

14. **PROFORMA CONSOLIDATED BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER**

Shamsir Jasani Grant Thornton

Chartered Accountants

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2005
(Prepared for inclusion in this Prospectus)

Date: **29 JUL 2005**

The Board of Directors

Nextnation Communication Berhad
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Gentlemen,

PROFORMA CONSOLIDATED BALANCE SHEETS

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Nextnation Communication Berhad ("Nextnation" or "Company") and its subsidiary companies ("Nextnation Group" or "Group"), together with the notes hereto as at 30 April 2005, for which the Directors are solely responsible, as set out in the accompanying statement for the purpose of inclusion in the Prospectus of Nextnation to be dated 9 August 2005, in connection with the following corporate exercises:-

- (i) Public issue of 32,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.78 per share payable in full on application comprising:-
 - (a) 4,800,000 new ordinary shares of RM0.10 each available for application by eligible Directors, employees and business associates of Nextnation and its subsidiaries ("Nextnation Group" or "Group");
 - (b) 24,000,000 new ordinary shares of RM0.10 each by way of private placement to the identified investors; and
 - (c) 3,200,000 new ordinary shares of RM0.10 each available for application by the public;
- (ii) Bonus issue of 126,000,000 new ordinary shares of RM0.10 each in Nextnation on the basis of one (1) new ordinary shares of RM0.10 each for every one (1) existing ordinary shares of RM0.10 each held after the abovementioned public issue via the capitalisation of RM12,600,000 from the share premium account arising from the said public issue; and
- (iii) Listing of and quotation for the entire enlarged issued and paid-up share capital of Nextnation, comprising 252,000,000 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Securities.

Shamsir Jasani Grant Thornton (AF:0737)

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14. PROFORMA CONSOLIDATED BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER (Cont'd)

Shamsir Jasani Grant Thornton 

In our opinion:

- (i) The proforma consolidated balance sheets of the Group as at 30 April 2005, which are prepared for illustrative purposes only, have been properly compiled on the basis set out in the notes to the proforma consolidated balance sheets;
- (ii) Such basis is consistent with the accounting policies adopted by the Group; and
- (iii) The adjustments to the consolidated balance sheets of the Group as at 30 April 2005 are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully,



SHAMSIR JASANI GRANT THORNTON
NO: AF: 0737
CHARTERED ACCOUNTANTS



DATO' N. K. JASANI
PARTNER
NO: 708/03/06(J/PH)

14. PROFORMA CONSOLIDATED BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER (Cont'd)

NEXTNATION COMMUNICATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 APRIL 2005

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes based on the audited consolidated balance sheet of Nextnation as at 30 April 2005 incorporating the effects of the public issue and bonus issue on the assumption that these transactions were completed on 30 April 2005.

	As at 30.4.2005 RM	Proforma I RM	Proforma II RM
SHARE CAPITAL	9,400,000	12,600,000	25,200,000
SHARE PREMIUM	-	19,960,000	7,360,000
UNAPPROPRIATED PROFIT	6,154,831	6,154,831	6,154,831
Total shareholders' fund	15,554,831	38,714,831	38,714,831
FINANCE PAYABLES	201,212	201,212	201,212
TERM LOAN	1,045,390	1,045,390	1,045,390
	16,801,433	39,961,433	39,961,433
Represented by:-			
PROPERTY, PLANT AND EQUIPMENT	2,762,009	2,762,009	2,762,009
RESEARCH AND DEVELOPMENT EXPENDITURE	1,650,594	6,450,594	6,450,594
INVESTMENT IN ASSOCIATE COMPANY	87,461	87,461	87,461
AMOUNT DUE FROM JOINTLY CONTROLLED ENTITY	412,826	412,826	412,826
FIXED DEPOSITS WITH A LICENSED BANK	180,000	180,000	180,000
CURRENT ASSETS			
Receivables	17,065,869	16,681,106	16,681,106
Tax recoverable	1,200	1,200	1,200
Fixed deposits with a licensed bank	2,000,000	2,000,000	2,000,000
Cash and cash equivalents	635,229	19,379,992	19,379,992
	19,702,298	38,062,298	38,062,298
CURRENT LIABILITIES			
Payables	7,737,966	7,737,966	7,737,966
Finance payables	54,570	54,570	54,570
Term loan	86,219	86,219	86,219
Tax payable	115,000	115,000	115,000
	7,993,755	7,993,755	7,993,755
NET CURRENT ASSETS	11,708,543	30,068,543	30,068,543
	16,801,433	39,961,433	39,961,433
NET TANGIBLE ASSETS PER ORDINARY SHARE OF RM0.10 EACH (SEN)	15	26	13

Stamped for the purpose of identification on:
29 JUL 2005
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14. PROFORMA CONSOLIDATED BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER (Cont'd)

NEXTNATION COMMUNICATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES
PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 APRIL 2005

The Proforma Consolidated Balance Sheets have been prepared solely for illustrative purposes and have been prepared based on accounting principles and basis consistent with those normally adopted by the Group assuming that all the following transactions had taken place on 30 April 2005.

1. Proforma I

Public Issue of 32,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.78 per ordinary share by way of public offer payable in full on application.

The estimated listing expenses of RM1,800,000 has been written off against the share premium account.

The proceeds to be raised from the Public Issue are assumed to be utilised in the following manner.

	RM'000
Capital expenditure	4,000
Working capital	2,060
Research and development expenditure	4,800
Advertising and promotion	7,500
Overseas expansion	4,800
Estimated listing expenses	1,800
	24,960

For illustration purpose, the above proceeds from Public Issue have been utilised to defray the listing expenses, paid for research and development expenditure and the remaining were retained in cash and cash equivalents to be utilised for those purpose in future.

2. Proforma II

After Proforma I and Bonus Issue

Bonus Issue of 126,000,000 new ordinary shares of RM0.10 each to all shareholders of Nextnation prior to the Listing on the basis of one (1) new ordinary share of RM0.10 each for every one (1) existing ordinary share held after the Public Issue and will be completed prior to the Listing.

The Bonus Issue will be capitalised from the share premium account arising from the Public Issue.

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14. PROFORMA CONSOLIDATED BALANCE SHEETS AND REPORTING ACCOUNTANTS' LETTER (Cont'd)

**NEXTNATION COMMUNICATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES**

**PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 APRIL 2005**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. The movements of the issued and paid up ordinary share capital of Nextnation are as follows:-

	Share capital RM
Audited as at 30 April 2005	9,400,000
Public Issue	<u>3,200,000</u>
As per Proforma I	12,600,000
Bonus Issue	<u>12,600,000</u>
As per Proforma II	<u>25,200,000</u>

2. The movements of reserves of Nextnation are as follows:-

	Share premium RM	Retained Profit RM	Total RM
Audited as at 30 April 2005	-	6,154,831	6,154,831
Public Issue	21,760,000	-	21,760,000
Estimated Listing Expenses	<u>(1,800,000)</u>	-	<u>(1,800,000)</u>
As per Proforma I	19,960,000	6,154,831	26,114,831
Bonus Issue	<u>12,600,000</u>	-	<u>12,600,000</u>
As per Proforma II	<u>32,560,000</u>	<u>6,154,831</u>	<u>38,714,831</u>

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29 JUL 2005
Shamsir Jasani Grant Thornton

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON

I N T E R N A T I O N A L D A T A C O R P O R A T I O N

(Prepared for inclusion in this Prospectus)

Date: 1 August 2005

NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
Unit 909, Block F, Phileo Damansara One
No. 9, Jalan 16/11
46350 Petaling Jaya

Attention: Board of Directors

Executive Summary of Independent Market Research Report on Mobile Application Service Provisioning Market

IDC has prepared an executive summary of the Independent Market Research Report on the Mobile Application Service Provisioning Market for NEXTNATION COMMUNICATION BERHAD. The following is a summary of the Independent Market Research Report prepared by us for the inclusion in the Prospectus of NEXTNATION COMMUNICATION BERHAD to be dated 9 August 2005 in relation to its listing on the MESDAQ Market of Bursa Malaysia Securities Berhad.

IDC has prepared this report in an objective manner and has taken all reasonable consideration and care to ensure the accuracy of the report. IDC is neither responsible nor liable for the decisions of the readers of this document. This report should not be viewed as a recommendation to buy or not to buy the shares of any companies or companies. Reproduction is forbidden unless authorized by IDC.

Yours faithfully,



Selinna Chin
Managing Director
IDC Malaysia, Indonesia and Philippines

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Analyze the Future

15. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)**



EXCERPT

Executive Summary of Independent Market Research Report

Linus Lai

Executive Summary of Independent Market Research Report on Mobile Application Service Provisioning Market for Submission to Bursa Malaysia Securities Berhad for Nextnation IPO Purpose

Mobile data services are one of the most dynamic, fastest-growing, and rapidly evolving areas of technology. Mobile data services adoption is rapidly growing in Europe and North America, while mobile data services have already been widely adopted in Asian markets like South Korea and Japan. The next wave of countries to experience enormous growth are going to be South America, Africa, Eastern Europe, and Asian markets like China and South East Asia.

In order for mobile data services to grow, there needs to be content and application service providers who, provide original or non-original content and applications to the mobile community. These are often referred to as a Mobile (or 'Wireless' is a common term used in the United States) Content Service Provider (CSP) or Application Service Provider (ASP).

What is the difference between a content provider and an application provider?

Content Service Providers

IDC defines a mobile Content Service Provider (CSP) as an organization that creates, gathers and organizes works such as text, video, images, audio, and data in digital format and provides unified access to them via mobile devices.

Content/Application services are contractual service offerings that are delivered over a network, managed externally (at the CSP or partner facilities), use a one-to-many business model, and are service-fee or advertising-fee based.

Many companies in the content service provider space provide 3 key types of consumer content in the market today. They are consumer oriented content such as ringtones, graphics and mobile games. These companies usually have to promote their content and applications. Companies in Malaysia include AKN Mtech ('eBuzz' content), Gen-X ('Iguana Mobile and SMS Bunny' content) and Unreal Minds ('Shabox' content).

Application Service Providers

Application Service Providers usually provide 'Software as a Service' (SaaS). SaaS refers to the ongoing support of applications. The core value of these services is also



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15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

maintenance and daily operation of business and consumer applications. The following are core-defining characteristics of SaaS:

- ☒ The main value of SaaS is the provisioning of network-based access to and management of a commercially available (not custom) application.
- ☒ SaaS activities are managed from central locations, rather than at each customer's site. Customers access applications remotely.
- ☒ SaaS activities are characteristically closer to one-to-many services than one-to-one services. These include architecture, pricing, partnering, and management characteristics.

Nextnation is application services provider focused on solutions for the mobile market (specifically 2G-3G mobile market). Its core mobile application development and deployment platform is called MINDCEP™ and it consists of 3 major application platforms:

- ☒ SMSJET™: Offers mobile 'middleware' by allowing content developers to directly interface with its APIs
- ☒ SOHOMOBILE™: Offers mobile content development and management solutions tailored to the SOHO (Small Office Home Office) developer and consumer content developer market
- ☒ mCommerce-Suit: Offers mobile commerce solutions tailored to the enterprise applications market

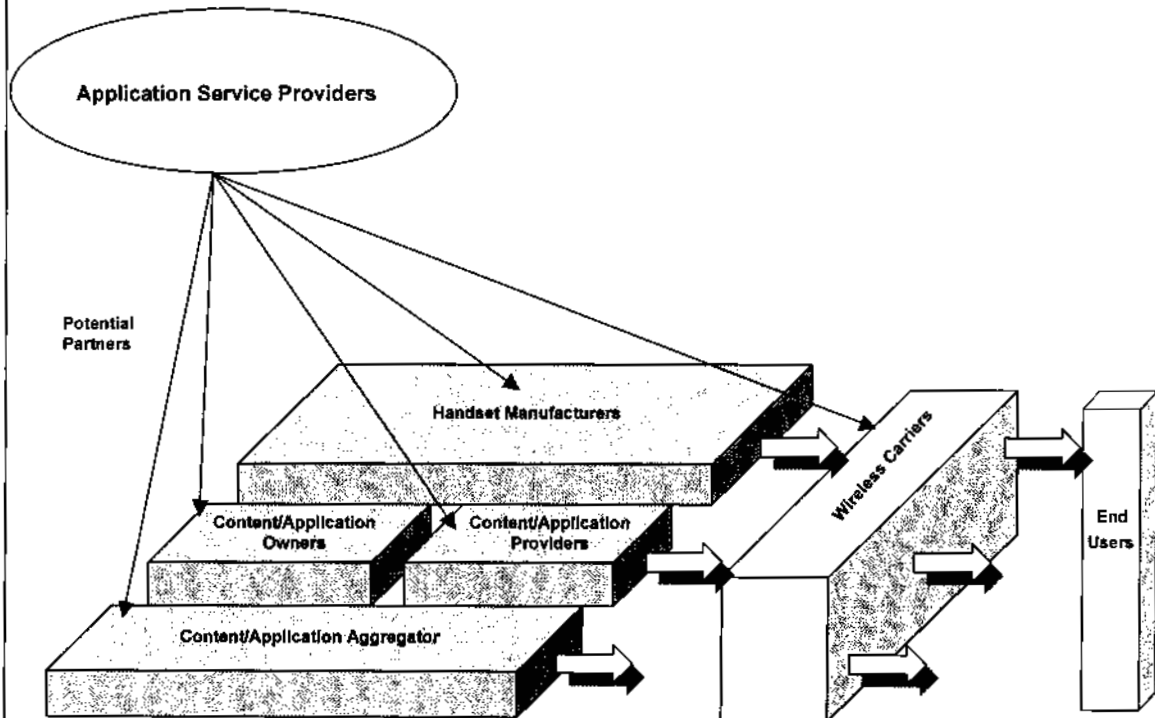
Nextnation's target customers are mobile content/application developers, corporate enterprises or advertising/media/marketers, who in turn target the end consumer.

Figure 1 shows the structure of the mobile industry with Application Service Providers who are suppliers of mobile application platforms. IDC specifically does not track the mobile Application Services Provider (mASP) market as it is a new industry, and therefore do not have market share rankings for this type of business. In this executive summary, IDC will explain the context of the wireless industry in which Nextnation operates in and assess the income attributed to wireless operators in Malaysia from Nextnation's customers i.e. the Content Providers who use Nextnation's application platform.

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

FIGURE 1

Structure of Mobile Content Industry



Source: IDC, 2005

A more detailed explanation of each of the players in Figure 1 is highlighted below.

- ☒ **Content/Application Owners.** This group is composed of multiple entities, including the following: Music companies such as Universal, Sony Music, Warner Chappel, BMG Music Publishing, and EMI. Media companies like CNN, AXN, CNBC and Reuters. Gaming companies (applications) like Taito, Konami, Sony, Nintendo, Sega, Wemade (Korea) and NCSOFT (Korea).
- ☒ **Content/Application Provider.** Many companies in the provider space build on the content/application owned by the Content/Application Owners group. They also include marketing functions in order to promote their content and applications. This group oftentimes works directly with carriers or in some cases with intermediaries (Content/Application Aggregators) to deploy content/applications across their networks. Members of this group create the ringtones, wallpaper and games development. Companies in Malaysia include AKN Mtech ('eBuzz' content), Gen-X ('Iguana Mobile and SMS Bunny' content) and Unreal Minds ('Shabox' content).

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- ☒ **Content/Application Aggregators.** Content/Application aggregators are a somewhat new concept, having been established to provide seamless services, content and applications to the customers. Aggregators also play to role to interface to Mobile carriers various networks and billing systems. In Malaysia, a number of content/application aggregators are in existence, including igMobile Holdings Berhad, Mobilemode, Macroiosk, Mobileway, UniMobile, Commz Gate and AKN Messaging. For example, mobile content/application aggregators such as Mobilemode host a variety of third party content and applications. The mobile content/application aggregator markets the content/application and acts as a billing intermediary between the service provider (carrier) and the content/application provider. Mobileway is also another global player that hosts applications (typically where concerns on security are minimal, e.g. infotainment) and provides a network to the different mobile operators around the world. Mobileway works together with IT vendors such as IBM to handle the technical deployment for global internet content/application providers seeking to extend their content/application to the mobile realm.
- ☒ **Mobile Carriers.** These are the mobile operators, which in Malaysia comprise of Celcom, Maxis and Digi. These carriers own the mobile infrastructure and are currently pursuing 2.5G and 3G network upgrades to deploy next-generation mobile services that include mobile data applications, allowing users to access types of content/application that are new to mobile but already familiar in the online world. Mobile games are a prime example of this type of content. Thus, as carriers transition to next-generation services, they will focus on creating new revenue streams by offering advanced mobile services and content/application as well as tapping into under-served markets, such as the youth market, in order to spur growth. Mobile carriers in Malaysia typically take 30%-50% of the mobile content fees billed to mobile users, the remainder goes to the content providers.
- ☒ **Device Manufacturers.** These are the mobile phone devices or handsets which are manufactured primarily by Nokia, Motorola, Samsung and SonyEricsson (to name a few). Today's mobile phones are advanced, color-screen and polyphonic devices which include some PDA-type of functions like calendar and address book. Newer devices run operating systems like Microsoft SmartPhone, Symbian and Palm OS. In addition to that they offer unique hardware-independent platforms, such as Java 2 Micro Edition (J2ME) and Binary Runtime Environment for Wireless (BREW) for downloading gaming applications and Bluetooth.

Types of content and applications that are using Nextnation's Mobile Application Platform

The list below shows some of the most popular mobile content and application services that are currently riding on Nextnation's technology platform:

- ☒ **Infotainment services:** Besides news and information provided by both local newspapers and international news providers such as Reuters, there is also a large amount of financial news and sports alerts, and news updates.

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

- ☒ Entertainment and lifestyle services: Besides the typical services such as jokes and horoscopes there is an increased focus on music, ring tones, and logo downloads, as well as adult entertainment and dating services.
- ☒ Messaging services: Such as email, chat, MMS chat, picture messaging. With mobile phones becoming the most important consumer item among young users, messaging represents a vital connection between key market players and this market group.
- ☒ Mobile gaming: Mobile customers are able to download and play arcade style games, wherever and whenever they want. These services have in recent months proven to be a key revenue generator for mobile operators and content providers. This includes SMS contests and TV SMS games.
- ☒ Mcommerce. Refers to all purchases of products and services that occur across a mobile data platform, such as GPRS, SMS, HSCSD, 3G or the basic 9.6Kbps mobile data platform, as a result of some interaction with the subscriber. Note that voice-recognition services that interact with the user and the Internet, on either the handset or the network, may be used to complete the purchase and are included in this definition as long as the wireless network is used. These purchases can range from movie tickets to content subscriptions.
- ☒ Commercial Mobile applications (e.g. ERM, CRM, Logistics, Business Alerts). These applications are for the enterprise market, and are seen as a 'wireless extension' of the enterprise. Functions such as sales force automation; inventory, product tracking (e.g. like a DHL parcel) and business alerts/reminders can be extended to the mobile device.

Market positioning

With the advent of mobile data communications, applications and content developers have a need in partnering with a credible and knowledgeable firms to assist them in their ongoing mobile strategies. Nextnation aims to be the provider of not only technology but integrated marketing and consulting services to these firms.

Nextnation's customers can be:

- ☒ Content aggregators
- ☒ Network Operators
- ☒ Gateway providers
- ☒ Corporate customers
- ☒ Retailers
- ☒ Content Developers/Providers

The company has expertise in mobile application design and development, enabling clients to deploy mobile consumer and enterprise solutions on the SMS platform. The

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

company has also developed EMS, MMS, WAP, JAVA, audio-related services, and J2ME compatible which operate on GSM, GPRS, 2.5G and 3G technologies.

Nextnation's main revenue source is the provisioning of its Applications and Content Development and Deployment platform (MINDCEP product) as a hosted service. All of its revenue in the fiscal year 2004 came from Malaysia.

Nextnation's marketing strategy is based on direct marketing, through the internet and web based search engines. It is also using word-of-mouth marketing and its partnerships with content developers and retailers offer it a broad range of contacts.

Nextnation's SWOT analysis is summarized below.

Strengths

- ☒ Nextnation is very focused on mobile applications and content development and deployment platform. As the company is still young, it is able to focus its developers on the mobile applications service provider business model without diversifying too much. It also has the ability to respond to market changes faster compared to traditional IT and networking equipment vendors.
- ☒ Offers its technology platform on a pay per use / revenue share model, allowing low start-up fees from its clients to justify business risks. In order for clients to purchase the mobile application platform up-front, it may incur high up-front fees. To sell it on a pay-per-use basis reduces the necessary capital spend up-front and allows the client to rent or lease the platform from Nextnation, allowing Nextnation to gain recurrent revenues.
- ☒ Nextnation offers not just a technology platform for the mobile services industry, but also marketing management services to share risks with its clients. As part of the mobile applications service platform, Nextnation offers its clients a marketing function, which increases the revenue share percentage for Nextnation as it takes up more risk for the client.

Weaknesses

- ☒ Knowledge of all the business processes may be limited to the founders and senior management, if they falter, so does the business. In the case of many small businesses, the senior management's role is to develop the middle management to run the operations efficiently. In the absence of senior management, the strategic and often-crucial decision making process may be halted.
- ☒ Nextnation's branding is not strong enough to enable it to compete in the enterprise market if IT vendors and network service providers are targeting the enterprise market. In the enterprise market segment, enterprises may not be confident of a smaller company. In their selection criteria, they may opt for more financially stable and 'proven' brand names like IBM Global Services to implement their mobile enterprise strategy. Nextnation may need to partner with these brand names in order to penetrate the enterprise market.

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

Opportunity

- ☒ The mobile market is growing. Subscribers have hit 14.6 million last year, and the premium content market (IDC terms this as 'Other Data' market) is growing by 31% (in revenues) CAGR from 2005-2009 (Source: IDC Wireless Tracker, April 2005). The mobile market worldwide and in the region is one of the faster growing telecommunications segments. This is due to the benefits of mobility and convenience of the mobile phone, which supersedes a fixed line phone.
- ☒ By pursuing a differentiation strategy of an Mobile Application Service Provider, it is not directly competing with content service providers (CSPs). Nextnation does not aim to own its own content, and therefore will not face the same problems that other CSPs who are building their own mobile applications services will face, such as potential for conflict of interest.
- ☒ First mover advantage in the application service provisioning will offer it a lead time to gather a 'mass market', as the consumer content market consolidates in the future. Revenues from the consumer space can then enable it grow into the enterprise market. The growth in the market is fueled by ringtones in the consumer space today. The smaller CSPs who want to compete with the major vendors have to cut costs and lower their business risk in order to compete. This creates an opportunity for a one-to-many market for Nextnation in offering their mobile applications services.
- ☒ Business and management consultation allow for it to grow into a mobile integrator for the enterprise and operator market. When the enterprise market adopts wireless technology to enhance its enterprise applications, Nextnation can offer enterprises integration services to enterprises based on its experience in the mobile industry. The opportunity to partner traditional System Integrators like CSA and Mesiniaga are also present.

Threats

- ☒ Once the mobile services market is large enough, competitors (by new entrants, existing competitors or even mobile operators) are most likely to mimic the functions of MINDCEP™.

15. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)

Market opportunity and share

In order to perceive the opportunity and market share of Nextnation, we need to understand the mobile subscriber and revenue market in 2004. In 2004, the total mobile subscribers reached 14.6 million, and RM11.6 billion in total revenues (voice and data). (Source: IDC Wireless Tracker, April 2005)

If we look at the data revenues in detail, they are split into 'Peer-to-Peer Messaging' and 'Other Data'.

Peer-to-Peer Messaging Trends

SMS is currently still the biggest non-voice revenue generator at 12% of total mobile revenues in 2004. Usage of SMS in recent years has been encouraging and SMS users rose to 8.5 million at the end of 2004, penetrating 58% of total mobile subscribers. In Malaysia, MMS is a smaller market, as it is available to selected handsets and GPRS subscribers.

Other Data Trends

In Malaysia, the market has seen an explosion of innovative Other Data services, mainly information-on-demand (IOD) services via SMS as well as downloads of ring tones and wallpaper, which comes with a fee.

Consumers are increasingly getting more sophisticated and demand for both voice and data mobility are increasing. This has pressured mobile operators to be more creative and innovative in order to deliver more sophisticated mobile services to stimulate flagging ARPU's, reduce churn rates, retain subscribers, increase subscription, and perhaps most importantly, differentiate their services from their competitors.

Except for basic services such as ring tone downloads and information services, usage of 'Other Data' traffic for mobile Internet, email and data transfer is minimal and is expected to remain so over the forecast period. Celcom and Maxis will have launched its 3G services at the time of publishing this prospectus. DiGi, which did not bid for a 3G license, has upgraded its network to EDGE, a 2.75G platform that supports downloading speeds of up to 384kbps.

At the end of 2004, Other Data users reached 1,279,792 and RM125.6 million in revenues. In 2004, the Nextnation Group contributed RM17 million (source: Nextnation, May 2005) to operators' 'Other Data' income. This translates to 13.5% of the operators' 'Other Data' income. Hence the content service providers who are using Nextnation's application platform do contribute to a sizable portion of the operators' 'Other Data' income.

15. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT AND THE LETTER THEREON (Cont'd)**

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