Public Issue				After Bonus Issue			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Designation	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Monaxis	Promoter, Substantial Shareholder	31,499,970	70.00	-	-	31,499,970	51.64	-	-	47,249,955	51.64	-	-
Datuk Lee Fook Long	Substantial Shareholder, Director	-	-	31,499,970	70.00[*1]	-	-	31,499,970	51.64[*1]	-	-	47,249,955	51.64[*1]
Lee Sze Inn	Promoter, Substantial Shareholder, Director, Key Management	2,250,000	5.00	-	-	2,430,000	3.98	-	-	3,645,000	3.98	-	-
Chung Jaan Hao	Promoter, Substantial Shareholder, Director, Key Management	2,250,000	5.00	-	-	2,430,000	3.98	-	-	3,645,000	3.98	-	-
Lionel Koh Kok Peng	Promoter, Substantial Shareholder, Director	2,250,030	5.00	31,499,970	70.00[*1]	2,435,030	3.99	31,499,970	51.64[*1]	3,652,545	3.99	47,249,955	51.64[*1]
Christopher Micheal Cheow	Promoter, Substantial Shareholder, Director	2,250,000	5.00	-	-	2,435,000	3.99	-	-	3,652,500	3.99	-	-

2. PROSPECTUS SUMMARY (CONT'D)

		Before Public Issue				After Public Issue				After Bonus Issue			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Designation	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
OSKTV	Substantial Shareholder	4,500,000	10.00	-	-	4,500,000	7.37	-	-	6,750,000	7.37	-	-
OSKVI	Substantial Shareholder	-	-	4,500,000	10.00*2	-	-	4,500,000	7.37*2	-	-	6,750,000	7.37*2
Tey Lik Yang	Key management	-	-	-	-	250,000	0.41	-	-	375,000	0.41	-	-
Hooi Hing Chuan	Key management	-	-	-	-	40,000	0.07	-	-	60,000	0.07	-	-
Tony Koh Kok Beng	Key management	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

*1 *Deemed interested by virtue of his shareholding in Monaxis pursuant to Section 6A of the Act.*

*2 *Deemed interested by virtue of its shareholding in OSKTV pursuant to Section 6A of the Act.*

A detailed description of the Promoters, Directors, substantial shareholders and key management and technical personnel, and their direct and indirect shareholdings in us, is disclosed in Section 9 of this Prospectus.

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2. PROSPECTUS SUMMARY (CONT'D)

2.3 PRODUCTS AND SERVICES

The products we offer are divided into two (2) main categories: -

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

Our services to our clients consist of: -

(i) Provision of content material for SMS to mobile phone users; and

(ii) Consultation expertise in product marketing, interactive marketing, business planning, product development and management, mobile telecommunications and customer relationship marketing.

Further information on our Group's products and services are set out in Section 6.5 of this Prospectus.

2.4 COMPETITIVE ADVANTAGES

Our Group will derive an edge over our competitors through the following competitive advantages:-

- Synergistic experience;
- Industry pioneer and active promoter;
- Sound and experienced management team;
- Dedicated R&D;
- Strategic partnerships and alliances in technology, content and product distribution;
- Technical breadth and experience; and
- Income diversity and solid growth opportunities.

Further details on our Group's competitive advantages are set out in Section 6.16 of this Prospectus.

2.5 FUTURE PLANS

We believe that wireless technology is the focus of the upcoming years, and hope to successfully compete and contribute towards this rapidly evolving wireless arena. In line with our Group's expansion plan and our long term goal in becoming a leading regional developer in wireless technology solutions, our Group has embarked on the following future plans and strategies: -

(a) Credible mobile consulting services methodology creation and development

To create a credible and holistic approach and method covering the areas of:-

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

(b) Effective wireless solutions (application and platform) development

Our Group's 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.

(c) Knowledge Invention and Human Resource Development

To actively promote the m-business in Malaysia by setting industry standards, training and best–in-class practices.

(d) Financial Strategies

Our Group plans to strengthen our financial position by:-

(i) Maintaining a healthy cash flow within our Group; and
(ii) 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 network operators.

(f) Marketing Strategies

Our Group acknowledges 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 our partners and business targets;
    - Smart branding; and
    - Continuous leadership claim in innovation and market leadership.

(g) Regional Market Expansion Plan

Our Group business partnerships with multinational companies such as Air Games and Xgate will be a springboard for our Group's planned regional expansion activities. Our Group intends to expand into regional markets which include, amongst others, Singapore, PRC, Thailand and the Phillippines. We are looking into exporting our products and technological know-how to the said regional target markets.

Our Group will continue to expand and develop smart and strategic partnerships with other companies within the ICT industry, locally and abroad, in order to learn as well as implement better technologies and strategies.

Please see Section 8.1 and 8.2 of this Prospectus for further information.

2.6 RESEARCH AND DEVELOPMENT CAPABILITIES

Understanding and keeping up-to-date with the latest mobile technologies is the first step to success and survival within the technology industry. In order to grow our Group's business, continuous R&D is required to discover new technologies, while at the same time improving existing products and applications. It is therefore imperative that our Group has a strong R&D team and core management.

Our Group's R&D activities include among others, developing new products, improving on existing products and applications, conducting extensive research as well as ensuring quality control.

Please see Section 6.9 of this Prospectus for further information.

2. PROSPECTUS SUMMARY (CONT'D)

2.7 INTELLECTUAL PROPERTY

We rely on a combination of trademark and domain name registrations to protect our intellectual property rights, brand name and Internet domain name.

Our intellectual property includes, *inter alia*, our main consumer brands and trademarks, Go!™ and mjuice™. Go!™ is a download service portal, with the registered domain name of "www.gospecial.com".

Further information on the above intellectual property rights are disclosed in Section 6.17 of this Prospectus.

2.8 FINANCIAL HIGHLIGHTS

Profit and Dividend Record

Our Group's financial highlights 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 provided below for illustrative purposes and are based on our Group's audited financial statements and on the assumption that the current structure of our Group had been in existence throughout the period under review:-

	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
(Loss)/profit before depreciation, taxation and amortization	(295)	1,717	3,406	2,518
Amortization of product development expenditure	-	(195)	(574)	(369)
Depreciation	(15)	(115)	(206)	(223)
(LBT)/PBT	(310)	1,407	2,626	1,926
Taxation	-	(356)	-^	(78)
(LAT)/PAT	(310)	1,051	2,626	1,848
No. of shares assumed in issue to form our Group ('000)*1	2,241	2,241	2,241	2,241
Gross (LPS)/EPS*3 (sen)	(13.83)#	62.78	117.18	85.94#
Net (LPS)/EPS*4 (sen)	(13.83)#	46.90	117.18	82.46#
No. of shares assumed in issue to form our Group ('000)*2	45,000	45,000	45,000	45,000
Gross (LPS)/EPS*3 (sen)	(0.69)#	3.13	5.84	4.28#
Net (LPS)/EPS*4 (sen)	(0.69)#	2.34	5.84	4.11#

Notes:-

*1 *The number of our ordinary shares assumed in issue of 2,240,543 shares of RM1.00 each is based on our issued and paid-up share capital after the acquisition of MNCC ("the Acquisition").*

*2 *The number of our ordinary Shares assumed in issue of 45,000,000 shares of RM0.10 each is based on our issued and paid-up share capital after the Acquisition, the Rights Issue and Share Split but before the Public Issue.*

*3 *Our gross (LPS)/EPS have been calculated by dividing the (LBT)/PBT respectively, for the financial period/years by the number of shares assumed in issue to form our Group.*

*4 *Our net (LPS)/EPS have been calculated by dividing the (LAT)/PAT respectively, for the financial period/years by the number of shares assumed in issue to form our Group.*

\# *Not annualised.*

^ *Negligible.*

There were no exceptional or extraordinary items in the relevant financial period/year under review. There were no items relating to the share of profits and losses of associated corporations and joint ventures and minority interest in the relevant financial period/year under review. There were also no audit qualifications for the financial period/year under review.

Further information on the above Group's financial position is disclosed in Sections 5.1 to 5.4 of this Prospectus.

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2. PROSPECTUS SUMMARY (CONT'D)

Balance Sheet

The following is a summary of our Group's proforma consolidated balance sheet as at 30 June 2005, prepared for illustration purposes only to show the effects of the Public Issue and proposed utilisation of proceeds from the Public Issue on the assumption that the transactions were completed on 30 June 2005. The proforma consolidated balance sheets have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated balance sheets set out in Section 14 of this Prospectus:-

	Audited MNCW Group RM('000)	After Rights Issue RM('000)	After Share Split RM('000)	After Public Issue RM('000)	After Bonus Issue RM('000)	After ESOS RM('000)
Assets						
Plant and equipment	1,994	1,994	1,994	3,574	3,574	3,574
Product development expenditure	1,439	1,439	1,439	1,439	1,439	1,439
	3,433	3,433	3,433	5,013	5,013	5,013
Current Assets						
Trade receivables	6,065	6,065	6,065	6,065	6,065	6,065
Other receivables, deposits and prepayments	886	886	886	340	340	340
Tax refundable	14	14	14	14	14	14
Cash and bank balances	628	2,887	2,887	8,233	8,233	12,625
Total current assets	7,593	9,852	9,852	14,652	14,652	19,044
Current Liabilities						
Trade payables	1,837	1,837	1,837	1,837	1,837	1,837
Other payables and accruals	2,207	2,207	2,207	2,207	2,207	2,207
Total current liabilities	4,044	4,044	4,044	4,044	4,044	4,044
Net current assets	3,549	5,808	5,808	10,608	10,608	15,000
	6,982	9,241	9,241	15,621	15,621	20,013
Financed by:-						
Share capital	2,241	4,500	4,500	6,100	9,150	10,522
Share premium	-	-	-	4,780	1,730	4,750
Retained profits	4,421	4,421	4,421	4,421	4,421	4,421
Negative goodwill on consolidation	42	42	42	42	42	42
Shareholders' equity	6,704	8,963	8,963	15,343	15,343	19,735
Long term liability						
Deferred taxation	278	278	278	278	278	278
	6,982	9,241	9,241	15,621	15,621	20,013

2.9 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

The following statistics relating to the Public Issue are derived from the full text of this Prospectus and should be read in conjunction with that text.

(i) Share Capital

	RM
Authorised share capital 250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and fully paid-up share capital as at the date of this Prospectus 45,000,000 ordinary shares of RM0.10 each	4,500,000
To be issued pursuant to the Public Issue 16,000,000 ordinary shares of RM0.10 each	1,600,000
After the Public Issue 61,000,000 ordinary shares of RM0.10 each	6,100,000
To be issued pursuant to the Bonus Issue 30,500,000 ordinary shares of RM0.10 each	3,050,000
Enlarged issued and paid-up share capital upon admission 91,500,000 ordinary shares of RM0.10 each	9,150,000
To be issued pursuant to the ESOS 13,725,000 ordinary shares of RM0.10 each	1,372,500
Enlarged issued and paid share capital upon full exercise of the ESOS 105,225,000 ordinary shares of RM0.10 each	10,522,500

(ii)	**The Issue Price for each Issue Share**	RM0.48
	The Theoretical Ex-All Price for each Share upon admission	RM0.32
(iii)	**Market capitalisation upon listing based on the Theoretical Ex-All Price**	RM29,280,000

(iv) Classes of shares and ranking

We have only one (1) class of shares, namely ordinary shares of RM0.10 each.

The Issue Shares shall rank *pari passu* in all respects with our existing issued and paid-up ordinary shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

(v) Proforma NTA based on the Proforma Balance Sheet as at 30 June 2005:-

Proforma NTA upon listing	RM13,904,000
Proforma NTA per share upon listing	RM0.152

Further details of the Public Issue are disclosed in Section 3 of this Prospectus.

2.10 PROCEEDS OF ISSUE AND PROPOSED UTILISATION

The gross proceeds of the Public Issue amounting to RM7,680,000 will accrue entirely to our Group and will be utilised as follows:-

Details of Utilisation	**Amount RM**
Purchase of new equipment	1,580,000
Working capital	1,200,000
Overseas expansion	1,500,000
R&D expenditure	2,100,000
Estimated listing expenses	1,300,000
	7,680,000

Further details are disclosed in Section 3.9 of this Prospectus.

2.11 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

2.11.1 Working Capital

Our Directors are of the opinion that, after taking into account the forecast consolidated cash flows and gross proceeds from the Public Issue, our Group will have adequate working capital for a period of 12 months after the date of issuance of this Prospectus. Further information on our working capital is disclosed under Section 5.6.1 of this Prospectus.

2.11.2 Borrowings

As at 28 August 2005, being the last practicable date prior to the issuance of this Prospectus, our Group has no outstanding borrowings.

Hence, we have not defaulted on any payments of either interest and/or principal sums in respect of any borrowings throughout the past one financial year and the subsequent financial period thereof, if any, immediately preceding the date of this Prospectus.

Further information on our borrowings is disclosed under Section 5.6.2 of this Prospectus.

2.11.3 Material Litigation

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, neither we nor our subsidiary company is engaged in any material litigation or arbitration either as plaintiff or defendant that has a material effect on the financial position of our Group, and our Directors have no knowledge of any proceeding pending or threatened against us or our subsidiary company or of any fact likely to give rise to any proceeding that may materially affect our Group's position and business.

Further information on our material litigation is disclosed under Section 5.6.3 of this Prospectus.

2.11.4 Material Commitment

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, our Group has not incurred or known to have incurred any material commitment for capital expenditure that may have a substantial impact on our financial position.

Further information on our material commitment is disclosed under Section 16.8 of this Prospectus.

2.11.5 Contingent Liabilities

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, our Directors are not aware of any contingent liability, which upon becoming enforceable, may have a material impact on our Group.

Further information on contingent liabilities is disclosed under Section 16.9 of this Prospectus.

2.12 RISK FACTORS

There are a number of risks involved when making an investment in shares listed or to be listed on Bursa Securities. Prior to making an investment in the Issue Shares, you should rely on your own evaluations and carefully consider the following risk factors (which may not be exhaustive) inherent in and affecting the future performance of our Company, in addition to the other information contained elsewhere in this Prospectus.

The major risk factors that may affect our future profitability are not limited to financial risks, market risks and industry risks, and include the following:-

(i) no prior market for our Shares and possible volatility of share prices

(ii) company / business risks
- business risk
- operating risk
- product risk
- continuing demand for our Group's products and services
- brand awareness
- competition
- dependence on particular products or services
- dependence on major customer(s)
- dependence on Naga DDB and DDB Worldwide
- dependence on key management and technical personnel

(iii) industry risks
- reliability and security risks
- dependence on premium charging arrangements with mobile network operators
- rapid technological advancement or developments

(iv) ownership and control by our existing shareholders

(v) government regulatory, intellectual property and license risks
- regulatory risk
- change in MSC status
- protection of intellectual property rights

(vi) expansion risks

- expansion of our Group's business
- investment risk
- future capital injections
- risk of rapid or over-expansion of our Group's business

(vii) other risks

- financial risk
- amortisation of product development expenditure
- political and economic conditions
- foreign exchange risk
- forward-looking statement
- uncertainty in the implementation of the proposed 5-year business development plan
- emergency risk
- failure or delay in our Listing

For a more detailed commentary on the risk factors, please refer to Section 4 of this Prospectus.

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3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE

3.1 INTRODUCTION

This Prospectus is dated 29 September 2005.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the forms of application with the Registrar of Companies, and neither the SC nor the Registrar of Companies take any responsibility for its contents.

We have obtained the approval from the SC for our proposed Listing on 18 April 2005. We will apply to Bursa Securities within three (3) Market Days from the date of this Prospectus for the admission to the Official List of the MESDAQ Market of Bursa Securities and for the permission to deal in and quotation of our entire enlarged issued and paid-up share capital, including the Issue Shares which are the subject of this Prospectus. Any allotment and allocation made on an application to subscribe for securities pursuant to this Prospectus shall be void if we do not apply for the permission in the form for the time being required by Bursa Securities before the third day on which the Bursa Securities is open after the date of issue of this Prospectus or the permission is not granted before the expiration of six (6) weeks from the issue of this Prospectus or such longer period as may be specified by SC, provided that the we are notified by or on behalf of Bursa Securities within the six (6) weeks or such longer period as may be specified by the SC. Our entire enlarged issued and paid-up share capital will be admitted to the Official List of the MESDAQ Market of Bursa Securities and official listing and quotation will commence after the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all the successful applicants.

Pursuant to the Bursa Securities LR, we need to have at least 25% but not more than 49% of our entire enlarged issued and paid-up capital to be in the hands of the public shareholders with a minimum number of 200 public shareholders, upon admission to the MESDAQ Market. We expect to achieve this at the point of Listing. However, if we do not meet this requirement pursuant to the Public Issue, we may not be allowed to proceed with the Listing. In the event therefore, we will return the monies paid in respect of all applications without interest.

Bursa Securities and the SC assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the official list of the MESDAQ Market is not to be taken as an indication of our merits and of our Group or of our Shares.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, we will deposit the Issue Shares directly with the Bursa Depository. Any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

You should state your CDS Account number in the space provided in the Application Form if you presently have such an account. If you do not presently have a CDS Account, you should open a CDS account with an ADA prior to making an application for the Issue Shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by us and/or OSK. Neither the delivery of this Prospectus or any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs or of our Group, since the date hereof.

The distribution of this Prospectus and the sale of the Issue Shares in certain other jurisdictions may be restricted by law. If you are in possession of this Prospectus, you are required to be informed of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Public Issue in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

Under Bursa Securities' trading rules, effective from the date of listing, trading in all Bursa Securities listed securites can only be executed through an ADA who is also a Bursa Securities member.

3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

You should rely on your own evaluation to assess the merits and risks of the investment. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.2 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:-

(a) To raise funds for our Group's continued operation and expansion, details of which are elaborated in Section 3.9 below;

(b) To obtain the listing of and quotation for our entire enlarged issued and paid-up share capital on the MESDAQ Market, which is expected to enhance our business, profile and future prospects;

(c) To enable our Group to have access to the capital market for our future expansion and growth; and

(d) To provide an opportunity for our Directors and employees of our Group to participate in the equity growth of our Group.

3.3 PARTICULARS OF THE PUBLIC ISSUE

3.3.1 Share capital and rights attaching to the Issue Shares

	RM
Authorised share capital	
250,000,000 ordinary shares of RM0.10 each	25,000,000
Issued and fully paid-up share capital as at the date of this Prospectus	
45,000,000 ordinary shares of RM0.10 each	4,500,000
To be issued pursuant to the Public Issue	
16,000,000 ordinary shares of RM0.10 each	1,600,000
After the Public Issue	
61,000,000 ordinary shares of RM0.10 each	6,100,000
To be issued pursuant to the Bonus Issue	
30,500,000 ordinary shares of RM0.10 each	3,050,000
Enlarged issued and paid-up share capital upon admission	
91,500,000 ordinary shares of RM0.10 each	9,150,000
To be issued pursuant to the ESOS	
13,725,000 ordinary shares of RM0.10 each	1,372,500
Enlarged issued and paid share capital upon full exercise of the ESOS	
105,225,000 ordinary shares of RM0.10 each	10,522,500

You are to pay in full on application the Issue Price of RM0.48 for each Issue Share.

We have only one (1) class of shares, namely ordinary shares of RM0.10 each. The Issue Shares 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 allotment thereof.

3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

The shares to be issued pursuant to the Bonus Issue shall rank *pari passu* with our existing issued 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.

Subject to any special rights attaching to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and the whole of any surplus in the event of our liquidation, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with the our Articles of Association and the provisions of the Act.

Each shareholder shall be entitled to vote at any of our general meeting in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each of our Share held. A proxy may but need not be our member.

3.3.2 Detail of the Public Issue

The Public Issue of 16,000,000 Issue Shares at an Issue Price of RM0.48 per Issue Share is subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

(a) Our eligible Directors and employees

1,628,000 Issue Shares have been reserved for our eligible Directors and employees, which will be allocated based on designation, length of service and performance.

As at 28 August 2005, there are 59 Directors and employees, who are eligible to take up the Issue Shares. The proposed allocations are as follows:-

(i) Directors

No.	Name of Director	Designation	Number of Shares Allocated
1.	Lee Sze Inn	Chief Executive Officer, Non-Independent Executive Director	180,000
2.	Chung Jaan Hao	Chief Operating Officer, Non-Independent Executive Director	180,000
3.	Lionel Koh Kok Peng	Non-Independent Non-Executive Director	185,000
4.	Christopher Micheal Cheow	Non-Independent Non-Executive Director	185,000

(ii) The number of our employees who are eligible is 55 persons.

(b) Public

3,000,000 Issue Shares will be made available for application by the public, companies, societies, co-operatives and institutions; and

3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

(c) Placement to selected institutional and individual investors

11,372,000 Issue Shares will be made available for application by way of 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.

As part of the Listing and as an incentive to our shareholders, we will implement a bonus issue of 30,500,000 new Shares to all our shareholders who appear in our Record of Depositors prior to the Listing, on the basis of approximately one (1) new Share for every two (2) existing Shares held. The Bonus Issue will be implemented by way of capitalising RM3,050,000 from our share premium account arising from the Public Issue.

Upon completion of the Bonus Issue, our issued and paid-up share capital will increase from RM6,100,000 comprising 61,000,000 Shares to RM9,150,000 comprising 91,500,000 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.

3.4 OPENING AND CLOSING OF APPLICATIONS

Your applications will be accepted from 10.00 am on 29 September 2005 and will close at 5.00 pm on 12 October 2005 or such other later time and date or dates as our Directors and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

3.5 INDICATIVE TIMETABLE

The indicative timing of events leading up to the Listing is set out below:

Indicative Timetable	**Date**
Opening of application for the Issue Shares	29 September 2005
Closing of application for the Issue Shares	12 October 2005
Balloting of applications for the Issue Shares	14 October 2005
Allotment of the Issue Shares	24 October 2005
Tentative Listing Date	25 October 2005

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The issue will close at the date stated above or such later date as our Directors together with the Underwriter may decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in widely circulated English and Bahasa Malaysia newspapers prior to the original closing date of the application. Following this, we would extend the dates for the balloting of application for the Issue Shares, allotment of the Issue Shares and Listing accordingly.

3.6 PRICING OF THE ISSUE SHARES

Prior to the Public Issue, there has been no public market for our Shares. Our Issue Price of RM0.48 per Share was determined and agreed upon by us and OSK, as Adviser and Underwriter. The following factors were taken into consideration when we determined the Issue Price:-

(i) the prevailing market conditions;
(ii) our Group's technologies, estimated business growth potential and revenue prospects;
(iii) the demand from institutional and individual investors; and
(iv) our proforma audited consolidated NTA per share after Public Issue but before Bonus Issue of RM0.228 as at 30 June 2005.

You are to take note that the Bonus Issue will be implemented prior to the official quotation of our entire enlarged issued and paid-up share capital on the MESDAQ Market. Based on an Issue Price of RM0.48 per Issue Share, the theoretical ex-all price of our Share will be RM0.32 each.

You should form your own views on the valuation of the Issue Shares and the reasonableness of the bases used.

3.7 UNDERWRITING EXPENSES, BROKERAGE AND PLACEMENT FEE

3.7.1 The Underwriter has agreed to underwrite the 3,000,000 Shares and 11,372,000 Shares to be made available for application by the public and by way of private placement, respectively. The Underwriter has further agreed to underwrite the unsubscribed portion of the 1,628,000 Shares which have been reserved for our eligible Directors and employees as described in Section 3.3.2 of this Prospectus. We will pay to the Underwriter an underwriting commission at the rate of 2% of our Issue Price of RM0.48 each.

There is a *force majeure* clause in the underwriting agreement dated 20 September 2005 ("Underwriting Agreement") which allows the Underwriter to withdraw from the Underwriting Arrangement under certain specific circumstances. An extract of the *force majeure* clause is provided below:-

No party is liable to any other party for its failure to perform or delay in performing all or any part of this Underwriting Agreement which is directly or indirectly due to any cause or circumstances beyond the control of such party, including:-

(a) any acts of God, fire, flood, storm, earthquake, typhoon, tidal wave, plague or other epidemics;

(b) any war, armed conflict or serious threat of the same, hostilities, sabotage, mobilisation, blockade, embargo, detention, revolution, riot, looting, lockout, strike or other labour dispute;

(c) any unavailability of transportation or severe economic dislocation; and

(d) any imposition or change of government laws, orders, regulations, sactions or restrictions.

3.7.2 We will pay a brokerage is respect of the Issue Shares at the rate of 1% of the Issue Price in respect of successful applications bearing the stamp of either OSK, a participating organisation of Bursa Securities, a member of Association of Bankers in Malaysia, a member of the Association of Merchant Banks in Malaysia and MIH.

3.7.3 The Placement Agent has agreed to assist in placing out the 11,372,000 Shares which will be made available for application through private placement to selected institutional and individual investors. We will pay a placement fee to the Placement Agent at a rate of 2% of the Issue Price of RM0.48 per Issue Share to be placed out.

3.8 DETAILS OF THE UNDERWRITING AGREEMENT

The other salient terms of our Underwriting Agreement with, the the Underwriter are as follows:-

1. The obligations of the Underwriter under the Underwriting Agreement are conditional upon:-

   1.1 Us obtaining the SC's final approval for this Prospectus;

   1.2 The delivery to the SC of this Prospectus for registration in accordance with the requirement under Section 41 of the Securities Commission Act together with copies of all documents required for submission under Section 42 of the Securities Commission Act;

   1.3 The lodgement with the Registrar of Companies of the Prospectus in accordance with Section 36A(4) of the Act;

   1.4 We obtaining approval in principle to the listing and quotation for all the paid-up shares on the MESDAQ Market;

   1.5 Prior to the closing date of the application of the Issue Shares, we or our subsidiary have not had any adverse and material change or development reasonably and likely to involve a prospective adverse and material change in our condition (financial or otherwise);

   1.6 The approvals and consents obtained in relation to the Public Issue as at the date of the Underwriting Agreement not being withdrawn, revoked, suspended or terminated on or prior to the closing date of the application of the Issue Shares;

   1.7 The Listing is not prohibited by any statute, order, rule, regulation, directive, guideline or regulatory body (including Bursa Securities); and

   1.8 As at the closing date of the application of the Issue Shares, the Underwriter being reasonably satisfied that we can meet the public shareholding spread requirements under the Listing Requirements of Bursa Securities for the MESDAQ Market.

2. If any of the above conditions is not satisfied, the Underwriter will be entitled to notify us in writing to terminate the Underwriting Agreement to the extent of its obligations in it and cease performance of its obligations under the Underwriting Agreement ("Termination"). In the event of Termination, the terminating parties will be released and discharged from their obligations under the Underwriting Agreement as well as any further rights to the underwritten shares (except for our liability for payments of costs and expenses related to the Public Issue, incurred prior to or in connection with such termination).

3. In the event we breach any of our representations, warranties, undertakings or material obligations under the Underwriting Agreement which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to us, then the Underwriter may terminate the Underwriting Agreement by giving us written notice before 5.00 p.m. on the closing date of the application of the Issue Shares and thereupon the parties hereto shall (except for our liability in the payment of costs and expenses referred to in the Underwriting Agreement) be released and discharged from their respective obligations hereunder without prejudice to their rights under the Underwriting Agreement.

4. Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may be entitled to terminate the Underwriting Agreement in the following circumstances:-

   4.1 If in the reasonable opinion of the Underwriter there shall have been such a change in national monetary, financial, political or economic conditions or exchange control or currency exchange rates and any event or series of events beyond the reasonable control of the Underwriter (including without limitation acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, sabotage, act of God or accidents) as would in their reasonable opinion prejudice materially the issue and offering of the Issue Shares and their distribution or sale then the Underwriter may give us written notice to terminate the Underwriting Agreement before 5.00 p.m. on the closing date of the application of the Issue Shares and thereupon the parties hereto shall (except for our liability in the payment of costs and expenses referred to in the Underwriting Agreement below incurred prior to or in connection with such termination) be released and discharged from their respective obligations under the Underwriting Agreement.

   4.2 In the event that the closing date of the application of the Issue Shares does not occur within ninety (90) days from the date of the Underwriting Agreement (or any other date as may be extended by the Underwriter), the Underwriting Agreement will lapse and the Underwriter will be released and discharged from all of its obligations under the Underwriting Agreement.

3.9 UTILISATION OF PROCEEDS

We expect the gross proceeds of the Public Issue to amount to approximately RM7,680,000. The proceeds shall come to us and we shall bear all expenses relating to the listing of and quotation for our entire issued and paid-up share capital on the MESDAQ Market.

We expect the proceeds from the Public Issue of RM7,680,000 to be utilised for the following:-

Details of Utilisation	**Notes**	**Amount RM**
Purchase of new equipment	(i)	1,580,000
Working capital	(ii)	1,200,000
Overseas expansion	(iii)	1,500,000
R&D expenditure	(iv)	2,100,000
Estimated listing expenses	(v)	1,300,000
		7,680,000

Notes:-

(i) Earmarked for the acquisition of additional servers, application softwares and related equipment necessary to support the increasing demand for our Group's products and services and to upgrade existing hardwares and softwares. We expect to utilise the said proceeds within three (3) years from the date of our Listing.

(ii) Working capital will be utilised to finance our Group's day to day working capital requirements. We expect to utilise the said proceeds within three (3) years from the date of our Listing.

(iii) Funds for overseas expansion will be applied towards building market presence for our Group's products and services in the countries that our Group intends to penetrate in future. We expect to utilise the said proceeds within two (2) years from the date of our Listing. We will seek approval for an extension of time from the relevant authorities and shareholders if we are unable to utilize these funds.

Further details of our regional market expansion plan are set out in Section 8.2 of this Prospectus.

3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

(iv) *Our Group would require approximately RM2.1 million for R&D into the latest mobile technology, services and content which will also include third party content/service provider aggregation and facilitation. The R&D cost will consist of staff salaries. We expect to utilise the said proceeds within three (3) years from the date of our Listing.*

(v) *Our listing expenses are estimated at approximately RM1.3 million as follows:-*

	RM
Professional fees	600,000
Fees of the authorities	71,500
Underwriting and placement fees	250,000
Brokerage fees	40,000
Printing and advertising fees	300,000
Miscellaneous expenses	38,500
Total	**1,300,000**

We expect to utilise the proceeds within three (3) months from the date of our Listing.

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4. RISK FACTORS

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

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

4.1 NO PRIOR MARKET FOR OUR SHARES AND POSSIBLE VOLATILITY OF SHARE PRICE

Prior to this Public Issue, there has been no trading market for our Shares. We can give no assurance that an active market in our Shares will be developed or be sustained after the Public Issue and Listing. Our Issue Price was determined through our negotiation with OSK, as Underwriter after taking into account of various factors. See Section 3.6 of this Prospectus on the basis for the determination of the Issue Price. We can give no assurance that the market price of our Shares will not decline below the Issue Price. Our Group believe that a number of factors could cause our Share price to fluctuate, including but not limited to sales of substantial amounts of our Shares in the public market in the immediate future; announcements of developments relating to our Group's business; fluctuations in our Group's operating results and sales level; general industry conditions or the world-wide economy; announcements of new products or product enhancements by our Group or our competitors; and developments in patent, copyright or other intellectual property rights.

In addition, in recent years, the stock market in general, and the market for the shares of many high technology companies in particular, has experienced extreme price fluctuations which have often been unrelated to the operating performance of such companies. Such fluctuations may adversely affect the market price of our Shares.

4.2 COMPANY / BUSINESS RISKS

4.2.1 Business risk

As our Group's business involves the development of wireless mobile and multimedia solutions comprising software and content, our Group is subject to risks inherent in the ICT industry. These risks will include, amongst others, technological changes; competition from both local and foreign ICT companies; our Group's ability in protecting our intellectual property rights; as well as general economic and business conditions. Although our Group seeks to limit these risks through its continued initiatives in R&D, its employment of highly skilled technical personnel, as well as the expansion and development of our strategic partnerships, we can give no assurance that any changes involving these factors will not have a material adverse effect on our Group's businesses.

4.2.2 Operating risk

Revenue and profitability growth can be adversely affected by many factors. These may include, amongst others, market acceptance of new products and services; the ability of our Group to maintain or grow our partnerships with mobile network operators, media owners and advertising agencies; increased competition; the ability of our Group to develop and market our products and services; and other business risks common to the going concern aspects of the business.

As the mobile telecommunications industry is expanding rapidly via the discovery and introduction of new technologies, our Group has set up an R&D team to develop new products and services, improve existing products and applications, as well as discover new technologies. Our Group will also expand and develop smart and strategic partnerships with other companies within the ICT industry, locally and abroad, to learn and further implement better technology and strategies.

Despite our Group's limited operating history, we have proven our capability to generate profits. MNCC registered a profit after tax of RM1,051,116 for the FYE 31 December 2003 and our Group registered a profit after tax of RM2,625,676 for the FYE 31 December 2004.

Our Directors believe that our Group should be able to maintain its record of profitability. Our Group's cash flow management includes regular monitoring of our debtors position, having long term relationships with our customers and business partners, close monitoring of operating expenditure, and careful consideration of any proposed capital expenditure or borrowing and its effects on our Group.

However, we can give no assurance that our Group will continue to be profitable in the future, or that we will achieve increasing or consistent levels of profitability.

4.2.3 Product risk

Market acceptance of our Group's products and services as well as our Group's ability in addressing the sophisticated needs and requirements of customers will determine our Group's future results. Our Group offers end-to-end products and solutions for the m-business value chain. The products are customised to meet clients' needs and requirements. However, intense competition and/or reduction in demand for our Group's existing and future products will materially and adversely affect our Group's business, operating and financial conditions. We can give no assurance that our Group will be able to constantly develop new products or enhance our existing products with respect to changing market conditions or customer requirements.

Nonetheless, our Group expects our strategic business plan of developing sales and marketing channels for market exposure, along with enhancement and improvement of features and good technical support should ensure continuous acceptance of our products and services.

4.2.4 Continuing demand for our Group's products and services

Our Group's profitability will depend on continued demand for our Group's products and services. Uncertainty in the world economic climate as well as adverse changes in general business conditions will deter new purchases of our Group's products and services as a result of hesitancy on the part of our existing and potential customers to either continue with the services offered by our Group or commit to new ones. Strong alliance partnerships with the aim of sharing technological know-how and expertise, as well as continued R&D efforts will enable our Group to implement systems in a cost effective manner, in order to maintain profitability. However, we can give no assurance that the demand for our Group's products and services will materialise as anticipated and any unexpected reductions in demand would likely adversely affect the performance of our Group.

4.2.5 Brand awareness

Brand awareness is dependent on our Group's ability to successfully market and maintain recognition of our brand names and acceptance of our Group's products both locally and overseas. In order to promote and create brand awareness, our Group will have to implement comprehensive marketing strategies. However, we can give no assurance that higher expenses for the marketing activities will be offset by the increase in sales or revenue from the products. Also, we can give no assurance that the recognition and acceptance will be successfully achieved through the promotion and branding activities. This could in turn, adversely affect the performance of our Group.

4.2.6 Competition

Intense competition is a very likely aspect of the ICT industry as technological developments are constantly evolving due to the discovery and introduction of new technologies as well as the ever-changing needs and requirements of customers. Our Group is subject to competition with both local and foreign companies whereby at times, these competitors may have better financial, technical and marketing resources; longer and more established operating histories; larger client bases; more advanced technologies; and wider brand recognitions.

Our Group believes that we have competitive strengths in areas such as competitive pricing, strong alliance partnerships, uniqueness of products and services, a strong and dedicated management team and technological expertise. However, we can give no assurance that our Group will be able to compete with future competitors or that competitive pressures will not materially affect our Group's business, operations and financial conditions.

4.2.7 Dependence on particular products or markets

We are still dependent on the mobile content business at this point in time. However, 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 is moving away from our reliance on mobile content business offered to mobile network operators which offer revenue sharing to a more diversified range of goods and services, *inter alia*, direct enterprise sales. Direct enterprise sales represented 24% of revenue at the end of 2004 and we expect it to reach 35% at the end of 2005. We are also planning to expand to foreign market to reduce reliance on the domestic market.

While we make every effort to expand our revenue base, we can give no assurance that our Group's business, operating results and financial condition will not have to depend significantly on the revenue sharing business model above.

4.2.8 Dependence on major customer(s)

For the FYE 31 December 2004, our top customer, Maxis accounts for about 31.63% of our Group's revenue. Whilst the revenue generated through Maxis are via consumption of mobile contents and services by the end mobile subscribers, the loss of this major customer resulting from, *inter alia*, relocation or diversification of its business or cessation of business, may adversely impact on the Group's operating results.

To prevent over-reliance on a single mobile network operator, we have continued to strengthen our business relationship with other mobile network operators. Furthermore, it has always been our plan to drive stable and diversified direct software/platform sales to enterprise clients. Going forward, our strategy is to provide operator class platforms, products and services to drive enterprise sales hence reducing the dependency on a single mobile network operator with the pure revenue sharing business model based only on the mobile content business.

4.2.9 Dependence on Naga DDB and DDB Worldwide

Our wholly-owned subsidiary, MNCC, had on 28 April 2004 entered into a Memorandum of Understanding ("MOU") with Naga DDB in relation to a strategic partnership on the operational arrangements on the deployment and implementation of the mobile enterprise services provided by MNCC. Additionally, MNCC also sold the Go!SMS^{TM} Suite to Naga DDB. Naga DDB in return, provides services in relation to reviewing our Group's creative and production contents in our Group's advertising campaigns. There exists a mutually beneficial business relationship between both parties. For the FYE 31 December 2004, the revenue from Naga DDB amounts to RM962,106, representing only approximately 7.79% of our Group's revenue.

Our Group, however, benefits from the key strategic alliance partnership with DDB Worldwide which provides us with corporate client leads and also the opportunity to jointly develop m-marketing solutions. The DDB alliance also provided our Group with greater marketing credibility as well as enabling our Group to build a more stable business image.

The loss of support from either Naga DDB or DDB Worldwide may affect the competitive advantage of our Group. However, our substantial shareholders have been maintaining a close working relationship with both Naga DDB and DDB Worldwide. Our Promoter, substantial shareholder (vide his direct shareholding in our Company and substantial shareholding in Monaxis) and Non-Independent Non-Executive Director, Lionel Koh Kok Peng is currently the Group Finance Director of Naga DDB and our substantial shareholder (vide his shareholding in Monaxis) and Chairman cum Non-Independent Non-Executive Director, Datuk Lee Fook Long is a director and substantial shareholder of Naga DDB. Hence, our Directors are of the view that the risk of termination of cooperation between our Group and Naga DDB or DDB Worldwide is low.

4.2.10 Dependence on key management and technical personnel

Our Group's business and future success will depend to a significant extent on the abilities, expertise, continued efforts and relationship of our existing shareholders and key personnel. The loss of the services of any of these individuals may affect the competitive advantage of our Group.

Recognising the importance of our personnel, we will consider appropriate measures to attract and retain key personnel. In line with our expansion plans to support our growing business and operations, we will continue to employ highly technically-skilled staff to strengthen the present team. Hence, in-house and on-the-job training as well as education will be a perpetual process for the management and employees of our Group. In addition, we have put together a management succession plan. See Section 6.13 of this Prospectus for details of our Group's management succession plan.

4.3 INDUSTRY RISKS

4.3.1 Reliability and security risks

Our Group's business is highly dependent on the telecommunications network infrastructure and also one which involves a large amount of transmissions of confidential information over networks accessible to the public. The ability to provide secure transmissions of private and confidential information over networks accessible to the public is subject to various factors, amongst others, capacity limitations, breaches of security by computer viruses, break-ins and other factors. Furthermore, damages to the telecommunications network infrastructure such as mobile messaging gateways, SMSCs, network and lease line could cause our Group's customers to experience service outages and delays which could frustrate customers' usage of our Group's products and services. Thus, both security and reliability measures are given top priority. Despite various security measures undertaken by our Group, there will be no assurance that unauthorised access, computer viruses, accidental or intentional actions or disruptions to the telecommunications network infrastructure will not occur as such is beyond the control of our Group.

4.3.2 Dependence on premium charging arrangements with mobile network operators

Our Group is dependant on premium charging arrangements entered into with mobile network operators and will have to ensure compliance with the requirements with regards to the usage of their telecommunication systems. However, we can give no assurance that our Group will be able to maintain such premium charging arrangements and/or on existing terms including shortcode and revenue sharing arrangements. In the event that our arrangements with the mobile network operators are not renewed or renewed on less favourable terms, it could adversely affect our Group's business, operating results and financial condition.

4. RISK FACTORS (CONT'D)

Nevertheless, we have been enjoying a good working relationship with the mobile network operators and we will keep ourselves abreast to the changes in the industry. We will work closely with the mobile network operators to ensure that our products and services remain relevant and the arrangements remain beneficial to both parties.

4.3.3 Rapid technological advancement or developments

The market for our Group's products and services involves technological advancements and developments, evolving industry standards, customers' ever-changing needs and requirements and frequent new productions and enhancements. Over time, our Group's products may become obsolete due to rapid technological advancements. However, our Group has strong alliance partnerships with the major mobile network operators in Malaysia as well as other technology partners within the mobile, broad telecommunications, broadcasting, IT and advertising industries. This enables our Group to share in technology know-how and expertise. Our Group will constantly develop and market new products while concurrently enhancing its existing products so as to adequately meet the needs and requirements of its customers.

However, we can give no assurance that our Group's business, operating results and financial condition may not be adversely or materially affected as a result of competing products and services which may better address customer requirements, or for a particular reason, be more preferred by customers.

4.4 OWNERSHIP AND CONTROL BY OUR EXISTING SHAREHOLDERS

Upon completion of the Public Issue, Monaxis, Datuk Lee Fook Long and Mr Lionel Koh Kok Peng will directly and indirectly, in aggregate, own 55.63% of our issued and paid-up share capital. As a result, these shareholders, acting together will have voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our Group's shareholders, unless it is required that they abstain from voting either by law and/or by the relevant authorities.

Nevertheless, our Group will appoint several independent directors to ensure that any future transactions involving related parties are entered into on arms-length terms, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

4.5 GOVERNMENT REGULATORY, INTELLECTUAL PROPERTY AND LICENSE RISKS

4.5.1 Regulatory risk

We were granted an Applications Service Provider ("ASP") Class License by MCMC pursuant to Section 44 of the Communications and Multimedia Act, 1998 to provide any/all of the application services as stated in Rule 30 of the Communications and Multimedia Rules (Licensing), 2000. This license is renewable annually. There is no assurance that this license will be renewed eventhough our application is made to MCMC. The Board believes that this risk is minimal as it operates within the requirements set out in the license and rules set by MCMC.

Save for the above and the general company, contract and commercial laws, the business of our Group is not subject to any other specific regulations. Although no other specific regulations are imposed on our Group, we can give no assurance that any future regulatory policy changes will not affect the operations of our Group.

4.5.2 Change in MSC status

We were granted the MSC status on 7 January 2004 by MDC. Presently, all MSC status companies are granted financial and non-financial incentives which are guaranteed under the Malaysian Government's Bill of Guarantees for MSC status companies. Financial incentives include:-

- a five (5) year exemption from Malaysian income tax (only on income derived from MSC-related activities) commencing from the date when the company starts generating income, renewable to ten (10) years, where the renewal will depend on the company's performance in transferring technology or knowledge to Malaysia, or a 100% investment tax allowance on new investments made in MSC cybercities, commencing from the date on which the first qualifying capital expenditure is incurred;
- duty-free importation of multimedia equipment, provided that the equipment is used by the company in the operation of its business, and not for direct sale and trading or use as components in manufactured items; and
- research and development grants for MSC small and medium enterprises that are at least 51% Malaysian owned.

Non-financial incentives include:-

- unrestricted employment of foreign knowledge workers;
- freedom of ownership; and
- freedom to source capital for MSC infrastructure globally and the right to borrow funds globally. All MSC status companies will be given exemptions by the Controller of Foreign Exchange from exchange control requirements which will allow them to execute transactions in any currency in Malaysia or elsewhere, borrow any amount from financial institutions, associate companies or non-residents, hedge foreign exchange exposure, remit funds globally and open foreign currency accounts in Malaysia or abroad with no limits on balances.

The MDC is the body responsible for monitoring all MSC designated companies. The Malaysian Government has the right to revoke or withdraw any company's MSC status if the company, among others, breaches any of the conditions of approval of its MSC status. As such, we can give no assurance that we will continue to retain our MSC status or that we will continue to enjoy the MSC incentives outlined above. Any changes in our MSC status could materially and adversely affect our Group's business, operating results and financial condition.

4.5.3 Protection of intellectual property rights

Our Group's success is significantly dependent on our ability to protect our intellectual property rights. Our Group has applied for registration of its trademarks and logos. However, existing patent, copyright, trademark and trade secret laws afford only limited protection. Accordingly, we can give no assurance that our Group will be able to protect our intellectual property rights against unauthorised third party copying, infringement, and use or exploitation, any of which could have a material adverse effect on our Group's business, operating results and financial condition. However, our Directors believe that the risks of unauthorised third party copying, infringement, and use or exploitation are relatively low due to the uniqueness of our Group's products and services.

4.6 EXPANSION RISKS

4.6.1 Expansion of our Group's businesses

As our Group anticipates the mobile telecommunications industry to be a fast growing industry for the next few years, and especially so in Malaysia, our Group has plans to expand its growing business. Apart from expanding locally, our Group's target markets regionally are Singapore, China, Thailand and the Philippines. Our Group is looking into exporting our products and technological know-how to the said regional target markets. Although our Group is looking into expanding our business into new markets in the future, there can be no assurance that our Group will be able to successfully penetrate these new markets, neither can we guarantee that these efforts will prove to be profitable in the long run.

Additionally, if we do expand our business to foreign countries, we could be exposed to currency fluctuations, trade restrictions, sovereignty, political and economic risks of those countries. In order to mitigate these risks, our Group has adopted a proactive approach in keeping abreast with such developments in these foreign countries.

4.6.2 Investment risk

Our Group may from time to time try to secure more business opportunities and decide to acquire businesses, products or technologies, as well as enter into joint ventures, alliances and partnerships with third parties so as to expand into other geographical markets. There is a potential risk that our Group will not be able to successfully secure new investments due to reasons that the investments may require additional capital which may or may not be available on terms satisfactory to our Group, as well as the likelihood of a longer-than-expected gestation period. However, our Group will carefully consider and select any ventures or investments. We can give no assurance however, that any sort of future investments including those not directly-related to our Group's core business, will yield returns to our Group.

4.6.3 Future capital injections

Our Group is of the opinion that the net proceeds of the Public Issue, together with cash flow from operations and other existing sources of funds, will be sufficient to meet our projected working capital and other cash requirements. There is no assurance that future events may not cause our Group to seek additional capital sooner than is expected. If additional capital is required, there can be no assurance that it will be available or, if available, that it will be on terms satisfactory to our Group. It should be noted that the issuance of additional equity or other convertible securities to non-shareholders will result in further dilution of the shareholdings of our Group.

4.6.4 Risk of rapid or over-expansion of our Group's business

We have set out structured expansion plans, which are detailed in Section 8.1 of this Prospectus. The success that we have achieved to date is the result of careful implementation of these plans. The future development plans that have been laid out are designed to further expand our core businesses. Nevertheless, while we make all efforts to follow the plans, there is no assurance that we will not face the risk of rapid or over-expansion.

4.7 OTHER RISKS

4.7.1 Financial risk

While our Group currently has no borrowings as at 28 August 2005, being the latest practicable date prior to issuance of this Prospectus, we can give no assurance that we will remain debt-free. We may need to borrow for future growth and/or to seize business opportunities. Considering that the interest charged on bank borrowings is dependent on prevailing interest rates and total outstanding loans, future fluctuations of interest rates could have material effects on the Group's profitability. Additionally, covenants under these borrowing facilities agreement(s) could limit our Group's operating and financial flexibilities. If we decide to borrow from foreign financial institution, we will also be exposed to foreign exchange risk.

There can also be no assurance that our Group's performance would remain favourable in the event of adverse changes in interest rates or loan amounts. Nevertheless, our Group believes that its prudent cash flow management will be able to generate sufficient funds for the repayment of the bank borrowings, if any.

4.7.2 Amortisation of product development expenditure

It is our Group's accounting policy to amortise product development expenditure on a straight-line basis over a period of three (3) years from the date of incurrence of the expenditure. However, the product development expenditure will be subject to an impairment test at each balance sheet date in accordance with the requirements of Financial Reporting Standards 136 – Impairment of Assets adopted by the Malaysian Accounting Standards Board.

Based on our Group's audited balance sheet as at 30 June 2005, the unamortized portion of the product development expenditure is RM1,438,993. This would be the maximum limit for impairment loss, if any, if such losses need to be recognised as at that date. We will recognise any impairment losses in the income statement immediately in the financial period in which it is incurred.

Our Group considers the risk of impairment loss to be low as we expect to remain profitable in the future years. However, we can give no assurance that there will be no impairment losses arising in respect of the product development expenditure and that such losses will not materially affect our Group's financial conditions.

4.7.3 Political and economic conditions

Political and economic conditions vary from one country to another. As our Group is planning to expand our business to other markets, our Group is subject to political and economic conditions of that particular market. The business and operating conditions of our Group will have to change so as to adapt to the operating environment as well as to a certain extent, the political and economic conditions of the country in which our Group will be operating.

These political and economic conditions include but are not limited to, global economic downturns, the Government's policy on taxation and capital control, changes in political leadership, and risks of war and terrorism.

Changes in the political and economic conditions in Malaysia and/or other markets may materially and adversely affect our Group's business, operating and financial conditions. We can give no assurance that any adverse political and economic conditions will not materially affect the performance of our Group.

4.7.4 Foreign exchange risk

Currently, our Group's revenue is mainly generated from within Malaysia. However, as our Group plans to expand and diversify our business into other markets regionally, our Group will then be potentially exposed to foreign exchange risks. In the event that our Group is exposed to such risks, our Group can adopt various hedging techniques to mitigate the effects of such risks. However, we can give no assurance that any significant exchange rate fluctuations will not materially and adversely affect our Group's financial condition.

4.7.5 Forward-looking statement

This Prospectus contains information that is based on historical data which may not be reflective of future results, and other forward-looking statements which are statements other than statements of historical data. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from the future results.

Although our Group believes that the expectations reflected in such forward-looking statements are reasonable at this point in time, we can give no assurance that such expectations will be justifiable.

Whether or not such statements prove to be accurate would be dependent upon a variety of factors that may have an effect on the business and operations of our Group.

4.7.6 Uncertainty in the implementation of the proposed 5-year business development plan

The success of our Group's business development plan will depend upon continued market acceptance and marketability of our Group's products and services, the development of new products, as well as the enhancement of our existing products.

In addition to the above, our Group's proposed future plans and prospects will be dependent upon, among other things, the ability to expand and develop new strategic relationships with technology partners, the continued hiring of technically-skilled staff, the ability in obtaining adequate financing as and when the need arises, and the continued progress of R&D activities. We can give no assurance that our Group would be able to successfully implement our future business development plans or that unanticipated expenses or problems would not occur, thereby leading to the actual results differing from those contained in the proposed business plan.

Nevertheless, our Directors will conduct periodic review to ensure that our Group remains on track to achieve these plans, and should there be a gap in between the present benchmarks and actual achievements, we will take necessary steps to steer the business back on track.

4.7.7 Emergency risk

Our Group's daily operations may be affected by events of emergency such as fires, floods, energy crises, sabotage, civil commotion, war, outbreak of diseases and/or acts of God. The occurrence of such events could materially and adversely affect our Group's business, operating results and financial condition.

Although our Group takes necessary precautions to prevent the occurrence of such incidents, there is no absolute certainty that such untoward incidents will not occur.

In order to mitigate these risks, we have in place two (2) back-up systems as contingencies should any of the above events occur which may damage or destroy our server in our business premises.

4.7.8 Failure or delay in our Listing

The success of our listing on the MESDAQ Market is also exposed to the risk that it may fail or be delayed due to any of the following reasons, amongst others:-

- The placees under the private placement tranche of the Public Issue fail to acquire the Issue Shares allocated to them;
- The Underwriting Agreement is terminated; and
- We are unable to meet the public shareholding spread requirements i.e. at least 25% but not more than 49% of the total number of our Shares for which Listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 shares each, at the time of Listing.

In the event of the failure of our Listing on the MESDAQ Market, investors shall be reimbursed their application money without interest.

5. FINANCIAL RECORD

5.1 PROFIT RECORD

Our Group's financial highlights 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 provided below for illustrative purposes and are based on our Group's audited financial statements on the assumption that the structure of our Group had been in existence throughout the period under review:-

	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
(Loss)/profit before depreciation, taxation and amortization	(295)	1,717	3,406	2,518
Amortization of product development expenditure	-	(195)	(574)	(369)
Depreciation	(15)	(115)	(206)	(223)
(LBT)/PBT	(310)	1,407	2,626	1,926
Taxation	-	(356)	-^	(78)
(LAT)/PAT	(310)	1,051	2,626	1,848
No. of shares assumed in issue to form our Group ('000)*1	2,241	2,241	2,241	2,241
Gross (LPS)/EPS*3 (sen)	(13.83)#	62.78	117.18	85.94#
Net (LPS)/EPS*4 (sen)	(13.83)#	46.90	117.18	82.46#
No. of shares assumed in issue to form our Group ('000)*2	45,000	45,000	45,000	45,000
Gross (LPS)/EPS*3 (sen)	(0.69)#	3.13	5.84	4.28#
Net (LPS)/EPS*4 (sen)	(0.69)#	2.34	5.84	4.11#

Notes:-

*1 *The number of our ordinary shares assumed in issue of 2,240,543 at RM1.00 each is based on our issued and paid-up share capital after the acquisition of MNCC ("the Acquisition").*

*2 *The number of our ordinary Shares assumed in issue of 45,000,000 at RM0.10 each is based on our issued and paid-up share capital after the Acquisition, the Rights Issue and Share Split but before the Public Issue.*

*3 *The gross (LPS)/EPS have been calculated by dividing the (LBT)/PBT respectively, for the financial period/ years by the number of shares assumed in issue to form our Group.*

*4 *The net (LPS)/EPS have been calculated by dividing the (LAT)/PAT respectively, for the financial period/years by the number of shares assumed in issue to form our Group.*

\# *Not annualised.*

^ *Negligible.*

There were no exceptional or extraordinary items in the relevant financial period/year under review. There were no items relating to the share of profits and losses of associated corporations and joint ventures and minority interest in the relevant financial period/year under review. There were also no audit qualifications for the financial period/year under review.

For further details on the analysis and commentary on the material items in the table above, please refer to Section 5.5 of this Prospectus.

5. FINANCIAL RECORD (CONT'D)

5.2 PROFORMA CONSOLIDATED BALANCE SHEET

The table below sets out the proforma consolidated balance sheets of our Group as at 30 June 2005 based on the audited financial statements of our Group: -

	Audited MNCW Group RM'000	After Rights Issue RM'000	After Share Split RM'000	After Public Issue RM'000	After Bonus Issue RM'000	After ESOS RM'000
Assets						
Plant and equipment	1,994	1,994	1,994	3,574	3,574	3,574
Product development expenditure	1,439	1,439	1,439	1,439	1,439	1,439
	3,433	3,433	3,433	5,013	5,013	5,013
Current Assets						
Trade receivables	6,065	6,065	6,065	6,065	6,065	6,065
Other receivables, deposits and prepayments	886	886	886	340	340	340
Tax refundable	14	14	14	14	14	14
Cash and bank balances	628	2,887	2,887	8,233	8,233	12,625
Total current assets	7,593	9,852	9,852	14,652	14,652	19,044
Current Liabilities						
Trade payables	1,837	1,837	1,837	1,837	1,837	1,837
Other payables and accruals	2,207	2,207	2,207	2,207	2,207	2,207
Total current liabilities	4,044	4,044	4,044	4,044	4,044	4,044
Net current assets	3,549	5,808	5,808	10,608	10,608	15,000
	6,982	9,241	9,241	15,621	15,621	20,013
Financed by:-						
Share capital	2,241	4,500	4,500	6,100	9,150	10,522
Share premium	-	-	-	4,780	1,730	4,750
Retained profits	4,421	4,421	4,421	4,421	4,421	4,421
Negative goodwill on consolidation	42	42	42	42	42	42
Shareholders' equity	6,704	8,963	8,963	15,343	15,343	19,735
Long term liability						
Deferred taxation	278	278	278	278	278	278
	6,982	9,241	9,241	15,621	15,621	20,013

The notes to the proforma consolidated balance sheets as at 30 June 2005 are set out in Section 14 of this Prospectus.

5. FINANCIAL RECORD (CONT'D)

5.3 CONSOLIDATED CASH FLOW STATEMENT

The table below sets out our Group's consolidated cash flow statement for the six (6)-month period ended 30 June 2005 and is provided for illustrative purposes based on the audited financial statements of our Group:-

	Financial Period from 1 January 2005 to 30 June 2005 RM'000
Cash Flows From/(For) Operating Activities	
Profit before taxation	1,926
Adjustments for:-	
Amortisation of product development expenditure	369
Depreciation of plant and equipment	223
Amortisation of negative goodwill on consolidation	(5)
Operating profit before working capital changes	2,513
Increase in trade and other receivables	(2,540)
Increase in trade and other payables	1,540
Cash From Operations	1,513
Tax paid	(25)
Net Cash From Operating Activities	1,488
Cash Flows From/(For) Investing Activities	
Purchase of plant and equipment	(370)
Product development expenditure	(855)
Net Cash For Investing Activities	(1,225)
Net increase in Cash and Cash Equivalents	263
Cash And Cash Equivalents At Beginning Of The Financial Period	365
Cash And Cash Equivalents At End Of The Financial Period	628

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5. FINANCIAL RECORD (CONT'D)

5.4 KEY FINANCIAL/OPERATING RATIOS

The table below sets out key financial ratios which are provided for illustrative purposes based on our Group's audited financial statements, prepared on the assumption that the structure of our Group had been in existence throughout the period under review:-

	6-month period ended 31 December 2002	FYE 31 December 2003	FYE 31 December 2004	6-month period ended 30 June 2005
Paid-up capital*1 (RM'000)	2,241	2,241	2,241	2,241
Shareholders' funds (RM'000)	(210)	2,241	4,861	6,704
(NTL) / NTA (RM'000)	(210)	1,850	3,908	5,265
(NTL) / NTA per share (sen)	(9.37)	82.55	174.39	234.94
Turnover (RM'000)	247	8,602	12,355	7,084
(LBT) / PBT (RM'000)	(310)	1,407	2,626	1,926
(LAT) / PAT (RM'000)	(310)	1,051	2,626	1,848
Gross (LPS) / EPS (sen)	(13.83)#	62.78	117.18	85.94#
Net (LPS) / EPS (sen)	(13.83)#	46.90	117.18	82.46#
Effective tax rate (%)	-	25	-	4
Gross profit margin (%)	62	75	80	75
Pre-tax (loss) / profit margin (%)	(126)	16	21	27
Current ratio (times)	0.37	1.38	1.91	1.88
Total borrowings (all interest bearing)	-	-	-	-
Gearing (all interest-bearing debts over shareholders' funds) (times)	-	-	-	-
Interest expense	-	-	-	-
Interest cover (times)	-	-	-	-
Gross dividend ratio	-	-	-	-

Notes:-

*1 *The number of our ordinary shares assumed in issue of 2,240,543 shares of RM1.00 each is based on the issued and fully paid-up share capital after the acqusition of MNCC.*

\# *Not annualised.*

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5. FINANCIAL RECORD (CONT'D)

5.5 ANALYSIS AND COMMENTARY ON FINANCIAL INFORMATION

The following analysis and commentary on financial information should be read in conjunction with the financial data presented in Sections 5.1, 5.2, 5.3 and 5.4 of this Prospectus.

(a) Segmental data

By activities

	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:				
Mobile content	247	7,764	9,363	5,002
Wireless and multimedia software applications	-	838	2,992	2,082
	247	8,602	12,355	7,084
(LBT)/PBT:				
Mobile content	(310)	1,182	2,349	1,835
Wireless and multimedia software applications	-	225	272	86
Consolidation adjustment^	-	-	5	5
	(310)	1,407	2,626	1,926

By companies

	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:				
MNCW	-	-	9,802	5,289
MNCC	247	8,602	12,522	7,082
Consolidation adjustment#	-	-	(9,969)	(5,287)
	247	8,602	12,355	7,084
(LBT)/PBT:				
MNCW	-	-	2,349	1,835
MNCC	(310)	1,407	272	86
Consolidation adjustment^	-	-	5	5
	(310)	1,407	2,626	1,926

Notes:-

\# *Adjustment for inter-company transactions.*

^ *Adjustment for amortisation of negative goodwill on consolidation.*

5. FINANCIAL RECORD (CONT'D)

(b) Turnover

The significant increase in turnover in FYE 31 December 2003 ("FYE 2003") from the six (6)-month period ended 31 December 2002 ("FP 2002") was mainly due to FYE 2003 being MNCC's first full year of operations. FYE 2003 also saw the introduction of a greater range of products and services to end-users and corporations. Turnover in FYE 31 December 2004 ("FYE 2004") improved significantly mainly due to the culmination of our Group's intensive advertisement and promotion activities for the FYE 2003. Apart from the above, the overall increase in turnover is also due to higher sales obtained under the wireless and multimedia software applications ("W & M") business. In FYE 2004, new solutions for use in CRM activities were deployed to three (3) new clients for total consideration of approximately RM1.82 million which represent 61% of the total W & M business segment for FYE 2004. The entire mobile content business previously handled by MNCC was transferred to MNCW as part of our Group's business rationalisation exercise and this exercise was done in FYE 2004.

Our Group's turnover for the six (6)-month period ending 30 June 2005 is enhanced by the W & M business under MNCC which has generated more than 50% of FYE 2004 sales in the six (6)-month period itself. The increase was attributable to the improved B2B platforms like Go!SMS™ and new system integration jobs. The new platforms introduced during this period garnered a sales contribution of approximately 38% of the W & M billings.

(c) PBT

Our Group achieved a PBT of approximately RM1.4 million in FYE 2003 compared to the loss of approximately RM0.3 million in FP 2002 mainly due to better turnover as mentioned above and also due to better prices and margins obtained from products and services in FYE 2003. Our Group's PBT increased by 86.6% to RM2.626 million in FYE 2004 despite an increase of only 43.6% in turnover due to a shift in product and pricing strategy adopted by our management to counter the proliferation of new products and services swarming the market. Revenue sharing arrangements which did not favour our Group were not renewed in FYE 2004. Advertisement and promotion expenses were deliberately capped at RM3.4 million, a marginal increase of 11% from what was spent in FYE 2003 as our Group strived to maximize its advertisement dollar. These positive steps undertaken up by our Group resulted in a significant increase in margins for the mobile content business whereby the profits from this segment doubled up to RM2.35 million in FYE 2004 despite a corresponding increase of only 21% in turnover. This trend of enhanced profitability continued to spill over to the six (6)-month period ending 30 June 2005 with a profit margin of 36.7% as compared to 25.1% achieved in FYE 2004.

However, the W & M segment suffered a decline in profit margin as it was only 9.1% in FYE 2004 as compared to 26.8% achieved in FYE 2003. This was because the W & M activities were priced attractively to introduce this concept of m-business to a selected target audience. Consequently, the W & M business segment's PBT for FYE 2004 remained relatively stagnant at approximately RM272,000, which is an increase of only 21% from FYE 2003's PBT. For the six (6)-month period ending 30 June 2005, the PBT margin reduced from 9.4% to only 4% despite a consistent gross profit margin of approximately 21%. The decline in PBT during the six (6)-month period was due to the significant increase in selling and distribution costs incurred in order for us to increase our share of the W & M market. Higher depreciation cost due to purchase of new equipment to meet the demand of the new W & M sales also contributed to the decline in six (6)-month period PBT.

(d) Taxation

There was no tax charge for the FP 2002 due to the loss suffered in financial period.

The effective tax rate in FYE 2003 is lower than the statutory tax rate mainly due to the utilisation of brought forward tax losses and unabsorbed capital allowances from FP 2002. We were accorded MSC status and were granted Pioneer Status with effect from 31 January 2004, which exempts 100% of the statutory business income from the approved activities from taxation for a period of 5 years thereon. Accordingly, the tax expense for our Group is disproportionately lower than the applicable statutory tax rates.

5.6 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

5.6.1 Working Capital

Our Directors are of the opinion that, after taking into account the forecast consolidated cash flows and gross proceeds from the Public Issue, our Group will have adequate working capital for a period of 12 months after the date of issuance of this Prospectus.

5.6.2 Borrowings

As at 28 August 2005, being the last practicable date prior to the issuance of this Prospectus, our Group has no outstanding borrowings.

Hence, we have not defaulted on any payments of either interest and/or principal sums in respect of any borrowings throughout the past one financial year and the subsequent financial period thereof, if any, immediately preceding the date of this Prospectus.

5.6.3 Material Litigation

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, neither us nor our subsidiary company is engaged in any material litigation or arbitration either as plaintiff or defendant that has a material effect on the financial position of our Group, and our Directors have no knowledge of any proceeding pending or threatened against us or our subsidiary company or of any fact likely to give rise to any proceeding that may materially affect our Group's position and business.

5.6.4 Material Commitment

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, our Group have not incurred or known to have incurred any material commitment for capital expenditure that may have a substantial impact on our financial position.

Further information on our material commitment is disclosed under Section 16.8 of this Prospectus.

5.6.5 Contingent Liabilities

As at 28 August 2005, being the latest practicable date prior to the issuance of this Prospectus, our Directors are not aware of any contingent liability, which upon becoming enforceable, may have a material impact on our Group.

Further information on contingent liabilities is disclosed under Section 16.9 of this Prospectus.

5. FINANCIAL RECORD (CONT'D)

5.7 PROFIT FORECAST

Our Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors. The market for our Group's products and services is characterized by rapid technological advancements, changes in customer requirements, frequent new product launches and continued development and enhancement of software. In addition, our Group is also devoting substantial management and financial resources to launch our products and services and exporting to regional target markets. Our Group is subjected to many risk factors, some of which are highlighted in Section 4 of this Prospectus. As such, our Group's profit forecast is not disclosed in this Prospectus.

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