

16. STATUTORY AND GENERAL INFORMATION

16.1 Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company being ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Other than 4,800,000 of the Issue Shares reserved for eligible Directors, employees and business associates of the Nextnation Group as disclosed in Section 3.2 of this Prospectus:-
 - (a) there are at present no other schemes involving the Directors or employees in the share capital of the Company or its subsidiaries; and
 - (b) no person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of Nextnation or its subsidiaries.
- (iv) Save as disclosed in Sections 3.2, 5.2, 5.3 and 5.4 of this Prospectus, no shares, stocks or debentures in Nextnation or its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up for cash or otherwise, since the date of incorporation up to the Latest Practicable Date.
- (v) As at the Latest Practicable Date, the Group does not have any outstanding convertible debt securities.

16.2 Extracts of the Articles of Association of the Company

The following provisions are reproduced from the Company's Articles of Association ("Articles") and is qualified in its entirety by the provisions of the Articles of Association of the Company and by the applicable law:-

(i) Transfer of Shares

Article 24

Subject to the Act, these Articles, the Rules, the Central Depositories Act and the requirements of the Exchange, any member may transfer all or any of his shares by instrument in writing in the form prescribed and approved by the Exchange, the Act and/or the Central Depositories Act, as the case may be. The transfer of any securities or class of securities of the Company, shall be by way of book entry by Bursa Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act and any exemption from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Article 25

The instrument of transfer of any share of the Company shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered into the Register of Members and/or the Record of Depositors, as the case may be, in respect thereof.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 26

Subject to the Rules and the requirements of the Exchange, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Notice shall be given of such closure in accordance with the requirements of the Exchange.

Article 27

Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules.

Article 28

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of Bursa Depository in registering or acting upon a transfer of shares apparently made by a Member or any person entitled to the shares by reason of death, bankruptcy or insanity of a Member although the same may by reason of any fraud or other causes not known to the Company or the Directors or Bursa Depository or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor Member and the transferee be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor Member in the blank as to the name of the transferee, of the particulars of the shares transferred or otherwise in defective manner.

Article 29

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

(ii) Remuneration of Directors**Article 92**

- (a) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-
- (i) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by way of a commission on or percentage of profits or turnover; and
 - (ii) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (b) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.
 - (c) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.
 - (d) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
- (iii) **Borrowing Powers of Directors**

Article 98

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related company as may be thought fit.
- (b) The Directors may borrow or raise any such money as aforesaid, upon such terms and conditions in all respects as the Directors may think fit, upon or by the issue or sale of any bonds, debentures, debenture stocks or securities. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in the Company or any class authorized to be issued. The Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company, both present and future and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security and the directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realization thereof, or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.
- (c) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)**Article 99**

The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

(iv) Voting Powers of Directors**Article 111**

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote where:-

- (a) two (2) Directors form a quorum and only such a quorum is present at the meeting; or
- (b) only two (2) directors are competent to vote on the question in issue.

Article 112

The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles as the necessary quorum of Directors, the remaining Director or Directors except in an emergency, may act for the purpose of increasing the number of Directors to that minimum number or of summoning a general meeting of the Company but for no other purpose.

Article 113

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 114

Subject to these Articles, the Act and the requirements of the Exchange, a Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; provided always that the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 115

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat any decision is taken upon any contract or arrangement in which he is in any way interested provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Article 116

A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

(v) Alteration of Capital**Article 52**

The Company may by ordinary resolution :-

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

Article 53

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares or give financial assistance to any person for the purpose of acquiring shares in the Company. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

Article 54

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

(vi) Share Capital and Variation of Rights**Article 3**

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors subject to any ordinary resolution of the Company, may determine.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 8

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

16.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) No Director, key management or key technical personnel (as name herein) of the Company is or was involved in the following events:-
- a petition under any bankruptcy or insolvency laws to which was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director, key management or key technical personnel;
 - conviction in a criminal proceeding or a named subject of a pending criminal proceeding; or
 - the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business, practice or activity.
- (iv) Based on the Register of Directors of the Company as at the Latest Practicable Date, the Directors of the Company and their respective shareholdings, direct and indirect, in the shares of the Company immediately before and after the Issues are as follows:-

Name of Directors	Before the Issues				After the Issues			
	Direct		Indirect		Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Tey Por Yee	20,300	21.60	⁽¹⁾ 59,300	63.08	40,600	16.11	⁽¹⁾ 118,600	47.06
See Poh Yee	7,460	7.94	⁽²⁾ 56,700	60.32	14,920	5.92	⁽²⁾ 113,400	45.00
Tan Hui Ming	-	-	-	-	⁽³⁾ 500	0.20	-	-
Yap Siok Teng	-	-	-	-	⁽³⁾ 100	0.04	-	-
Natasha Binti Mohd. Zulkifli	-	-	-	-	⁽³⁾ 100	0.04	-	-

Notes:-

- Deemed interested by virtue of his direct substantial shareholdings in Smart Tower and Sphinx.
- Deemed interested by virtue of his direct substantial shareholdings in Smart Tower.
- Assuming full subscription of the Pink Form Allocation made available to them.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (v) Based on the Register of Substantial Shareholders as at the Latest Practicable Date, the substantial shareholders of the Company and their respective interests, direct and indirect, in the shares of the Company immediately before and after the Public Issue are as follows:-

Name of Directors	Before the Issues				After the Issues			
	Direct		Indirect		Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Tey Por Yee	20,300	21.60	⁽¹⁾ 59,300	63.08	40,600	16.11	⁽¹⁾ 118,600	47.06
See Poh Yee	7,460	7.94	⁽²⁾ 56,700	60.32	14,920	5.92	⁽²⁾ 113,400	45.00
Tey Por Chen	6,940	7.38	⁽¹⁾ 59,300	63.08	13,880	5.51	⁽¹⁾ 118,600	47.06
Smart Tower	56,700	60.32	-	-	113,400	45.00	-	-

Notes:-

- (1) Deemed interested by virtue of their direct substantial shareholdings in Smart Tower and Sphinx.
- (2) Deemed interested by virtue of his direct substantial shareholdings in Smart Tower.
- (vi) None of the Directors of the Company has any interest, direct or indirect, in the promotion of, or in any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of by or proposed to be leased to, the Company and its subsidiaries or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole, save as disclosed in Section 11.5 of this Prospectus.
- (vii) None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any contract or arrangement subsisting as at the date of the Prospectus, which is significant in relation to the business of the Company and its subsidiaries subsisting at the date of this Prospectus.
- (viii) None of the Directors have any existing or proposed service contracts with the Company or its subsidiaries.
- (ix) None of the Directors of the Company or key management or key technical personnel (as named herein) of the Group has any interest, direct or indirect, in any company carrying on a similar trade as the Company or any of its subsidiaries.

16.4 General

- (i) The nature of the business of the Group is as described under Sections 5.5 and 5.6 of this Prospectus. The corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act 1965 have been disclosed in Section 5.4 of this Prospectus.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (ii) The date and time of the opening of the Application Form of the Public Issue is as set out under Section 17.1 of this Prospectus.
- (iii) The amount payable in full on application is RM0.78 per Public Issue Share.
- (iv) The name and address of the Auditors are set out in Section 1 of this Prospectus
- (v) Save for the Acquisition of NN as disclosed in Sections 11.5 and 16.7 of this Prospectus, no assets have been acquired or proposed to be acquired by the Company or its subsidiaries in conjunction with the Public Issue.
- (vi) The aggregate expenses incidental to the listing of Nextnation is estimated at RM1.80 million and will be borne by the Company.
- (vii) Save as disclosed in Section 5.3 of this Prospectus, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
- (viii) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is as set out in Section 17.5 of this Prospectus.
- (ix) Save as disclosed in Section 9.2(iv) of this Prospectus, no amount or benefit paid or intended to be paid or given to any Promoters, Directors or substantial shareholders of Nextnation within the two (2) years preceding the date of this Prospectus.
- (x) Save as disclosed in this Prospectus, as at the Latest Practicable Date, the Company and its subsidiaries have not established a place of business outside Malaysia.
- (xi) Save as disclosed in this Prospectus, the Directors of the Company are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.
- (xii) Save as disclosed in this Prospectus, the financial conditions and operations of Nextnation and its subsidiaries are not affected by any of the following:-
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the liquidity of the Group increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from operations;
 - (d) increase in prices or volume of products sold or the introduction of new products; and
 - (e) known trends or uncertainties that have had or that the Group reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (xiii) Save for the underwriting commission, placement fee and brokerage referred to in Section 3.9 of this Prospectus, no commissions, discounts, brokerages or other special terms has been paid or payable by the Company and/or its subsidiaries for the preceding two (2) years from the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in or debentures of the Company and its subsidiaries and in connection with the sale or issue of any capital of the Company or any of its subsidiaries and no Director or proposed Director or Promoter or expert is or entitled to receive any such payment.
- (xiv) There is no amount or benefit paid or payable by Nextnation within the two (2) years preceding of the date of this Prospectus as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of Nextnation or its subsidiaries and no Director or Promoter or expert is or are entitled to receive any such commission.
- (xv) Save as disclosed in Section 7.5 of this Prospectus, Nextnation and its subsidiaries, as at the date of this Prospectus, do not have any loan capital outstanding or created or any convertible debt securities, mortgages or charges.
- (xvi) The Promoters will collectively exercise control over the Company and will hold 74.6% of the enlarged issued and paid-up share capital of Nextnation upon listing on the MESDAQ Market.
- (xvii) Save as disclosed in Section 5.3 of this Prospectus, no capital of the Group has been issued or is proposed to be issued as fully or partly paid-up for cash or otherwise than in cash within the two (2) years preceding the date of issue of this Prospectus.

16.5 Expenses and Commission

- (i) Underwriting commission is payable by the Company to the Underwriters at the rate of 1.5% of the Issue Price of RM0.78 per Public Issue Share on the Public Issue Shares being underwritten.
- (ii) Placement fee is payable by the Company to the Placement Agent at the rate of 1.5% of the Issue Price of RM0.78 per Public Issue Share.
- (iii) Brokerage at the rate of 1.0% of the Issue Price of RM0.78 per Public Issue Share is payable by the Company in respect of successful applications bearing the stamp of Affin Merchant, member companies of the Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.
- (iv) An estimated RM1.80 million in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up shares capital of Nextnation on MESDAQ Market will be borne by the Company.

16.6 Material Litigation

Save as disclosed in Section 7.5(iii) of this Prospectus, as at the Latest Practicable Date, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, which has a material and adverse effect on the financial position or business of the Group and the Directors of Nextnation have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Nextnation Group.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)**16.7 Material Contracts**

Save as disclosed below, there are no contracts which are material (not being contracts entered into the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by the Company and its subsidiaries within the two (2) years preceding the Latest Practicable Date:-

- (i) Underwriting Agreement dated 29 July 2005 entered into between Nextnation and the Underwriters, whereby the Underwriters agree to underwrite 8,000,000 ordinary shares of RM0.10 each in Nextnation at an underwriting commission of 1.5% of the Issue Price of RM0.78. Further details of the salient terms of the Underwriting Agreement is disclosed in Section 3.10 of this Prospectus;
- (ii) Placement Agreement dated 25 July 2005 whereby Nextnation had appointed Affin Merchant as the Placement Agent in respect of the Private Placement of 24,000,000 ordinary shares of RM0.10 each in Nextnation for a placement fees of 1.5% of the Issue Price of RM0.78 per Share;
- (iii) Sale and Purchase Agreement dated 8 October 2004 entered into between NN and Sinmah Resources Berhad for the acquisition of a unit of office identified as Unit No. F-3/3A, Block F, Phileo Damansara measuring approximately 2,167 square feet in area and held under Master Title no GM571 Lot 48017, Sek 39, Bandar Petaling Jaya SGB, Jalan Damansara Daerah Petaling and bearing postal address of Unit 503, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan for a purchase consideration of RM509,245. The quit rent, assessment, rates, maintenance fees, service fee and other charges shall be apportioned between the parties hereto upon vacant possession and the vendor indemnify and keep NN indemnified against any real property gain tax assessed to be paid by the Director General in respect of the said property;
- (iv) Sale and Purchase Agreement dated 23 November 2004 entered into between NN, Chong Wan Hong and Yong Phaik Suan for the acquisition of a unit of office identified as Unit No. F-6/6, Block F, Phileo Damansara measuring approximately 2,181 square feet in area and held under Master Title no GM571 Lot 48017, Sek 39, Bandar Petaling Jaya SGB, Jalan Damansara Daerah Petaling and bearing postal address of Unit 706, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan for a purchase consideration of RM497,000. The quit rent, assessment, rates, maintenance fees, service fee and other charges shall be apportioned between the parties hereto upon vacant possession and the vendors indemnify and keep NN indemnified against any real property gain tax assessed to be paid by the Director General in respect of the said property;
- (v) Tenancy Agreement dated 15 January 2004 entered into between NN and Gan Seng Holdings Sdn Bhd for the letting of an office space to NN at Unit 611, Block F, Pusat Perdagangan Phileo Damansara 1 for a monthly rental of RM3,250. The duration of the tenancy shall be for a period of twenty-four (24) months, thereafter may be renewed by for a further period of twenty-four (24) months at a monthly rental to be agreed upon between the parties;
- (vi) Tenancy Agreement dated 22 November 2004 entered into between NN and NTT MSC Sdn Bhd for the lease of the property known as Ground Floor and First Floor West Wing of NTT in No. 43000 Jalan APEC, 63000 Cyberjaya, Selangor for a monthly rental of RM500 from 22 November 2004 to 21 February 2005, and a monthly rental of RM5,400 from 22 February 2005 to 21 November 2005. The duration of the tenancy shall be for a period of twelve (12) months from 22 November 2004 and thereafter may be renewed by NTT for a term of twelve (12) months at a monthly rental to be agreed upon between the parties;

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (vii) Tenancy Agreement dated 11 March 2005 entered into between TAFU and Lee Siew Yong for the lease of the property known as Unit 605, Block F, Pusat Perdagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan for a total rental of RM91,200 payable in twenty-four (24) monthly instalments of RM3,800 each. The duration of the tenancy shall be for a period of twenty-four (24) months, thereafter may be renewed for a further period of twenty-four (24) months at a rental to be agreed upon between the parties;
- (viii) Deed of Trust dated 30 April 2004 entered into between NN and Tey Por Yee for the purchase of a motor vehicle. NN has requested Tey Por Yee to apply for and obtain a hire purchase facility of RM120,000 ("Facility") in the name of Tey Por Yee from Public Finance Berhad to part finance the purchase of the motor vehicle to hold in trust for NN. NN undertakes to promptly and diligently pay all monthly instalments under the Facility and indemnify Tey Por Yee against any loss, suit and/or liabilities that Tey Por Yee may howsoever suffer or incur arising from Tey Por Yee holding the said vehicle. Tey Por Yee shall deliver the registration card of the vehicle to NN as soon as it is released by Public Finance Berhad upon settlement of the final instalment of the vehicle;
- (ix) Deed of Trust dated 30 April 2004 entered into between NN and Tan Hui Ming for the purchase of a motor vehicle. NN has requested Tan Hui Ming to apply for and obtain a hire purchase facility of RM91,000 ("Facility") in the name of Tan Hui Ming from Hong Leong Finance Berhad to part finance the purchase of a unit of motor vehicle and to hold the same in trust for NN. NN undertakes to promptly and diligently pay all monthly instalments under the Facility and indemnify Tan Hui Ming against any loss, suit and/or liabilities that Tan Hui Ming may howsoever suffer or incur arising from Tan Hui Ming holding the said vehicle. Tan Hui Ming shall deliver the registration card of the vehicle to NN as soon as it is released by Hong Leong Finance Berhad upon settlement of the final instalment of the vehicle;
- (x) Deed of Trust dated 30 April 2005 entered into between NN and Tey Por Chen for the purchase of a motor vehicle. NN has requested Tey Por Chen to apply for and obtain a hire purchase facility of RM100,000 ("Facility") in the name of Tey Por Chen from Public Bank Berhad to part finance the purchase of a unit of motor vehicle and to hold the same in trust for NN. NN undertakes to promptly and diligently pay all monthly instalments under the Facility and indemnify Tey Por Chen against any loss, suit and/or liabilities that Tey Por Chen may howsoever suffer or incur arising from Tey Por Chen holding the said vehicle. Tey Por Chen shall deliver the registration card of the vehicle to NN as soon as it is released by Public Bank Berhad upon settlement of the final instalment of the vehicle;
- (xi) Sale and Purchase Agreement dated 29 April 2004 entered into between NN and Smart Quest Sdn Bhd for the acquisition of a unit of office identified as Unit No. F-9/8, 8th Floor, Phileo Damansara measuring approximately 2,181 square feet in area and held under Master Title and bearing postal address of Unit 909, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan for a consideration of RM490,725. The quit rent, assessment, rates, maintenance fees, service fee and other charges shall be apportioned between the parties hereto upon vacant possession and the vendor indemnify and keep NN indemnified against any real property gain tax assessed to be paid by the Director General in respect of the said property;

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (xii) Share Purchase Agreement dated 6 August 2004 entered into between the Promoters (being the vendors) and Nextnation (being the purchaser) for the entire issued and paid-up share capital of NN for a total purchase consideration of RM9,399,998 to be satisfied by the issuance of 9,399,998 ordinary shares of RM1.00 each in Nextnation at an issue price of RM1.00 each. On 5 March 2005, Tey Por Yee and Tey Por Chen collectively transferred 82,979 ordinary shares of RM1.00 each in NN to Sphinx with the consent of Nextnation. Subsequently, a Supplemental Share Purchase Agreement entered into on 27 April 2005 between the Promoters (being the original vendors), Sphinx (being the additional vendor) and Nextnation (being the purchaser) as a supplemental agreement to the main Share Purchase Agreement to provide for Sphinx to sell and transfer 82,979 ordinary shares of RM1.00 each in NN to Nextnation upon the similar terms and conditions of the main Share Purchase Agreement. The Acquisition of NN was completed on 28 April 2005;
- (xiii) Project and Partnership Agreement dated 28 October 2004 entered into between PT. Semesta Tirta Antara Raya ("PT STAR") and GI wherein GI will appoint project managers to oversee the entire operations of PT STAR by providing a range of technical assistance and management consultancy services with regards to design, development, research, administration, procurement, management, content sourcing, marketing, advertising and promotion of products provided by PT STAR. PT STAR will in turn establish a mobile gateway that will connect to all telecommunication companies in Indonesia. The agreement will be construed and interpreted in accordance with the laws of Indonesia;
- (xiv) Call Option Agreement dated 18 February 2005 entered into between Power Solution Group Limited ("PSG") and NN wherein PSG grants an irrevocable call option for a period of five (5) years to NN to purchase the remaining 49% of the shares in GI. The shares will be purchased at the per share basis valued at five (5) times the price earning multiple held by PSG at the time of the exercise of the call option;
- (xv) Shareholders' Agreement dated 18 February 2005 in relation to GI entered into between PSG and NN wherein NN will contribute to the design, development, research, administration, procurement, management, content sourcing, marketing, advertising and promotion of products developed as well as establishing a mobile gateway that connects to all telecommunication companies in the countries which GI will invest in. PSG will on the other hand contribute in to the business development and technical assistance and advisory with regards to international networking and telecommunication industry in countries that GI invests in. The agreement shall continue until terminated by sale by the shareholders of all their shareholding by mutual agreement or upon GI being liquidated; and
- (xvi) Shares Transfer Agreements all dated 28 March 2005 entered into between GI and Tey Por Chen, Jarin Sue-Ngarm and Marut Prayongravikoon for the transfer of 98,000 ordinary shares of Baht10 each in SW. The transfer comprises of Jarin Sue-Ngarm and Marut Prayongravikoon transferring 1 and 48,999 ordinary shares of Baht10 each in SW respectively to GI for a cash purchase consideration of Baht10 and Baht489,990 respectively. The transfer by Tey Por Chen of 49,000 ordinary shares of Baht10 each in SW was to effect the transfer of the said shares to GI whom Tey Por Chen was holding in trust for prior to the transfer.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

16.8 Material Agreements

Save as disclosed below, there are no other subsisting material agreements entered into by the Company or its subsidiaries in the ordinary course of business as at the Latest Practicable Date:-

- (i) Content Provider Access Agreement dated 4 September 2003 entered into between NN and DiGi for the provision of content to end users via DiGi's infrastructure. The duration of the agreement will be for a period of one (1) year and will be automatically renewed for a subsequent term of similar duration upon the same terms and conditions unless otherwise earlier terminated. The revenue derived is split between the parties on a revenue sharing basis as stated in DiGi's product catalogue of each specific product or as otherwise mutually agreed by both parties. Based on the product catalogue, the split is 70% for NN and 30% for DiGi. DiGi shall provide the content provider settlement reports pertaining to the usage of the content provided under the agreement and the report shall be given on a monthly basis. All equipment used by NN shall be in accordance with existing rules, regulations and standards that may be specified by DiGi from time to time. NN shall at DiGi's request, provide documents detailing the type and specifications of the equipment used no later than five (5) working days from the date of the request. NN shall at its own expense ensure that all equipment connected to DiGi's infrastructure are in accordance with existing technical requirements specified by DiGi;
- (ii) SMS Content Provider Agreement dated 1 June 2004 entered into between NN and Celcom for the provision of data, ring tone, logo, information, application and/or any other form of services to Celcom on a non-exclusive basis for a period of twelve (12) months. The duration of the agreement may be extended or renewed on request in writing to Celcom by NN not less than one (1) month from the date of the term and such renewal or extension shall be subject to Celcom's discretion. The revenue from the charges to be based on Mobile Terminating and be shared equally between Celcom and NN. All content provided by NN shall not be of fraudulent in nature, inaccurate, defamatory, scandalous, obscene in nature, improper or of such nature which contravenes any laws, rules or government regulations. NN shall indemnify Celcom as a result of infringement or alleged infringement by NN of any copyright, database right of the like protection in any part of the world in respect of the content to be provided by NN, or misuse of any confidential information, trade secrets or the like by NN by performing the agreement;
- (iii) Reverse Billing Agreement dated 11 November 2003 entered into between NN and eDimension Sdn Bhd ("eDimension") for the provision of the telecommunications, billing and other necessary infrastructure to eDimension. The duration of the agreement will be for a period of three (3) months and automatically renewed for a subsequent term of similar duration upon the same term and conditions unless otherwise earlier terminated. The revenue sharing is either 18% or 42% to NN depending on which party is doing the marketing or reselling;
- (iv) Agreement dated 4 June 2004 entered into between NN and P.T. Prima Lintas Utama Sentosa ("PLUS") for the provision of content and application to its customers in Indonesia via PLUS's infrastructure. The duration of the agreement will be for a period of one (1) year and automatically renewed for a subsequent term of similar duration upon the same term and conditions unless otherwise earlier terminated. The revenue sharing with PLUS is ranging from 70% to 80% to NN based on the net sales amount;
- (v) Partnership Agreement dated 2 July 2004 entered into between USAPE and Macro Kiosk for the usage of Macro Kiosk's premium/ reverse billing short message system service in Singapore. The duration of the agreement will be for a period of twenty-four months (24) and automatically renewed for a subsequent term of similar duration upon the same term and conditions unless otherwise earlier terminated. The revenue sharing with Macro Kiosk is ranging from 75% to 90% to USAPE based on the monthly revenue;

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (vi) Partnership Agreement dated 2 July 2004 entered into between USAPE and Macro Kiosk for the usage of Macro Kiosk's premium/ reverse billing short message system service in Malaysia. The duration of the agreement will be for a period of twenty-four (24) months and automatically renewed for a subsequent term of similar duration upon the same term and conditions unless otherwise earlier terminated. The revenue sharing with Macro Kiosk is ranging from 75% to 90% to USAPE based on the monthly revenue;
- (vii) Content Provider Agreement dated 1 October 2004 entered into between KE and Celcom to provide various chat, content download, contest and infor-service programs via Celcom's, WAP, MMS and website to the prepaid and postpaid customers of Celcom from 1 October 2004 for a period of twelve (12) months. The revenue from the charges to be based on Mobile Terminating and be shared equally between Celcom and KE. The duration of the agreement shall be terminated upon expiry. All content provided by KE shall not be of fraudulent in nature, inaccurate, defamatory, scandalous, obscene in nature, improper or of such nature which contravenes any laws, rules or government regulations. KE shall indemnify Celcom as a result of infringement or alleged infringement by KE of any copyright, database right of the like protection in any part of the world in respect of the content to be provided by KE, or misuse of any confidential information, trade secrets or the like by KE by performing the agreement;
- (viii) Content Provider Agreement dated 1 October 2004 entered into between DM and Celcom to provide various chat, content download, contest and infor-service programs via Celcom's SMS, WAP, MMS and website to the prepaid and postpaid customers of Celcom from 1 October 2004 for a period of twelve (12) months. The revenue from the charges to be based on Mobile Terminating and be shared equally between Celcom and DM. The duration of the agreement shall be terminated upon expiry. DM shall indemnify Celcom as a result of infringement or alleged infringement by DM of any copyright, database right of the like protection in any part of the world in respect of the content to be provided by DM, or misuse of any confidential information, trade secrets or the like by DM by performing the agreement;
- (ix) External Content Provider Aggregator dated 1 February 2005 entered into between NN and Maxis to provide messaging products/services to its customers via Maxis' direct transmission links by way of SMS, MMS, WAP via GPRS or CSD. The duration of the agreement will be for a period of one (1) year from 1 February 2005 and NN may request for an extension for a period of one (1) year, such request to be made at least sixty (60) days prior to the expiry of the initial term. The transaction fees split with is 30%-40% for Maxis and 60% to 70% for NN. Such extension shall be subject to the same terms and conditions contained in the agreement and subject to such fees as may be mutually agreed between the parties. Charges for the provision of services by Maxis shall be settled by NN within thirty (30) days from the date of invoice. NN to inform Maxis three (3) weeks prior to the launch of any new/additional services;

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16. STATUTORY AND GENERAL INFORMATION (Cont'd)

(x) The details of banking facilities agreements entered into the Group are as follows:-

Borrower	Financier	Type of Facility	Facility Amount RM'000	Security Documents
NN	Hong Leong Bank Berhad	Term Loan	392	(a) Letter of Offer dated 23 April 2004; (b) Facilities Agreement dated 30 June 2004; (c) Letter of Guarantee by Tey Por Yee, Tey Por Chen and See Poh Yee dated 3 June 2004; (d) Power of Attorney dated 27 August 2004 in favour of Hong Leong Bank Berhad; and (e) Deed of assignment dated 27 August 2004 in favour of Hong Leong Bank Berhad in relation to the land measuring approximately 2,181 square feet in area and held under Master Title no GM571 Lot 48017, Sek 39, Bandar Petaling Jaya SGB, Jalan Damansara Daerah Petaling and bearing postal address of Unit 909, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.
NN	Hong Leong Bank Berhad	Term Loan	392	(a) Letter of Offer dated 25 October 2004; (b) Facilities Agreement dated 23 December 2004; (c) Letter of Guarantee by Tey Por Yee and See Poh Yee dated 26 November 2004; (d) Power of Attorney dated 23 December 2004 in favour of Hong Leong Bank Berhad; and (e) Deed of assignment dated 23 December 2004 in favour of Hong Leong Bank Berhad in relation to the land measuring approximately 2,167 square feet in area and held under Master Title no GM571 Lot 48017, Sek 39, Bandar Petaling Jaya SGB, Jalan Damansara Daerah Petaling and bearing postal address of Unit 503, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

Borrower	Financier	Type of Facility	Facility Amount RM'000	Security Documents
NN	Hong Leong Bank Berhad	Term Loan	392	(a) Letter of Offer dated 4 January 2005; (b) Facilities Agreement dated 18 March 2005; (c) Letter of Guarantee by Tey Por Yee and See Poh Yee dated 19 January 2005; (d) Power of Attorney dated 18 March 2005 in favour of Hong Leong Bank Berhad; and (e) Deed of assignment dated 18 March 2005 in favour of Hong Leong Bank Berhad in relation to the land measuring approximately 2,181 square feet in area and held under Master Title no GM571 Lot 48017, Sek 39, Bandar Petaling Jaya SGB, Jalan Damansara Daerah Petaling and bearing postal address of Unit 706, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.
TM	Malayan Banking Berhad	Bank Guarantee	1,000	(a) Letter of Offer dated 7 December 2004; (b) Letter of set-off; and (c) Memorandum of deposit
DP	Malayan Banking Berhad	Bank Guarantee	1,000	(a) Letter of Offer dated 21 December 2004; (b) 100% third party fixed deposit receipt under the name of Tey Por Chen to be placed as and when the bank guarantee is utilised; (c) letter of set-off; and (d) memorandum of deposit
PO	Malayan Banking Berhad	Bank Guarantee	1,000	(a) Letter of Offer dated 21 December 2004; (b) letter of set-off; and (c) memorandum of deposit

16. STATUTORY AND GENERAL INFORMATION (Cont'd)**16.9 Insurance Policies**

As at the Latest Practicable Date, NN has purchased the following types of insurance policies:-

Location	Insurer	Type (Period)	Sum insured (RM)
Unit 503, Block F, Phileo Damansara 1, 9 Jalan 16/11, 46350 Petaling Jaya, Selangor	AXA Affin Assurance Berhad ("AXA")	Fire insurance (18.11.2004 to 17.11.2005)	200,000
		Burglary insurance (18.11.2004 to 17.11.2005)	100,000
Unit 605, Block F, Phileo Damansara 1, 9 Jalan 16/11, 46350 Petaling Jaya, Selangor	AXA	Fire insurance (18.11.2004 to 17.11.2005)	200,000
		Burglary insurance (18.11.2004 to 17.11.2005)	100,000
Unit 611, Block F, Phileo Damansara 1, 9 Jalan 16/11, 46350 Petaling Jaya, Selangor	American Home Assurance Company Malaysia ("AIG")	Fire insurance (20.7.2005 to 19.7.2006)	200,000
		Burglary insurance (20.7.2005 to 19.7.2006)	80,000
Unit 706, Block F, Phileo Damansara 1, 9 Jalan 16/11, 46350 Petaling Jaya, Selangor	AXA	Fire insurance (18.11.2004 to 17.11.2005)	200,000
		Burglary insurance (18.11.2004 to 17.11.2005)	100,000
Unit 909, Block F, Phileo Damansara 1, 9 Jalan 16/11, 46350 Petaling Jaya, Selangor	AIG	Fire insurance (20.7.2005 to 19.7.2006)	200,000
		Burglary insurance (20.7.2005 to 19.7.2006)	80,000
NTT Data Center, server room 1 (rack b2 and b4) and server room 4 (rack a2 - lowest quarter), No. 43000 Jalan APEC, 63000 Cyberjaya	AIG	Electronics equipment insurance (22.7.2005 to 21.7.2006)	250,000

16.10 Public Take-overs

During the last financial year and the current financial year up to the Latest Practicable Date, there were no:-

- (i) public take-over offers by third parties in respect of the Company's and its subsidiaries' shares; and
- (ii) public take-over offers by the Group in respect of other companies' shares.

16.11 Letters of Consent

- (i) The written consents of the Adviser, Sponsor, Underwriters, Placement Agent, Solicitors, Principal Banker, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and its letter relating to the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of IDC to the inclusion in this Prospectus of its name, the executive summary of the independent market research report and the extractions of any of its independent market research report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16. STATUTORY AND GENERAL INFORMATION (Cont'd)

16.12 Responsibility Statements

This Prospectus has been seen and approved by the Directors and Promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Affin Merchant, being the Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue and the Group.

16.13 Documents Available for Inspection

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of Nextnation;
- (ii) The Directors' Report and Accountants' Report referred to in Sections 12 and 13 of this Prospectus;
- (iii) The Reporting Accountants' Letter relating to the Proforma Consolidated Balance Sheets as at 30 April 2005 included in Section 14 of this Prospectus;
- (iv) Executive summary of the independent market research report prepared by IDC included in Section 15 of this Prospectus;
- (v) The IDC Report;
- (vi) The audited financial statements of NN for the five (5) financial period/years ended 30 April 2005;
- (vii) The audited financial statements of Nextnation, NC, TAFFU, PO, DP, GM, USAPE, KE, DM, NI, GI, CW and OP for the period ended 30 April 2005;
- (viii) Correspondences in relation to the material litigation referred to in Section 7.5(iii) of this Prospectus;
- (ix) Material contracts and material agreements referred to in Sections 16.7 and 16.8 of this Prospectus; and
- (x) Letters of consent referred to in Section 16.11 of this Prospectus.