

16. EXPERTS' REPORTS ON THE PREVAILING REGULATIONS ON THE REPATRIATION OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS  
(Prepared for inclusion in this Prospectus)

16.1 MPL

**citilegal**

CitiLegal LLC  
Lawyers  
Notaries Public  
Commissioners for Oaths

Your Ref : -

Our Ref : AC/RH/gk/F/05.05.124

Date : 17 June 2005

The Board of Directors  
mTouche Technology Berhad  
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Dear Sirs

**MTUCHE PTE LTD (REGISTRATION NO. 200206271M)**

**1. Introduction**

We have been instructed by mTouche Pte Ltd ("**Company**") to provide you with a general Opinion in relation to the Company, a company incorporated in Singapore, and wholly-owned by mTouche Technology Berhad ("**MTB**"); for inclusion in the prospectus of MTB in relation to its proposed listing on the MESDAQ market of the Bursa Malaysia Securities Berhad.

**2. Scope of Opinion**

We have been instructed by the Company to:

- A. confirm the following in relation to the Company:
- (i) the due incorporation and existence of the Company;
  - (ii) the current shareholders of the Company and their respective shareholdings in the Company;
  - (iii) the current directors and company secretaries of the Company; and
- B. opine on the statements set out in paragraph 5.2 of this Opinion, relating to the current position under Singapore laws on:
- (i) dividends and distribution;
  - (ii) taxation regarding repatriation of dividend and foreign investment;
  - (iii) exchange control;
  - (iv) repatriation of capital, profits and dividends;
  - (v) charges on the property of the Company;
  - (vi) alteration of share capital;
  - (vii) purchase by a company of its own shares;
  - (viii) appointment and duties of directors;
  - (ix) conduct of meetings and proceedings of a company;
  - (x) loan to directors;
  - (xi) shareholders rights and obligations;
  - (xii) protection of minority shareholders;
  - (xiii) securities offering;
  - (xiv) takeovers and mergers;
  - (xv) arrangements and reconstructions;
  - (xvi) accounting records;
  - (xvii) filing/keeping and inspection of corporate records;
  - (xviii) accounts, consolidated accounts and directors report;

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- (xix) winding-up procedures;
- (xx) goods and services tax; and
- (xxi) jurisdictional arrangement and/or Treaties between Malaysia in Singapore on matters pertaining to Enforcement of Judgment in respect of Criminal and Civil actions.

We make no representation regarding the scope or sufficiency of review or Opinion as specified above, for your intended purpose.

In preparing this Opinion, the scope of our review is based on the Documents (referred to below) provided to us in Singapore by the Company and Company secretary on 30 March 2005 and the Searches (referred to in paragraph 4 below).

This Opinion is given on the bases and assumptions, and is subject to (a) the qualifications as set out in this Opinion, as well as (b) any matters (of fact or otherwise) not disclosed to us which may affect this Opinion.

3. Documents examined

For the purposes of this Opinion, we have examined the following documents (together the "**Documents**");

- (a) the certificate of incorporation dated 19 July 2002;
- (b) the memorandum and articles of association of the Company dated 19 July 2002;
- (c) the register of applications and allotments of the Company;
- (d) the register of members of the Company and a certified true copy of register of members as at 14 June 2005;
- (e) the register of transfers of the Company;
- (f) the register of directors of the Company;
- (g) the register of secretaries of the Company;
- (h) a director's certificate confirming the principal activities of the Company dated 14 June 2005 ("**Director's Certificate**"); and
- (i) certified true copy of the notice by local company of transfer of shares/list of shareholders dated 14 June 2005.

Other than the Documents, we have not, for the purposes of this Opinion, examined any contracts, instruments or other documents which the Company may have entered into, nor have we made any other enquiries concerning the Company (save for the searches referred to in paragraph 4 below).

4. Searches

We have conducted:

- (a) an Instant Information (Business Profile (Company)) on the Company with the Accounting and Corporate Regulatory Authority ("**ACRA**") via Bizfile on 30 May 2005 ("**ACRA Search**"); and
- (b) a winding up search on the Company through Singapore Network Services Pte Ltd ("**SNS**") on 9 June 2005 ("**Winding Up Search**");

(collectively "**the Searches**").

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**5. Opinion**

**5.1 Company information**

It is our Opinion that, in relation to the current laws of Singapore:

- (i) The Company is a private limited company duly incorporated and validly existing under the laws of Singapore.
- (ii) The Company was incorporated under the laws of Singapore as a private company limited by shares on 19 July 2002 and the Company remains on the register of companies maintained by the Accounting and Corporate Regulatory Authority in Singapore as at 30 May 2005.
- (iii) Based on the Director's Certificate, the Company is principally engaged in providing mobile messaging technologies.
- (iv) The Company's constitution is set out in the Memorandum and Articles of Association.
- (v) The Company has an authorised share capital of S\$100,000.00 divided into 100,000 ordinary shares of S\$1.00 each.
- (vi) The Company has issued 100,000 ordinary shares, all of which have been fully paid.
- (vii) The shareholder of the Company and its shareholding are as follows:

<b>Name of shareholder</b>	<b>No. of ordinary shares of S\$1.00 each</b>
mTouche Technology Berhad	100,000

- (viii) The directors of the Company and their respective dates of appointment are:

<b>Name of director</b>	<b>Date of appointment</b>
Hendra Sie	19 July 2002
Goh Eugene (Wu Eugene)	19 July 2002
Tan Wee Meng	1 November 2002

- (x) The company secretaries of the Company and their respective dates of appointment are:

<b>Name of company secretary</b>	<b>Date of appointment</b>
Peck Jen Jen	1 January 2005
Lick Lay Chen	1 January 2005

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- (ix) The Company has its registered office address at 16 Upper Circular Road, #02-00 Benning House, Singapore 058414.

**5.2 General matters**

The report on the following matters constitute a general advice with respect to the current regulations in Singapore as at 14 June 2005 on the matters set out herein and in relation to Singapore private limited companies, and does not constitute a complete analysis of the laws and regulations on legal and tax aspects and their respective consequences, nor an analysis or Opinion of the Company or any other company in particular.

**(i) Dividends and distribution**

A non-resident who has an investment in a company by way of shareholding may receive income or payments from the Singapore company in the form of:

- (a) dividends;
- (b) a reduction of the paid-up capital of the company; or
- (c) a distribution in the course of liquidation of the company.

**(ii) Taxation regarding repatriation of dividend and foreign investment**

**(a) Tax on Dividend**

Dividends of a company are paid out of the company's taxed income. Therefore, no further tax liability arises on the non-resident recipient and there is no dividend withholding tax in Singapore.

**(b) Tax on income**

Generally, companies which are controlled or managed in Singapore are regarded as tax residents in Singapore and are subject to Singapore income tax on income that is accrued in or derived from Singapore and (subject to certain exceptions) foreign income received or deemed to be received in Singapore. The corporate tax rate is 20% for the Year of Assessment 2005, with certain exemptions for the first S\$100,000.00 of chargeable income. Dividends can only be paid out of after-tax profits.

**(c) Tax on capital gains**

Capital gains tax is not levied in Singapore. No tax is payable in Singapore on the types of payments in paragraphs 5.2(i)(b) and 5.2(i)(c) above as the receipts by the non-resident are of a capital nature.

**(iii) Exchange control**

There are no exchange control laws in Singapore.

**(iv) Repatriation of capital, profits and dividends**

There are no restrictions on the import or repatriation of capital, profits and dividends nor on inbound or outbound remittances in any currency. Dividends may only be paid out of profits.