

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



BINKA CONSULTING

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Indonesia

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L. LOAN TO DIRECTORS

Directors are allowed to obtain loans from the Company with approval from the general meeting of shareholders.

M. SHAREHOLDERS RIGHTS AND OBLIGATIONS

General meeting of shareholders shall have all powers that are not assigned to the board of directors and commissioners under the conditions specified in this law.

All shareholders have their rights to attend and vote at the general meeting and the number of vote will be determined by their shareholding in the company.

A shareholder is liable only up to the full value of the shares he owns. It should be noted here that the par value of the shares need not necessarily be the same as their market value. But there are exceptions explicitly mentioned in the Company Law no.1 of 1995.

In general the shareholder is not personally liable for the acts of the company and is not liable for the losses of the company, which are up to the value of the shares issued.

However, this limitation of liability is not uphold in the following cases:

- a. if the requirements for the company to become a body corporate has not yet been fulfilled;
- b. if the shareholder directly or indirectly acting in bad faith, has made use of the company only for his personal interests;
- c. the respective shareholder is involved in an unlawful act against the company; or
- d. the respective shareholder directly or indirectly unlawfully has used the company's assets, which resulted in the company's assets being insufficient to fulfill its obligations.

In all the possibilities mentioned above the respective shareholder will become personally liable.

N. PROTECTION OF MINORITIES

Protection of the minority shareholders is given in the above mentioned right of a shareholder to sue the company or its subsidiaries before the Court, in case he suffers losses due to alleged mismanagement or breach of the AoA. Further the shareholders have a right to request the company to buy back its shares at a reasonable price in case they do not agree with the change of the company's AoA or sale of a part or the whole of the company's assets or a merger, conversion with or acquisition by another company.

O. FILING/KEEPING AND INSPECTION OF CORPORATE AND ACCOUNTING RECORDS

The new Company Law no. 1 of 1995 requires that the directors issue an annual report within 5 months after the closing of each financial year, for submittance to the general meeting of shareholders. This report should contain at least:

- a. A balance of the financial and a profit and loss account of that year with elucidation and supporting documents.
- b. Combined balance sheet of the companies in the group and balance sheet for each company.
- c. Report concerning the state and course of the company and result obtained so far.
- d. Main activities of the company during the financial year.

Foreign Investment Services & Expatriate Formalities

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- e. Detail of problems encountered during financial year influencing the company activities.
- f. Name of the directors and commissioners.
- g. Salary and other benefits of the directors and commissioners.

The report should be signed by the Directors and Commissioners. If there are members who do not want to sign the same, the reason should be stated. The annual report should be drawn up in accordance with Accounting Standards of Indonesia.

P. AUDITING REQUIREMENTS

Audit must be done by a registered public accountant annually and appointed by the general meeting of shareholders.

Q. WINDING UP PROCEDURES

Dissolution and Liquidation

The existence of a company as a legal entity is terminated by the dissolution. The company may, however, still have assets, liabilities, and unfinished transactions at the time of dissolution. Not all activities of a company, terminated with its dissolution. These activities, however are only concerned with the winding-up or "liquidation" of the company and are no longer related to the pursuit of the objectives for which the company was established.

The new Company Law no. 1 of 1995, set out that a company may be dissolve under the following circumstances. i.e.:

- a. decision of the general meeting of shareholders
- b. expiration of the company's period of incorporation
- c. court's decision to dissolve the company

A company is considered dissolved after its insolvency has been determined in case of bankruptcy. Declaration of bankruptcy does not by itself cause the dissolution of a company, as an "accord: (settlement) between the company and its creditors is still possible in such a case. Only when no settlement with the creditors has been reached, when insolvency of the company has been confirmed, and when there has been a decision to proceed with the liquidation of the company's assets can it be said that the company is being dissolved.

A company may also be dissolved by a decision of the general meeting of shareholders. Such a decision is made, for example, when the company's finances are in bad shape without any prospects of improvement and a declaration of bankruptcy is for some reason not considered desirable. Such a decision may also be made for other than financial reasons.

A company may also be dissolved by the Minister of Justice, if the company acts in contravention of the Articles of Association. Such a dissolution, however, is only possible after the opinion of the Supreme Court on the matter has been obtained. A Court's decision may also dissolve the company.

Dissolution by the Court could be based on the following grounds:

- a. upon request of the Prosecutor General based on strong considerations that the company has *trespassed* public interest;
- b. upon request of a shareholder representing at least 10% of the total shares issued
- c. upon request of a creditor based on the ground that:
 - 1. the company cannot pay its debts after declared bankrupt; or

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2. the company's assets are not enough to cover all its debts after the bankruptcy has been lifted; or

d. upon request of an interested party based on the general assumption that there is a legal mistake in the AoA.

The Court's decision also includes the appointment of the liquidator. The liquidator has specific obligations to fulfill, i.e.:

- a. to register the dissolution in the Register of Companies;
- b. to request the publication in the State Gazette (Berita Negara);
- c. to publish it in two daily papers, and
- d. advise the Minister of Justice.

Before the liquidation has been carried out, the dissolution of the company will not be valid against third parties.

In case of failure of the duty to register, the liquidators are jointly and severally responsible for the losses experienced by the parties.

As already stated, once dissolution of the company has been decided upon, the process of liquidation of the company begins. The company continues to exist, but only for purposes of its liquidation. The words "in liquidation" are usually added to the name of the company. During liquidation of the company; no new transactions are entered into, outstanding matters are finalized and debts settled.

R. SECURITIES OFFERING

Offering of the company's shares to third parties must be approved by general meeting of shareholders.

S. JURISDICTIONAL ARRANGEMENT AND TREATIES BETWEEN MALAYSIA AND INDONESIA ON MATTERS PERTAINING TO ENFORCEMENT OF JUDGEMENT IN RESPECT OF CRIMINAL AND CIVIL ACTIONS

There is a treaty between Indonesia's civil and criminal court and Malaysia. Therefore, on matters pertaining to enforcement of judgment in respect of criminal and civil actions is compliable all cases.

Double Taxation Agreements between Indonesia and Malaysia is valid since 01st January 1987.

Our opinion is to be construed in accordance with the law of Indonesia.

Yours Sincerely,

On behalf of BINKA CONSULTING

BINKA
Consulting
Eakir Chand

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16.3 MCL

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British Chamber of Commerce

Reg.No. 6092/2548

Our ref: Trilaw2548/Legal-opinion/38976

17th June 2005

The Board of Directors
mTouche Technology Berhad

To Whom It May Concern,

We have acted as MTouche (Thailand) Co.,Ltd.'s counsel in connection with the Legal Opinion concerning MTouche (Thailand)'s due diligence and General Thai Law matter, for inclusion in the Prospectus of mTouche Technology Berhad ("MTB") in relation to its proposed listing on the MESDAQ Market of the Bursa Malaysia Securities Berhad.

Our opinions expressed herein are limited to questions arising under the law of Commercial and Civil Code of Thailand ("CCC") and its political subdivisions, and we do not purport to express an opinion on any question arising under the law of any other jurisdiction.

We have made investigation of MTouche (Thailand) Co.,Ltd.'s Documentation provided and the matter as to which our opinion is stated herein to be the best of our knowledge.

1. The Business License issued by Thailand Government, dated 16 FEBRUARY 2004;
2. The Registration Form
3. Power of Attorney
4. Tax ID Form
5. Certificate from Ministry of commerce
6. Memorandum of Company
7. Shareholder lists
8. Commerce certificate
9. Social Welfare Provision
10. Value Added Tax ("VAT") registration Form
11. Company Profile

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Subject to the foregoing documentation above, we understand that the pertinent facts to be substantially as follow:

1. The head office of mTouche (Thailand) Co., Ltd is mTouche Technology Berhad. The registered address is 312, 3rd Fl. Block C Kelana 17 Jalan SS7/26 47301 Petaling Jaya Selangor.
2. mTouche (Thailand) Co., Ltd, a subsidiary of mTouche Technology Berhad, was established in accordance with the Company Law of Thailand and other related laws and regulations of Thailand.
3. The registered address of mTouche (Thailand) Co., Ltd is 54 BB Building Unit 1507, 15th fl., Sukhumvit 21 (Asoke) Klongtoey Nua Wattana Bkk Thailand 10110
4. The Authorized Director of mTouche (Thailand) Co., Ltd is Mr. Tan Wee Meng and Mr. Goh Eugene.
5. The paid-up capital of mTouche (Thailand) Co., Ltd is THB One Million which is divided into Ten Thousand (-10,000-) shares of THB One Hundred per share .
6. mTouche (Thailand) Co., Ltd is principally engaged in provision of mobile messaging technologies.

Conclusion:

Based on the above facts, the conclusion is that, mTouche (Thailand) Co., Ltd is established lawfully in accordance with Partnership and Company law and regulations of Thailand as of the Legal Opinion date.

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Thailand's Law Summarization

This summarization is prepared based on the current policies of Thailand as of the date of this legal opinion date.

Please be informed that Thailand's Law Summarization below constitute a general legal matters with respect to the current regulations in Thailand in respect of matters queried by mTouche (Thailand) Co.,Ltd., and this does not constitute a complete analysis and regulations including all taxes and legal aspects and their consequences.

A. Taxation

Accordance with Revenue Code

- a. Companies are required to withhold income tax from the salary of all regular employees.
- b. A value-added tax of seven(7%) percent is levied on the value added at each stage of the production process, and is applicable to most firms. The VAT must be paid on a monthly basis.
- c. A specific business tax is levied on firms engaged in several categories of businesses not subject to VAT, based on gross receipts at a variable rate ranging from 0.1 - 3.0 percent.
- d. Corporate income tax is progressive rate from 20-30 percent of net profits and is due twice each fiscal year. A mid-year profit forecast entails advance payment of corporate taxes.

B. Exchange Control

Thailand's exchange controls are established by the Exchange Control Act, B.E. 248; and are administered by the Bank of Thailand ("BOT").

C. Repatriation of Proceeds

Generally, 5-15% repatriation is to be paid at source. However, Kingdom of Thailand has made double taxes Treaties with many counties.

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D. Share Capital

Section 1096 provides that *"a limited company is that kind of which is formed with a Capital divided into equal shares, and the liability of the shareholders is limited to the amount, if any, unpaid on the shares respectively held by them"*. It, therefore, can be said that shares of the limited company is the capital of the limited company.

CCC. provides also that shares of the limited company have to have the following character;

1. Each share of a limited company has the same value, regardless of the extraordinary share or the ordinary share.
2. The amount of a share cannot be less than five baht.
3. Shares are indivisible.
4. The whole amount of every share must be paid in money.
5. Shares are transferable without the consent of the company, unless, in case of shares entered in a name certificate, it is otherwise provided in the regulation of the company.

E. Alteration of the share capital.

1. Increases of the capital

In case that a limited company has made a lot of profit, it may increase its capital by issuing new shares, provided that the shareholder meeting must have a special resolution for doing so. The value of all new shares, furthermore, must be equal to the value of the ordinary shares, unless it is otherwise provided in the Memorandum of Company. If, for example, the value of each original share is THB100, the value of the new share must also be THB100.

Selling the new shares

It is provided that all new shares must be offered to the shareholders in proportion to the shares held by them. If a shareholder declined to accept the shares offered or failed to make any reply to such offer within the specific period of time, the director may offer such shares for subscription to other shareholders or may subscribe to the shares himself.

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Please note that the company cannot offer or sell the new shares issued to the third person.

2. Decreases of the capital

If the registered capital of a company is redundant, that company may reduce its capital either by lowering the amount of each share or by reducing the number of shares. However, the company cannot reduce its capital to less than one-fourth of its total amount.

Pursuant to Section 1224 of CCC, there are two means to reduce the capital of the company.

1. **By lowering the amount of each share**
2. **By reducing the number of shares.**

The process of reducing the capital of the company is as follows;

1. The company must arrange a shareholder meeting, and that shareholder meeting must have a special resolution by which reduction of its capital is authorized.
2. The company must publish its purpose of reduction of its capital seven times at least in a local paper.
3. The company must send a notice of the particulars of the proposed reduction to all creditors known to the company, requiring all creditors to make any objection within three months from the date of such notice.
 - If no objection is raised within such period of time, the company can continue the reduction of its capital.
 - If an objection is raised, the company cannot proceed with the reduction of its capital unless it has satisfied the claim or given security for it.
4. The special resolution must be registered by the company within fourteen days after its date.
5. Finally, the company has to return the amount of such reduction to the shareholders in proportion to the shares they hold.

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Please note also that such a special resolution by which any increase or reduction of capital has been authorized must be registered by the company within fourteen (-14-) days after the date of the special resolution.

F. Purchase of the Company of its own Shares

Pursuant to section 1143 of CCC, a limited company is prohibited to own its own shares or take them in pledge.

G. Distribution and Dividends

Payments of certain types of income, usually in the form of service fees, royalties, interest, dividends, rent or professional fees from or in Thailand to a foreign juristic person not carrying on business in Thailand are subject to income tax in the form of a withholding tax at a rate of 15 percent, except for dividends, for which the rate applied is 10 percent.

H. Charges on the Assets of the Company

The company has right to charge on any assets of the company, provided that it is covered by the objectives of the company. Any liability in respect of any charge shall be solely on the company.

I. Contingent Liability

Since the company has been registered in Thailand as a different entity, the head office in Malaysia is thus not liable for the obligation caused by the company.

J. Take-over and Mergers

The procedure of the merger of limited company can be divided as follows;

1. Each limited company that intends to amalgamate with each other must have a special resolution from the shareholder meeting.
2. The special resolution by which an amalgamation is decided must be registered within 14 days from its date.

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3. The company must publish 7 times at least in a local paper.
4. Each company must send to all creditors known to the company by registered letter a notice of the particulars of the proposed amalgamation requiring the creditors to present within 6 months after the date of notice any objection they have to it.
 - If no objection is made within 6 months, it is held that there is no objection and the company can start amalgamating.
 - If an objection is raised, the company cannot proceed with the amalgamation unless it has satisfied the claim or given security for it.
5. In the process of amalgamation, each company shall make an amalgamation agreement. The directors of both companies shall make an agreement that will cover all details of the new company. When the agreement is concluded, the amalgamation is then completed.
6. When the amalgamation is made, it must be registered within 14 days by each amalgamated company and the limited company formed by the amalgamation must be registered as a new company.

A limited company is not prohibited, pursuant to the Thai law, from taking over other companies. A limited company may proceed to buy the majority share of other companies, and thereafter take control such company.

K. Appointment of Director

A director shall be appointed or removed only by the general meeting. The board of directors cannot promote anyone as a director. The board of director shall have right to appoint a director only in the case that there is any vacancy occurring on the board of directors otherwise than by rotation.

L. Duties of the Directors

Other than following the regulation of the company and conducting the business of the company within the objectives of the company, the directors have the following duties;

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1. The directors have to apply the diligence of a careful business man in their conduct of the business. Please note that the diligence required from the directors is not those of the directors themselves, but those of a careful business man. There are also different levels of diligence of the directors. The managing directors, for example, have to put more diligence than other kinds of directors do.
2. It is a duty of the directors to check that the payment of shares by the shareholders has been actually made.
3. The directors have to make the existence and regular keeping of books and documents prescribed by law.
4. The directors have to take care of the proper distribution of the dividend or interest as prescribed by law.
5. Even though the directors have legal right to conduct the business of the company, such conduct of the business by the directors must be supervised by the general meeting. Therefore, when the general meeting has a resolution, it is responsibility of the directors to make the proper enforcement of the resolutions of the general meeting.
6. The directors must not, without the consent of a general meeting of shareholders, undertake commercial transactions of the same nature as and completing with that of the company, either on his own account or that of a third person, nor may they be a partner with unlimited liability in another commercial concern carrying on a business of the same nature as and completing with that of the company.

M. Conduct of Meeting and Proceeding of the Company

Shareholders have right to supervise the directors' conduct of the business of the company via the shareholder meeting which can be divided into two types.

1. The general meeting or ordinary meeting; and
2. The extraordinary meeting.

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1. **The general meeting.** The first general meeting of shareholders shall be held within six months after the registration, and shall subsequently be held once at least in every twelve months.
2. **The extraordinary meeting.** The extraordinary meeting can be summoned if ;
 - 2.1 the board of directors thinks they should have an extraordinary meeting.
 - 2.2 the company has lost half the amount of its capital.
 - 2.3 a requisition to that effect is made in writing by shareholders holding not less than one-fifth of the shares of the company.
The requisition, however, must specify the object for which the meeting is required to be summoned.
 - 2.4 any casual vacancy occurs among the auditors.

The summoning of the general meeting.

Notice of the summoning of every general meeting shall either be published at least twice in a local paper, not later than seven days before the date fixed for the meeting, or shall be sent by post not later than seven days before the date fixed for the meeting to every shareholder whose name appears in the register of shareholders.

N. Loans to Directors

The directors of a company are not prohibited to procure a loan from the company, but the directors must pay interest to the company.

O. Shareholders Rights and Obligations

The shareholders' rights and obligations can be found in the CCC

- The shareholders have obligations to pay for the shares they hold, and the liability of the shareholder is limited to the amount, if any, unpaid on the shares respectively held by them.
- The shareholders have right to transfer their shares without the assent of the company.
- The shareholders have right to be represented at any general meeting

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- The shareholders have right to call for a Extraordinary Meeting, provided that a requisition to that effect is made in writing by the shareholders holding not less than on-fifth of the shares of the company.
- A shareholder shall have right to file a application to the court for the cancellation of the resolution passed at the general meeting if

1. Such general meeting has been summoned or held contrary to the provision of Title 22 of the CCC or

2. Such resolution passed contrary to the provision of Title 22 of CCC.

P. Protection of Minorities

The protection for minority pursuant to CCC is that if a general meeting has been summoned or held or a resolution passed contrary to the CCC or contrary to the regulation of the company, a director or a shareholder may file an application with the court to cancel any such resolution or any resolution passed at such irregular general meeting.

The CCC also gives right to a group of shareholders holding shares less than one-fifth of the shares of the company to summon an extraordinary meeting.

Q. Filing / Keeping and Inspection of Corporate Records.

Section 1196 of CCC requires a limited company to make a balance-sheet at least once in every twelve months. And each company has to submit its balance-sheet to the Revenue Department every year, even though the company did not do any business during that year.

R. Accounting Records

The CCC requires the directors of a company to correctly make, and keep a balance-sheet and other documents;

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1. The directors of a company have to make a balance-sheet at least one in every twelve months, at the end of such twelve months as constitute the financial year of the company. Such balance-sheet must contain a summary of the asset and liabilities of the company and a profit and loss accounts.
2. The directors of a company must cause true accounts to be kept;
 - of the sums received and expended by the company and of the matter in respect of which each receipt or expenditure takes place.
 - of the assets and liabilities of the company.
3. The directors must cause minutes of all proceedings and resolutions of meeting of shareholders and directors to be duly entered in the books which shall be kept at the registered office of the company and signed by the chairman of the meeting.

S. Auditing Requirements

A certified auditor shall be elected as the auditor of the company at the shareholders meeting, and the election shall take place every year. The auditors may be shareholders of the company, but no person is eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the company, and no director or other agent or employee of the company is eligible as an auditor during his continuance in office.

Every auditor shall at all reasonable time have access to the books and accounts of the company, and with regard to such books and accounts he may examine the directors or any other agents or employees of the company.

The auditor must make a report to the ordinary meeting on the balance-sheet and accounts.

T. Winding-up procedures of the Company

The winding-up procedure can be divided into 2 steps:

1. The 1st is the step of dissolution and the registration of the dissolution.
2. The 2nd is the step of the liquidation.

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The 1st step of dissolution and the registration of the dissolution.

- Causes of dissolution:** A limited company shall be dissolved:
- In the cases, if any, provided by its regulation.
 - If formed for a period of time, by the expiration of such period.
 - If formed for a single undertaking, by the termination of that undertaking.
 - By special resolution to dissolve.
 - By the company becoming liquidated?.

Please note that a foreign company registered in Thailand has to inform the Department of Business Development of its dissolution within fifteen days in order to terminate its foreign business license. The process of termination of the foreign business license shall take around three working days.

Prepare the documents required: The company has to prepare all the documents that are required by the Department of Business Development, and submit such documents to the officer.

The 2nd step of liquidation

It is provided in the CCC that a company is deemed to continue exist after its dissolution as far as it is necessary for the purpose of liquidation. According to the law, the directors of the company shall become liquidators, unless the cause of dissolution of the company is bankruptcy or the regulation of the company is provided otherwise. The liquidators have to perform the following obligation;

1. Within 14 days after the date of dissolution, the liquidator must register the dissolution of the company and the name of the liquidators with the Department of Business Development.

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

Tri Law Consultants Law Office
สำนักงานกฎหมาย ตริ ลอว์ คอนซัลแตนท์
Legal, Banking, Finance and Tax Advice



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2. Within 14 date after the date of dissolution, the liquidators have to
 - Notify the public by two successive advertisements at least in a local paper that the company is dissolved and that its creditor must apply for payment to the liquidators. and
 - Send a similar notice by registered letter to each creditor whose name appears in documents of the company.
3. The liquidators must, as soon as possible, make a balance-sheet and have it examined and certified by the auditors, and must summon a general meeting.
4. The liquidators have to collect all the asset of the company inclusive of having the unpaid share paid by the shareholder. After all asset of the company is collected, the liquidators have to start paying for debt to the creditor.
5. As soon as the affairs of the company are liquidated, the liquidator must make up an account of the liquidation which shall be represented to the general meeting. When the general meeting approves the account, the liquidators shall then register the proceeding of the meeting with the Department of Business Development.

U. Security Offering

After registering the Memorandum of Company of a limited company, the promoters must have the shares of the company subscribed by any person. At this step, the promoter may offer the shares of the company to other promoter or any person, but please note that the company cannot make any advertisement or publish on any paper in order to offer the shares of the company to the people.

In case that the limited company increase its capital by issuing new shares, section 1222 of CCC provides that the new shares can be offered only to the shareholder or the director. The law prohibits the limited company to offer such new shares to the third party. However, there is nothing in CCC that prohibits the shareholders themselves to offer the shares they hold to the third party.

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As for pledging, the limited company is not prohibited by any law to pledge its assets to the third party.

V. Jurisdictional arrangement(s) and/or Treaties between Malaysia and the jurisdiction of the Foreign Corporation on matters pertaining to Enforcement of judgement in respect of criminal and civil actions.

There is a treaty between Thailand's Civil and Criminal Court and Malaysia. Therefore, on matters pertaining to enforcement of Judgment in respect of Criminal and Civil actions is compliable all cases.

W. Legal and Political Risks in Thailand

With 360 seats in the parliament, Prime Minister Thaksin Shinawatra has bought political stability to the country after a new constitution was introduced soon after the Asian financial crisis. There is no problem for him to introduce and pass legislation. Despite of the daily corruption scandals among his cabinet and the continuing violence in the three southernmost provinces, it is expected that his government shall not be dissolved within next 2 years. However, the important risk at the present is the sharp increase in the price of imported oil. The government has already trimmed its GDP forecast for the year on the back of fears over oil import costs.

Thailand has enforced many laws so far in order to promote the investment from abroad. The Patent, Copyright, and Trademark Law has been enforced in order to protect foreign investors. The Trade Secret Act has just been promulgated to support the trading.

Conclusion:

The opinion expressed above is rendered only with respect to the specific issues discussed herein, and we express no opinion with respect to any other national or local taxes or legal aspect.

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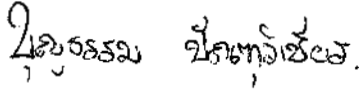


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Our opinion is valid as of the date of this report. Unless the specific request otherwise, we will not update this opinion for subsequent changes or modifications to the policies and regulations or to the judicial and administrative interpretation thereof.

Yours truly,
On behalf of TRI LAW CONSULTANTS LAW OFFICE


BOONTHAM PANTHUVICHIE
ATTORNEY-AT-LAW