

5. INFORMATION ON OUR GROUP

5.1 INFORMATION ABOUT US

5.1.1 Incorporation and Principal Activities

We were incorporated in Malaysia as a private limited company under the Act on 10 August 2000 under the name of N2N Connect Sdn Bhd. We were converted to a public limited company and assumed our present name on 29 September 2004. We commenced our operations on 10 August 2000. We are principally involved in R&D of software packages and provision of design, programming, consultancy services and related activities.

As at 14 October 2005, we have a wholly-owned subsidiary namely, N2NS and we do not have any associated company.

5.1.2 Share Capital

Our authorised and issued and fully paid-up share capital as at the date of this Prospectus is as follows:

	No. of N2N Shares	Par Value RM	Amount RM
Authorised			
Ordinary shares	500,000,000	0.10	50,000,000
Issued and fully paid-up			
Ordinary shares	67,500,000	0.10	6,750,000

The changes in our issued and fully paid-up share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Issued and paid-up share capital RM
10.08.2000	2	0.10	Subscriber shares	0.20
09.06.2003	1,499,998	0.10	Cash	150,000
13.10.2003	8,500,000	0.10	Cash	1,000,000
06.04.2004	3,200,000	0.10	Cash	1,320,000
26.10.2004	54,300,000	0.10	Bonus issue	6,750,000

5. INFORMATION ON OUR GROUP (CONT'D)

5.2 INFORMATION ON OUR SUBSIDIARY**5.2.1 Incorporation and Principal Activities**

N2NS was incorporated in Singapore as a private limited company under the Singapore Companies Act (Cap 50) on 31 May 2004 under the name N2N Connect Pte Ltd. The authorised share capital of N2NS is SGD1,000,000 divided into 1,000,000 ordinary shares of SGD1.00 each and its paid-up share capital is SGD100,000 divided into 100,000 ordinary shares of SGD1.00 each. The company is involved in consultancy services, sales, marketing and related activities.

As at 14 October 2005, N2NS does not have any subsidiary and associated company.

5.2.2 Share Capital

The present authorised, issued and fully paid-up share capital of N2NS as at the date of this Prospectus is as follows:

	No. of ordinary shares of SGD1.00 each	Par value SGD	Amount SGD
Authorised			
Ordinary shares	1,000,000	1.00	1,000,000
Issued and fully paid-up			
Ordinary shares	100,000	1.00	100,000

The changes in the issued and fully paid-up share capital of N2NS since its incorporation are as follows:

Date of allotment	No. of ordinary shares of SGD1.00 each	Par value SGD	Consideration	Issued and paid-up share capital SGD
31.05.2004	1	1.00	Cash	1
11.08.2004	99,999	1.00	Cash	100,000

5.2.3 Substantial Shareholder

N2NS is our wholly-owned subsidiary.

5. INFORMATION ON OUR GROUP (CONT'D)

5.3 LISTING EXERCISE

In conjunction with, and as an integral part of our Listing, we proposed to implement a corporate exercise which was approved by Bursa Securities and SC on 3 March 2005, and 22 June 2005 and 4 October 2005 respectively, which involves the following:

5.3.1 Public Issue

We shall issue 12,000,000 new N2N Shares pursuant to the Public Issue at an issue price of RM0.70 per N2N Share to be allocated as follows:

- (i) 1,590,000 new N2N Shares available for application by the Malaysian citizens, companies, co-operatives, societies and institutions;
- (ii) 2,385,000 new N2N Shares available for application by our eligible Directors, employees and business associates; and
- (iii) 8,025,000 new N2N Shares available for application by way of private placement to identified investors.

Our issued and paid-up share capital will increase to RM7,950,000 comprising 79,500,000 N2N Shares upon completion of the Public Issue.

5.3.2 Bonus Issue

As part of our Listing and an incentive to our shareholders subsequent to the Public Issue, we shall implement a Bonus Issue of 55,650,000 new N2N Shares to all our shareholders before the Listing on the basis of 7 new N2N Shares for every 10 N2N Shares held after the Public Issue. The Bonus Issue is to be effected through the capitalisation of RM5,565,000 from our share premium account of RM7,200,000 arising from the Public Issue.

The Bonus Issue will result in an increase in our issued and paid-up share capital from RM7,950,000 comprising 79,500,000 N2N Shares to RM13,515,000 comprising 135,150,000 N2N Shares.

5.3.3 Listing

In conjunction with the Public Issue and Bonus Issue, we shall seek the admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital comprising 135,150,000 N2N Shares on the MESDAQ Market.

5.3.4 ESOS

On 3 March 2005, we obtained the approval of Bursa Securities to establish an ESOS to motivate, retain and reward eligible Directors and employees whose services are vital to the operation and continued growth of our Group. We obtained the approvals from our existing shareholders' at a general meeting on 13 October 2005 and 18 October 2005 to establish the ESOS and to allocate the Options to our Directors and employees.

The number of Options to be offered under the ESOS shall not exceed 10% of our issued and paid-up share capital at any time during the existence of the ESOS. Based on our enlarged issued and paid-up share capital of RM13,515,000 comprising 135,150,000 N2N Shares upon completion of the Public Issue and Bonus Issue, the aggregate number of new N2N Shares to be issued pursuant to the Scheme is 13,515,000 N2N Shares.

5. INFORMATION ON OUR GROUP (CONT'D)

The salient features of the By-Laws are summarised as follows:

- (i) The total number of N2N Shares which may be made available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any one time (and in any case shall not exceed such percentage as may be permitted by the relevant regulatory authorities, from time to time).
- (ii) Any employee and Directors of the N2N Group shall be eligible to participate in the Scheme, if, as at the Offer Date, the employee or Director:
 - (a) has attained the age of eighteen (18) years; and
 - (b) is employed by and is on the payroll of a company within the N2N Group (other than a company which is dormant) or a Director of any of the companies within the N2N Group.

Any allocation of Options under the Scheme to any person who is a Director of N2N shall require prior approval from the shareholders of N2N in a general meeting.

- (iii) The number of new N2N Shares that may be offered and allotted to any of the Eligible Employees of the Group who are entitled to participate in the Scheme shall be at the discretion of the Option Committee after taking into consideration (among others), the position, performance and contribution to the N2N Group, seniority and length of service of the Eligible Employee in the N2N Group subject to the following:
 - (a) the number of new N2N Shares allocated, in aggregate, to the Directors and senior management of the Group shall not exceed 50% of the total new N2N Shares available under the Scheme; and
 - (b) the number of N2N Shares allocated to an Eligible Employee who either singly or collectively through persons connected (which shall have the same meaning as in Section 122A of the Act) with the Eligible Employee holds 20% or more of the issued and paid up share capital of the Company, shall not exceed 10% of the total new N2N Shares available under the Scheme.
- (iv) The Subscription Price shall be the higher of the following:
 - (a) the weighted average market price of the N2N Shares as shown in the daily official list of Bursa Securities for the 5 Market Days immediately preceding the Offer Date with an allowance for a discount of not more than 10% therefrom at the Option Committee's discretion; or
 - (b) the par value of the N2N Shares.

Notwithstanding the above, in the event the Offer is made to the Eligible Employees prior to the admission of N2N on the MESDAQ Market, the Subscription Price shall be the higher of the following:

- (a) the public issue price of the N2N Shares as shown in the prospectus of the Company; or
- (b) the par value of the N2N Shares.

5. INFORMATION ON OUR GROUP (CONT'D)

The Subscription Price shall be subject to adjustments in accordance with Clause 14 of the ESOS By-Laws.

- (v) The Scheme shall be in force for a period of five (5) years from the Effective Date ("First Five Years"), provided always that on or before the expiry thereof, the Option Committee shall have the absolute discretion, without the Company's shareholders approval, to extend in writing the duration or tenure of the Scheme (as many times as the Option Committee may deem fit) for up to another five (5) years immediately from the expiry of the First Five Years.

The duration or tenure of the Scheme shall be not more than ten (10) years from the Effective Date.

- (vi) The new N2N Shares to be allotted upon any exercise of the Option shall, upon issue and allotment, but subject to the Central Depositories Act and the Rules of Bursa Depository, rank pari-passu in all respects with the existing ordinary shares of the Company save and except that the new N2N Shares will not be entitled to participate in any dividends, rights, allotments and/or other distributions that may be declared, where the Entitlement Date precedes the said date of allotment and issuance as stipulated therein.

- (vii) Subject to any restriction in the exercise of the Option under the By-Laws, a Grantee may only exercise his/her Options by way of Selling Flexibility which shall operate in the following manner:

- (a) N2N Holdings shall set aside a pool of shares into a CDS Account with the nominee;
- (b) When exercising the Options, a Grantee is required to give an exercise notice to N2N which shall contain an irrevocable authorisation and instruction for the Nominee to sell N2N Shares at a particular price which shall not be below the Minimum Price ("Sale Price");
- (c) Upon receipt of the exercise notice ("Exercise Date"), the nominee must sell the N2N Shares at the Sale Price;
- (d) On receipt of confirmation of a sale order of the N2N Shares at the Sale Price ("Sale Date"), the Nominee shall transfer the N2N Shares via approved transfer equivalent to the Options exercised from N2N Holdings' CDS Account with the Nominee to the Grantee's CDS Account with the same Nominee no later than 12.30 p.m. on the 2nd Market Day following the Sale Date or within such time period as to ensure that the N2N Shares shall be transferred to the purchaser's CDS Account and vested in him within the time period provided under the trading rules of Bursa Securities;
- (e) Proceeds from all disposals will be received by the nominee. The nominee shall deduct the transaction cost (as defined in the By-Laws), release the Subscription Price to the Company and deposit the balance of such proceeds (if any) into the escrow account to be dealt with in the manner set out in Clause 13 of the By-Laws;

5. INFORMATION ON OUR GROUP (CONT'D)

- (f) Upon receipt of the Subscription Price from the nominee, the Company shall allot and issue such new N2N Shares in accordance with the provisions of the Company's articles of association, the Central Depositories Act and the Rules of Bursa Depository to the Grantee, despatch the notice of allotment and make an application for the listing of and quotation for the new N2N Shares within ten (10) Market Days from such receipt by the Company or such other period as may be prescribed by Bursa Securities and transfer these N2N Shares back to N2N Holdings via approved transfer; and
 - (g) If any of the N2N Shares cannot be sold within the period allowed or specified, the Option for those N2N Shares shall be deemed not to be exercised by the Grantee, and therefore shall be capable of being exercised by the Grantee at a later date.
- (viii) It is a condition of the offer by N2N and acceptance of the Options by the Grantees that:
- (a) the Grantees continue in the employment or appointment of the N2N Group for the entire five (5) year period for which the Net Proceeds (as defined in the By-Laws) from each exercise of Options are to be released; and
 - (b) although the Grantee is entitled to sell all or any of his Options (subject to the restriction in Clause 9.2 of the By-Laws (if any)), at any time during the Option Period, the Net Proceeds (if any) accruing over the sale of the Options exercised by the Grantee from time to time are to be apportioned and released equally on a straight-line basis over a five (5) year period commencing from the year of exercise to the Grantee at the end of each year of completed service. As such, the Grantee agrees that in each Period he is only entitled to receive the Net Proceeds from the sale of his Options based on the percentage at the end of each respective period.
- (ix) The Scheme may be terminated by the Company prior to the expiry of its duration or tenure stated in Clause 18 of the By-Laws, PROVIDED ALWAYS THAT prior to the termination of the Scheme, the following conditions must have been satisfied by the Company:
- (a) that the consent from the Company's shareholders at a general meeting have been obtained wherein at least a majority of the shareholders present must have voted in favour of the termination; and
 - (b) that the written consent from all Grantees who have yet to exercise their Option, either in part or in whole, have been obtained;

whereupon the Options unexercised or partially exercised shall be deemed to have been terminated and be null and void on the date on which the last of the abovementioned conditions is fulfilled.

Please refer to Section 15 of this Prospectus for further details of the ESOS By-Laws.

5. INFORMATION ON OUR GROUP (CONT'D)

5.4 HISTORY AND BUSINESS OVERVIEW

5.4.1 HISTORY

N2N was founded by 6 entrepreneurs namely, Tiang Boon Hwa, Lai Su Ping, Chua Tiong Hoong, Lim Kok Tean, Low Kah Leong and Chan See Wai where each had gained about 9 to 22 years of working experience and exposure in software development, e-commerce and marketing. They started N2N with the mission to innovatively leverage on the Internet and mobile computing technology by introducing changes in service delivery processes and enhancement of consumers' lifestyle.

After the Asian financial crisis in 1997, stockbroking companies were facing many challenges such as reduced brokerage fee, smaller pool of remisiers and reduced trade transactions. As a result, the stockbroking companies were forced to change the way they operate their businesses from being highly dependent on remisiers' networking to e-commerce, which is cheaper and has wider outreach. It was during the same period, that e-commerce began to flourish and more reliable Internet access was easily available to every household. The founders of N2N had surveyed the regional markets for online stock trading and found that most stockbroking companies offered basic stock prices and order execution, but none provided the tools and information to help individual investors to make informed investment decisions and to manage their portfolios.

In year 2000, the founders of N2N drew up the blue print on online stock trading and order management system. They also decided to introduce the ASP business model to the Malaysian capital market where stockbroking companies could engage third parties as outsourced managed service providers while being able to use a dedicated set of computing equipment to ensure confidentiality and security. Soon after, N2N was formed in the same year. Our Company's name clearly spells our intention to offer "End-to-End" services which connect our business partners namely, the stockbroking companies and banks, to our mutual customers, who are the individual investors. The system foundation and architecture of N2N were designed from the beginning to handle multi-exchanges, multi-products, multi-languages and multi-channels, including the various mobile devices.

Our Group has since grown to house 51 employees as at 14 October 2005, being the latest practicable date before the registration of this Prospectus.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.4.2 BUSINESS OVERVIEW

We are principally involved in the R&D of software packages, provision of design, programming and consultancy services and related activities for the capital, financial and telecommunication markets. We provide a comprehensive range of end-to-end IT services, products and solutions to securities firms, banking and SME industries. Our growth is interdependent on Malaysia's Internet penetration, stock market and our related products' performance and cellular/mobile phones penetration. Our core products leverage on cost-effective Internet technology through an ASP business model where our corporate customers will be able to experience significant cost-saving through the sharing of professionally and centrally managed servers, networks, software and maintenance services with other participating customers.

Our ICT Development Blueprint that describes our solutions and services is set out below in **Diagram 1**:

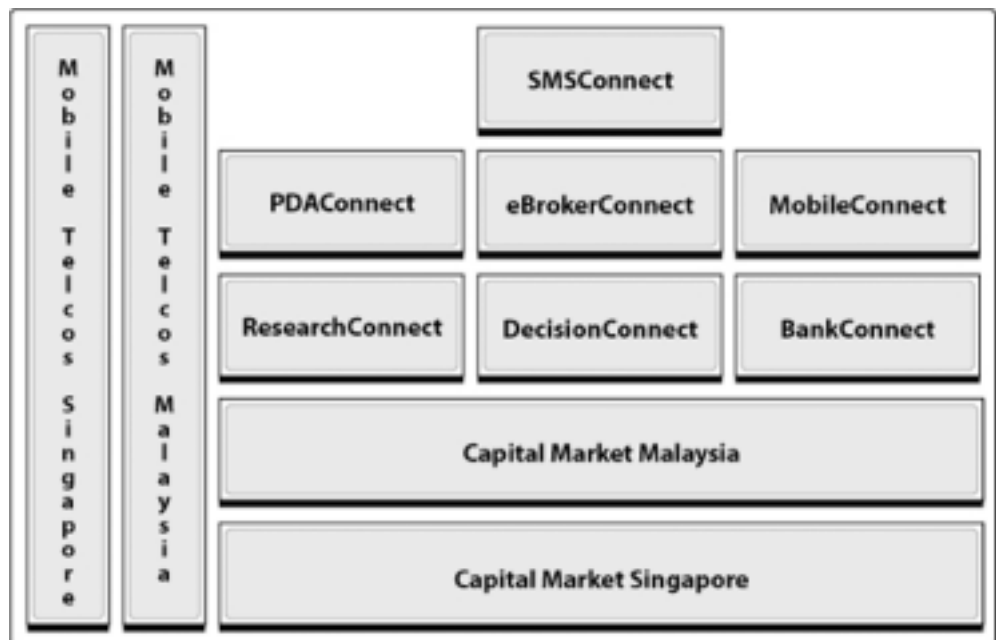


Diagram 1: Our ICT Development Blueprint

In order to provide a complete range of end-to-end ICT products and services for the e-commerce and the m-commerce market, we have developed our line of products and services to include, among others, eBrokerConnect™, PDAConnect™, MobileConnect™, SMSConnect™, ResearchConnect™, PortfolioConnect, DecisionConnect™, BankConnect and eIPOConnect, and the provision of maintenance and hosting of servers, networks and leased lines as illustrated in Diagram 2 below. We have completed the enhancement of our existing products such as SMSConnect™ version 2.0 and PortfolioConnect version 2.0. Currently, we are developing new products such as eESOSConnect, LiveConnect, Mobile Chatting, Mobile Game, Mobile News, Mobile Payment and GlobalConnect. The existing product lines serve two market segments, ie. corporate customers like stockbroking companies or banks, who subscribe to our enterprise solutions and the public investors or subscribers who subscribe to our retail products.

5. INFORMATION ON OUR GROUP (CONT'D)

As at 14 October 2005, our Directors believe that our products are the only online mobile trading solution in Malaysia that provides multiple delivery channels where all access points are referred to one depository database and system. The overview of our suite of products for the e-commerce and m-commerce markets (some of which are in the development stage which varies from R&D and testing) is illustrated below in **Diagram 2**.

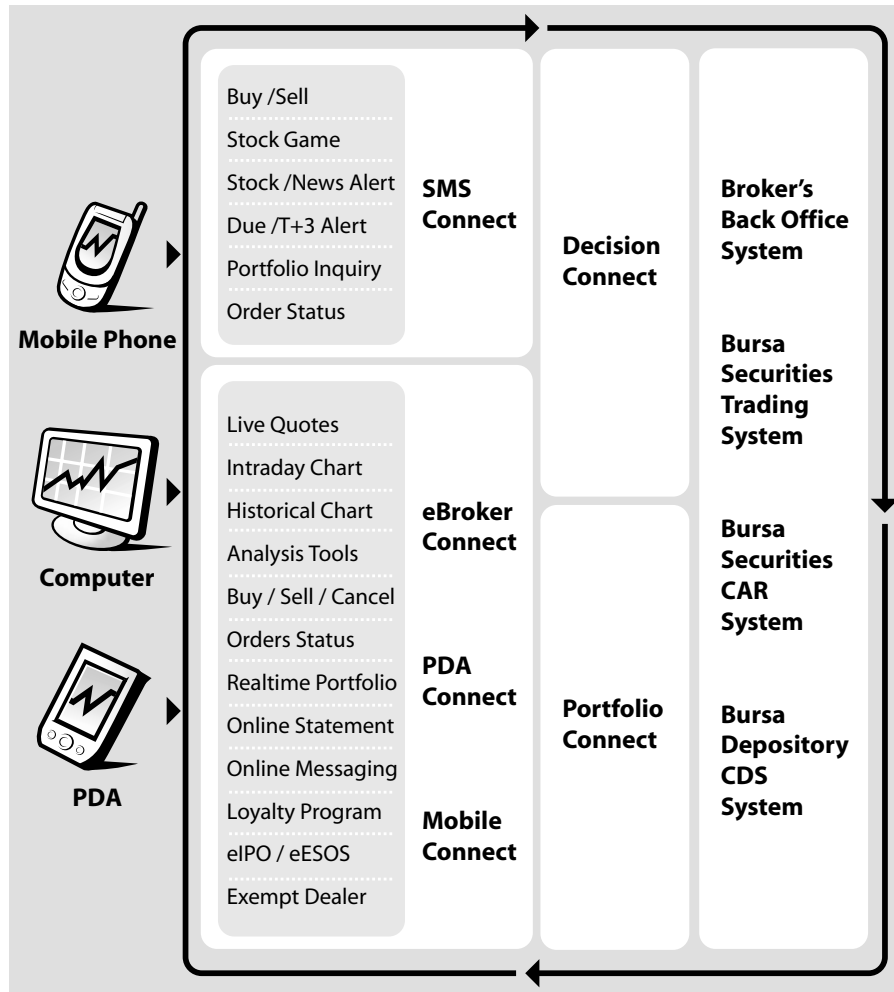


Diagram 2: Products and Services Suite

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5. INFORMATION ON OUR GROUP (CONT'D)

Our Group's suite of solutions for the e-commerce and m-commerce markets is being implemented on an integrated basis on a building block concept where each time a new system is added, it brings forth not only the functionalities that exist within the system but also increases the overall capability of the entire solution implemented. For example, MobileConnect™ may be implemented to provide real time stock price information but it may be used to execute online trade if it is implemented together with eBrokerConnect™ system. DecisionConnect™ provides real time analysis of the risk exposure of the stockbroking house that implements it but it may also be used to determine order routing policy if it is integrated to the eBrokerConnect™ system.

We will continue to focus on integrating the financial and telecommunication business segments to allow it to ride on the strong growth of the 2 key sectors which are the proxies to any economy. The architecture of the system which is capable of operating on multi-lingual basis enables it to venture into the regional countries especially with the intended establishment of regional capital market including cross listing and/or cross trading.

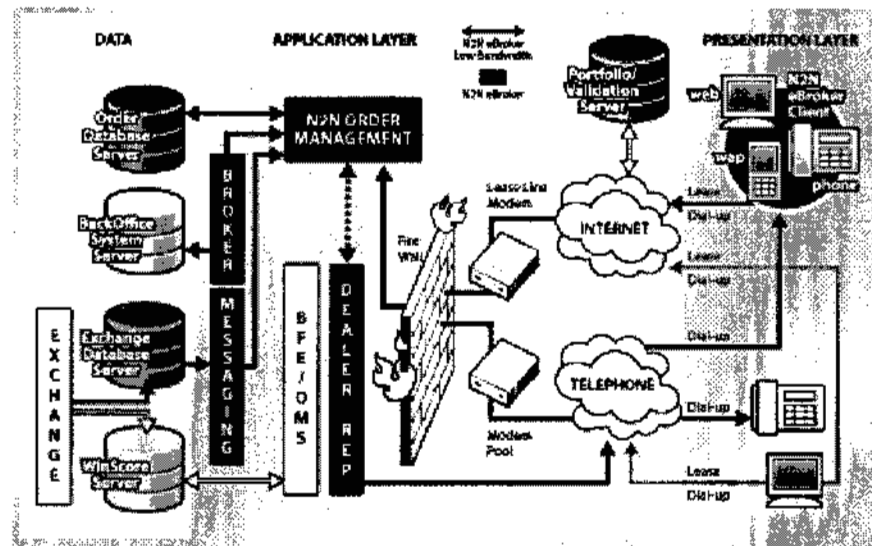


Diagram 3: Multi-tier design architecture

Therefore, our business is divided into three (3) categories, namely:

- (i) Financial e-commerce solutions;
- (ii) M-commerce solutions; and
- (iii) Sale of mobile devices.

5. INFORMATION ON OUR GROUP (CONT'D)

(i) Financial e-commerce solution

An overview of the various products and services offered by our Group for the e-commerce market is set out below:

(a) eBrokerConnect™

eBrokerConnect™ is the core engine for the e-broking trading solutions which handles the online internet trading solution currently deployed by CIMBS, JF Apex, Kenanga, Kuala Lumpur City Securities Sdn Bhd, PM Sec, SJ Securities Sdn Bhd and Citibank (M) Berhad to handle their online internet trading system. eBrokerConnect™ provides live, real-time stock prices and news information from Bursa Securities to the customers of those stockbroking houses. This can be viewed in English or Chinese. The software also contains features allowing them to buy and sell securities traded on Bursa Securities via orders initiated through the Internet. The buy or sell order by the end-customer is routed to the remisier or dealer for execution. Users can even preset trading orders to their remisiers or dealers and retrieve or track their order status to assist them in monitoring their trading activities. The software also contains a feature enabling those using this system to check their trading portfolio online which is based on real time information to assist the users in their investment decisions.

The following products are currently the subsystems of eBrokerConnect™:

(aa) PortfolioConnect

PortfolioConnect provides trading and market information such as stock on-hand, last-done price, trading history, averaged price collated on a real time basis for the investors. It further computes unrealised and realised gain/loss position and other investment decision related information, presenting it to users in a single view. Therefore, users are able to establish the next course of action on each investment, whether to accumulate further or cut losses.

The present PortfolioConnect version 1.0 is a subsystem of eBrokerConnect™. We have also completed the development of PortfolioConnect version 2.0 which has been enhanced to include house trade and external trade monitoring.

5. INFORMATION ON OUR GROUP (CONT'D)

(bb) BankConnect

With the technical know-how arising from developing MobileConnect™, we intend to leverage on the similar experience on mobile banking application. BankConnect is to be a platform for mobile banking transaction anytime and anywhere. In the first stage of development, we have built the payment gateway connecting Bumiputra-Commerce Bank Berhad's 'Bank-Channel-e', Malayan Banking Berhad's 'Maybank2u' and Alliance Bank Berhad's 'Bank-iBayar'. Our panel of brokers have extended their services to online settlement services to their clients by adopting our BankConnect. BankConnect is currently a sub-system of eBrokerConnect™.

The present BankConnect has now been upgraded to BankConnect Version 2.0. This updated version has incorporated the mobile banking application.

(cc) ResearchConnect™

ResearchConnect™ is a suite of software application which allows research administrators of banks and broking houses to administer and publish the news and research of companies on its website. The published material can be in the form of Adobe Portable Document Format, Microsoft Excel or Microsoft Word document format, American Standard Code for Information Interchange ("ASCII") text or even in SMS form. Published materials can be scheduled for approval or release or archived offline on a pre-determined date by the administrators. ResearchConnect™ comes complete with a search engine which allow users to search by keyword, stock code, name, industry or sector code. ResearchConnect™ is currently a sub-system of eBrokerConnect™.

(dd) eIPOConnect

eIPOConnect is an internet share application service and system to facilitate application for initial public offering ("IPO") shares electronically by trading clients of our panel brokers. You can register to use the eIPO services and make payment of application money for IPO applications over the Internet. This is an alternative way of submitting the application for IPOs in addition to the normal paper-based application forms or the electronic share application via the participating financial institutions. Presently, CIMBS is the only panel broker that offers such Internet share application service to their customers.

5. INFORMATION ON OUR GROUP (CONT'D)

(ee) GlobalConnect

GlobalConnect is an extended suite of financial order routing system, which will allow cross border trading. The cross border trading system is developed based on International Standard FIX (Financial Information eXchange) protocol which will allow both inbound and outbound transactions between local and overseas brokers who have collaborative arrangements. This capability will allow us to offer a viable alternative to brokers who seek direct market access capability.

(b) Provision of ASP Products and Services to Online Stockbroking Companies and Banks

Apart from providing application outsourcing services, we also provide managed network services to our panel stockbroking companies and banks. The services encompass the implementation and installation, monitoring and administration of lease line, router, switch, firewall, hosting of servers, patch installation and website maintenance.

We recognise that stockbroking companies and banks are generally much more focused on information technology to meet higher levels of demand from customers, adopting the idea of a one-stop financial services centre, offering integrated information sources, applications and services in a central and dependable package. Following this, we have developed a unified and integrated system that can provide a common interface to users regardless of delivery channel and products, which provides for a link between all the delivery channels to the back office.

Following this, we had entered into an agreement with SGX-ST, in collaboration with SingTel, to jointly launch the mobile stock live application, offering the investing public an alternative to receive streaming of SGX-ST live quotes on their mobile phones. On 28 May 2004, we launched the Mobile Stock Live in Singapore.

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5. INFORMATION ON OUR GROUP (CONT'D)

(ii) M-commerce solutions

(a) PDAConnect™

PDAConnect™ is a mobile wireless application developed for equity trading. It enables dealers, remisiers and investors to transact online using PDA. Users, who register to trade with our panel of brokers, are able to (among others) view real-time stock information and news information, submit their trading orders to their remisiers or dealers, view their order status and check their trading portfolio online through their PDAs. This application operates on WiFi, GPRS and GSM networks nationwide. We launched PDAConnect™ in July 2003 and is the first PDA mobile trading system in the South East Asia region. It enables wireless shares trading on the convenience of handheld devices in addition to streaming the real-time stock and trading related information. Currently, this product is under further development to enhance the usability of the product. Handheld devices have gained popularity by providing anytime-anywhere, convenient ways to access to information and communicate. With the launch of the PDA phone by HP that operates on Pocket PC OS, Blackberry by RIM and TREO 650 by Palm, Inc, the take-up rate should increase along with improved market sentiment. Presently, five (5) out of our current six (6) panel brokers and a bank have offered this solution to their customers.

The following is the sample screen for PDAConnect™:

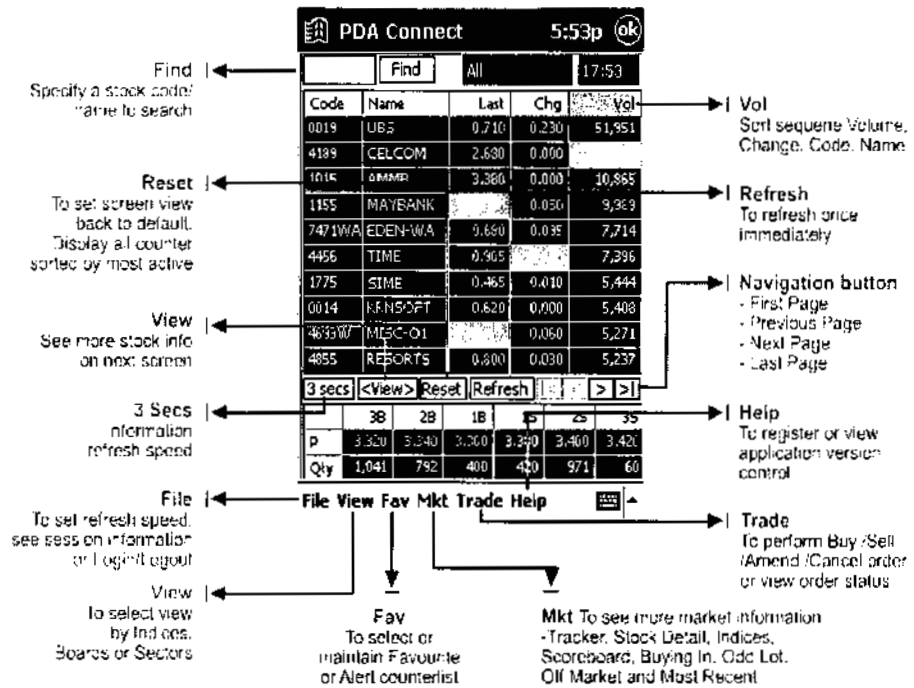


Diagram 4: Top Volume Screens

5. INFORMATION ON OUR GROUP (CONT'D)

(b) MobileConnect™

MobileConnect™ is a mobile wireless application developed for equities trading which operates on several series of mobile phone running on Symbian, J2ME, Palm OS, RIM OS, Linux and Windows Mobile and Pocket PC. It provides, among others, real-time streaming of stock prices on Bursa Securities and SGX-ST to the customers' mobile phones in both English and Chinese. It enables users, who register to trade with our panel of brokers, to trade in an almost totally mobile environment in view that MobileConnect™ operates on almost all major telecommunications modes such as GSM, GPRS, EDGE, 3G and WiFi. Users are able to (among others) view real-time stock information, view all holding and outstanding positions, track stocks, initiate orders through the respective telecommunication modes and view historical charts for trend lines analysis at cost effective rates.

The following are some sample screens for MobileConnect™:

Type	Information	Sample Screen Shots	
Market	Top Volume		
	Top Gainers		
	Top Losers		
	Market Summary		
	Indices Summary		
	Indices Charting		
Stock	Stock Info/3 bids		
	Stock Tracker		
	Stock Movement		
	Stock Charting		
	Favourite list		

(c) SMSConnect™

SMSConnect™ is a software application developed to provide on-line stock or trading information and/or facilitate trading related transactions via SMS. SMSConnect™ can operate on a stand-alone basis or within eBrokerConnect™. It is user-friendly and can be viewed in English or Chinese. On a stand-alone basis, SMSConnect™ offers corporations and/or organisations an affordable means of information dissemination and communication to the mass public or certain identified persons. When used within the eBrokerConnect™ context, SMSConnect™ contains applications which allow (among others) stock alerts to be sent to customers whose preset thresholds have been triggered and stock prices and news to be sent by telecommunication providers and/or our panel brokers.

5. INFORMATION ON OUR GROUP (CONT'D)

SMSConnect™ has now been upgraded to SMSConnect™ Version 2.0, incorporating the SMS stock game, SMS trading and other threshold criteria. Functions for setting price target, volume target, volatility, news, research and velocity have also been included.

(d) DecisionConnect™

DecisionConnect™ is an intelligent message routing engine, with direct connection to several other supporting systems like back-office system, broker front-end trading system and internet trading engine. DecisionConnect™ is based on the input sources, market information and predetermined thresholds by the users to react by sending out alert messages at the appropriate level within the organisation.

DecisionConnect™ caters to the broad spectrum of equity trading risk management. It is comprehensive, functional and can be integrated with BFE, online trading system and back office system to measure, control and manage the brokers' business risks efficiently.

On a more current development, DecisionConnect™ has now incorporated a branching concept, adding more risk-based functionalities, catering for derivatives and integrating with eBrokerConnect™.

(iii) Sale of Mobile Devices

We also sell mobile devices such as PDAs and mobile phones as a value added service to our panel brokers and customers to complement their e-commerce and m-commerce business division as a one stop shop. Customers who wish to register for the various services offered such as SMSConnect™, PDAConnect™ and MobileConnect™ can choose to upgrade their mobile devices to using this service.

We currently support mobile phones and PDA models from Nokia, Sony Ericsson, Motorola, Sagem SA, Siemens, O² Limited, HP, Palm, Inc and RIM. Through partnership with the Telcos and device manufacturers, we offer value added packages to our customers at a discounted price on mobile devices, telecommunication services and mobile stock market applications.

5.4.3 VIABILITY

(i) Principal markets

We currently operate principally in Malaysia. We provide managed services for a panel of six (6) brokers and a bank currently, namely CIMBS, JF Apex, Kenanga, Kuala Lumpur City Securities Sdn Bhd, PM Sec, SJ Securities Sdn Bhd and Citibank (M) Berhad. Our services to these companies includes designing and hosting website, manage lease network, lines and servers, providing online trading, order routing, remisier management, online settlement as well as mobile trading services.

Apart from the panel brokers above, we also have direct subscriber base for our MobileConnect™ and PDAConnect™ suite of products. As at 14 October 2005, there were 1,630 subscribers on PDAConnect™ and 5,571 subscribers on MobileConnect™. Our Company's own series of SMS based services can be used by most companies especially the SMEs.

5. INFORMATION ON OUR GROUP (CONT'D)

In addition, N2NS has been engaged as the Technology Partner of SGX-ST to jointly operate the N2N-SGX-ST Joint Services based on the MobileConnect™ and PDAConnect™ suite of solutions and services to the general investment public and stock brokers in Singapore.

(ii) Marketing and method of distribution

We have clearly differentiated our position to address the online trading segment by strategically providing the best of breed solution suites that are truly integrated investment analysis tools to provide a competitive edge for both the investors and brokers. In our effort to expand from our existing ASP services, we have also ventured into the fast growth and more promising m-commerce business. Sizeable efforts have been spent on R&D to introduce a more complete and comprehensive mobile solution. This initiative has proven to be very rewarding to us as we have now gained in-depth intellectual know-how.

We have formed and will continue to form strategic partnership with reputable corporations or brand names like Maxis, DiGi, HP, Nokia, Sagem SA, Siemens, O² Limited, Sony Ericsson, Palm, Inc and RIM. With their participation, we are able to penetrate a wider market segment and create the required awareness and branding to achieve the mass acquisition of clients for our panel of brokers.

Our marketing strategies are based on three principles, mainly:

(a) Increase market base

We target to capture a sizeable market share to reach the optimum resources planning and economics of scale. The current capacity allows us to expand our services to a total of 10 brokers before the next phase of system upgrade. We believe that with the ASP business model, it is able to attract such customers due to its comprehensive offering at lower cost and operational and efficiency advantages.

(b) Ease of use

We plan to create more functionality and features to allow our corporate and retail customers to transact with ease.

(c) More informed decision making

We are in the process of rolling out an integrated intelligence risk management system to enable our panel of brokers to efficiently manage the risk and trading limit controls. This will allow our panel brokers to make more informed decisions in granting a higher trading margin when the opportunity arises and at the same time avoiding or curbing risky transactions when the overall exposure of the broker/bank is or will be considerably high if the trade is put through.

5. INFORMATION ON OUR GROUP (CONT'D)

(d) Branding N2N and raising public profile

Currently, we are the only ASP to have launched a mobile phone stock trading application, MobileConnect™, in Malaysia and Singapore, beating other players who have been in the business longer and scoring an enviable industry first. Strategically, we intend MobileConnect™ to serve multiple marketing roles:

- To further develop the retail online trading market by leveraging on the wider reach and “anytime anywhere” convenience of mobile phones;
- To brand us as the technology enabler synonymous with online share trading; and
- To drive retail traffic from non-N2N customers to N2N customers as non-N2N clients do not have such an application.

We have been the first to partner successful Telcos such as Maxis, SingTel and DiGi. This has raised their profile significantly and exposed our brand to the public at large.

To further establish our market presence locally and overseas namely Singapore, we have also embarked on various marketing strategies such as:

- advertisements in the local newspapers and investor magazines;
- distribution of pamphlets and brochures via mail inserts;
- conducting road shows; and
- investment seminars.

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5. INFORMATION ON OUR GROUP (CONT'D)

(iii) Distribution Channels

We will continue to explore various other marketing channels to expand our market coverage and range of solutions and/or services to the general public in Malaysia and overseas countries.

Listed below are our target markets for each solution:

Product Type	Existing Status	Target Markets	
		Short Term (<1 Year)	Long Term (>1 Year)
eBrokerConnect™	Production	Brokers and banks	Brokers and banks in Asian countries
PDAConnect™	Production	Brokers	Brokers and banks in Asian countries
MobileConnect™	Production	Brokers	Brokers and banks in Asian countries
SMSConnect™	Production	Brokers and banks	Brokers and banks in Asian countries
BankConnect	Production	Brokers and banks	Brokers and banks in Asian countries
eIPOConnect	Production	Brokers and banks	Brokers and banks in Asian countries
PDAConnect™ (Multi-Market)	Pilot stage	Introduction of Investment Challenge game would lower the target age group. More working executives are expected to be our potential customers	Duplicating the same business in Asian countries and provide trading in multiple exchanges via same device and solution.
MobileConnect™ (Multi-Market)	Pilot stage		
DecisionConnect™	Pilot stage	Brokers and banks	Brokers and banks in Asian countries
GlobalConnect	Pilot stage	Brokers and banks	Brokers and banks in Asian countries

5. INFORMATION ON OUR GROUP (CONT'D)

Listed below are our distribution channels:

Distribution Channels	Description
Panel brokers/banks	Corporate customers offer our products to their clients. In total, the existing panel brokers command approximately 25% of Bursa Securities' total turnover in volume.
Telcos	Customised promotion packages can be specially tailored and extended to corporate customers to help them get more subscribers /new trading clients. Telcos' branches and authorised service centres will be appointed as helpdesk centres for the MobileConnect™ solution.
Hardware manufacturers or their authorised distributors	Many strategic alliances have been formed with reputable companies like hardware manufacturers (HP, Motorola, Nokia, Sagem SA, Siemens, O ² Limited, Sony Ericsson, Palm, Inc. and RIM) where devices are preloaded with N2N's MobileConnect™ and PDACoconnect™ applications before shipment to outlets.
PDA or PC dealers or resellers	Through aggressive sales activities by the appointed retail outlets, potential clients would be able to understand and experience better the products' benefits.
Mobile phone resellers	Selective value added mobile phone resellers have been appointed to bundle MobileConnect™ application onto their promotion package.

(iv) Competitive advantage

(a) First mover advantage

In Malaysia, we have acquired several first mover advantages, including a commanding market share, pricing power and economies of scale, as well as a recognised and credible technology enabler of online share trading. Our strategic partnerships with Maxis, SGX-ST, SingTel, DiGi, HP, Celcom, Nokia, Motorola, O² Limited and Sony Ericsson are aimed to eliminate competition from other similar providers.

(b) Business and technology knowledge

Our key management namely, Tiang Boon Hwa and Chua Tiong Hoong has been involved in the ICT industry for the past 12 years. As such, they have gained in-depth knowledge and experience in this field and are in a position to conceptualise and develop innovative solutions and services for our stockbroking clients, service providers and devices manufacturers which would then be able to leverage on such solutions to provide a competitive edge over our competitors.

Our key management also constantly keeps up-to-date with the latest technology and product innovations. They are also constantly in discussions with their customers and end-users to obtain an insight of the markets' needs and requirements. This would build a strong foundation for the future development of market driven and customer-centric products and services.

5. INFORMATION ON OUR GROUP (CONT'D)

(c) Innovation and creativity in products and business

We have developed a suite of solutions and services which are user-friendly and wide-ranging which captures a large market segment of investors. Our products and services are customer-centric in design. We are also playing an active role in our panel brokers' e-business growth strategies. For instance, our latest mobile phone trading launch has been earmarked as an innovative step to bring the convenience of stock trading for Malaysian investors. Our panel of brokers have also implemented investment challenge games to create the critical mass marketing, branding and awareness. It serves as a transitional platform for conventional trading clients to try before embarking on online trading. It is also an educational programme for the younger generation who are more technology savvy and could be potential trading clients in the future. We will be launching more innovative products such as eESOSConnect, LiveConnect, Mobile Chatting, Mobile Game, Mobile News, Mobile Payment and GlobalConnect aimed to provide seamless transaction processes for stock trading and/or related businesses.

(d) Development skills and expertise

The developments skills and expertise are amongst our valuable assets. Our key technical personnel, namely Lim Kok Tean, Chan See Wai and Low Kah Leong possess an average of 8 years in system development. They have extensive programming experience in a variety of programming languages such as Visual Basic, Visual C++, Java, ASP and JSP. With this diverse skill-set, we are able to choose the best fit tools for some specific and unique requirements, and is able to breakthrough technological barriers in most instances. For example, we developed MobileConnect™ by using several programming languages in order to support the multiple platforms ranging from Linux, Symbian, Windows Mobile, Pocket PC, J2ME, Palm OS and RIM OS and other proprietary operating systems.

(e) Affordable ASP business model

With the affordable and effective ASP business model, stockbroking companies do not have to incur high initial capital outlays to acquire a quality online stock trading system. ASP is another form of business process outsourcing which comes with a fixed monthly subscription fee and variable transaction fee that works on a "pay-per-use" basis. Furthermore, the ASP business model offloads non-core IT business functions from stockbroking companies, thus eliminating the risks associated with technology obsolescence and staffing issues.

With optimum levels of IT operations on a pool of stockbroking companies and banks on a sharing basis, the economies of scale can be achieved. The whole suite of our products under the ASP business model provides a viable and profitable business to our Group. It allows us to enjoy unlimited upside potential in revenue with its variable transactional revenue.

5. INFORMATION ON OUR GROUP (CONT'D)

(v) Competition and Barriers to Entry

We are aware that the stockbroking industry in Malaysia is a competitive field and a state of constant competition similarly exists in the supporting industries catering to the stockbroking business community. Our competitors to our online stockbroking solutions would include BASS Consulting Sdn Bhd, Excel Force Berhad, Patimas Computers Berhad and Computer Systems Advisers (M) Berhad. We pay close attention to evolving market dynamics and third party competitive moves in order to plan and react to market forces. We believe that we are unique in our positioning, particularly the fact that we are the only one to build a comprehensive and integrated suite of products ranging from front office system to middle office system on multiple delivery channels and platforms. In addition, we have built strong business alliances with Maxis, DiGi, HP, Celcom, Nokia, Sony Ericsson, Motorola, O² Limited and other device distributors to leverage on their nationwide networks and improve accessibility to the products and services.

(vi) Strategic alliances

We presently already service 6 out of 32 stockbroking houses in Malaysia which collectively hold approximately 25% of the total market share of volume traded on Bursa Securities based on our Directors' estimation. We offer an integrated suite of services such as MobileConnect™ and SMSConnect™ to the general public investors and stockbroking houses which to maintain its competitive edge will be attracted to procure such services from us. As such, we are well positioned to capture the remaining market share of trading done through other stockbroking houses in Malaysia.

Our strategic alliances and partnerships with the mobile phone manufacturers give us an edge over our other competitors as our solutions and services are pre-packaged with most mobile phones sold in Malaysia. In addition, our strategic alliance and partnership with major telecommunications service providers in Malaysia provide us with a competitive edge as our solutions are packaged along with the other services offered by the service providers to its end-users. Hence, we are able to leverage on the large subscriber base of the service providers.

Within the financial and telecommunications sectors, we have already gained strong reputation for providing highly innovative and integrated solutions and services. We are also known for providing a full and complete range of end-to-end solutions and services to the general investing community. Our success is largely attributed to strong referrals by our existing customers who range from remisers, brokers, top level management and fund managers to ordinary investors.

5. INFORMATION ON OUR GROUP (CONT'D)

(vii) R&D

One of the key successes of our Company can be attributed to our strength in R&D which helps us to improve our solutions and service line up as well as increase our solutions and services range to cater to the demands and needs of our customers. Greater emphasis has been placed on developing and enhancing our solutions to provide user-friendly, customer-centric and more importantly, improve scalability, practicability and marketability of our solutions. Efforts on R&D is to improve our products and services, keeping our Company ahead of our competitors and continuously introducing innovation, ideas and services to maintain and improve customers' satisfaction level. The R&D team also works together with our sales and marketing team to conduct end-user surveys to determine the needs and usability of its solutions and services in order to identify the future market demands and needs.

Our R&D initiatives conducted by our R&D team which comprise 37 technical personnel and is led by the 3 Technical Directors, namely Lim Kok Tean, Low Kah Leong and Chan See Wai.

It is our R&D policy to invest in a variety of development projects with the aim of identifying a suitable solution which can be commercialised and incorporated in its existing suite of solutions and services for the financial and telecommunications industries. For the past 3 financial year/periods ended 31 December 2004, our Company has incurred approximately about RM2.893 million in total on R&D.

The details of the amount spent and comparison as a percentage of turnover on the R&D are as follows:

Financial period/year	Amount spent RM 000	Percentage of turnover %
31 August 2002	944	173.5
31 December 2003	728	37.1
31 December 2004	1,221	29.7
Total	2,893	

The Company has also incurred additional RM0.561 million on R&D for the 6 months financial period ended 30 June 2005.

5. INFORMATION ON OUR GROUP (CONT'D)

Our past R&D successes include, among others, the following.

Year	R&D Milestones
2000	Offering ASP operation to the e-broking services
	Provide real time portfolio management system for online trading
	Incorporating the "good till expiry standing instruction"
	Offering the single login for trading in multiple accounts
	Offering the internet market buy/sell transaction mode in Malaysia
2001	Offering online internet stock game
	Incorporating the phone, internet and WAP order in a single repository
	Offering the integrated loyalty reward program to online trading
	Incorporating the full multi-lingual capability in online trading
2002	Offering the odd lot analysis and trading
	Incorporating integrated and seamless e-settlement features
	Deploying the integrated exempt dealer for banks/stockbroking branches
	Offering the seamless projector stock price public display system
2003	Implementing the automatic real time portfolio manager features
	Incorporating the mobile wireless PDA trading in South East Asia
	Incorporating the SMS corporate messaging in internet trading
	Offering one CDS for multiple trading accounts features
2004	Offering mobile phone live stock information services in Malaysia
	Offering mobile phone live stock information services in Singapore
	Offering mobile stock trading in Malaysia
	Offering SMS stock game and SMS trading
	Offering application for initial public offering shares electronically
2005	Incorporating mobile stock trading through 3G services in collaboration with Celcom and Maxis
	Incorporating mobile news from Dow Jones in collaboration with mobile telcos in Malaysia and Singapore

5. INFORMATION ON OUR GROUP (CONT'D)

To-date, we have identified several products and services for development over the next 5 years as follows:

Product	Expected Date of Production	Products Descriptions
PortfolioConnect Version 2.0	First half 2006	Upgrading the PortfolioConnect to serve all trading clients.
eESOSConnect	First half 2006	A system to provide maintenance, monitoring and tracking of ESOS entitlements for the use of public listed companies.
Mobile Chatting	First half 2006	Mobile chatting services which allow users to use their mobile phone to send/receive text, voice and picture messages across telcos and countries using the GPRS and 3G services offered by the respective telcos.
Mobile Game	First half 2006	A fantasy game catering for subscribers to compete against each other using mobile phones operating on GPRS and 3G.
Mobile Payment	First half 2006	Mobile micro payment services which will work on most popular mobile phones.
LiveConnect	First half 2007	Live video streaming of research analysts' stock market commentary and news briefing. Streaming through multiple delivery channels such as Internet, PDA and mobile phones.
CRMConnect	Second half 2007	A customer relationship management system ("CRM") which is for the use of panel brokers' customer service personnel, remisiers and dealers.
HomeConnect	2008	System which caters for home entertainment and is equipped with live stock market information and trading capability.

We believe that R&D is crucial to our business and operations as it enables us to maintain our competitive edge and allows us to remain the forerunner in this constantly evolving financial and telecommunications industries. We place strong emphasis on developing and enhancing our solutions to provide a user-friendly, customer-centric and products and services. In addition to the creation of new solutions and services to tap a wider market base, we are also able to tap additional revenue generating opportunities by offering more in-depth solutions and services to our existing and new client base.

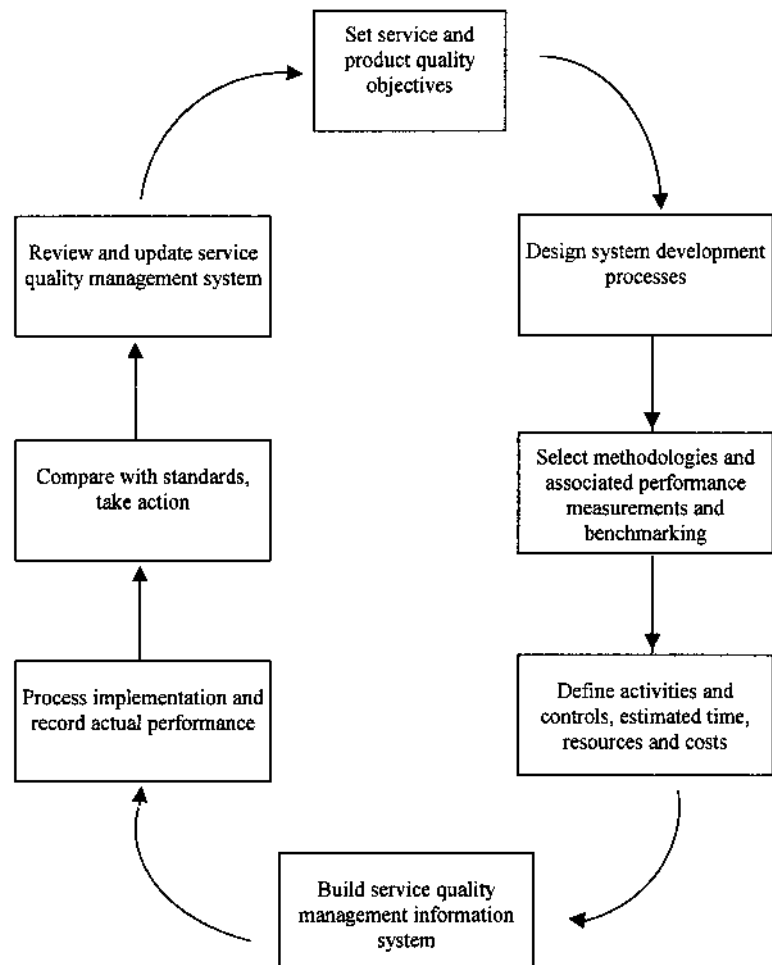
5. INFORMATION ON OUR GROUP (CONT'D)

(viii) Quality Control Procedures

Our quality control involves the monitoring of service and product quality in order to determine:

- Whether service levels are being met consistently;
- Whether there are problems with service or product and if so, what improvements can be made; and
- Whether service costs are being met consistently.

The process of quality control involves taking the appropriate action to keep service levels within the targeted levels. With service quality management, the results of each service or product are reported back to product management who will act on the feedback to take the appropriate actions to improve each service or product. Product management will provide the recommendations and the ensuing development to ensure that the required actions are completed. The aim of service quality management is to provide timely and meaningful performance measurements and benchmarking, identifying the variance between actual levels against the targeted levels to gauge whether service/product is below expectations/commitments or exceeds expectations/ commitments. The illustration of the process is set out below:



5. INFORMATION ON OUR GROUP (CONT'D)

(a) Set service and product quality objectives

Quality, in general, is multifaceted, having different criteria such as performance, reliability, durability, serviceability, aesthetics, perceived quality and conformance to standards. The characteristics of information systems impose additional requirements such as timeliness, security, accuracy, ability to implement, maintainability, flexibility, etc.

(b) Design system development processes

The standard processes are investigation, analysis, design, programming, testing, implementation, maintenance and evaluation.

(c) Select methodologies and associated performance measurements and benchmarking

A range of system analysis and design methodologies and related documentation techniques are available which satisfy different system analysis and design requirements.

Basically, methodologies include a logical process used to develop the product, including requirements, validation, training, and user ownership that result in a high quality service or product that meets or exceeds customer expectations, within time and cost estimates, works effectively and efficiently in the current and planned infrastructure, and is cheap to maintain and cost-effective to enhance.

Basic methodologies' scope:

- Strategic Planning;
- Problem definition of Product Objectives;
- Planning;
- Service/Product Investigation;
- Service/Product Analysis;
- Product Design;
- Product Testing;
- Implementation; and
- Monitoring and evaluation.

(d) Define activities and controls, estimate time, resources and costs

The development processes are broken down into a number of defined activities. The time and resources required for each activity are estimated. The logical procedure of activities is represented as a project network to be analysed to estimate the completion time of the project and conduct related calculations of early start and finish of each activity. Periodic meetings with team leaders of technical groups are conducted to review technical specifications, to ensure the required level of quality at the start and end of project stages. Meetings are also required in the case of unsolved serious problems and the need to take hard decision, concerning either stopping or continuing the project activities.

5. INFORMATION ON OUR GROUP (CONT'D)

(e) Build service quality management information system

The management information system is considered to be a complete documentation about how, when and who will conduct the system development activities. It is used for planning, implementing and controlling all aspects of the system development cycle. For example, in managing a project, it contains the following data:

- Project planning data: activities of the project, duration, resources, responsibilities of personnel involved, complete analysis of project time and cost.
- Project monitoring data: updating of project status, activities start and finish time.
- Project quality data: quality data is collected and distributed to facilitate corrective actions at the right time. Report or direct entry allows problems to be identified and can direct efforts made to solve them.
- Budget control data: cost data concerning different activities of the project are controlled, revealing deviation of cost if it occurs, and the use of allocated resources.
- Staff management data: personnel data regarding staff qualifications and training in new techniques and methods.

(f) Process implementation and record actual performance

Responsibilities related to different activities are allocated accordingly to the complexity of the system and the size of the project. Actual performance is recorded according to the planned specifications.

(g) Compare with standards and take action

Actual performance is reported continuously throughout implementation and after finishing the activity. Actual performance is compared with a standard. If there is deviation, action is taken to correct this deviation, if possible. If not, the activity is rejected.

(h) Review and update the service quality management system

Reviewing and updating the service level and the product quality is a continuous process. Updating covers the activities' finish time and the start time of the following activities. Resources can also be reallocated according to the process requirements and in response to the report on the implementation of the activities. Quality objectives at the process level can be evaluated and readjusted.

5. INFORMATION ON OUR GROUP (CONT'D)

(ix) Key Milestones, Awards/Key Achievements

The key milestones of our Company since its incorporation are as follows:

Date	Key milestones
1 April 2001	We launched the English version of eBrokerConnect with JF Apex.
1 July 2002	We launched the Chinese version of eBrokerConnect with JF Apex.
17 July 2003	We jointly launched the first mobile PDA trading system with SJ Securities Sdn Bhd, HP and DiGi.
15 August 2003	We entered into a joint partnership with Virtual Commerce Sdn Bhd to provide access and supply of the real time information.
11 December 2003	Joint partnership with Avaxx Corporation Sdn Bhd, a distributor of Nokia products, to launch MobileConnect stock information on mobile phones.
28 May 2004	We entered into a joint partnership with SGX-ST and SingTel to provide real time SGX-ST stock information on mobile phones under the service Mobile Stock Live!
1 July 2004	We were awarded the MSC Status.
12 July 2004	We jointly launched MobileConnect™ with Maxis which provides real time Bursa Securities stock information and online stock trading via mobile phones. We jointly launched m*Trade@CIMB with CIMBS to provide mobile stock trading for CIMBS's customers.
30 December 2004	We launched the eIPOConnect with CIMBS under e*IPO@CIMB which enables IPO subscription via the Internet.
6 April 2005	We jointly launched sms*Trade@CIMB with CIMBS to provide SMS stock trading via mobile phones for CIMBS' customers.

Our Company has won several accolades for its contribution, which includes the following:

Date	Award/Key achievements
16 April 2004	We were awarded the "Best Windows Mobile Application" jointly organised by Microsoft and Motorola.
13 October 2004	We were awarded Merit Award for Best Financial Application on MobileConnect™ at the MSC-Asia Pacific ICT Awards 2004.
10 December 2004	We were awarded the winner in Financial Application Category on MobileConnect™ at the Asia Pacific ICT Awards 2004 in Hong Kong.

5. INFORMATION ON OUR GROUP (CONT'D)

Date	Award/Key achievements
14 September 2005	We were awarded the winner for Product of the Year category for Mobile Stock Live at the PIKOM-Computimes ICT Awards 2005.
27 September 2005	We were awarded as one of the Emerging SMEs at the Golden Bull Award 2005 – the 3rd Malaysia 100 Outstanding SMEs organised by Nanyang Siang Pau.

(x) Intellectual Properties

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

(a) Copyright

We own the copyright over the software set out below:

- eBrokerConnect™;
- PDACoconnect™;
- MobileConnect™;
- SMSConnect™;
- BankConnect;
- DecisionConnect™;
- GlobalConnect;
- MChat; and
- Sim2Pay.

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

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

5. INFORMATION ON OUR GROUP (CONT'D)

Currently, our customers are primarily located in Malaysia. The availability and extent of protection of our Company's intellectual property especially its trademarks in those other jurisdictions would depend on the intellectual property laws in those jurisdictions which may vary depending on the applicable laws in those jurisdictions.

(b) Trademarks and service marks

Our Group has taken steps to protect its trademarks in Malaysia and Singapore. The following are the trademarks applied by our Group:

Applications for the registration of "DecisionConnect™", "eBrokerConnect™", "MobileConnect™", "PDAConnect™", "ResearchConnect™", "SMSConnect™", have been filed by us under Class 9 and Class 16 on 6 July 2004 with the Registrar of Trademarks, Malaysia and on 16 August 2004 with the Registrar of Trademarks, Singapore. The application for the registration of "N2N Connect™" was filed under Class 16 on 6 July 2004 with the Registrar of Trademarks, Malaysia and on 16 August 2004 with the Registrar of Trademarks, Singapore. At present, the applications are still pending approval for registration.

(c) Domain names

The domain name which our Group uses which are registered under our name are the following:

- www.n2n-connect.com;
- www.eBrokerConnect.com;
- www.n2nconnect.com;
- www.beaconconnect.com;
- www.m2chat.com;
- www.fantasymgr.com; and
- www.sim2pay.com.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.4.4 MAJOR CUSTOMERS

Our Group's major customers for the 6 months financial period ended 30 June 2005 are as follows. Our Group's total turnover from these customers contributed approximately 79.47%.

	Name of Customers	Length of relationship (years)	Percentage of contribution to our Group's sales (%)
1	High Profit Enterprise	Since 2005	19.38
2	Kenanga	Since 2003	18.35
3	MCHAT2U Pte Ltd	Since 2005	14.53
4	Citibank (M) Berhad	Since 2005	7.41
5	CIMBS	Since 2002	5.39
6	JF Apex	Since 2001	4.70
7	Kuala Lumpur City Securities Sdn Bhd	Since 2004	2.98
8	PM Sec	Since 2002	2.77
9	SJ Securities Sdn Bhd	Since 2002	2.34
10	Maxis	Since 2004	1.62

The Company is not dependent on the top 3 major customers for the financial period ended 30 June 2005. Higher sales were recorded during that financial period mainly due to the one-time implementation fee.

5.4.5 MAJOR SUPPLIERS

The following are our Group's major suppliers for the 6 months financial period ended 30 June 2005. These suppliers contribute approximately 94.39% of our Group's total purchases.

	Name of Suppliers	Length of relationship (years)	Percentage of contribution to our Group's purchases (%)
1	Hewlett-Packard Sales (Malaysia) Sdn Bhd	Since 2003	26.43
2	Dow Jones AER Company Inc	Since 2004	20.50
3	Global Forway Sdn Bhd	Since 2004	16.67
4	Bursa Malaysia Information Sdn Bhd	Since 2004	9.42
5	Asian Frontier Network Services (M) Sdn Bhd	Since 2005	7.42
6	Sapura Mobile Sdn Bhd	Since 2005	5.23
7	Dataone Asia (M) Sdn Bhd	Since 2001	2.81
8	MMC Systems Sdn Bhd	Since 2003	2.32
9	Ingram Micro Malaysia Sdn Bhd	Since 2004	2.18
10	T.Choice (Malaysia) Sdn Bhd	Since 2004	1.41

5. INFORMATION ON OUR GROUP (CONT'D)

The Company is not dependent on the top 3 major suppliers for the financial period ended 30 June 2005 as the Company can source similar products or services from other suppliers easily.

5.5 OTHER INFORMATION

5.5.1 Management and Employees

Our Directors are supported by a team of qualified management staff who are experienced in their respective fields. As at 14 October 2005, our Group has a total workforce of 51 employees. Our Group's employees do not belong to any labour union and enjoy a cordial relationship with the management.

At present, our Group does not employ any contractual or temporary employees in any of our operations.

The breakdown of the total number of employees of our Group in their respective categories as at 14 October 2005 is as follows:

Categories	Number of employees	Average Length of Service (Years)
Managerial and professional	8	4
Technical and supervisory	37	2
Clerical and related	6	2
Total employees	51	2.3

Our Group provides a challenging career path to its employees, either locally or regionally. Structured internal or external training are also developed and offered to employees to keep abreast with the latest technology development.

5.5.2 Location of Principal Assets, Production Facilities and Principal Place of Business

The principal assets and place of business of our Group as well as our core R&D personnel and activities are located in Technology Park Malaysia, Unit L5-E-5, Level 5, Enterprise 4, Lebuhraya Puchong-Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.5.3 Major Approvals, Licences, Certifications and Permits

As at 14 October 2005, being the latest practicable date prior to the registration of this Prospectus, our Group's major approvals, licences and permits are as follows:

Company	Authorities	Date of expiry	Type of Transaction approved	Major conditions imposed	Status of compliance
N2N	MDC	01.07.2008	MSC Status - Development and provision of e-commerce and m-commerce solutions for the securities, financials and service industries.	(i) Submit reports annually to MDC on modifications and enhancements made to "eBrokerConnect™" and the status thereof. (ii) To ensure at all times at least 15% of the total number of employees (excluding support staff) of the MSC status company shall be knowledge workers. Knowledge workers shall be recruited, employed and/or appointed solely for the purpose of undertaking the MSC qualifying activities.	To be complied Complied
N2N	MCMC	07.09.2006	ASP Class Licence - messaging services pursuant to Section 44 of CMA	None.	Not applicable

5.5.4 Interruptions to Business during the past 12 months

Our Group did not experience any material interruption to the business in the past twelve (12) months prior to the date of this Prospectus.

5.6 SYARIAH STATUS

We have voluntarily submitted an application to the SC for the Syariah compliance review to be carried out by the SC's SAC as part of the process to obtain the Syariah status for our Shares at the Public Issue stage.

The SC's SAC has classified us as Syariah-approved based on our latest audited consolidated financial statements for the financial year ended 31 December 2004 and the Syariah criteria adopted by the SC's SAC. The Syariah status will remain valid from the date of issue of this Prospectus until the next Syariah compliance review is undertaken by the SC's SAC.