THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER IMMEDIATELY.

TIME™

TIME DOTCOM BERHAD

(Company No. 413292-P)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO

PART A

(I) PROPOSED ACQUISITIONS BY TIME DOTCOM BERHAD ("TdC") OF:

(A) 100% EQUITY STAKES IN GLOBAL TRANSIT COMMUNICATIONS SDN BHD ("GTC") FROM PULAU KAPAS VENTURES SDN BHD FOR A PURCHASE CONSIDERATION OF RM102,000,000, TO BE FULLY SETTLED VIA THE ISSUANCE OF 28,732,394 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH;

(B) 100% EQUITY STAKES IN GLOBAL TRANSIT LIMITED ("GTL") FROM MEGAWISRA SDN BHD, HALFMOON BAY CAPITAL LIMITED, ACCURATE GAIN PROFITS LIMITED, CONTINUUM CAPITAL SDN BHD AND NICHOLAS LIM PING FOR A PURCHASE CONSIDERATION OF RM101,000,000, TO BE FULLY SETTLED VIA THE ISSUANCE OF 17,070,421 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH AND A CASH PAYMENT OF RM40,400,000;

(C) 100% EQUITY STAKES IN GLOBAL TRANSIT ENTITIES FROM GLOBAL TRANSIT INTERNATIONAL SDN BHD FOR A CASH CONSIDERATION OF RM1.00 EACH; AND

(D) 100% EQUITY STAKES IN AIMS GROUP FROM MEGAWISRA SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM119,000,000 TO BE FULLY SETTLED VIA THE ISSUANCE OF 20,112,676 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH AND A CASH PAYMENT OF RM47,600,000,

(COLLECTIVELY, "PROPOSED ACQUISITIONS");

(II) PROPOSED CAPITAL REPAYMENT OF RM50,615,500 REPRESENTING RM0.02 PER EXISTING TdC SHARE TO THE ENTITLED SHAREHOLDERS OF TdC PURSUANT TO SECTIONS 60 AND 64 OF THE COMPANIES ACT, 1965 ("PROPOSED CAPITAL REPAYMENT");

(III) PROPOSED CAPITAL RESTRUCTURING COMPRISING:

(A) PROPOSED CAPITAL REDUCTION OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF TdC VIA THE CANCELLATION OF RM0.90 OF THE PAR VALUE OF EACH TdC SHARE PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("PROPOSED CAPITAL REDUCTION");

(B) PROPOSED SET-OFF OF TdC'S SHARE PREMIUM ACCOUNT AGAINST THE ACCUMULATED LOSSES OF TdC; AND

(C) PROPOSED SHARE CONSOLIDATION OF 2,530,775,000 TdC SHARES OF PAR VALUE OF RM0.10 EACH (AFTER THE PROPOSED CAPITAL REDUCTION) INTO 506,155,000 TdC SHARES OF PAR VALUE OF RM0.50 EACH IN TdC, ON THE BASIS OF FIVE (5) TdC SHARES OF PAR VALUE OF RM0.10 EACH INTO ONE (1) TdC SHARE OF RM0.50 EACH;

(COLLECTIVELY, "PROPOSED CAPITAL RESTRUCTURING");

(IV) PROPOSED EXEMPTION FOR MEGAWISRA SDN BHD ("MEGAWISRA") AND THE PERSONS ACTING IN CONCERT WITH MEGAWISRA (COLLECTIVELY, "PAC GROUP") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY GENERAL OFFER FOR THE REMAINING TdC SHARES WHICH ARE NOT ALREADY HELD BY THEM ARISING UPON COMPLETION OF THE PROPOSED ACQUISITIONS PURSUANT TO PARAGRAPH 16 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("PROPOSED PAC GROUP EXEMPTION");

(V) PROPOSED EXEMPTION FOR MEGAWISRA FROM THE OBLIGATION TO UNDERTAKE A MANDATORY GENERAL OFFER FOR THE REMAINING TdC SHARES WHICH ARE NOT ALREADY HELD BY IT ARISING FROM THE COMPLETION OF THE PROPOSED ACQUISITIONS PURSUANT TO PARAGRAPH 16 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("PROPOSED MEGAWISRA EXEMPTION"),

(THE PROPOSED PAC GROUP EXEMPTION AND THE PROPOSED MEGAWISRA EXEMPTION ARE COLLECTIVELY REFERRED TO AS "PROPOSED EXEMPTIONS"); AND

(VI) PROPOSED AMENDMENT TO TdC'S MEMORANDUM OF ASSOCIATION TO FACILITATE THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT AND PROPOSED CAPITAL RESTRUCTURING ("PROPOSED AMENDMENT")

(THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING, PROPOSED EXEMPTIONS AND PROPOSED AMENDMENT ARE COLLECTIVELY REFERRED TO AS THE "PROPOSALS").

PART B

INDEPENDENT ADVICE CIRCULAR FROM PUBLIC INVESTMENT BANK BERHAD TO TdC'S NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS, PROPOSED EXEMPTIONS, PROPOSED CAPITAL REPAYMENT AND PROPOSED CAPITAL RESTRUCTURING

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Advised by:

CIMB

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser

PUBLIC INVESTMENT BANK BERHAD (20027-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Public Bank Berhad)

Independent Valuer

pwc

PwC Capital Sdn Bhd (676054-V)

The Notice of Extraordinary General Meeting ("**EGM**") and the Form of Proxy for the EGM are set out in this Circular. Our EGM will be held as follows:

Date and time of the EGM	:	Tuesday, 22 November 2011 at 10.00 a.m. or at any adjournment thereof
Venue of the EGM	:	Ballroom 1 and 2, Grand Dorsett Subang Hotel (formerly Sheraton Subang Hotel & Towers), Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Last date and time for lodging the Proxy Form	:	Sunday, 20 November 2011 at 10.00 a.m.

This Circular is dated 25 October 2011

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise:

10^{th} Malaysia Plan	:	The 10^{th} Malaysia plan 2011-2015
20% Condition	:	Condition pursuant to the SC's letter dated 30 September 2008, as described in Section 3.2.9, Part A of this Circular
Abdul Kadir	:	Abdul Kadir Md Kassim
Accurate Gain Profits	:	Accurate Gain Profits Limited
Acquiree Companies	:	GTC, GTL, Global Transit Entities and AIMS Group collectively
Act	:	Companies Act, 1965
Afzal	:	Afzal Abdul Rahim
AIMS Cyberjaya	:	AIMS Cyberjaya Sdn Bhd
AIMS Data Centre	:	AIMS Data Centre Sdn Bhd, a wholly owned subsidiary of TAAG
AIMS Data Centre 2	:	AIMS Data Centre 2 Sdn Bhd
AIMS Group	:	TAAG, AIMS Data Centre 2 and AIMS Cyberjaya (which are each individually held by Megawisra), collectively
Audit Committee	:	Audit committee of our Company
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
CIMB	:	CIMB Investment Bank Berhad
CMA	:	Communications and Multimedia Act, 1998
Code	:	The Malaysian Code of Take-overs and Mergers, 2010
Continuum Capital	:	Continuum Capital Sdn Bhd
DCF	:	Discounted cash flow
Director	:	Director of TdC, and "**Directors**" shall be construed accordingly
EAC-C2C Cable System	:	A submarine telecommunications cable system interconnecting several countries in Asia
EGM	:	Extraordinary general meeting
Elakumari	:	Elakumari Kantilal
EPS	:	Earnings per share
Fair Market Value	:	The approximate price at which an asset or a business would change hands between a willing buyer and a willing seller in the open market under a fully competitive bid situation, neither under any compulsion to buy or to sell, and both having reasonable knowledge of the relevant facts
FRS	:	Financial Reporting Standards
GDP	:	Gross domestic product
Global Transit Entities	:	GTS and GTHK, collectively
GTC	:	Global Transit Communications Sdn Bhd

GTC SPA	:	A conditional sale and purchase agreement dated 6 October 2008 between GTI and PKV for the acquisition by PKV of 2,000,000 shares of RM1.00 each in GTC (increased from 500,000 shares due to an allotment and issuance of 1,500,000 new ordinary shares of RM1.00 each in GTC to GTI on 19 December 2008 to set-off against the sum owed by GTC to GTI), representing one hundred percent (100%) equity stake in GTC, from GTI for a purchase consideration of RM48.2 million to be fully settled via the issuance of 48,200,000 new shares in PKV and a deferred consideration of up to RM128 million that would be payable by PKV to GTI upon GTI meeting certain conditions, as described in Section 3.2.9, Part A of this Circular
GTHK	:	Global Transit (Hong Kong) Limited
GTI	:	Global Transit International Sdn Bhd
GTL	:	Global Transit Limited
GTL Vendors	:	Megawisra, Halfmoon Bay, Accurate Gain Profits, Continuum Capital and Nicholas Lim Ping, collectively, and "**GTL Vendor**" shall be construed accordingly
GTS	:	Global Transit Singapore Pte Ltd
Halfmoon Bay	:	Halfmoon Bay Capital Limited
ICT	:	Information and communications technology
IDA	:	Info-communications Development Authority of Singapore
ISP	:	Internet service provider
IT	:	Information technology
KNB	:	Khazanah Nasional Berhad
KWAP	:	Kumpulan Wang Persaraan (Diperbadankan)
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Main Market	:	Main Market of Bursa Securities
Maybank	:	Maybank International (L) Ltd
MCMC	:	Malaysian Communications and Multimedia Commission
Megat Hisham	:	Megat Hisham Hassan
Megawisra	:	Megawisra Sdn Bhd
Megawisra Investments	:	Megawisra Investments Ltd
MoAs	:	MoA 1 and MoA 2, collectively
MoA 1	:	Memorandum of agreement between Megawisra and our Company dated 15 November 2010 that embodies the principal agreed terms of the Proposed Acquisition of GTC, Proposed Acquisition of the Global Transit Entities and the Proposed Acquisition of AIMS Group
MoA 2	:	Memorandum of agreement between the GTL Vendors and our Company dated 15 November 2010 that embodies the principal agreed terms of the Proposed Acquisition of GTL
MyIX	:	Malaysia Internet Exchange
NA	:	Net assets

NBI	:	National Broadband Initiative
New TdC Share	:	Ordinary shares of RM0.50 each fully paid-up in TdC, issued after the Proposed Capital Restructuring, and "**New TdC Shares**" shall be construed accordingly
NL	:	Net liabilities
PAC Group	:	Megawisra and the persons acting in concert with Megawisra, namely KNB, UEMG, PKV, Pulau Tiga Ventures Sdn Bhd, Continuum Capital, GTI, Megawisra Investments, Afzal and Te-Shen
Participation Interest	:	GTL's undivided share and interest in the common infrastructure and the shared fibre pairs of the Unity cable system equivalent to ten percent (10%) of the total capacity in the Unity cable system
PAT	:	Profit after tax
PBT	:	Profit before tax
PERS	:	Private Entity Reporting Standards
PIVB	:	Public Investment Bank Berhad
PKV	:	Pulau Kapas Ventures Sdn Bhd
PKV Shareholders' Agreement	:	A shareholders' agreement dated 6 October 2008 between KNB, GTI and PKV to govern the relationship between KNB and GTI pursuant to their joint investment in GTC and our Company through PKV, and supplemented by supplemental shareholders' agreements dated 25 November 2009 and 6 December 2010 respectively, as described in Section 3.2.9, Part A of this Circular
Proposals	:	Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring, Proposed Exemptions and Proposed Amendment collectively
Proposed Acquisitions	:	Proposed Acquisition of GTC, Proposed Acquisition of GTL, Proposed Acquisitions of Global Transit Entities and Proposed Acquisition of AIMS Group collectively
Proposed Acquisition of AIMS Group	:	Proposed acquisitions of one hundred percent (100%) equity stakes in TAAG, AIMS Data Centre 2 and AIMS Cyberjaya respectively by our Company from Megawisra for a total purchase consideration of RM119,000,000 to be fully settled via the issuance of 20,112,676 New TdC Shares at an issue price of RM3.55 each and a cash payment of RM47,600,000
Proposed Acquisition of GTC	:	Proposed acquisition of one hundred percent (100%) equity stakes in GTC by our Company from PKV for a purchase consideration of RM102,000,000, to be fully settled via the issuance of 28,732,394 New TdC Shares at an issue price of RM3.55 each
Proposed Acquisition of GTL	:	Proposed acquisition of one hundred percent (100%) equity stakes in GTL by our Company from the GTL Vendors for a purchase consideration of RM101,000,000, to be fully settled via the issuance of 17,070,421 New TdC Shares at an issue price of RM3.55 each and a cash payment of RM40,400,000
Proposed Acquisitions of Global Transit Entities	:	Proposed acquisition of one hundred percent (100%) equity stakes in the Global Transit Entities by our Company from GTI for a cash consideration of RM1.00 each

Proposed Amendment	:	Proposed amendment to our Company's Memorandum of Association to facilitate the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring as set out in Section 3.5, Part A of this Circular
Proposed Capital Reduction	:	Proposed reduction of TdC's existing issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 TdC Shares via the cancellation of RM0.90 of the par value of each TdC Share pursuant to Section 64 of the Act
Proposed Capital Repayment	:	Proposed capital repayment of RM50,615,500 representing RM0.02 per existing TdC Share to entitled shareholders of TdC
Proposed Capital Restructuring	:	Proposed Capital Reduction, Proposed Share Premium Reduction and Proposed Share Consolidation, collectively
Proposed Dispensation	:	An application by GTI for a dispensation of the 20% Condition, which dispensation was granted by the SC on 19 September 2011, subject to disclosure in the independent advice circular in relation to the Proposed Exemptions that shareholders' approval for the Proposed Exemptions will allow GTI to take control of TdC due to the Proposed Exercise of the Call Options
Proposed Exemptions	:	Proposed Megawisra Exemption and Proposed PAC Group Exemption, collectively
Proposed Exercise of the Call Options	:	Proposed partial exercise of the call options by GTI to acquire some of the existing shares in PKV held by KNB, as described in Section 3.2.9, Part A of this Circular
Proposed Megawisra Exemption	:	Proposed exemption for Megawisra from an obligation to undertake a mandatory general offer for the remaining TdC Shares which are not already held by it arising from the completion of the Proposed Acquisitions pursuant to paragraph 16 of Practice Note 9 of the Code
Proposed PAC Group Exemption	:	Proposed exemption for the PAC Group from an obligation to undertake a mandatory general offer for the remaining TdC Shares which are not already held by them arising from the completion of the Proposed Acquisitions pursuant to paragraph 16 of Practice Note 9 of the Code
Proposed Share Consolidation	:	Proposed share consolidation of 2,530,775,000 TdC Shares of RM0.10 each in TdC after the Proposed Capital Reduction into 506,155,000 TdC Shares, on the basis of five (5) TdC Shares of RM0.10 each in TdC into one (1) TdC Share of RM0.50 each in TdC
Proposed Share Premium Reduction	:	Proposed set-off of TdC's share premium account against the accumulated losses of TdC
PwC Capital	:	PricewaterhouseCoopers Capital Sdn Bhd
SC	:	Securities Commission of Malaysia
Purchase Consideration	:	The purchase consideration payable by our Company for the Proposed Acquisitions, as set out in Section 3.2.6(i), Part A of this Circular
Record of Depositors	:	A record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd
SBO	:	Services-Based Operator
Share Consideration	:	Portion of the Purchase Consideration to be settled via the issuance of New TdC Shares, which New TdC Shares are to be issued after the Proposed Capital Repayment and the Proposed Capital Restructuring
SME	:	Small medium enterprises

SMI	:	Small medium industries
SPA 1	:	Conditional sale and purchase agreement dated 6 December 2010 between our Company and PKV for the Proposed Acquisition of GTC, as amended by letters of agreement dated 24 February 2011 and 14 March 2011
SPA 2	:	Conditional sale and purchase agreement dated 6 December 2010 between our Company and the GTL Vendors for the Proposed Acquisition of GTL, as amended by letters of agreement dated 24 February 2011 and 14 March 2011
SPA 3	:	Conditional sale and purchase agreement dated 6 December 2010 between our Company and GTI for the Proposed Acquisitions of Global Transit Entities
SPA 4	:	Conditional sale and purchase agreement dated 6 December 2010 between our Company and Megawisra for the Proposed Acquisition of AIMS Group, as amended by letters of agreement dated 24 February 2011 and 14 March 2011
SPAs	:	SPA 1, SPA 2, SPA 3 and SPA 4, collectively
TAAG	:	The AIMS Asia Group Sdn Bhd
TAAG Group	:	TAAG and its subsidiaries, namely AIMS Data Centre Pte Ltd, AIMS Data Centre and Information Edge Sdn Bhd, collectively
TdC	:	TIME dotCom Berhad
TdC Shares	:	Ordinary shares in TdC, and "**TdC Share**" shall be construed accordingly
TdC SPA	:	A conditional sale and purchase agreement dated 6 October 2008 between KNB and PKV for the acquisition by PKV of 760,209,826 TdC Shares, representing thirty point zero four percent (30.04%) equity stake in our Company, from KNB for a purchase consideration of RM114,943,724 or RM0.15 per share to be fully settled through the issuance of 76,020,981 new shares in PKV and 38,922,743 redeemable preference shares in PKV, as described in Section 3.2.9, Part A of this Circular
Te-Shen	:	Gan Te-Shen
TEB	:	TIME Engineering Berhad
TEB OFS	:	Renounceable offer for sale by TEB of up to 626,181,720 TdC Shares representing TEB's entire equity stake in TdC to TEB's shareholders at an offer price of RM0.53 per offer share, on the basis of eight (8) offer shares for every ten (10) ordinary shares in TEB held as at 5 July 2011
UBS	:	UBS Securities Malaysia Sdn Bhd
UEMG	:	UEM Group Berhad
Unity cable system	:	A submarine telecommunications cable system stretching approximately 9,620km from Japan to the US
Unity Cable System Agreement	:	The joint build agreement dated 23 February 2008 between GTL, Bharti Airtel Limited, Google Cable Bermuda Ltd, KDDI Corporation, Pacnet Limited and Singapore Telecommunications Limited
US	:	United States of America
VWAP	:	Volume-weighted average market price

CURRENCY

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
USD	:	United States Dollars, the lawful currency of the US
HKD	:	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region
SGD	:	Singapore Dollars, the lawful currency of the Republic of Singapore

TECHNICAL TERMS

3G	:	3^{rd} generation
carrier-neutral data centre	:	A neutral facility used to house computer systems and associated components, such as telecommunications, servers and storage systems focused in providing interconnectivity between providers, which does not favour one carrier over another and provides equal access to all
Gbps	:	Gigabits per second
HSPA	:	High speed packet access
IP	:	Internet protocol
IPLC	:	International private leased circuits
IP Transit	:	A service of allowing network traffic to cross or "transit" a computer network, usually used to connect an ISP to the internet
LTE	:	Long term evolution
Mbps	:	Megabits per second
Mobile Number Portability Platform	:	A platform which enables mobile telephone users to retain their mobile telephone numbers when changing from one mobile telecommunication network operator to another
Tbps	:	Terabits per second

FINANCIAL RATIOS

Current ratio	:	Total current assets divided by total current liabilities
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Gearing	:	Total interest bearing borrowings divided by NA
Gross EPS	:	Profit before taxation divided by the number of ordinary shares
Gross LPS	:	Loss before taxation divided by the number of ordinary shares
NA per share	:	NA divided by the number of ordinary shares
NL per share	:	NL divided by the number of ordinary shares
Net EPS	:	Profit after taxation divided by the number of ordinary shares
Net LPS	:	Loss after taxation divided by the number of ordinary shares
Net gearing	:	Total borrowings less total cash and cash equivalents divided by NA

All references to "**our Company**" and "**the Company**" in this Circular are to TdC. References to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and where the context requires, shall include our subsidiaries.

All references to "**you**" in this Circular are to the shareholders of our Company.

For practical reasons, information disclosed in this Circular has been mainly based on a cut-off date of 19 October 2011, being the latest practicable date before the printing of this Circular ("**LPD**"), unless stated otherwise.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference to "**par value**" in this Circular shall also mean "**nominal value**", and vice versa.

Any discrepancy in the tables between the amounts listed and the totals in this Circular are due to rounding.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect our current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and we do not undertake any obligation to update publicly or revise any forward-looking statements.

Our Board's expectations of the performance of the Acquiree Companies and the benefits derived from the Proposed Acquisitions are forward looking in nature, and are thus subject to uncertainties and contingencies. Although our Board holds that its expectations are reasonable at this point in time given the prevailing circumstances, there can be no certainty that such expectations will materialise.

The proforma financial effects of the Proposals in this Circular are prepared purely for illustration and do not reflect the future financial performance and condition of our Company and/or our Group after the Proposed Acquisitions.

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CONTENTS

PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS

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PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS

TIME DOTCOM BERHAD
(Company No. 413292-P)
(Incorporated in Malaysia under the Act)

Registered office:

Level 4, No. 14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

25 October 2011

Board of Directors:

Abdul Kadir Md Kassim *(Non-Independent Non-Executive Director and Chairman)*
Elakumari Kantilal *(Non-Independent Non-Executive Director)*
Ronnie Kok Lai Huat *(Senior Independent Non-Executive Director)*
Balasingham A. Namasiwayam *(Independent Non-Executive Director)*
Afzal Abdul Rahim *(Non-Independent Executive Director and Chief Executive Officer)*
Megat Hisham Hassan *(Non-Independent Executive Director and Chief Operating Officer)*

To our Shareholders

Dear Sir/Madam

Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring, Proposed Exemptions and Proposed Amendment

1. INTRODUCTION

On 15 November 2010, CIMB had, on behalf of our Board, announced that our Company had on the same day entered into two (2) memoranda of agreement ("**MoAs**") with Megawisra and the GTL Vendors respectively, for the following proposals:

(i) the proposed acquisition of one hundred percent (100%) equity stake in GTC for a purchase consideration of RM106,000,000, to be fully settled via the issuance of approximately 29.86 million New TdC Shares;

(ii) the proposed acquisition of one hundred percent (100%) equity stake in GTL, for a purchase consideration of RM105,000,000, to be settled via the issuance of approximately 14.79 million New TdC Shares and a cash payment of RM52,500,000;

(iii) the proposed acquisitions of one hundred percent (100%) equity stake in GTHK and GTS respectively, for a cash consideration of RM1.00 each; and

(iv) the proposed acquisition of AIMS Group comprising:

  (a) one hundred percent (100%) equity stake in AIMS Data Centre 2;

  (b) one hundred percent (100%) equity stake in TAAG; and

  (c) one hundred percent (100%) equity stake in AIMS Cyberjaya,

  for a total purchase consideration of RM128,000,000 to be settled through the issuance of approximately 25.24 million New TdC Shares and a cash payment of RM38,400,000.

Please note the following:

(1) For the avoidance of doubt, under the MoA entered into with Megawisra in respect of GTC and Global Transit Entities, Megawisra has agreed to procure the sale of GTC by PKV, and the sale of Global Transit Entities by GTI. Consequently, SPA 1 (herein defined) was entered into by PKV, agreeing to sell the entire equity stakes in GTC, which are registered in the name of PKV. Further, SPA 3 (herein defined) was entered into by GTI agreeing to sell the entire equity stakes in the Global Transit Entities, which are registered in the name of GTI.

(2) For further avoidance of doubt, the proposed acquisition of one hundred percent (100%) equity stake in TAAG includes the entire registered and beneficial interest of the shares in AIMS Data Centre Pte Ltd. However, due to its financial and business dependency on TAAG, AIMS Data Centre Pte Ltd is consolidated into the books of TAAG.

CIMB had, on behalf of our Board further announced, on the same day, that our Board has resolved to undertake the following proposals:

(i) a proposed capital repayment of RM50,615,500 representing RM0.02 per TdC Share to entitled shareholders of our Company; and

(ii) a proposed capital restructuring comprising:

  (a) a proposed reduction of our Company's existing issued and paid-up share capital of RM2,530,775,000 comprising of 2,530,775,000 TdC Shares of RM1.00 each via a cancellation of RM0.90 of the par value of each TdC Share pursuant to Section 64 of the Act;

  (b) a proposed set-off of our Company's share premium account against the accumulated losses of our Company; and

  (c) a proposed share consolidation of 2,530,775,000 TdC Shares of RM0.10 each after the Proposed Capital Reduction, into 506,155,000 New TdC Shares, on the basis of five (5) TdC Shares of RM0.10 each into one (1) New TdC Share of RM0.50 each.

CIMB had further announced on the same day that GTI intends to partially exercise its call options pursuant to the PKV Shareholders' Agreement and upon the exercise of such call options and completion of the Proposed Acquisitions, Megawisra and its persons acting in concert will be deemed to have triggered a mandatory take-over obligation in accordance with the Malaysian Code on Take-overs and Mergers, 1998 and the 20% Condition to acquire all TdC Shares not already held by them. Megawisra and its persons acting in concert intend to seek a waiver from the SC under Practice Note 2.9.1 of the Malaysian Code on Take-overs and Mergers, 1998 from having to undertake a mandatory general offer on TdC Shares not held by them upon the exercise of such call option and completion of the Proposed Acquisitions.

On 6 December 2010, CIMB had announced, on behalf of our Board, that our Company had entered into four (4) conditional sale and purchase agreements with the following parties:

(i) PKV, for the Proposed Acquisition of GTC;

(ii) the respective GTL Vendors, for the Proposed Acquisition of GTL;

(iii) GTI, for the Proposed Acquisitions of the Global Transit Entities; and

(iv) Megawisra, for the Proposed Acquisition of AIMS Group,

for their respective equity stakes in the Acquiree Companies.

On 24 February 2011, CIMB had announced, on behalf of our Board, that, with respect to the SPAs:

(i) our Company, PKV and Megawisra (in respect to the Proposed Acquisition of GTC and the Proposed Acquisition of AIMS Group respectively) had mutually agreed that the time period to mutually agree to revise the Purchase Consideration is fixed to expire on 21 March 2011, as opposed to a twenty (20) business days period from the completion of our Company's due diligence exercise on the Acquiree Companies as originally provided under the relevant SPAs;

(ii) our Company, PKV, Megawisra and Nicholas Lim Ping (in respect to the Proposed Acquisition of GTC, the Proposed Acquisition of GTL and the Proposed Acquisition of AIMS Group) mutually agreed that the time period within which our Company is to confirm in writing to PKV, GTL Vendors and Megawisra respectively whether or not our Company is satisfied with the results of the due diligence exercise on the Acquiree Companies is on or before 21 March 2011, as opposed to the period of ten (10) business days after completion of the due diligence exercise on the Acquiree Companies as originally provided in the relevant SPAs; and

(iii) there is no variation to SPA 3.

On 15 March 2011, CIMB had announced, on behalf of our Board, that pursuant to the completion of the due diligence exercise undertaken on the Acquiree Companies, and an independent valuation undertaken by PwC Capital, the following letters of agreement which are supplemental to the respective SPAs were executed:

(i) a letter of agreement executed by TdC and PKV on 15 March 2011 whereby the parties have agreed that the Proposed Acquisition of GTC will be for a purchase consideration of RM102,000,000, to be fully settled via the issuance of 28,732,394 New TdC Shares;

(ii) a letter of agreement executed by TdC and GTL Vendors on 15 March 2011 whereby the parties have agreed that the Proposed Acquisition of GTL will be for a purchase consideration of RM101,000,000, to be fully settled via the issuance of 17,070,421 New TdC Shares and a cash payment of RM40,400,000; and

(iii) a letter of agreement executed by TdC and Megawisra on 15 March 2011 whereby the parties have agreed that the Proposed Acquisition of the AIMS Group will be for a purchase consideration of RM119,000,000 to be fully settled via the issuance of 20,112,676 New TdC Shares and a cash payment of RM47,600,000.

On 30 March 2011, CIMB had announced, on behalf of TdC, that an application to Bursa Securities has been submitted for the following:

(i) the Proposed Share Consolidation;

(ii) the listing of and quotation for the entire issued and paid-up share capital of TdC comprising 506,155,000 consolidated TdC Shares on the Main Market of Bursa Securities (after the Proposed Share Consolidation); and

(iii) additional listing and quotation of 65,915,491 new ordinary shares of RM0.50 each in TdC to be issued pursuant to the Proposed Acquisitions on the Main Market of Bursa Securities.

On 10 June 2011, CIMB had announced, on behalf of TdC, that Bursa Securities has, via its letter dated 9 June 2011, approved the following:

(i) Proposed Share Consolidation;

(ii) the listing of and quotation for 65,915,491 new ordinary shares of RM0.50 each in TdC to be issued pursuant to the Proposed Acquisitions on the Main Market;

subject to the following conditions:

(a) TdC and its adviser must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;

(b) TdC and its adviser to inform Bursa Securities upon completion of the Proposals;

(c) TdC to incorporate Bursa Securities' comments on the circular to shareholders;

(d) TdC to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;

(e) TdC to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals; and

(f) TdC or its adviser is also required to make the relevant announcements pursuant to paragraph 13.10(2) of the Listing Requirements.

On 30 June 2011, CIMB had announced, on behalf of TdC, that, referring to TdC's announcement dated 6 December 2010 which states, amongst others, that the Proposed Acquisitions shall be subject to the fulfilment (or waiver) of certain conditions precedent within seven (7) months from the date of the SPAs, i.e. 5 July 2011 or cut-off date. TdC and the respective vendors have mutually agreed that the cut-off date is to be fixed on 14 November 2011.

On 20 September 2011, CIMB had announced, on behalf of our Board, that our Company had, on even date, received a letter from Megawisra stating that:

(i) following the completion of the TEB OFS and based on TdC's announcements on 2 August 2011 and 5 August 2011, TEB confirmed that it ceased to be a shareholder of TdC and UEMG confirmed that it directly held 312,458,851 TdC Shares representing twelve point three five percent (12.35%) equity stake in TdC;

(ii) on the basis of the announcements made by TdC referred to in paragraph (i) above:

    (a) prior to the completion of the Proposed Acquisitions, the PAC Group will collectively hold more than thirty three percent (33%) but less than fifty percent (50%) of the voting shares of TdC; and

    (b) following the completion of the Proposed Acquisitions, the shareholding of the PAC Group will increase by more than two percent (2%) of the voting shares in TdC within a period of six (6) months (i.e from forty two point three nine percent (42.39%) to forty seven point three five percent (47.35%));

(iii) in addition, following the completion of the Proposed Acquisitions, Megawisra's direct and indirect shareholding in our Company (through GTI, its wholly owned subsidiary and PKV) will increase from thirty point zero four percent (30.04%) to thirty five point nine four percent (35.94%);

(iv) accordingly, both Megawisra, as an individual entity, as well as the PAC Group, will, pursuant to the Code, be required to undertake a general offer for the remaining voting shares of TdC which are not already held by Megawisra and the PAC Group respectively, upon the completion of the Proposed Acquisitions, unless exemptions are obtained under paragraph 16 of Practice Note 9 of the Code;

(v) therefore, both Megawisra, as an individual entity, and the PAC Group intend to apply for and obtain exemptions under paragraph 16 of Practice Note 9 of the Code to fulfill a condition precedent in each of the SPAs;

(vi) with regards to the Proposed Dispensation (the details of which are set out in Section 3.2.9, Part A of this Circular), which is a condition precedent under paragraph 8 of the Second Schedule of the respective SPAs, the SC has, pursuant to its letter dated 19 September 2011, dispensed with the 20% Condition subject to "*... disclosure in the independent advice circular in relation to the Proposed Exemptions under Paragraph 16 of Practice Note 9 of the Code, that shareholders' approval of the Proposed Exemptions will allow GTI to take control of TdC due to the Proposed Exercise of the Call Options.*" Accordingly, the said condition precedent has been met, subject to the disclosure in the independent advice circular;

(vii) in the same letter, SC also concurred as follows:

(a) the subscription of the offer shares and the subscription for excess shares by UEMG under the TEB OFS are not deemed as disqualifying transactions under paragraph 16.4 of Practice Note 9 of the Code (as explained further in Section 3.2.8, Part A of this Circular);

(b) the Proposed Exercise of the Call Options by GTI (the details of which are explained in Section 3.2.9, Part A of this Circular) is not deemed as a disqualifying transaction under paragraph 16.4 of Practice Note 9 of the Code subject to our non-interested shareholders being informed of the fact that when our non-interested shareholders approve the Proposed Exemptions, they are aware that:

(1) Megawisra (via GTI) will own fifty one percent (51%) in PKV pursuant to the Proposed Exercise of the Call Options;

(2) both the PAC Group (as a group) and Megawisra (as an individual entity) will trigger mandatory take-over offer obligations under the Code to acquire all the remaining TdC Shares not already owned by them upon the completion of the Proposed Exercise of the Call Options and the Proposed Acquisitions. However, the following factors represented by Megawisra to the SC indicate that Megawisra could be given an exemption by the SC from having to undertake a mandatory offer:

- Megawisra remains the leader before and after the Proposals;
- GTI (which Megawisra controls) did not pay a premium for the TdC Shares (which it will acquire through PKV);
- the relationship between KNB and GTI which makes them persons acting in concert was established since 2008; and

- no single member of the PAC Group would increase its equity stake in TdC to more than fifty percent (50%) upon completion of the Proposed Exercise of the Call Options;

(c) TEB is not deemed as a party acting in concert for the purposes of the Proposed Acquisitions, subject to TEB not owning or acquiring any shares in TdC prior to the completion of the Proposed Acquisitions.

Please note as follows:

(1) Pursuant to an earlier consultation by Megawisra with the SC which was subsequently announced by TdC on 24 March 2011, it was concluded that KNB and GTI are both part of the PAC Group collectively holding fifty four point seven eight percent (54.78%) voting shares in TdC for the purposes of the Proposed Acquisitions. With the completion of the TEB OFS, the PAC Group holds forty two point three nine percent (42.39%) voting shares in TdC.

(2) According to paragraph 9 of Part III of the Code, a mandatory offer shall apply to an acquirer where the acquirer and/or persons acting in concert with it has obtained thirty three percent (33%) voting shares in a company or more than two percent (2%) voting shares in any six (6) month period if the acquirer and/or persons acting in concert with it holds more than thirty three percent (33%) voting shares but less than fifty percent (50%) voting shares in a company.

Following from the matters referred to in the relevant announcements above:

(i) subject to Ordinary Resolutions 2 and 3 being approved, Megawisra and the PAC Group will respectively apply to the SC to seek the Proposed Exemptions; and

(ii) the condition precedent for the Proposed Acquisitions as set out in Section 3.2.6 (x)(g) of this Circular has been met subject to the disclosures referred to in paragraph (vii)(b) above in the independent advice circular.

Please refer to Section 3.2.8, Part A of this Circular for further details of the Proposed Exemptions.

UBS was appointed on 1 October 2010 as financial adviser to assist our Board in evaluating the Acquiree Companies based on the financial information available as at 30 June 2010, prior to the Board making its decision on the Proposed Acquisitions. The presentation given by UBS was solely for the Board, and was not to be published. Subsequently, PwC Capital was appointed on 15 December 2010 to provide an independent valuation to the independent Board members and present their valuation letter to the shareholders of TdC. Please refer to PwC Capital's valuation letter dated 21 October 2011 as set out in Appendix X of this Circular.

We have also appointed PIVB as the independent adviser on 15 November 2010 for the following:

(i) to advise both our non-interested Directors and non-interested shareholders on the Proposed Acquisitions as required by the Listing Requirements, as the Proposed Acquisitions are related party transactions;

(ii) to advise both our non-interested Directors and non-interested shareholders on the Proposed Exemptions as required by the Code; and

(iii) to provide independent advice to the shareholders of our Company in relation to the Proposed Capital Repayment and Proposed Capital Restructuring for the benefit of the shareholders of our Company.

The purpose of this Circular is to provide you with the details of the Proposed Acquisitions, the Proposed Capital Repayment, the Proposed Capital Restructuring, the Proposed Exemptions and the Proposed Amendment and to seek your approval for the resolutions in relation to the Proposed Acquisitions, the Proposed Capital Repayment, the Proposed Capital Restructuring, the Proposed Exemptions and the Proposed Amendment to be tabled at the forthcoming EGM to be convened. The notice of the EGM and the Proxy Form are enclosed in this Circular.

Details of the Proposed Dispensation are included in Section 3.2.9, Part A of this Circular for your information only.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE INDEPENDENT ADVICE CIRCULAR FROM PIVB (AS SET OUT IN PART B OF THIS CIRCULAR) IN RELATION TO THE PROPOSALS BEFORE VOTING ON THE RESOLUTIONS TO BE TABLED AT OUR FORTHCOMING EGM.

YOU MUST ALSO NOTE THAT WITH THE SHAREHOLDERS' APPROVAL FOR THE PROPOSED EXEMPTIONS, GTI WILL OWN 51% IN PKV DUE TO THE PROPOSED EXERCISE OF THE CALL OPTIONS, WHICH WILL ALLOW MEGAWISRA TO OBTAIN CONTROL OF TdC BY VIRTUE OF MEGAWISRA CONTROLLING MORE THAN THIRTY THREE PERCENT (33%) OF THE EQUITY OF TdC (I.E. THIRTY FIVE POINT NINE FOUR PERCENT (35.94%)), AND THAT BOTH THE PAC GROUP AS A WHOLE AND MEGAWISRA INDIVIDUALLY WILL TRIGGER MANDATORY OFFER OBLIGATIONS UNDER THE CODE PURSUANT TO THE PROPOSED EXERCISE OF THE CALL OPTIONS AND THE PROPOSED ACQUISITIONS. PLEASE REFER TO SECTION 3.2.8 HEREIN FOR FURTHER DETAILS.

2. RATIONALE FOR THE PROPOSALS

Our Company is a data-centric fixed line telecommunications player in Malaysia. With our fiber optic network spanning across peninsular Malaysia and parts of Sabah and Sarawak, the business of our Group is anchored on our wholesale and corporate market segments, supplemented by our presence in the SME and consumer market segments.

Our Group embarked on a business turnaround initiative in October 2008 with the introduction of a new management team. Having recorded revenue growth and earnings enhancement since the second quarter of 2009, our Group is now taking steps to expand our presence in the telecommunications value chain, diversify into new income streams within the industry, and grow our customer base outside Malaysia, all in an effort to further strengthen our future revenue and earnings growth. The telecommunications value chain comprises groupings of business activities starting from builders of the telecommunications infrastructure, infrastructure owners, infrastructure operators to providers of telecommunication services such as data centres, managed services, etc. Further, the value chain for the industry also expands from Malaysian-based versus international telecommunication infrastructure owners and operators. Today, our Group's business is focused upon being a Malaysian-based infrastructure owner and operator and we are taking steps to expand our businesses to related activities that can be combined to improve our offerings.

The Proposed Acquisitions will create a platform for the growth of the TdC Group in the regional telecommunications industry by:

(i) entering the international submarine cable business;

(ii) tapping into a regional wholesale customer base and strengthening our Group's presence in the global bandwidth business by accessing international bandwidth at asset owner prices, and enabling the provision of IP Transit services; and

(iii) diversifying into the high-growth data centre and managed services businesses.

Upon completion of the Proposed Acquisitions, our Company will be able to integrate our domestic network with GTC and GTL's domestic and international networks respectively and, together with the data centres operated by AIMS Group, will be able to produce a more complete range of services for our existing and potential customers, thereby relieving customers from dealing with multiple parties and instead being able to hold one party accountable for their telecommunication and managed data services requirements. The effective integration of these solutions are expected to lead to benefits such as expansion in customer base, economies of scale and cost savings.

2.1 Rationale for the Proposed Acquisition of GTC

GTC is in the business of providing international bandwidth services such as International Private Leased Circuits ("**IPLC**") and IP Transit services to Malaysian as well as regional carriers and service providers. GTC owns and operates a global network that connects multiple data centres around the world (such as AIMS Data Centre in Malaysia, MEGA-iAdvantage in Hong Kong, One Wilshire in Los Angeles, Equinix and Global Switch in Singapore) and peering points in Singapore, Hong Kong and the US.

Our Group expects to tap into GTC's global network to enhance service offerings to our customers as well as take advantage of the economies of scale when both companies' IP requirements are combined after the completion of the Proposed Acquisitions.

Our Group also expects to expand our wholesale customer base to include regional service providers that are currently being serviced by GTC, and to provide end-to-end services across both networks.

A key growth area that our Group intends to take advantage of is the aggregation of traffic from Indo-China transiting through Malaysia and Singapore and destined for North Asia and the US.

2.2 Rationale for the Proposed Acquisition of GTL

In 2008, GTL, together with Google Cable Bermuda Ltd of the US, Bharti Airtel Limited of India, KDDI Corporation of Japan, Pacnet Limited of Hong Kong and Singapore Telecommunications Limited of Singapore, procured the construction of the Unity cable system.

The construction of the Unity cable system, which has an initial design capacity of 4.8Tbps, costs approximately USD300 million and was initiated in February 2008. It was completed and delivered in March 2010. Under the Unity Cable System Agreement, GTL has an undivided share and interest in the common infrastructure and the shared fibre pairs of the Unity cable system equivalent to ten percent (10%) of the total capacity in the Unity cable system ("**Participation Interest**"). GTL's portion of construction cost of the Unity cable system amounts to approximately USD30 million.

The Unity cable system has an estimated life span of between twenty (20) to twenty-five (25) years and is depreciated over a span of fifteen (15) years, in accordance with GTL's depreciation policy and which is consistent with other industry players' practices. GTL's Participation Interest entitles GTL to the right to use approximately 480Gbps of the Unity cable system's capacity, and this can potentially be increased to approximately 1Tbps.

The Proposed Acquisition of GTL will allow our Group to use our own submarine cable assets or participate in network exchange arrangements with other cable systems and access capacity to other routes at minimal cost, which in turn lowers cost of sales, thus improving our profit margins. As a submarine cable asset owner, our Group's bargaining position will significantly improve when negotiating with other cable owners for capacity on other routes around the globe.

2.3 Rationale for the Proposed Acquisitions of the Global Transit Entities

GTS holds a SBO (Individual) Licence for international simple resale services, resale of leased circuits, public internet access and internet exchange services from the Info-Communications Development Authority of Singapore. GTS currently has minimal operations.

Moving forward, GTS is an important component of the business development plans of GTC and GTL focused on South East Asia. GTS provides the Singapore presence and with its SBO licence, GTS is a strategic vehicle to facilitate the procurement and trading of bandwidth with international and domestic operators. Without the SBO licence in Singapore, GTS will not be able to re-sell telecommunication services in Singapore. Hence, the SBO licence, which is already in hand, will minimise delays for our Group in penetrating the market in Singapore through GTS.

GTHK holds a SBO (Individual) licence, which allows GTHK to provide external telecommunications services and international value-added network services in Hong Kong, from the Office of the Telecommunications Authority, Hong Kong. As at 30 September 2011, as published on the website of the Office of the Telecommunications Authority, Hong Kong, there are two hundred and thirty seven (237) entities that hold a SBO licence for international value-added network services operators. *(Source: Website of the Office of the Telecommunications Authority in Hong Kong, http://www.ofta.gov.hk/en/tele-lic/operator-licensees/sbo-ivans-isp.html).* Although GTHK has yet to commence operations, it will be of strategic value to GTC and GTL to penetrate the North Asia telecommunications market. As GTHK already holds this SBO licence, our Group will be able to penetrate the market without delays and without having to submit an application for a new licence.

2.4 Rationale for the Proposed Acquisition of AIMS Group

The AIMS Group owns and operates a carrier-neutral data centre in Malaysia. Since 2000, the AIMS Group has positioned itself as one of the interconnection points for telecommunications in Malaysia. To-date, the AIMS Group hosts approximately two hundred (200) carriers and service providers in its facility in Kuala Lumpur.

The AIMS Group's data centre business comprises the following segments:

(i) the provision of hosting and co-location services to a predominantly regional customer base;

(ii) the provision of managed services which include the operation and maintenance of servers and routers for its customers; managed hosting which includes managed security (the operation and maintenance of firewalls and intrusion detection systems, anti-spam etc for its customers) and managed storage (the operation and maintenance of storage space for customers' servers); and enabling Infrastructure-as-a-Service (provision of virtual servers and the operation and maintenance of the virtual machines) to local and regional corporations; and

(iii) the provision of interconnection services between carriers and service providers.

The Proposed Acquisition of AIMS Group will allow our Group to enter into the fast growing hosting and co-location businesses and supplement our existing revenue streams. We believe that this strategy would allow us to derive immediate benefits from our investment as the AIMS Group is fully operational. The Proposed Acquisition of AIMS Group also provides us with an opportunity to inherit AIMS Group's experience of over ten (10) years in the data centre business in Malaysia.

Our Group also expects to benefit from an expanded market base as a result of the Proposed Acquisition of AIMS Group. AIMS Group, as a carrier-neutral data centre provides the customers with choice of carriers and connectivity options to meet their requirements from a single facility. To ensure the network neutrality of this business, our Group intends to operate the AIMS Group separately from our other businesses, with a separate management team reporting directly to our Board.

2.5 Rationale for the Proposed Capital Repayment

After taking into account our Group's distribution track record to our shareholders and feedback from shareholders, our Board is of the view that our Company should reward our shareholders with a token of appreciation for their patience and continued loyalty by returning part of our shareholders' investment in our Company by way of the Proposed Capital Repayment.

2.6 Rationale for the Proposed Capital Restructuring

The Proposed Capital Restructuring would serve to rationalise our Group's balance sheet by writing-off part of the share capital that is unrepresented by available assets. As at 31 December 2010, our Company has an issued and paid up share capital of RM2,530,775,000 and share premium of RM1,570,758,000 whilst our Group's total assets only amount to RM1,435,733,000. The Proposed Capital Restructuring will result in a reduction of our Company's paid-up share capital to RM253,077,500 and share premium to RM685,827,000, which will be more reflective of the Group's asset values. Further the Proposed Capital Restructuring will also result in an elimination of the Group's accumulated losses which may place the Company in a better position to pay dividends in the future.

Our Board is of the view that as part of our on-going efforts to strengthen the capital structure of our Company, it is imperative that the accumulated losses be eliminated and the par value of RM1.00 in each TdC Share be reduced to RM0.50 each pursuant to the Proposed Capital Restructuring. The Proposed Share Consolidation is intended to improve the attractiveness of TdC Shares to value-based investors and remove our Company from unnecessary speculation and volatility which does not yield long term benefits to our Company's shareholders. The Proposed Capital Restructuring is expected to enable the balance sheet to be more reflective of available assets within our Group and to be more conducive for growth and providing returns to shareholders.

2.7 Rationale for the Proposed Exemptions

The Proposed Exemptions are sought as it is not the intention of Megawisra nor the PAC Group to undertake any take-over offers as a result of the Proposals. The grant of the Proposed Exemptions constitutes one of the conditions precedent for the Proposals (save for the Proposed Capital Restructuring and Proposed Amendment) as described in Section 11, Part A of this Circular.

2.8 Rationale for the Proposed Amendment

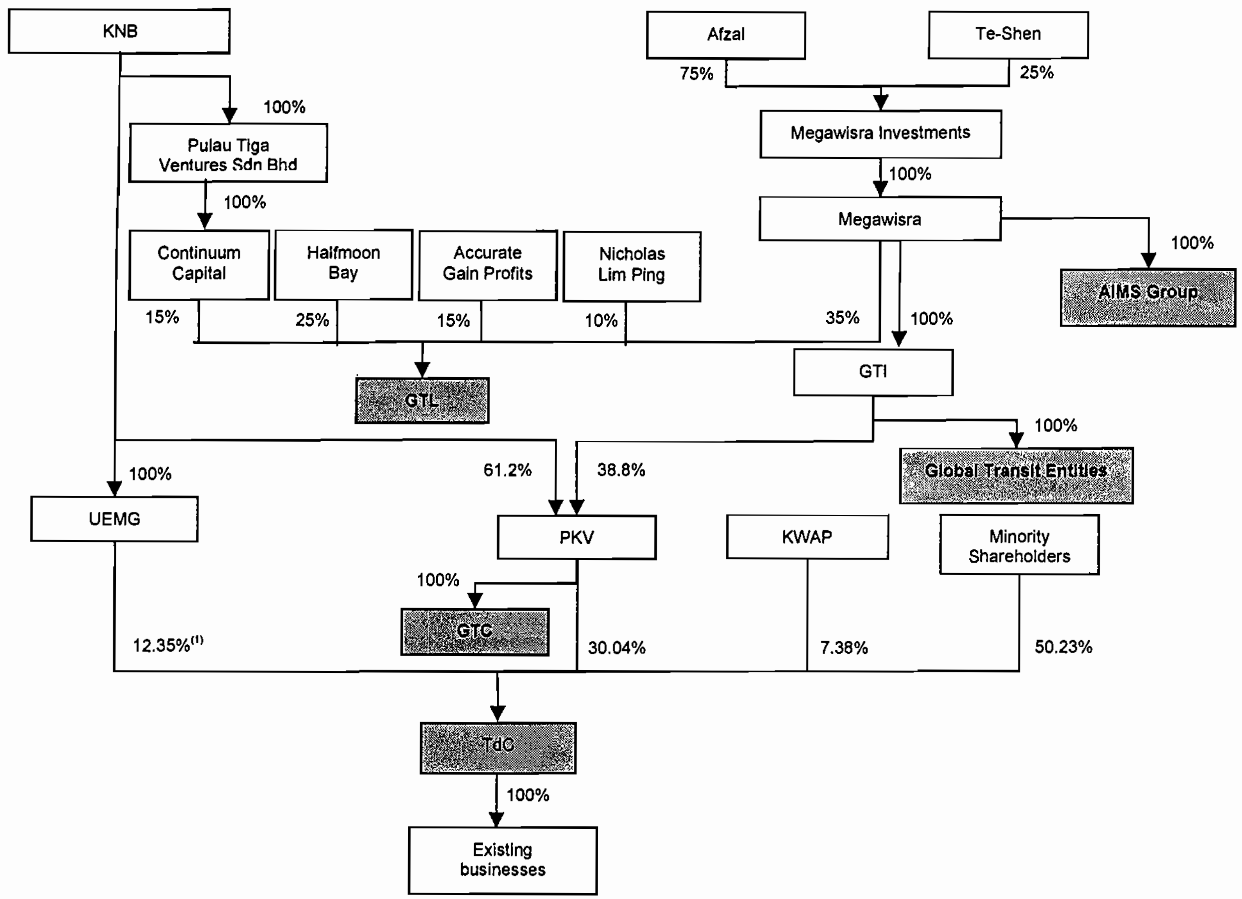
The rationale for the Proposed Amendment is to give effect to the Proposed Capital Reduction and Proposed Share Consolidation and reflect the new par value of the ordinary shares of our Company upon implementation of the Proposed Capital Reduction and Proposed Share Consolidation.

3. DETAILS OF THE PROPOSALS

3.1 Corporate Structure

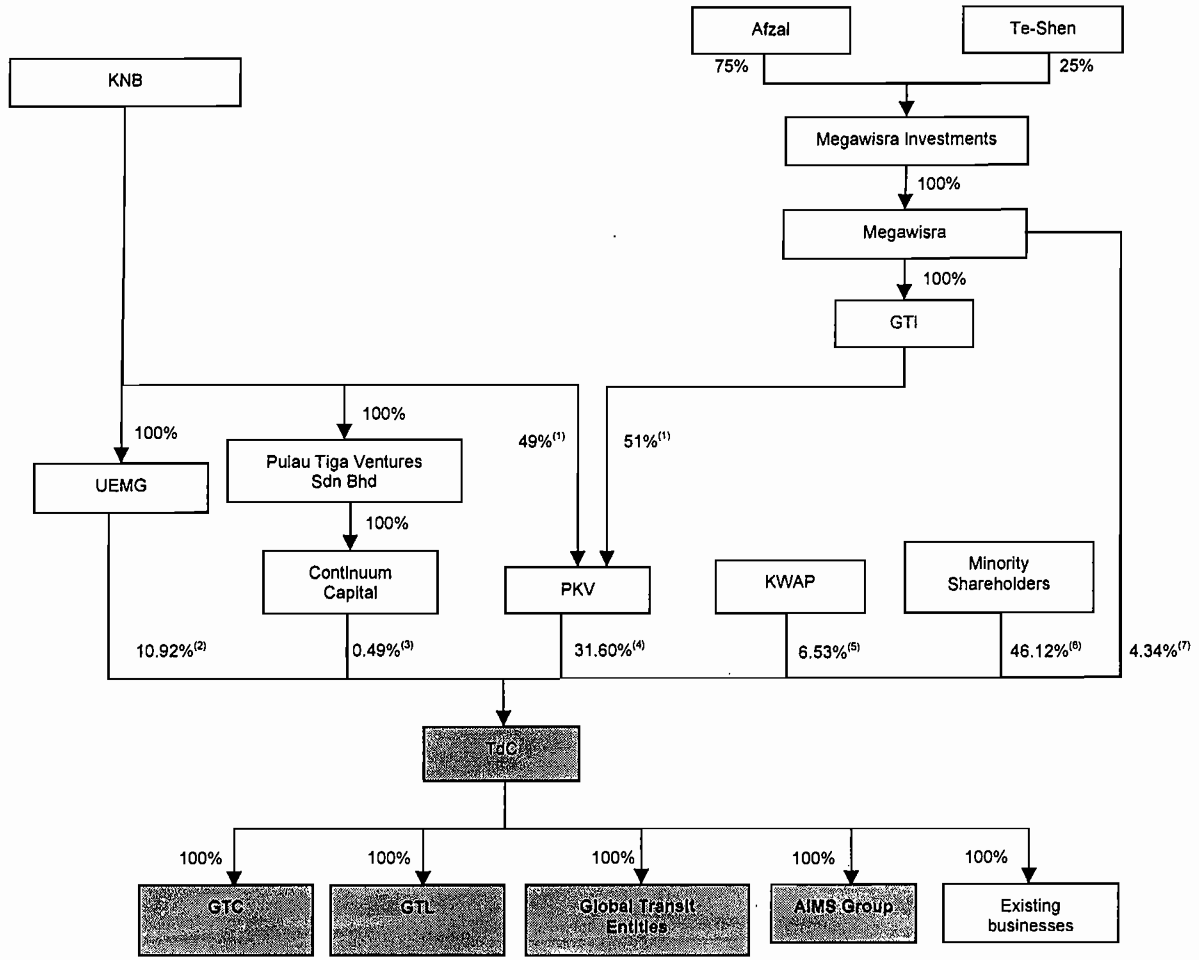
3.1.1 Before the Proposals

The current shareholding structure of our Company and the Acquiree Companies as at the LPD is as follows:



3.1.2 After the Proposals

The shareholding structure of our Company and the Acquiree Companies after the completion of the Proposals will be as follows:



Notes:

(1) Subsequent to the exercise of the call options wherein GTI will hold fifty one percent (51%) equity stake in PKV

(2) UEMG's shareholdings in our Company will be diluted from twelve point three five percent (12.35%) to ten point nine two percent (10.92%) as a result of the issuance of New TdC Shares to the respective vendors of the Acquiree Companies as part of the Purchase Consideration pursuant to the Proposed Acquisitions

(3) Continuum Capital will hold zero point four nine percent (0.49%) equity stake in our Company as a result of the issuance of New TdC Shares to it as part of the Purchase Consideration pursuant to the Proposed Acquisition of GTL

(4) PKV's shareholding in our Company will increase from thirty point zero four percent (30.04%) to thirty one point six percent (31.60%) as a result of the issuance of New TdC Shares to it as part of the Purchase Consideration pursuant to the Proposed Acquisition of GTC

(5) KWAP's shareholding in our Company will be diluted from seven point three eight percent (7.38%) to six point five three percent (6.53%) as a result of issuance of New TdC Shares to the respective vendors of the Acquiree Companies as part of the Purchase Consideration pursuant to the Proposed Acquisitions

(6) The minority interests' shareholdings in our Company will be diluted from fifty point two three percent (50.23%) to forty six point one two percent (46.12%) as a result of issuance of New TdC Shares to the respective vendors of the Acquiree Companies as part of the Purchase Consideration pursuant to the Proposed Acquisitions

(7) Megawisra will acquire four point three four percent (4.34%) equity stake in our Company as a result of the issuance of New TdC Shares to it as part of the Purchase Consideration pursuant to the Proposed Acquisition of GTL and the Proposed Acquisition of AIMS Group

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3.2 Proposed Acquisitions

3.2.1 Basis for arriving at the Purchase Consideration

The Purchase Consideration for the Proposed Acquisitions was arrived at on a "willing buyer-willing seller" basis after taking into consideration, amongst others, the independent valuation of the fair market value of the equity stakes of the Acquiree Companies as conducted by PwC Capital (which was appointed to provide an independent valuation on the one hundred percent (100%) equity stakes of the Acquiree Companies as at 30 November 2010 to the non-interested directors of our Company) of between RM284 million and RM347 million, the future earnings potential of the businesses of the Acquiree Companies, the evaluation assistance from UBS, and the independent advice provided by PIVB. UBS was appointed on 1 October 2010 as a financial adviser to assist the Board in evaluating the Acquiree Companies based on the financial information available as at 30 June 2010, prior to the Board making its decision of the Proposed Acquisitions. The presentation given by UBS was solely for the Board, and was not to be published. Subsequently, PwC Capital was appointed on 15 December 2010 to provide an independent valuation to the independent Board members and present their valuation letter to the shareholders of TdC. Please refer to PwC Capital's valuation letter dated 21 October 2011 as set out in Appendix X of this Circular.

The mode of settlement for the Purchase Consideration and the proportion of cash to shares for the Proposed Acquisitions was arrived at after due consideration of the Group's cash availability, operational requirements and funding ability. The issuance of a total of 65,915,491 New TdC Shares was arrived at after due consideration of forward looking earnings accretion to our Company's shareholders after the increase in our Company's share capital. The proportion of cash to shares for each acquisition forming part of the Proposed Acquisitions was arrived at on a "willing buyer-willing seller" basis.

Deposits for SPA 2 and SPA 4 forming part of the respective Purchase Consideration thereunder were paid on 21 December 2010 by our Company to a third party stakeholder, which is refundable to our Company unless forfeited due to certain circumstances. The amounts of the deposits are as follows:

(a) RM5.25 million paid pursuant to SPA 2; and

(b) RM3.84 million paid pursuant to SPA 4.

Circumstances that may lead to forfeiture of such deposits include:

(i) our Company breaching material terms of SPA 2 and SPA 4;

(ii) any warranty or representation given by our Company being untrue or misleading in any material respect;

(iii) the appointment of a receiver, receiver and manager, trustee or similar officers over any of the assets or undertaking of our Company which appointment would adversely affect our Company's ability to perform our obligations under SPA 2 and SPA 4;

(iv) if our Company is or becomes unable to pay our debts provided that such action would adversely affect our Company's ability to perform our obligations under SPA 2 and SPA 4;

(v) if our Company enters into or resolve to enter into any arrangement, composition or compromise with, or assignment for the benefit of, our creditors or any class of them;

(vi) if an application or order is made for the winding up or dissolution of our Company or any step is taken to pass a resolution for the winding up or dissolution of our Company (otherwise than for the purposes of an amalgamation or reconstruction which has the prior written consent of the respective vendors of SPA 2 and SPA 4); or

(vii) if our Company ceases or threatens to cease to carry on business.

All Purchase Consideration will be fully settled on completion of the Proposed Acquisitions.

3.2.2 Basis for arriving at the Share Consideration

The five (5) day VWAP of TdC Share up to and including 11 November 2010 (being the last market day preceding the date of suspension of the trading of TdC Shares) and prior to our announcement on the Proposals dated 15 November 2010 is RM0.7237 per TdC Share.

The issue price for the New TdC Shares to be issued as part consideration for the Proposed Acquisitions (save for the Proposed Acquisitions of Global Transit Entities) has been derived after adjusting the 5-day VWAP of TdC Share as shown in the following table:

	Number of shares 000	Market price / Theoretical price RM	Market capitalisation RM 000
5-day VWAP up to and including 11 November 2010	2,530,775	0.7237	1,831,269
Post-Proposed Capital Repayment	2,530,775	0.7037	1,780,653
Post-Proposed Capital Restructuring	506,155	3.5185	1,780,653
Proposed issue price		3.5500	

As such, the proposed issue price of RM3.55 per TdC Share represents a slight premium of 3.15 sen to the 5-day VWAP per TdC Share up to and including 11 November 2010 adjusted for the Proposed Capital Repayment and the Proposed Capital Restructuring. The slight premium arose due to the rounding up of the issue price to RM3.55.

The monthly highest and lowest closing price of TdC Shares as traded on Bursa Securities for the past twelve (12) months from October 2010 to September 2011 are as follows:

Month	High (RM)	Low (RM)
2010		
October	0.745	0.610
November	0.775	0.615
December	0.800	0.620
2011		
January	0.895	0.685
February	0.820	0.725
March	0.870	0.730
April	0.955	0.840
May	0.910	0.790
June	0.840	0.675
July	0.765	0.675
August	0.695	0.515
September	0.615	0.415

The last transacted market price of TdC Shares on 11 November 2010 (being the last market day preceding the date of suspension of the trading of TdC Shares before the announcement of the Proposals on 15 November 2010) is RM0.735 per TdC Share. The last transacted market price of TdC Shares on the LPD is RM0.575 per TdC Share. *(Source: Bloomberg)*

The New TdC Shares to be issued shall, upon allotment and issue, rank pari passu in all respects with the existing TdC Shares after the Proposed Capital Restructuring, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions the record or entitlement date of which is prior to the allotment date of the New TdC Shares. For avoidance of doubt, the New TdC Shares will not be entitled to the Proposed Capital Repayment and will not be subject to the Proposed Capital Restructuring.

3.2.3 Source of funding

The portion of Purchase Consideration to be paid in cash is intended to be fully funded by bank borrowings.

3.2.4 Liabilities to be assumed by our Company

Save and except for the following, our Company will not assume any additional liabilities in connection with the Proposed Acquisitions:

(i) the liabilities incurred in the ordinary course of business of the Acquiree Companies up to the completion of the Proposed Acquisitions;

(ii) the liabilities as disclosed in the Acquiree Companies' audited accounts as at 31 December 2010; and

(iii) the liabilities incurred or to be incurred from time to time up to the completion of the Proposed Acquisitions with the consent of our Company as required or permitted under the terms of the SPAs, including guarantees which the Company may have to provide in substitution of the existing guarantees for transactions entered into by the Acquiree Companies, which are stated in Appendix XII of this Circular.

3.2.5 Additional financial commitment required

Save for the Purchase Consideration and the financial commitments and guarantees to be assumed by our Company as the new shareholder of the Acquiree Companies, there is no additional financial commitment immediately required from our Company to put the respective businesses of the Acquiree Companies on stream or for the Acquiree Companies' day to day operations, as the Acquiree Companies are already in operation (save for GTS which currently has minimal operations and GTHK which currently is dormant) and have sufficient working capital for their day to day operations.

GTS has revenue of only SGD0.3 million, whilst GTHK has no revenue for the financial year ended 31 December 2010. As both entities already hold the licences to enable us to operate in the respective jurisdictions, we intend to leverage upon our existing resources to penetrate the Singapore and Hong Kong markets. To this end, we do not expect our financial commitment and working capital requirement to put GTS and GTHK on stream to be substantial.

3.2.6 Salient terms of SPAs

In addition to the details of the Proposed Acquisitions set out above, the salient terms of SPAs are as follows:

(i) subject to the terms and conditions contained in the SPAs, the Purchase Consideration to be paid by our Company for the Acquiree Companies is detailed as follows:

	Purchase Consideration RM 000	Share consideration No of shares (units)	RM 000	Cash portion RM 000
GTC	102,000	28,732,394	102,000	-
GTL	101,000	17,070,421	60,600	40,400
Global Transit Entities	- (1)	-	-	- (1)
AIMS Group	119,000	20,112,676	71,400	47,600
	322,000	**65,915,491**	**234,000**	**88,000**

Note:

(1) The purchase consideration payable by our Company for the Global Transit Entities is RM1.00 for each entity

(ii) in the event that our Company implements any capital reduction (except for the Proposed Capital Repayment and the Proposed Capital Restructuring or any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets, or in consequence of any purchase by our Company of our own shares), bonus issue, rights issue, capital repayment or stock dividend between the date of the SPAs and up to and including the Completion Date (as defined in the SPAs), then, the number of shares to be allotted and issued must be adjusted in accordance with the provisions set out in the SPAs;

(iii) subject to the terms and conditions contained in the SPAs, the shares of the Acquiree Companies will be sold to our Company free of any security interest and other third party rights, with all rights attached thereto and free from any claims, encumbrances, charges, liens, priorities or options of any nature whatsoever, and with all dividends, distribution, rights and entitlements from the Completion Date (as defined in the SPAs);

(iv) the New TdC Shares to be issued as consideration for the Acquiree Companies must, upon allotment and issuance, rank pari passu in all respects with the existing TdC Shares as of the date of their allotment and issuance, save that they shall not be entitled to any dividend, right, allotment or other distribution where the entitlement date is before the date of allotment of the New TdC Shares to be issued;

(v) if the due diligence exercise carried out by our Company gives rise to a finding of any matter which is quantifiable in monetary terms and which;

a) (for all SPAs) in respect of balance sheet items has resulted or will result in a diminution in value of more than five percent (5%) of the net tangible assets; or

b) (for all SPAs, except SPA 2), in respect of profit and loss items will have an impact of more than five percent (5%) on the profit after tax, as disclosed in the unaudited management accounts as at 31 October 2010 of the respective Acquiree Companies (save for the AIMS Group) and consolidated management accounts as at 31 October 2010 of the AIMS Group, the parties shall mutually agree, within twenty (20) business days from the completion of the due diligence exercise, that the Purchase Consideration be reduced by an amount to be agreed between the parties in respect of the diminution in value referred to herein, and failing such mutual agreement within such time, either parties of the respective SPAs may terminate the SPAs by giving fourteen (14) business days' notice in writing to the other party.

(vi) the vendors are not liable to our Company for any claim unless our Company has given written notice to the vendors setting out reasonable details of the specific matter in respect of which claim is made, including an estimate of the amount of the claim, if reasonably practicable, after our Company becomes aware of such claim and in any event such claim must be made within:

(a) (for all SPAs except SPA 2) eighteen (18) months; or

(b) (for SPA 2) twelve (12) months;

from the Completion Date (as defined in the SPAs). The periods above were arrived at as these were negotiated and agreed between the transacting parties. The difference in the periods above between SPA 2 and the other SPAs was due to the different agreements arrived at with the different vendors;

(vii) (save for SPA 3), the maximum aggregate amount which our Company may recover from the vendors in respect of all claims against the vendors is an amount equivalent to twenty percent (20%) of the Purchase Consideration for each of the SPAs. The maximum aggregate amount of twenty percent (20%) was arrived at as this is a negotiated and agreed term between the vendors and our Company and for claims in excess of twenty percent (20%), our Company may exercise the sell-back option as described in Section 3.2.6 (viii), Part A of this Circular;

(viii) (save for SPA 3) in the event that:

(a) the total value of all claims against the vendors that parties to the SPAs have agreed; or

(b) the total value of all claims against the vendors that have been finally adjudicated (pursuant to arbitration),

is in excess of twenty percent (20%) of the Purchase Consideration for each of the SPAs, then:

(1) without prejudice to our Company's right to claim and recover up to the value equal to twenty percent (20%) of the Purchase Consideration for each of the SPAs; and

(2) provided that, the net tangible asset values or consolidated net tangible asset values (as the case may be) of the respective Acquiree Companies as of the date of our Company's exercise of a sell-back option are not less than the respective net tangible assets as at 31 October 2010;

our Company may (but shall not be obliged), within thirty (30) business days of such event, exercise the sell-back option referred to in Section 3.2.6(viii)(2), Part A of this Circular to require the respective vendors to re-acquire the relevant Acquiree Company at the price of an amount equal to eighty percent (80%) of the Purchase Consideration for each of the SPAs;

(ix) in relation to SPA 3;

(a) the maximum aggregate amount which our Company may recover from the vendor in respect of all claims against the vendor under SPA 3 is an amount equivalent to HKD150,000 (in respect of GTHK) and SGD60,000 (in respect of GTS), as these limits were negotiated and agreed between the vendor for SPA 3 and our Company, in consideration that the purchase consideration for these companies are nominal;

(b) in the event of a breach by the vendor under SPA 3, our Company may give notice of a claim. If the claim is not agreed by the vendor within three (3) months from the date of such notice, then our Company is entitled (after such three (3) month period) to either:

(aa) proceed with legal proceedings against the vendor in respect of such claim; or

(bb) exercise a Sell-Back Option (as defined in SPA 3) within thirty (30) business days from the expiry of such three (3)-month period;

but our Company may not do both;

(c) at the completion of the exercise of the Sell-Back Option (as defined in SPA 3) the vendor shall pay or procure the payment to our Company of the purchase consideration for the shares, which purchase consideration shall be an amount equal to RM2.00 in cash;

(x) completion of sales and purchases shall be subject to the fulfilment (or waiver in accordance with the terms of the SPAs) of certain conditions precedent within seven (7) months from the date of the SPAs, including (amongst others):

(a) the prior approval (or confirmation of no objection) of any third party as may be required pursuant to any obligation of each of the Acquiree Companies identified during the due diligence exercise or otherwise under any instrument, agreement, contract or licence by which it is bound, and agreed by the parties (acting reasonably) to be a condition precedent;

(b) the completion of a financial, legal and operational due diligence exercise conducted in respect of the Acquiree Companies and the results thereof being satisfactory, which has been fulfilled;

(c) completion of the Proposed Capital Repayment and the Proposed Capital Restructuring;

(d) the approval of our shareholders for the Proposed Acquisitions;

(e) the approval of our shareholders for Proposed Capital Repayment and the Proposed Capital Restructuring;

(f) the waiver of any right of pre-emption or other rights arising on the sale of any of the equity in the Acquiree Companies;

(g) the grant of the Proposed Dispensation by the SC (which was given on 19 September 2011, subject to certain disclosure requirements);

(h) the grant of the exemptions by the SC from any obligation on Megawisra or the PAC Group to make mandatory take-over offers for any TdC Shares not already held by Megawisra or the PAC Group respectively, arising from or in relation to the issuance of the New TdC Shares by TdC to Megawisra due to the Proposed Acquisitions; and

(i) the fulfilment of all other conditions precedent in the SPAs relating to the Proposed Acquisitions and in accordance with their respective terms.

(xi) The completion of the sale and purchase of the equity stake in all the Acquiree Companies are conditional upon one another.

3.2.7 Salient features of the independent valuation conducted by PwC Capital

The salient features of the independent valuation of the equity value of the Acquiree Companies as conducted by PwC Capital are as follows:

(i) The basis of value that PwC Capital has adopted in arriving at its valuation is the fair market value ("**Fair Market Value**"). Fair Market Value is defined as "the approximate price at which an asset or a business would change hands between a willing buyer and a willing seller in the open market under a fully competitive bid situation, neither under any compulsion to buy or to sell, and both having reasonable knowledge of the relevant facts".

(ii) In estimating the Fair Market Values of the Acquiree Companies, PwC Capital has primarily relied on the discounted cash flow ("**DCF**") method. In estimating the DCF valuation of the Acquiree Companies PwC Capital has also considered, inter-alia, the following factors in computing the appropriate discount rates:

(a) Achievability of the management of the Acquiree Companies' assumptions;
(b) Current stage of development and complexity of the Acquiree Companies' businesses;
(c) Marketability of the shares of the Acquiree Companies which are unquoted and less liquid; and
(d) Size of the Acquiree Companies' operations which are deemed smaller and less diversified compared to the selected peer companies.

In deriving the estimated total value of the Acquiree Companies, PwC Capital has aggregated the values of GTC, GTL, Global Transit Entities and AIMS Group based on sum-of-parts approach using individual valuation of the Acquiree Companies derived based on DCF method.

(iii) In arriving at the indicative valuation PwC Capital has relied on, inter -alia, the following:

(a) Historical financial and other information concerning the Acquiree Companies and the industries in which the Acquiree Companies operate in;

(b) Financial projections and the underlying bases and assumptions provided by and on behalf of the management of the Acquiree

Companies. Some key underlying bases and assumptions of the Acquiree Companies are as below:

- GTC (based on financial projections for a period of five (5) years)

  (1) Revenue is estimated based on the projected growth in total bandwidth usage in Malaysia and Asia, average price of bandwidth per Mbps and projected GTC's market share in Malaysia and Asia;

  (2) Projected revenue has considered dependency on three (3) revenue sources, i.e. IP services, bandwidth resale and managed services, average churn rate, capital expenditures, GDP growth, long term inflation rate and future outlook of the relevant industry and market such as Malaysia's IP traffic growth;

- GTL (based on financial projections for a period of twenty (20) years)

  (1) Revenue is primarily dependant on the ability to win new Indefeasible Right of Use contracts and increase lit capacity in order to be able to convert lit capacity into upfront cash inflow;

  (2) Projected revenue has considered potential price erosion throughout the estimated economic useful life of the Unity cable system of twenty (20) years, operating expenses including Unity cable maintenance expenses and co-location expenses, and general and administration costs which has taken into account the business model of GTL and long term inflation rate;

- AIMS Group (based on financial projections for a period of five (5) years)

  (1) Revenue of data centre rental is estimated based on projected new floor space, take-up rate and rental yield throughout the projection period;

  (2) Projected revenue of data centre has considered GDP growth, long term inflation rate and future outlook of the relevant industry and market such as the Malaysia's data centre market;

(c) Various documents and information made available to PwC Capital during the course of PwC Capital's discussions with the management of the Acquiree Companies; and

(d) Certain publicly available data and information PwC Capital deemed appropriate for the purpose of the valuation.

The valuation is primarily based upon financial and other information provided by the management of the Acquiree Companies. PwC Capital has also had separate discussions with the management of the Acquiree Companies in relation to the key assumptions used in the financial projections.

PwC Capital's valuation is conducted on the premise that the Acquiree Companies will continue their current businesses as a going concern under present key management on an "as-is-where-is" basis. The indicative valuation represents only PwC Capital's best estimate and may not necessarily reflect the value obtained in any particular transaction and is not intended to be binding on any parties.

(iv) A summary of PwC Capital's valuation is provided below:

On the basis of and subject to the foregoing, PwC Capital considers the Fair Market Values of one hundred percent (100%) equity interests in the Acquiree Companies as at 30 November 2010, being the date of the valuation to be within the range of RM284 million to RM347 million.

Acquiree Companies– Fair Market Values	Discount rates adopted %[1]	RM million
GTC	14.0	92 – 113
GTL	15.0	86 – 105
Global Transit Entities	-	-[2]
AIMS Group	13.5 – 17.0	106 – 129
		284 – 347

Notes:

(1) Discount rates adopted in arriving at the respective valuations use the respective implied weighted average costs of capital as referred to in section 7 of the letter by PwC Capital on the valuation on the Acquiree Companies dated 21 October 2011

(2) The Purchase Consideration for the Global Transit Entities is at a nominal value of RM1.00 for each entity comprising the Global Transit Entities

(v) The valuation conducted by PwC Capital is subject to various assumptions, qualifications and disclaimers which are set out in its valuation letter dated 21 October 2011.

For details on the valuation conducted by PwC Capital, please refer to the letter by PwC Capital on the valuation on the Acquiree Companies dated 21 October 2011 set out in Appendix X of this Circular.

3.2.8 Details of the Proposed Exemptions

KNB holds sixty one point two percent (61.20%) direct shareholding in PKV as at LPD. GTI, a wholly owned subsidiary of Megawisra, holds thirty eight point eight percent (38.80%) direct shareholding in PKV as at LPD.

Upon completion of the Proposed Exercise of the Call Options, GTI will hold fifty one percent (51%) equity stake in PKV and Megawisra will have control of PKV. PKV, in turn, holds the largest equity stake in our Company.

Further, pursuant to the Proposed Acquisitions:

(i) in addition to Megawisra's indirect stake of thirty one point six percent (31.60%) in TdC held by PKV through GTI, Megawisra will obtain a direct shareholding of four point three four percent (4.34%) in our Company. Therefore, the TdC Shares that Megawisra controls will increase from thirty point zero four percent (30.04%) to thirty five point nine four percent (35.94%), i.e. an increase by a single entity to more than thirty three percent (33%) and accordingly, Megawisra will trigger a mandatory general offer obligation under the Code; and

(ii) the PAC Group's shareholding in our Company will increase from forty two point three nine percent (42.39%) to forty seven point three five percent (47.35%), i.e. an increase in TdC's shareholding by more than two percent (2%) within a period of six (6) months and, accordingly, the PAC Group will trigger a mandatory general offer obligation under the Code.

In view of the above:

(i) Megawisra will be seeking an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by it upon completion of the Proposed Acquisitions; and

(ii) the PAC Group will be seeking an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by them upon completion of the Proposed Acquisitions.

The Proposed Exemptions are sought as it is not Megawisra's and the PAC Group's intentions to undertake a take-over offer as a result of the Proposals. The grant of the Proposed Exemptions constitutes one of the conditions precedent for the Proposals (save for the Proposed Capital Restructuring and Proposed Amendment) as described in Section 11, Part A of this Circular.

Further, we wish to highlight that in granting an exemption to the offeror and its persons acting in concert under paragraph 16 of Practice Note of the Code, the SC, considers, amongst others, whether a disqualifying transaction has occurred.

Paragraph 16.4 of Practice Note 9 of the Code defines a disqualifying transaction as follows:

"A purchase of voting shares or voting rights of the offeree by the offeror or persons acting in concert –

(a) subsequent to negotiation, discussion, understanding or agreement with the directors of the offeree in relation to the proposed issue of new voting shares or voting rights; and

(b) before the completion of the transaction where the exemption under this paragraph is sought and approved .."

The following transactions could be deemed to be disqualifying transactions:

(a) the subscription of the TdC Shares and the subscription of the excess shares by UEMG under the TEB OFS. UEMG had, pursuant to the TEB OFS, exercised its rights as a shareholder of TEB to subscribe for the TdC Shares offered by TEB together with the excess TdC Shares under the TEB OFS; and

(b) the completion of the Proposed Exercise of the Call Options,

as they were or will be (where applicable) implemented and completed after the announcement of the Proposals on 15 November 2010 but before the implementation of the Proposals.

However, the SC has concurred, vide a letter dated 19 September 2011, that:

(a) the subscription of the TdC Shares and the subscription of the excess shares by UEMG under the TEB OFS are not deemed as disqualifying transactions under paragraph 16.4 of Practice Note 9 of the Code; and

(b) the Proposed Exercise of the Call Options is not deemed as a disqualifying transaction under paragraph 16.4 of Practice Note 9 of the Code subject to our non-interested shareholders being informed of the fact that when our non-interested shareholders approve the Proposed Exemptions, they are aware that:

(i) Megawisra (via GTI) will own fifty one percent (51%) in PKV pursuant to the Proposed Exercise of the Call Options;

(ii) both the PAC Group (as a group) and Megawisra (as an individual entity) will trigger mandatory take-over offer obligations under the Code to acquire all the remaining TdC Shares not already owned by them upon the completion of the Proposed Exercise of the Call Options and the Proposed Acquisitions. However, based on the following factors represented by Megawisra to the SC indicates that Megawisra could be given an exemption by the SC from having to undertake a mandatory offer:

- Megawisra remains the leader before and after the Proposals;
- GTI (which Megawisra controls) did not pay a premium for the TdC Shares (which it will acquire through PKV);
- the relationship between KNB and GTI which makes them persons acting in concert was established since 2008; and
- no single member of the PAC Group would increase its equity stake in TdC to more than fifty percent (50%) upon completion of the Proposed Exercise of the Call Options.

Our commentary on the above are as follows:

(i) Megawisra remains the leader before and after the Proposals;

In addition to the potential controlling stake in TdC to be obtained by Megawisra, the business direction of TdC has been driven by Afzal (the majority shareholder of Megawisra) since being appointed the Chief Executive Officer of TdC in October 2008. Afzal has been responsible for the preparation and implementation of a business turn-around plan for TdC. Accordingly, Afzal and Megawisra have been leading the day-to-day operations of PKV and TdC. You should also note that by virtue of the existence of the Call Options and other options, GTI is able to increase its equity stake in PKV to one hundred percent (100%) pursuant to PKV Shareholders' Agreement.

(ii) GTI (which Megawisra controls) did not pay a premium for the TdC Shares (which it will acquire through PKV);

The proposed amount to be paid by GTI for 15,152,700 ordinary shares of RM1.00 each, representing twelve point two percent (12.20%) equity stake in PKV (which is the equity stake GTI obtains pursuant to the Proposed Exercise of Call Options), is RM19,007,547. PKV owns 760,209,826 TdC Shares. Accordingly, based on this proposed price, the implied value of TdC Shares in PKV is RM155,799,566. This price indirectly translates to RM0.205 per TdC Share. This represents a discount to the last transacted market price of RM0.575 per TdC Share as at LPD. Please note that this calculation assumes that the value of PKV reflects only the investment in TdC.

We wish to highlight that the five (5)-day VWAP per TdC Share up to and including 3 October 2008, being the business day prior to the execution of the PKV Shareholders' Agreement is RM0.312.

(iii) The relationship between KNB and GTI which makes them persons acting in concert was established when GTI entered into a shareholders' agreement with KNB and PKV in respect of their joint venture in PKV on 6 October 2008 which is approximately three (3) years ago; and

(iv) With reference to the corporate structure as set out in Section 3.1.2 above, no single member of the PAC Group increased its equity stake in our Company to more than fifty percent (50%) upon completion of the Proposed Exercise of the Call Options.

Please note that with the shareholders' approval for the Proposed Exemptions, GTI will own 51% in PKV due to the Proposed Exercise of the Call Options, which will allow <u>Megawisra to obtain control of TdC</u> by virtue of Megawisra controlling more than thirty three percent (33%) of the equity of TdC (i.e. thirty five point nine four percent (35.94%)), and that both the PAC group as a whole and Megawisra individually will be exempted from having to undertake mandatory take-over offer obligations under the Code pursuant to the Proposed Exercise of the Call Options and the Proposed Acquisitions.

3.2.9 Details of the Proposed Dispensation

This Section 3.2.9 is included for your information only. The Proposed Dispensation is not subject to shareholders' approval but is a condition precedent to the Proposals.

The Proposed Dispensation requires the grant of the approval of the SC for a dispensation or waiver of the 20% Condition (as described below).

The SC had on 30 September 2008, inter alia, ruled that GTI will not trigger a mandatory offer obligation in our Company in connection with PKV's acquisition of thirty point zero four percent (30.04%) voting shares in TdC from KNB and the grant of the call options or put options provided that GTI's effective equity stake in our Company through their shareholding in PKV remains below twenty percent (20%) ("**20% Condition**").

KNB, GTI and PKV had entered into a conditional sale and purchase agreement dated 6 October 2008 for the acquisition by PKV of 760,209,826 TdC Shares, representing thirty point zero four percent (30.04%) equity stake in our Company, from KNB for a purchase consideration of RM114,943,724 or RM0.15 per TdC Share to be fully settled through the issuance of 76,020,981 new shares in PKV and 38,922,743 redeemable preference shares in PKV ("**TdC SPA**").

KNB, GTI and PKV had also entered into the following agreements:

(i) a conditional sale and purchase agreement dated 6 October 2008 between GTI and PKV for the acquisition by PKV of 2,000,000 shares of RM1.00 each in GTC (increased from 500,000 shares due to an allotment and issuance of 1,500,000 new ordinary shares of RM1.00 each in GTC to GTI on 19 December 2008 to set-off against the sum owed by GTC to GTI), representing one hundred percent (100%) equity stake in GTC, from GTI for a purchase consideration of RM48,200,000 to be settled through the issuance of 48,200,000 new shares in PKV and a deferred consideration of up to RM128,000,000 that would be paid by PKV to GTI upon GTI, being the original vendor, meeting certain conditions ("**GTC SPA**"). This obligation on the deferred obligation would remain between PKV and GTI even after the completion of the Proposed Acquisition of GTC; and

(ii) a shareholders' agreement dated 6 October 2008 between KNB, GTI and PKV to govern the relationship between KNB and GTI pursuant to their joint investment in GTC and our Company through PKV, and supplemented by supplemental shareholders' agreements dated 25 November 2009 and 6 December 2010 (collectively, "**PKV Shareholders' Agreement**").

Pursuant to the TdC SPA and the GTC SPA, KNB currently holds sixty one point two percent (61.20%) equity stake in PKV whereas GTI holds thirty eight point eight percent (38.80%) equity stake in PKV.

Under the terms of the PKV Shareholders' Agreement, GTI may increase its equity stake in PKV, through, inter alia, an exercise of call options granted to GTI, and KNB may sell all its shares in PKV to GTI through the exercise of a put option granted by GTI to KNB.

Our Company was recently informed by PKV that, pursuant to the existing arrangement between KNB and GTI, GTI intends to partially exercise the call options to acquire some of the existing shares in PKV held by KNB ("**Proposed Exercise of the Call Options**") which will result in an increase in GTI's equity stake in PKV to fifty one percent (51%) prior to the completion of the Proposed Acquisitions.

Both KNB and GTI have agreed that the Proposed Exercise of the Call Options shall be conditional upon, amongst other things, our Company obtaining all the required approvals in relation to the Proposals as set out in Section 11, Part A of this Circular and the completion of the Proposed Capital Repayment and the Proposed Capital Restructuring.

Based on GTI's shareholdings in PKV and PKV's shareholdings in our Company as at the LPD, upon the completion of the Proposed Exercise of the Call Options and the Proposals, the effective equity stake of Megawisra (which holds one hundred percent (100%) of the issued and paid-up share capital of GTI) in our Company will increase from eleven point six six percent (11.66%) (GTI's current equity stake in PKV of thirty eight point eight percent (38.80%) multiplied by PKV's current equity stake of thirty point zero four percent (30.04%) in our Company) to sixteen point one two percent (16.12%) (GTI's eventual equity stake in PKV of fifty one percent (51%) multiplied by PKV's eventual equity stake pursuant to the Proposals of thirty one point six percent (31.60%)).

GTI and its adviser, CIMB have on 8 June 2011 submitted an application to the SC with respect to a dispensation or a waiver of the 20% Condition upon completion of the Proposed Exercise of the Call Options and the Proposals. The dispensation or waiver is sought to cater for the event that GTI's effective interest in TdC exceeds twenty percent (20%).

The Proposed Dispensation is sought as it is not the intention of the board of GTI to privatise our Company. The grant of the Proposed Dispensation constitutes one of the conditions precedent for the Proposals (save for the Proposed Capital Restructuring) as described in Section 11, Part A of this Circular and also a condition precedent for the Proposed Exercise of the Call Options as explained above.

Pursuant the SC's letter dated 19 September 2011, the SC had dispensed with the 20% Condition subject to disclosure in the independent advice circular in relation to the Proposed Exemptions that shareholders' approval for the Proposed Exemptions will allow GTI to take control of TdC due to the Proposed Exercise of the Call Options. Please refer to the independent advice circular for further details.

3.2.10 Proposed Acquisition of GTC

Our Company proposes to acquire one hundred percent (100%) equity stakes in GTC from PKV for a purchase consideration of RM102,000,000 to be settled through the issuance of 28,732,394 New TdC Shares at an issue price of RM3.55 each.

(i) Overview of GTC

GTC was incorporated in Malaysia under the Act on 9 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTC is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each. GTC commenced its operations on 1 November 2006.

GTC is principally engaged in the provision of telecommunication and related services. Since it commenced business, GTC has experienced significant revenue growth.

GTC is licensed in three (3) of the four (4) categories of licensable activities by the MCMC. Under the CMA, there are four categories of licensable activities as follows:

(a) Network Facilities Providers - who are the owners of network facilities such as satellite earth stations, broadband fibre optic cables, telecommunications lines and exchanges, radio communications transmission equipment, mobile communications base stations and broadcasting transmission towers and equipment. They are the fundamental building blocks of the convergence model upon which network, applications and content services are provided.

(b) Network Service Providers – who provide the basic connectivity and bandwidth to support a variety of applications. Network services enable connectivity or transport between different networks. A network service provider is typically also the owner of the network facilities. However, a connectivity service may be provided by a person using network facilities owned by another.

(c) Applications Service Providers – who provide particular functions such as voice services, data services, content-based services and electronic commerce. Applications services are essentially the functions or capabilities, which are delivered to end-users.

(d) Content Applications Service Providers – who are special subset of applications service providers including traditional broadcast services and newer services such as online publishing and information services.

GTC holds the following licences under the CMA:

(a) a Network Facilities Providers (Individual) licence, allowing GTC to build and operate submarine cable landing stations in Malaysia, which is valid from 26 September 2008 to 25 September 2018, with a minimum annual fee of RM50,000. This licence may be renewed by applying to MCMC for renewal prior to its expiry date;

(b) a Network Service Providers (Individual) licence which is valid from 26 September 2008 to 25 September 2018, with a minimum annual fee of RM50,000. This licence may be renewed by applying to MCMC for renewal prior to its expiry date; and

(c) an Applications Service Providers (Class) licence which was first obtained on 24 August 2005. The licence is now valid from 25 January 2011 to 24 January 2012, with an annual fee of RM2,500. This licence may be renewed by applying to MCMC for renewal annually.

It does not hold the Content Applications Service Providers licence as is it not in the business of producing/providing content applications i.e. broadcasting, publishing and other services contemplated by the Content Applications Service Providers licence.

GTC is one of thirteen (13) operators in Malaysia granted with a Network Facilities Providers (Individual) licence to build and operate submarine cable landing stations as at 11 October 2011 *(Source : MCMC website, http://www.skmm.gov.my)*. GTC has yet to offer the services under this licence.

As at 31 December 2010, GTC's top five (5) customers contributed RM36.43 million representing sixty nine point nine percent (69.9%) to the revenue of GTC, out of which RM7.49 million representing fourteen point four percent (14.4%) were contributed by TdC Group. GTC captures all its revenues under its network services segment.

The major customers of GTC and their respective contribution to GTC's revenue for the financial year ended 31 December 2010 were as follows:

	Revenue contribution to GTC 2010 financials	
Major customers	**RM 000**	**%**
A[(1)]	14,481	27.8
B[(1)]	7,832	15.0
TdC Group	7,492	14.4
C[(1)]	3,350	6.4
D[(1)]	3,279	6.3

Note:

(1) The identities of the customers which are not related to GTC are not disclosed for confidentiality reasons

The transactions entered into by GTC with the TdC Group in the past three (3) financial years were as follows:

Financial year	**Transaction**	**Amount (RM 000)**
31 December 2008	Sale transactions to TdC Group[(1)]	-
	Purchase transactions from TdC Group[(2)]	427
31 December 2009	Sale transactions to TdC Group[(1)]	1,369
	Purchase transactions from TdC Group[(2)]	2,410
31 December 2010	Sale transactions to TdC Group[(1)]	7,492
	Purchase transactions from TdC Group[(2)]	54,924

Notes:

(1) Provision of bandwidth and IP Transit services by GTC to TdC Group

(2) Provision of bandwidth business to GTC from TdC Group

GTC is a fast growing telecommunications company specializing in regional connectivity and stands as a gateway to the world. As part of its vision to broaden the scope of its service reach, GTC has expanded its international footprint with points-of-presence in Singapore, Hong Kong and the US, and also procured access to several sub-marine cable systems such as the Unity cable system and the EAC-C2C Cable System. GTC has also secured bandwidth capacity in terrestrial cable systems between Singapore/Malaysia and Thailand/Malaysia border. As a result of its network expansion initiatives coupled with other value-added offerings, GTC has secured contracts with telecommunications companies, mobile operators and ISPs based in Malaysia, Indonesia, Thailand, Singapore, Hong Kong, Taiwan and Myanmar. Currently, GTC has more than one hundred and forty (140) companies using its services, the bulk of whom are service providers.

(ii) Information on PKV, the vendor of GTC

PKV holds one hundred percent (100%) of the issued and paid-up share capital of GTC as at the LPD. Pursuant to the GTC SPA, (please refer to Section 3.2.9, Part A of this Circular for a brief explanation of the GTC SPA), PKV had acquired 2,000,000 shares at RM1.00 each in GTC from GTI (increased from 500,000 shares due to an allotment and issuance of 1,500,000 new ordinary shares of RM1.00 each in GTC to GTI on 19 December 2008 to set-off against the sum owed by GTC to GTI) in consideration of the issuance of 48,200,000 new shares in PKV at RM1.00 each, and a deferred consideration of up to 128,000,000 new PKV shares at RM1.00 each upon PKV's investments achieving certain financial targets.

PKV was incorporated in Malaysia under the Act on 16 May 2008 as a private company limited by shares. As at LPD, the authorised share capital of PKV is RM500,000,000 comprising 125,000,000 ordinary shares of RM1.00 each and 3,750,000,000 redeemable preference shares of RM0.10 each and its issued and paid-up share capital is RM128,113,257.30 comprising 124,220,983 ordinary shares of RM1.00 each and 38,922,743 redeemable preference shares of RM0.10 each.

The shareholders of PKV are KNB and GTI holding sixty one point two percent (61.20%) and thirty eight point eight percent (38.80%) equity stakes respectively in PKV. PKV's redeemable preference shares are one hundred percent (100%) held by KNB.

The directors of PKV are Elakumari, Afzal, Megat Hisham and Hisham bin Zainal Mokhtar.

The principal activity of PKV is investment holding.

3.2.11 Proposed Acquisition of GTL

Our Company proposes to acquire one hundred percent (100%) equity stakes in GTL (and all preference shares in GTL) from the GTL Vendors for a purchase consideration of RM101,000,000 to be settled through the issuance of 17,070,421 New TdC Shares at an issue price of RM3.55 each and cash payment of RM40,400,000.

(i) Overview of GTL

GTL was incorporated in Malaysia under the Labuan Companies Act 1990 on 25 February 2008 as a private limited company. As at LPD, the authorised share capital of GTL is USD14,250,000 comprising 13,250,000 preference shares of USD1.00 each and 1,000,000 ordinary shares of USD1.00 each. GTL's issued and paid-up share capital is USD12,000,900 comprising 900 ordinary shares of USD1.00 each and the following number of Class A and Class B preference shares:

Class[1]	No. of preference shares
Class A preference shares of USD1.00 each	11,000,000
Class B preference shares of USD1.00 each	1,000,000
Total	**12,000,000**

Note:

(1) The preference shares divided into Class A and B have the same terms, save for differences in terms of dividends and other distributions, ranking on GTL's winding up or liquidation and capital repayment. Upon completion of the Proposed Acquisition of GTL, the terms of both classes of preference shares will no longer be applicable as our Company will hold one hundred percent (100%) of the shares in GTL.

The holders of GTL's preference shares are as follows:

Name	Shareholding	
	Class A	Class B
Accurate Gain Profits	3,000,000	-
Halfmoon Bay	5,000,000	-
Continuum Capital	3,000,000	-
Megawisra	-	1,000,000
TOTAL	**11,000,000**	**1,000,000**

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The salient terms of GTL's preference shares (Class A and Class B) are as follows:

Norminal/Par Value	:	USD1.00 per preference share
Issue price	:	USD1.00 per preference share
Distributions	:	Dividends and other distributions are payable in the following manner: (a) the initial cumulative distribution of USD8,750,000 to Class A shareholders in accordance with their respective shareholding of Class A preference shares; (b) the next cumulative distributions of USD4,500,000 to Class A and Class B shareholders in equal proportions in accordance with their respective shareholding of Class A and Class B preference shares; (c) there after all subsequent distributions to Class A and Class B shareholders on 65:35 ratio in accordance with their respective shareholding of Class A and Class B preference shares.
Voting rights	:	The holder of the preference shares shall not have any voting right.
Status of the IPS	:	In the event of the winding up/liquidation/repayment of capital of the Company, the Class A preference shares shall rank in priority to the Class B preference shares and ordinary shares and Class B preference shares shall rank in priority to ordinary shares for the repayment of the issue price and distributions made (if any). Class A and Class B preference shares shall be collectively entitle to 65:35 ratio on the surplus assets of the Company subsequent to the distribution (if any).

Currently, GTL is only an infrastructure owner whose bandwidth are sold via intermediaries.

The major customers of GTL and their respective contribution to GTL's revenue for the financial year ended 31 December 2010 are as follows:

	Revenue contribution to GTL 2010 financials		
Major Customers	**USD 000**	**RM 000[(1)]**	**%**
TdC Group	3,423	10,561	82.0
A[(2)]	750	2,314	18.0
Total	**4,173**	**12,875**	**100.0**

Notes:

(1) Exchange rate USD1.00 : RM3.0855 (being the middle rate at 5.00 p.m. on 30 December 2010 from BNM), which is used for illustration purposes only

(2) The identity of the customer is not disclosed for confidentiality reasons

The transactions entered into by GTL with the TdC Group in the past three (3) financial years are as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sale transactions to TdC Group	-
31 December 2009	Sale transactions to TdC Group	-
31 December 2010	Sale transactions to TdC Group	10,561

The TdC Group contributed RM10.56 million representing eighty two percent (82%) to the revenue of GTL in 2010. The transactions between GTL and the TdC Group are for the provision of bandwidth business by GTL to the TdC Group, who packages the bandwidth with our own services for the purposes of on-sale to our other customers.

GTL together with Google Cable Bermuda Ltd, Bharti Airtel Limited, KDDI Corporation, Pacnet Limited and Singapore Telecommunications Limited collaborated to procure the construction of the Unity cable system measuring approximately 9,620 km in February 2008 and completed the project in March 2010.

GTL, via its Participation Interest, has the right to use ten percent (10%) of the Unity cable system's capacity, which links Japan to the US. By virtue of this, GTL has the ability to participate in network exchange arrangements with other cable owners for connectivity to other parts of the world. Since the launch of the Unity cable system, GTL is the second (2^{nd}) Malaysian company that has direct interest in a Trans-Pacific submarine cable system.

The construction of the Unity cable system costs approximately USD300 million. GTL's portion of construction cost of the Unity cable system amounts to approximately USD30 million. The maintenance cost of the Unity cable system is approximately five percent (5%) of its construction cost per annum. The Unity cable system is an undersea cable system built together by users, private cable owner and incumbent carriers from around the world. GTL was formed to participate in the Unity cable system and, apart from Telekom Malaysia Berhad, is presently the only other Malaysian company which has a direct interest in a Trans-Pacific submarine cable system.

GTL, through the Unity cable system, has established an international cable footprint from Asia to the US to meet the growth in demand for both Malaysian and Asian connectivity to the US. The Unity cable system provides high quality connectivity for the Japan-US Trans-Pacific capacity with its high speed point-to-point connectivity. With its landing in Japan, the Unity cable system has a unique footprint which allows GTL to access one of the most interconnected cable sites in Asia and the world.

The Unity cable system has a design capacity of four point eight (4.8) Tbps and GTL's Participation Interest in this capacity, amounting to four hundred and eighty (480) Gbps, can potentially increase to approximately one (1) Tbps. This upgrade may be done in tranches, without the need for any consent or approvals from any regulators, and may be done in a time span of between two (2) to five (5) years, depending on whether there is demand for additional capacity. In order to increase its capacity to approximately one (1) Tbps, GTL will require approximately USD7 million in light-up cost. The management of GTL believes that the industry has presently no concrete plans for another new Trans-Pacific cable system and with lead times to build a new competing cable system of up to thirty six (36) months, GTL's investment in the Unity cable system is a strategic asset. The management of GTL also believes that the Unity cable system's design capacity has enabled GTL to become the largest Malaysian Trans-Pacific capacity owner to-date.

Through its Participation Interest in the Unity cable system, GTL is able to penetrate into an extensive US backhaul spanning over 650km with strategic locations at Los Angeles, San Jose and Palo Alto. This is GTL's strategic advantage to be able to offer its customers multiple options of terminating points in the US.

With its Participation Interest in the Unity cable system, GTL is poised to tap on increasing demand for international capacity globally.

(ii) Information on GTL Vendors

(a) For information on Megawisra, who owns thirty five percent (35%) of the ordinary shares in GTL, please refer to Section 3.2.13(v), Part A of this Circular.

(b) Halfmoon Bay, which owns twenty five percent (25%) of the ordinary shares in GTL, was incorporated in the British Virgin Islands under the International Business Companies Act, Cap. 291 on 31 March 1993 as an international business company and was automatically re-registered as a BVI Business Company on 1 January 2007 pursuant to the Business Companies Act. As at LPD, the authorised share capital of Halfmoon Bay is USD50,000 comprising 50,000 ordinary shares of USD1.00. The substantial shareholders of Halfmoon Bay are Wan Azmi Wan Hamzah, Nik Anida Nik Manshor and Wan Afzal Wan Azmi, holding twenty nine percent (29%), fifty seven percent (57%) and fourteen percent (14%) equity stakes respectively. The directors of Halfmoon Bay are Wan Azmi Wan Hamzah and Nik Anida Nik Manshor.

The principal activity of Halfmoon Bay is investment holding.

(c) Accurate Gain Profits, who owns fifteen percent (15%) of the ordinary shares in GTL, was incorporated in the British Virgin Islands under the International Business Companies Act, Cap. 291 on 8 September 2003 as an international business company. As at LPD, the authorised share capital of Accurate Gain Profits is USD50,000 comprising 50,000 ordinary shares of USD1.00 each and its issued and paid-up share capital is USD100 comprising 100 ordinary shares of USD1.00 each. The shareholders of Accurate Gain Profits are Mohd Razali Abdul Rahman and Hassan Abas, holding fifty five percent (55%) and forty five percent (45%) equity stakes respectively in Accurate Gain Profits. The directors of Accurate Gain Profits are Mohd Razali Abdul Rahman, Hassan Abas, Chu Vun Tet and Lim Li Li.

The principal activity of Accurate Gain Profits is investment holding.

(d) Continuum Capital, who owns fifteen percent (15%) of the ordinary shares in GTL, was incorporated in Malaysia under the Act on 6 May 2008 as a private company limited by shares. As at LPD, the authorised share capital of Continuum Capital is RM100,000 comprising 30,000 ordinary shares of RM1.00 each and 70,000 redeemable preference shares of RM1.00 each and its issued and paid-up share capital is RM70,002 comprising 2 ordinary shares of RM1.00 each and 70,000 redeemable preference shares of RM1.00 each. Both the ordinary and preference shares in Continuum Capital are entirely held by Pulau Tiga Ventures Sdn Bhd. Continuum Capital is a wholly owned subsidiary of Pulau Tiga Ventures Sdn Bhd, which in turn is wholly owned by KNB. The directors of Continuum Capital are Mohd Shahazwan bin Mohd Harris and Nik Rizal Kamil bin Nik Ibrahim Kamil.

The principal activity of Continuum Capital is the promotion of and investment in technology and growth companies in and outside of Malaysia with the objective of achieving capital appreciation primarily through disposal of such investments.

(e) Nicholas Lim Ping, an Australian citizen aged 61, owns ten percent (10%) of the ordinary shares in GTL.

3.2.12 Proposed Acquisitions of Global Transit Entities

Our Company proposes to acquire one hundred percent (100%) equity stakes in each of the respective Global Transit Entities from GTI for a total purchase consideration of RM2.00.

(i) Overview of GTS

GTS was incorporated in Singapore under the Companies Act, Cap. 50 on 4 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTS is SGD20,000 comprising 20,000 ordinary shares of SGD1.00 each and its issued and paid-up share capital is SGD20,000 comprising 20,000 ordinary shares of SGD1.00 each.

GTS holds a SBO (Individual) Licence from the Info-Communications Development Authority of Singapore, which was obtained on 4 May 2005 and will expire on 3 May 2013. This licence may be renewed by GTS by applying to the IDA before the expiry of the licence, and may not be assigned, transferred, sub-let and GTS may not dispose of its rights, duties, liabilities, obligations and privileges to any person except with prior approval of the IDA. GTS may not make changes to the services provided under the SBO licence without prior written approval from the IDA is obtained.

The SBO licence allows GTS to, amongst others:

(a) provide international simple resale services, which is an alternative service to international direct dial services, using international transmission facilities such as leased circuits, to connect calls originating from Singapore to an overseas destination;
(b) resale of leased circuit services;
(c) public internet access services; and
(d) internet exchange services in Singapore.

GTS commenced its business in October 2005 but it currently has minimal operations as its shareholder is focused on growing its businesses in Malaysia. There are no transactions entered into by GTS with the TdC Group in the past three (3) financial years.

Moving forward, GTS is expected to be a component of the business development plans of GTC and GTL focusing on South East Asia. GTS provides the Singapore presence and with its SBO licence and is a strategic vehicle to facilitate the procurement and trading of bandwidth with international and domestic operators.

(ii) Overview of GTHK

GTHK was incorporated in Hong Kong under the Companies Ordinance (Chapter 32) on 13 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTHK is HKD10,000 comprising 10,000 ordinary shares of HKD1.00 each and its issued and paid-up share capital is HKD1.00 comprising one (1) ordinary share of HKD1.00.

GTHK holds a SBO licence from the Office of the Telecommunications Authority, Hong Kong, which was first obtained in 11 August 2005 and currently valid from 11 August 2010. Its expiry date is as decided by the Office of the Telecommunications Authority in Hong Kong, but the licence is subject to an annual fee of HKD1,500. The terms of renewal of this SBO licence are dependent on instructions from the Office of the Telecommunications Authority, Hong Kong.

The SBO licence allows GTHK to provide external telecommunications service operated over external leased circuits or other external switched telecommunications services at the Hong Kong end to places outside of Hong Kong. GTHK had commenced business in July 2005 but it suspended its business as GTHK's shareholder focused on growing its businesses in Malaysia. However, GTHK will be of strategic value to GTC and GTL to penetrate the North Asia telecommunications market.

The scope of the SBO licence held by GTHK differs with the SBO licence held by GTS, as:

(a) GTHK's SBO licence allows GTHK to provide external telecommunications service (as described in the preceding paragraph) and international value-added network services (i.e. local and/or external public telecommunications service accessed by customers via circuits provided by licensed public telecommunications network/services which may include data communications, electronic mailbox/messaging/electronic data exchange and public teletext services; and

(b) GTS's SBO licence allows GTS to provide international simple resale services, resale of leased circuit services, public internet access services and internet exchange services (as described in Section 3.2.12, Part A of this Circular).

There are no transactions entered into by GTHK with the TdC Group in the past three (3) financial years.

(iii) Information on GTI, the vendor of the Global Transit Entities

GTI holds one hundred percent (100%) of the issued and paid-up share capital of GTS and GTHK as at LPD.

GTI was incorporated in Malaysia under the Act on 1 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTI is RM5,000,000 comprising of 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM1,677,372 comprising 1,677,372 ordinary shares of RM1.00 each. GTI is a wholly owned subsidiary of Megawisra. The directors of GTI as at LPD are Afzal, Te-Shen and Megat Hisham.

The principal activity of GTI is investment holding.

3.2.13 Proposed Acquisition of AIMS Group

Our Company proposes to acquire one hundred percent (100%) equity stakes in TAAG, AIMS Data Centre 2 and AIMS Cyberjaya respectively, from Megawisra for a total purchase consideration of RM119,000,000 to be settled through the issuance of 20,112,676 New TdC Shares at an issue price of RM3.55 each and cash payment of RM47,600,000.

(i) Overview of AIMS Group

AIMS Group is a carrier-neutral data centre operator with approximately two hundred (200) carriers and service providers. Its main headquarters is a data centre which is located in the central business district of Kuala Lumpur and connected to all fiber networks licensed by MCMC. AIMS Group's main data centre, located within the vicinity of the Golden Triangle in Kuala Lumpur, is host to all of Malaysia's local telecommunications companies, international telecommunications companies, ISPs and content providers. With fourteen (14) global telecommunications provider and eleven (11) local telecommunications provider in its data centre, the management of AIMS Group believes that its data centre is positioned as one of the most interconnected sites in Malaysia.

The data centre in Kuala Lumpur is the reference site of MyIX, the first and only neutral exchange point in Malaysia. A neutral exchange point is a network infrastructure that is operated by a neutral entity with the purpose of facilitating exchange of internet traffic domestically. MyIX is an initiative by the Government of Malaysia together with industry players, to establish and promote a neutral exchange point to facilitate the exchange of local internet traffic. The data centre in Kuala Lumpur is also host to the Mobile Number Portability Platform in Malaysia. Further, AIMS Group is the appointed service provider for the ICONeX programme, a SMI / SME content enablement project spearheaded by the Multimedia Development Corporation to promote Malaysia as a global content hub.

In recent years, AIMS Group has begun to offer managed services which include the operation and maintenance of servers and routers for its customers; managed hosting which includes managed security (the operation and maintenance of firewalls and intrusion detection systems, anti-spam etc for its customers) and managed storage (the operation and maintenance of storage space for customers' servers); and enabling Infrastructure-as-a-Service (provision of virtual servers and the operation and maintenance of the virtual machines).

Further, AIMS Group extended its customer base to include the financial services industry, which requires stringent information security standards. In April 2010, AIMS Group through AIMS Cyberjaya attained the Information Security Management System IEC/ISO 27001:2005 certification from the British Standards Institution. This certification is important to banks, stock broking firms and insurance companies which require high levels of data security.

In 2006, AIMS Group was awarded the Data Centre Service Provider of the year by Frost and Sullivan, a global growth consulting firm.

As at 31 December 2010, the AIMS Group's top five (5) customers contributed RM18.80 million representing thirty five point one percent (35.1%) of the aggregated revenue of the AIMS Group. The TdC Group does not form one of the top (5) customers of the AIMS Group.

The following table reflects AIMS Group's top five (5) major customers and their contribution to AIMS Group's revenue (based on audited financial statements of TAAG, AIMS Data Centre 2 and AIMS Cyberjaya after elimination of sales transactions within AIMS Group for the purpose of illustration below) for the financial year ended 31 December 2010:

	Revenue contribution to AIMS Group 2010 financials	
Major Customers	**RM 000**	**%**
A[(1)]	6,577	12.3
B[(1)]	5,885	11.0
C[(1)]	2,485	4.6
D[(1)]	2,296	4.3
E[(1)]	1,553	2.9

Note:

(1) The identities of the customers which are not related to AIMS Group are not disclosed for confidentiality reasons

(ii) Overview of TAAG

TAAG was incorporated in Malaysia under the Act on 16 December 2005 under the name of Titian Inovatif Sdn Bhd as a private company limited by shares and it assumed its present name on 16 February 2007. As at LPD, the authorised share capital of TAAG is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM1,400,000 comprising 1,400,000 ordinary shares of RM1.00 each.

TAAG is principally engaged in the business of providing engineering services for the telecommunication industry. The principal activities of the subsidiaries are providing telecommunications services and value added network services, information services, systems integration services and the operation of data networks and network based applications for corporations.

There are no licences required to be obtained by the TAAG Group for the provision of data centre engineering and cabling services.

The transactions entered into by the TAAG Group with the TdC Group in the past three (3) financial years are as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sales transactions to the TdC Group[(1)]	80
	Purchase transactions from the TdC Group[(2)]	484
31 December 2009	Sales transactions to the TdC Group[(1)]	303
	Purchase transactions from the TdC Group[(2)]	2,011
31 December 2010	Sales transactions to the TdC Group[(1)]	568
	Purchase transactions from the TdC Group[(2)]	2,107

Notes:

(1) Provision of co-location and ancillary services by the TAAG Group to TdC Group

(2) Purchase of leased line services by TAAG Group from TdC Group

Further information on the TAAG Group is found in Appendix V of this Circular.

(iii) Overview of AIMS Data Centre 2

AIMS Data Centre 2 was incorporated in Malaysia under the Act on 6 November 2007 under the name of Menara Suasa Sdn Bhd as a private company limited by shares and it assumed its present name on 7 January 2008. As at LPD, the authorised share capital of AIMS Data Centre 2 is RM500,000 comprising 500,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

Megawisra's original cost of investment in AIMS Data Centre 2 amounts to approximately RM147,004 between 2007 to 2010. As at 31 August 2010, Megawisra had subscribed to and paid for a total of 102,000 ordinary shares in AIMS Data Centre 2, and 98,000 ordinary shares in AIMS Data Centre 2 were subscribed to and paid for by others. On 4 November 2010, the 98,000 ordinary shares were purchased by Megawisra for an aggregate purchase consideration of RM45,004. Hence, total cost of investment by Megawisra to-date is approximately RM147,004.

The principal activity of AIMS Data Centre 2 is dedicated server hosting, provision of managed services and provider of outsourced services such as managed services which include the operation and maintenance of servers and routers for its customers; managed hosting which includes managed security (the operation and maintenance of firewalls and intrusion detection systems, anti-spam etc for its customers) and managed storage (the operation and maintenance of storage space for customers' servers); and enabling Infrastructure-as-a-Service (provision of virtual servers and the operation and maintenance of the virtual machines). AIMS Data Centre 2 holds an Applications Service Providers (Class) Licence for the re-sale of internet access services (which is the same licence issued by MCMC to GTC as described in Section 3.2.10(i), Part A of this Circular) issued by the MCMC. This licence was first obtained on 1 December 2009 and is currently valid from 1 December 2010 to 30 November 2011. AIMS Data Centre 2 will need to re-apply for this licence annually and has submitted its re-application on 11 October 2011.

There are no transactions entered into by AIMS Data Centre 2 with the TdC Group in the past three (3) financial years.

(iv) Overview of AIMS Cyberjaya

AIMS Cyberjaya was incorporated in Malaysia under the Act on 6 November 2007 under the name of Rightscore Venture Sdn Bhd as a private company limited by shares and it assumed its present name on 11 January 2008. As at LPD, the authorised share capital of AIMS Cyberjaya is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,000,002 comprising 2,000,002 ordinary shares of RM1.00 each.

AIMS Cyberjaya, a MSC Malaysia status company, is principally engaged in the business of providing value added network services, information services, system's integration services and the operation of data networks and network based applications for corporations.

No licence is required to be obtained by AIMS Cyberjaya for its provision of co-location services.

The transactions entered to by AIMS Cyberjaya with the TdC Group in the past three (3) financial years are as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sales transactions to the TdC Group[(1)]	-
31 December 2009	Sales transactions to the TdC Group[(1)]	250
31 December 2010	Sales transactions to the TdC Group[(1)]	661

Note:

(1) Provision of co-location and ancillary services by AIMS Cyberjaya to TdC Group. There are no purchase transactions entered into by AIMS Cyberjaya with TdC Group

(v) Information on Megawisra, the vendor of AIMS Group

Megawisra holds one hundred percent (100%) of the issued and paid-up share capital of AIMS Data Centre 2, TAAG, and AIMS Cyberjaya as at LPD.

Megawisra was incorporated in Malaysia under the Act on 8 September 2004 as a private company limited by shares. As at LPD, the authorised share capital of Megawisra is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM1,570,000 comprising 1,570,000 ordinary shares of RM1.00 each, all of which are owned by Megawisra Investments. The shareholders of Megawisra Investments are Afzal and Te-Shen, who holds seventy five percent (75%) and twenty five percent (25%) equity stakes respectively.

Megawisra is principally engaged in the telecommunications industry. The directors of Megawisra are Afzal, Te-Shen and Ng Wymin.

3.3 Proposed Capital Repayment

The Proposed Capital Repayment entails a capital distribution of a sum of RM50,615,500 on the basis of RM0.02 for every one (1) TdC Share to the shareholders of our Company whose names appear in the Record of Depositors of our Company at the close of business on an entitlement date to be determined at a later date.

The Proposed Capital Repayment is to be implemented via a reduction of our Company's share premium of an equivalent amount and is intended to be funded by internally generated funds.

3.4 Proposed Capital Restructuring

The Proposed Capital Restructuring entails the proposed elimination of our Company's accumulated losses through the credits arising from the Proposed Capital Reduction and the Proposed Share Premium Reduction subsequent to an increase in the par value of TdC Shares through the Proposed Share Consolidation.

The amount of accumulated losses to be eliminated will be as at the date on which the Directors shall determine.

There will not be any suspension imposed as the Proposed Capital Restructuring will be completed through SPEEDS and will be completed before the Proposed Acquisitions.

3.4.1 Proposed Capital Reduction

As at 31 December 2010, our Company has an issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 TdC Shares of RM1.00 par value each and accumulated losses of RM3,108,313,000.

Our Board has proposed that the existing issued and paid-up share capital of our Company be reduced to RM253,077,500 comprising 2,530,775,000 TdC Shares of RM0.10 par value each, by way of cancellation of RM0.90 of the par value of each existing TdC Share in issue pursuant to Section 64 of the Act.

The reduction of RM0.90 of the par value for each existing TdC Share would give rise to a credit of approximately RM2,277,697,500, which would be utilised to reduce our Company's accumulated losses.

3.4.2 Proposed Share Premium Reduction

Based on the audited financial statements of our Company as at 31 December 2010, the share premium of our Company of RM1,570,758,000 will be reduced to RM1,520,142,500 pursuant to the Proposed Capital Repayment. Pursuant to Section 60(2) of the Act, the share premium account can be treated as if the share premium were paid-up share capital of our Company for the purpose of a capital reduction. Accordingly, our Company may, pursuant to Section 64(1) of the Act, reduce our share premium account.

For illustration purposes, based on the outstanding accumulated losses as at 31 December 2010, the share premium account of our Company (after accounting for one-off acquisition related costs in compliance with FRS 3 (revised) and Proposed Capital Reduction) will be reduced by an amount of RM834,315,000 and the credit arising therefrom may be utilised to further reduce the accumulated losses of our Company. The final amount of the share premium account that will be utilised to eliminate the accumulated losses of our Company will be determined nearer the completion of the Proposals, as the amount of the accumulated losses changes over time. As such, the amount of accumulated losses to be eliminated will be determined once our Company establishes the timeline to proceed with the procedures to effect the Proposed Capital Reduction.

A summary showing the effects of the reduction of the accumulated losses based on the illustration above and creation of capital reserves of our Group and our Company following the Proposed Capital Reduction and the Proposed Share Premium Reduction, based on the audited financial statements of our Group and our Company as at 31 December 2010 are shown below:

	TdC Group level RM 000	**Company level RM 000**
Accumulated losses as at 31 December 2010	(2,928,730)	(3,108,313)
Less Transaction costs[1]	(3,700)	(3,700)
Add: Credit arising from the Proposed Capital Reduction	2,277,698	2,277,698
Balance after the Proposed Capital Reduction	(654,732)	(834,315)
Add: Credit arising from the Proposed Share Premium Reduction	834,315	834,315
Capital reserve to be created after the Proposed Capital Restructuring	**179,583**	**-**

Note:

(1) *Pursuant to the FRS 3 (revised) (which will be applicable to our Group and effective for the FYE 2011), one off acquisition related costs shall be expensed in the period that they are incurred. It will have a negative impact to the net profits of our Group (and EPS) and has been reflected in the pro forma effects above*

The accumulated losses of our Company after the Proposed Capital Restructuring will be eliminated and may result in the creation of a capital reserve account in our Group.

3.4.3 Proposed Share Consolidation

Based on the audited financial statements of our Group as at 31 December 2010 and after the Proposed Capital Reduction and Proposed Share Premium Reduction, our Company will have an issued and paid-up share capital of RM253,077,500 comprising 2,530,775,000 TdC Shares of RM0.10 each.

The Proposed Share Consolidation entails the consolidation of five (5) TdC Shares of RM0.10 each after the Proposed Capital Reduction into one (1) TdC Share of RM0.50 each. Upon the completion of the Proposed Share Consolidation, the issued and paid-up share capital of our Company will remain unchanged at RM253,077,500 notwithstanding that the total number of shares in issue will be reduced from 2,530,775,000 TdC Shares of RM0.10 each to 506,155,000 TdC Shares of RM0.50 each.

3.5 Proposed Amendment

The Proposed Amendment is necessary to facilitate the Proposed Capital Reduction and Proposed Share Consolidation. The Proposed Amendment entails the following amendment to clause 5 of our Company's memorandum of association:

Existing Clause 5	Proposed Clause 5
"5. The share capital of the Company is Ringgit Malaysia Five Billion only RM5,000,000,000 divided into 5,000,000,000 Ordinary shares of Ringgit Malaysia One only (RM1.00) each with power for the Company to increase or reduce such capital and to issue any part of its capital, original or increased with or without any preference, priority or special privilege or subject to any postponement of rights, or to any conditions or restrictions and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained."	"5. The share capital of the Company is RM5,000,000,000 divided into **10,000,000,000 Ordinary shares of RM0.50 each** with power for the Company to increase or reduce such capital, and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege, or subject to any postponement of rights, or to any conditions or restrictions and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained."

4. OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The pace of growth of the Malaysian economy moderated in the second quarter of 2011 (4.0%; 1Q 11: 4.9%) following a weaker external environment. The overall weakness in the advanced economies and the disruptions in the global manufacturing supply chain stemming from the disaster in Japan, were reflected in the slowdown in the manufacturing sector. Nevertheless, overall growth continued to be underpinned by the sustained expansion of private domestic demand. This was further supported by the strong exports of commodities and resource-based products given the favourable regional demand and high commodity. *(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2011 issued by BNM)*

On the supply side, growth in most economic sectors moderated during the quarter. The services sector was sustained at 6.3% (1Q 11: 6.4%), supported by continued domestic private sector spending. *(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2011 issued by BNM)*

While the moderation in the global growth in the second quarter was mainly due to temporary factors arising from global supply chain disruptions and high commodity prices, fiscal and debt conditions in several of the advanced economies had also contributed to increased uncertainties and heightened financial market volatilities which affected overall confidence. Going forward, global growth is expected to remain positive supported by economic activity in most of the emerging economies and the improvement in the global supply chain. The overall global recovery, however, will continue to be constrained by the structural weakness in the advanced economies. In addition, prolonged uncertainty in the financial markets could also weigh down on real economic activity. *(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2011 issued by BNM)*

4.2 Overview and outlook of the telecommunications industry

Malaysia has maintained its sixth-ranked position in the Business Monitor International's latest Business Environment Ratings table in their Malaysia Telecommunications Industry Report Q2 2011. Ahead of Malaysia was Hong Kong while Taiwan remained in seventh place.

Malaysia has one of the most mature telecommunication markets in Business Monitor International's regional table on account of early efforts to liberalise the mobile sector and the introduction of mobile virtual network operators. As a result, mobile penetration rates are a hundred percent (100%), despite the fact that the sector is dominated by the prepaid sector. Customers increasingly migrate from prepaid to post-paid/3G services due to higher smartphone penetration rates as a result of lower costs and attractive applications arriving on the market.

As a result of the above, mobile broadband services are taking off. The introduction of high speed networks such as High Speed Packet Access + and Long Term Evolution trials should encourage mobile broadband subscriber growth and also aid take up of post-paid customers.

(Source: Business Monitor International, Malaysia Telecommunications Industry Report Q2 2011)

4.2.1 Overview of the broadband market

Malaysia has taken challenging strides to accelerate broadband take up since 2003, through the NBI, which seeks to put in place a national strategy that will bring broadband to the whole nation. In 2007, the penetration rates hit just over three per cent (3%) and household penetration rate was just over eleven per cent (11%). The Malaysian government has in the last decade sought to improve and increase the pervasiveness of ICT as one of the leverages to national competitiveness. Communications services are recognised as an enabler to accelerate the nation to sustain economic growth and improve the wellbeing of its citizens. *(Source: MCMC website, http://www.skmm.gov.my)*

Penetration rate is usually computed as national total connections (or subscribers) divided by the population, whilst household penetration rate is usually computed as total number of subscribers divided by total number of households.

The target of the NBI was to achieve a Malaysian broadband household penetration rate of fifty percent (50%) by the end of 2010, which covers 2.27 million premises, with investments to cost about RM15.2 billion (USD4.46 billion) over ten (10) years which includes the cost of 'last-mile' fibre, core network and improvements to international connectivity. As at November 2010, this target has been achieved. *(Source: MCMC website, http://www.skmm.gov.my)*

The Malaysian government identified a strategy that encompasses both the supply and demand aspects of broadband. On the supply aspect, broadband infrastructure and services were rolled out throughout the country. Delivery of services was done through wired and wireless connectivity. In the meantime, the existing broadband and cellular coverage was expanded under the Universal Service Provision initiative. For the high economic impact areas, broadband services were upgraded to provide higher speed of more than ten (10) Mbps. The Malaysian government signed a Public Private Partnership agreement with Telekom Malaysia Berhad and rolled out high speed broadband infrastructure at selected areas. The project is called High Speed Broadband Project and was launched in March 2010 with the brand name Unifi. *(Source: MCMC website, http://www.skmm.gov.my)*

The strategy to encourage demand for broadband was to emphasize three aspects of demand, which are Awareness, Attractiveness and Affordability. Awareness was created through continuous government and private sector involvement in the awareness programs and capacity building initiatives. In order to improve the attractiveness of the online content, efforts were focused to enhance and promote e-Government, e-Education and e-Commerce. There were also efforts to digitalise the traditional information resources such as library, archive, etc. to be available online. The affordability factor and bridging the digital divide is being improved by developing various incentives to reduce the broadband access costs and widening the community access. *(Source: MCMC website, http://www.skmm.gov.my)*

4.2.2 Overview of the IP Transit network industry

The purpose of IP Transit is to allow ISPs, whether with or without their own network resources, to offer end-customers cross-border internet connectivity at a competitive cost. Given the already existing extensive international IP backbone reach, buying IP Transit from a network owner is generally a favourable solution. IP Transit is a practical way for ISPs to extend their customer base into new geographical markets.

IP Transit possibly allows an ISP to reach more customers faster. The networks are already in place, so an ISP may be connected immediately, and begin collecting revenues faster.

Growth in the IP Transit industry comes from businesses and people using the internet more and more every day to run their lives. The internet is clearly on a path of growth both in terms of usage and capacity. With the growing demand for services, prices are also coming down. With more competitive options, internet usage will be more available to more people throughout the world. Increased availability will mean increased demand for IP Transit.

IP Transit volumes have been rapidly growing and traffic from Asia to the U.S. and Europe increased over the last five (5) years.

Much of the growth of IP Transit has been fuelled by the broadband penetration as consumers have switched from dial-up modems to higher-bandwidth broadband technologies. Between 2004 and 2009, the number of global broadband subscribers has more than doubled to over 490 million households. This number is expected to continue to grow and to surpass 700 million subscribers by 2013. (*Source: Global Bandwidth Research Service 2010 by Telegeography Research, http://www.telegeography.com*)

However, the growth of broadband subscribers alone disguises the effect that increasing access speeds have on traffic growth, as the demand by individual subscribers for broadband is also growing. While the pace of new subscriber growth has slowed, end-user access speeds have soared. This has enabled a slew of new applications and services to thrive and has placed new demand on networks (and consequently, IP Transit) due to increased traffic generation per user. (*Source: Global Bandwidth Research Service 2010 by Telegeography Research, http://www.telegeography.com*)

4.2.3 Overview of undersea cable industry

The relative advantages of undersea cable networks include:

(a) the cost for laying undersea cables is relatively lower as compared to the cost of satellites. Although the initial costs of an undersea cable appear to be considerable, the long term savings that arise from reducing the reliance on satellite capacity helps defray construction costs;

(b) undersea cables have enormous carrying capacity (existing transoceanic networks have capacity of more than seven (7) Tbps); and

(c) undersea cables have reasonably high reliability as it is embedded in the deep sea are less susceptible to damage and/or cuts, and low latency. Latency is a measure of time delay experienced in a system. Reducing latency is an important factor for content providers, financial institutions and online video providers. For example, for financial institutions, reducing latency may impact the profitability of trading operations.

With more than two hundred and twenty three (223) undersea cables that have already been built and forty three (43) planned cables in 2010 according to Telegeography, it appears that undersea cables can be described as the backbone of the global telecommunications and data network. Connectivity through undersea cables has been a major international transmission medium since shortly after the advent of the fiber optic cable. *(Source: Telegeography Submarine Cable Profiles 2010, http://www.telegeography.com)*. As far as TdC and the management of the Acquiree Companies are aware, to date, there has been no significant change to the number of built and planned cables in 2010 as described above.

The growth of undersea cable demand can be primarily attributed to the growth of the internet and associated growth in e-commerce and global data connectivity, where consumer, business and governmental demand for higher bandwidth provided to the subscriber is increasing.

The demand for international capacity has also remained robust in countries with more matured telecommunication markets. International bandwidth usage increased fifty-five percent (55%) per year in Europe and fifty-three percent (53%) in the US and Canada between 2002 to 2009. (*Source: Global Bandwidth Research Service 2010 by Telegeography Research, http://www.telegeography.com*)

4.2.4 Overview of the data centre industry

Data centres provide customers with very high specification physical infrastructure from which to operate their computer systems and services. Data centres house critical equipment including network and computing equipment, such as servers and routers, which are critical to the operation of customers' businesses and allow interaction over the internet and internally. Many operators of complex computer systems require data centre facilities but the primary users of data centres include telecoms companies, computer service providers (for example, web hosting and application service providers), content owners (for example, search engines) and financial services companies.

There are two different models for providing internet service in co-location facilities. One is carrier-neutral and the other is carrier-specific. In the carrier-neutral model, customers' equipment are hosted in a facility that offers many different carriers. Carrier-neutral data centers offer customers more choices and the option to shop around for the best priced carrier. With the carrier specific model, customers may have fewer choices as to which carrier to provide their internet connection.

Carrier-neutral data centres thus create an ideal environment for corporations seeking access to multiple networks which improves efficiency. The neutral platform for connectivity also drives competitiveness within the telecommunications industry and serves as a common platform to host services and share resources.

The data centre industry in Asia Pacific is expected to grow by sixteen point three percent (16.3%) annually, reaching RM10.9 billion by 2014. The government believes Malaysia has the potential to emerge as a world-class data centre hub due to having a significant share of Asia Pacific's data centres revenue, credible local data centres service providers and a recognised capability in providing high-value managed services. Through the Economic Transformation Program, the government aspires to establish Malaysia as the preferred destination for data centres investors and increase the supply of data centres space in Malaysia from the current 0.5 million square feet to 5.0 million square feet by 2020 to capitalise on the strong growth of data centre revenue in Asia Pacific. To achieve the above, the industry and the government will work to coordinate sales efforts. They will also improve the credibility of Malaysia as a data centres hub through benchmarking services and improving privacy standards and develop human capital to capitalise on higher-value managed services and increase the number of certified companies. *(Source: Economic Transformation Programme)*

4.3 Future prospects of the Acquiree Companies

4.3.1 GTC

In more recent years, GTC has expanded its international footprint with major points-of-presence in Singapore, Hong Kong and the US, and also procured access to several submarine cable systems such as the Unity cable system and the EAC-C2C cable system. GTC has also secured multiple ten (10) Gbps capacity connecting Malaysia and Singapore. With this global network, GTC is able to offer competitive international bandwidth services to Malaysian as well as regional service providers.

According to the Telegeography Research, the market for bandwidth is expected to grow from five (5) Tbps to forty five (45) Tbps in Asia and from zero point four (0.4) Tbps to three point five (3.5) Tbps in Malaysia by the year 2015. This growth is being driven primarily by the increase in broadband services. *(Source: Telegeography Research, http://www.telegeography.com).* Content services such as social networking sites and online gaming contribute to the increasing demand for broadband services. Emergence of mobile broadband (3G, HSPA, LTE and the like) and wireless broadband (WiFi, WiMAX) is expected to further boost the broadband adoption in the region.

GTC focuses on delivering solutions to its customers and has been successful in aggregating bandwidth requirements for its customers, by buying bandwidth capacity from multiple global suppliers in large volume (hence, enjoying preferential pricing) and connecting them to its points-of-presence in Malaysia, Singapore, Hong Kong, USA etc, and thereafter re-selling the capacity in smaller units to customers who have smaller bandwidth requirements for connection to those parts of the world where GTC has a point-of-presence. It works with a multitude of providers in the market and designs solutions to meet customer's requirements. By leveraging on the networks of its partners, GTC is positioned as the "one-stop-shop" solution provider in the market that provides the routes to and from the most connected IP networks in the world. The greater economies of scale enjoyed by GTC are passed on to its customers.

Within its first three (3) years of operations, GTC has successfully secured contracts with carriers, mobile operators and ISPs based in Malaysia, Indonesia, Thailand, Singapore, Hong Kong, Taiwan, and Myanmar. To-date, GTC has more than one hundred and forty (140) companies using its services, the bulk of whom are service providers.

GTC's order book value based on contracts secured from 1 January 2011 to the LPD is approximately RM90 million, which is a growth of approximately twenty percent (20%) since 31 December 2010, with more than ninety five percent (95%) of the value comprising regional sales. The order book value excludes recurring revenues from contracts secured prior to 2011.

4.3.2 GTL

GTL, via its Participation Interest, has the right to use ten percent (10%) of the Unity cable system's capacity, which links Japan to the US. By virtue of this, GTL has the ability to participate in network exchange arrangements with other cable owners for connectivity to other parts of the world. Since the launch of the Unity cable system, GTL has been the second Malaysian company that has direct interest in a Trans-Pacific submarine cable system.

Through its Participation Interest in the Unity cable system, GTL is poised to tap on exponentially increasing capacity demand between the Asian and the American continents.

Unity is an international consortium that has developed an approximately 9,620 km undersea cable system connecting Japan and the US. This Trans-Pacific cable provides connectivity between Chikura, located off the coast near Tokyo, to Los Angeles and the west coast network points of presence in Palo Alto and San Jose. At Chikura, the Unity cable system is connected to other cable systems, further enhancing connectivity into Asia.

Through the deployment of state-of-the-art submarine cable technology, the five fiber pair Unity cable system is designed to deliver up to four point eight (4.8) Tbps of bandwidth across the Pacific, with each fiber pair having a capacity of up to nine hundred and sixty (960) Gbps. The system provides much needed capacity to sustain the increased growth in data and internet traffic between Asia and the US.

GTL is a member of the consortium which operates the Unity cable system and that also comprises Bharti Airtel Limited, Google Cable Bermuda Ltd, KDDI Corporation, Pacnet Limited and Singapore Telecommunications Limited. The Unity cable system will address broadband demand by providing much needed capacity to sustain the unprecedented growth in data and Internet traffic between Asia and the US. The Unity cable system has an initial potential design capacity of approximately four point eight (4.8) Tbps of bandwidth across the Pacific, with a possibility of being further boosted with advancing technology.

As GTL has only commenced its operations in April 2010, following the completion of the Proposed Acquisitions, GTL will continue to grow its business, leveraging on our Company's domestic network, or as part of GTC's plan to become an overall one-stop solution provider for our customers. GTL's order book value based on contracts secured from 1 January 2011 to the LPD is approximately USD20 million. The order book value excludes recurring revenues from contracts secured prior to 2011.

4.3.3 Global Transit Entities

GTS currently has minimal operations but it is a critical component of the business development plans of GTC and GTL focused on South East Asia. GTS provides the Singapore presence with its necessary SBO licence and is a strategic vehicle to facilitate the procurement and trading of bandwidth with international and domestic operators.

Singapore is seen as a thought leader in the strategic use of info-communications for competitive advantages. Many local info-communications companies have matured over the years and had developed successful info-communications products and services. The info-communications companies had also developed domain expertise and project management experiences through working on the info-communications projects in Singapore, which serve as excellent reference sites for Singapore-based info-communications companies venturing into new markets. *(Source: IDA website, http://www.ida.gov.sg)*

GTHK, which currently is dormant, holds a SBO Licence from the Office of the Telecommunications Authority, Hong Kong that allows GTHK to provide external telecommunications service operated over external leased circuits or other external switched telecommunications services at the Hong Kong and to places outside of Hong Kong. GTHK will be of strategic value to GTC and GTL to penetrate the Hong Kong telecommunications market.

Hong Kong is one of the most sophisticated and successful telecommunications markets in the world. This has been an important factor in Hong Kong's development as a leading business and financial centre. In 2008, the gross output of the telecommunications sector was HKD57.1 billion, an increase of 8.76 per cent over that of 2007. All sectors of Hong Kong's telecommunications market have been liberalised with no foreign ownership restrictions. Its regulatory regime is pro-competition and pro-consumer. The objectives are to provide a level playing field in the telecommunications market and ensure that consumers get the best services available in terms of capacity, quality, speed and price. *(Source: Website of the Office of the Telecommunications Authority of Hong Kong Special Administrative Region, http://www.ofta.gov.hk/)*

As the telecommunications industry is locally regulated by each country, and our Company sees potential in both jurisdictions, GTS and GTHK will be important vehicles to allow penetration into Singapore and Hong Kong. GTS and GTHK's order book value as at LPD is nil as GTS currently has minimal operations while GTHK is dormant.

4.3.4 AIMS Group

As a carrier-neutral data centre operator in Malaysia, AIMS Group currently plays neutral host to fourteen (14) foreign and eleven (11) local carriers that have established points-of-presence in Malaysia.

AIMS Group also hosts a list of approximately two hundred (200) carriers, service providers and businesses of various sizes that stores their critical equipment (i.e. equipment that cannot afford down-time, the failures of which would lead to major disruption) with AIMS Group, including servers, network equipment, transmission equipment and routers.

As highlighted in Section 3, Part A of this Circular, the management of AIMS Group believes that, with fourteen (14) global telecommunications provider and eleven (11) local telecommunications provider in its data centre, AIMS Group's main data centre in Kuala Lumpur is one of Malaysia's most interconnected site. The entire domestic carrier community is hosted at AIMS Group and they are joined by several key international carriers who offer their suite of services to Malaysian customers through AIMS Group, their principal deployment centre. On top of that, most local ISPs and numerous regional ISPs use AIMS Group as a peering point to connect to multiple backbones as well as a deployment point to access their customers. Approximately ninety percent (90%) of Malaysia's active voice providers also share the same base at AIMS Group, as do Malaysia's largest web hosting providers.

Based on the above, AIMS Group has a competitive advantage in the niche market of data centres in Malaysia, and with a large community and entrenched community of service providers available to its customers, it allows AIMS Group to offer its customers attractive rates and connectivity options.

By being one of the four international founding members of the Asia Data Centre Alliance, AIMS Group also expanded their regional presence and they are able to offer their wide client base the synergized, comprehensive suite of services of a regional data centre hub.

The AIMS Group's order book value based on contracts secured from 1 January 2011 to the LPD is approximately RM15 million. The order book value excludes recurring revenues from contracts secured prior to 2011.

4.3.5 Overall prospects

The Malaysian government has demonstrated its commitment in developing the ICT sector as laid out in the 10th Malaysia Plan. The 10th Malaysia Plan will focus on twelve (12) national key economic areas which have potential to generate high income, one of which is ICT. Therefore, the ICT sector will continue to be a key focus for Malaysia and is expected to gain greater momentum driven by the convergence of industries due to digitalisation. Key strategies that will be adopted to propel the industry include the identification and support by MSC of the development in niche areas, such as shared services, outsourcing and e-business, promotion of the use of ICT in all industries by the government and the provision of education and training to meet the human resource requirements in this sector. *(Source: The 10th Malaysia Plan)*

The government is also actively encouraging broadband roll-out, adoption and content development to support the wireless broadband industry which reflects the huge potential that remains to be tapped in the market, especially mobile wireless broadband. The NBI puts in place a national strategy that will bring broadband to the whole nation. As at November 2010, the government's target of a fifty percent (50%) national broadband penetration rate by year-end has been achieved. *(Source: MCMC website, http://www.skmm.gov.my/)*

The geographic presence of our Company's network infrastructure determines the market opportunities that are accessible to us. Our present infrastructure is entirely within Malaysia which determines our market focus as entirely domestic and international telecommunications traffic that flows through Malaysia. Our Company's expansion plan in its existing capacity in the short to medium term is focused predominantly on expanding market share in the domestic wholesale and corporate market segments via:

(i) improving of network quality and service levels;
(ii) expanding market reach; and
(iii) forging strategic partnerships to enhance service offerings.

We target to grow at above market growth rates in our selected domestic market segments and estimate that the above strategies can be funded via a combination of internally generated funds and borrowings leveraged on our current operations.

The Proposed Acquisitions combined with the strength of our Company's current operations will:

(i) expand our presence in the value chain of telecommunication services via increased business activities which are related and offerings which are complementary;
(ii) enlarge our network presence regionally;
(iii) expand our market reach regionally;
(iv) enable us to acquire business that are already fully operational and self-sustaining; and
(v) enable us to improve profit margins in our service offerings.

We are optimistic of the domestic and regional growth in bandwidth demand. Combining the strength of our Company's domestic network with GTC's IP Transit network and GTL's Trans Pacific submarine cable system, we believe, will position our Company as an end-to-end wholesale bandwidth service provider for the regional telecommunications providers and large corporate. Our Company combined with the Acquiree Companies will provide us with the competitive edge by optimising the level of bandwidth components offered which are owned by our Company, thereby improving our profit margins. The AIMS Group in turn will provide our Company with a level of revenue diversification whilst also adding to our value added service offerings and adding to our competitive edge.

Moving forward, our Company plans to integrate our service offerings and operations with GTC and GTL to enlarge our combined wholesale product offerings as a seamless end to end regional bandwidth provision and management. We intend for AIMS Group to continue to operate as a carrier-neutral data centre with combination of services only from a combined product marketing perspective. We intend to realise benefits from the combined product offerings almost immediately after completion of the Proposed Acquisitions and operational integration will be evaluated for efficiency and expected to take approximately one (1) year to complete. We do not expect to undertake any integration of network infrastructure between the Acquiree Companies and our Company or to incur expenditures outside of the ordinary expansionary measures.

In the short to medium term, we plan for GTC to organically expand its regional customer base, leveraging on growth in the regional wholesale bandwidth market. We intend that as its IP network grows, GTC will continue to expand its points-of-presence. As GTC is mainly a service provider, we expect that its funding requirements will be funded via its own operations and customer order books.

5. RISK FACTORS

The Acquiree Companies are subject to risks inherent to the IT and telecommunications industry, which are broadly similar to those currently faced by us. Such risks include intensity of competition, challenges in the construction of infrastructure, shortage in skilled workers and foreign exchange risks.

Other risk factors include, but are not limited to:

5.1 Acquisition Risk

The Proposed Acquisitions are expected to contribute positively to our Group based on the rationale as set out in Section 2, Part A of this Circular. However, there can be no assurance that the current financial performance of the Acquiree Companies will be sustainable in the future or that the Acquiree Companies will be able to generate sufficient revenue to offset the associated investment cost.

Any fair value adjustments to the assets and liabilities arising from the Proposed Acquisitions (and the resulting intangible assets identified thereon) pursuant to amongst others, a purchase price allocation exercise, will affect our Group's NA. Subsequently, the effects of amortisation and impairment losses (pursuant to amongst others, an annual impairment testing), if any, in respect of the identified intangible assets will have an effect on the Group's future earnings and NA.

Taking into account the risk associated with the Proposed Acquisitions, our Company will identify such risk by closely monitoring the financial performance of the Acquiree Companies and if necessary, mitigate such risk by implementing appropriate strategies to ensure that their financial targets are achieved.

5.2 Failure of physical infrastructure, services and security systems of the Acquiree Companies

The Acquiree Companies' businesses involve providing clients with highly reliable infrastructure (including data centres and cable systems) and services. These services and infrastructure are subject to failure from a variety of causes including human error, equipment failure, power loss, failure of services related to the internet and telecommunications, computer viruses, unauthorised access, sabotage, vandalism, system failures of network service providers, fire, earthquake, flood and other natural disasters, water damage, fibre optic cable cuts and terrorism.

Such disruptions could result in failure to meet the Acquiree Companies' customers' performance requirements or to protect their infrastructure, and in turn, the Acquiree Companies may lose customers and/or may become liable to them for damages. If a third party were able to gain unauthorised access into the Acquiree Companies' premises, he can misappropriate a client's personal or proprietary information, and the Acquiree Companies could be subject to claims, litigation or other potential liabilities. Further these disruptions will cause an increase in operating costs. The Acquiree Companies may also incur significant additional costs to protect against such disruptions or to alleviate problems caused by such disruptions.

To mitigate the above risks, the Acquiree Companies take relevant measures to minimize these disruptions. For example, the AIMS Group provides its customers with a reliable and safe environment to house their equipment, which includes an emergency power generator independently capable of running up to forty-eight (48) hours on full load, closely guarded security system and around-the-clock engineering support. In another example, GTC operates protected global networks via alternative routes to mitigate against network failures. Further, the 2 access points of the Unity cable system (in Chikura and in Los Angeles) are highly secured with twenty-four (24) hours security on site.

However, there can be no complete assurance that there will be no failure of physical infrastructure or services and whilst security remains one of the Acquiree Companies' highest priorities, there can be no certainty that the security of their systems will not be breached.

We wish to highlight that there is no insurance taken to insure the Unity cable system as we understand that it is common practice for undersea cable system operators to rely on vendor warranties and pre-determined rates for repairs to mitigate against any possible failures. In order to mitigate this, we understand that the common assets at both Los Angeles and Chikura are insured for fire and theft risks. Further, the Unity consortium engages cable ships to be on standby at all times to repair any cable faults or cuts that may occur and GTL will continue to procure network exchange arrangements or purchasing alternative routes as back-up.

5.3 Technological evolution

The market for data centre services and internet-related products is characterised by continued evolution in technology, evolving industry standards, changes in customer needs, heavy competition and frequent new product introductions. If the Acquiree Companies fail to develop new products or modify or improve existing products in a timely and cost-effective manner in response to these changes in technology, customer demands, industry standards, competition or product introductions, the Acquiree Companies' customers may choose to use a competitor's services, which may negatively affect the Acquiree Companies' business, results of operations and financial condition.

To mitigate the above risks, the Acquire Companies constantly engage with their customers and update themselves as to market trends in order to develop and improve the provision of their available services to customers and to meet customers' needs. However, there can be no assurance that these efforts will curb any negative impact on the Acquiree Companies' business and financial condition resulting from loss of customers due to this risk.

5.4 Ability to attract and retain key executives, officers, managers and technical personnel

The continued success of the Acquiree Companies, especially in a growing and rapidly changing technological sector, will depend to an extent upon the continued efforts and abilities of their existing key executives, officers, managers and technical personnel. Therefore, the loss of the aforementioned personnel could adversely affect the Acquiree Companies' competitiveness in the market.

To mitigate the above risks, the Acquiree Companies have human resource strategies which include providing competitive and performance-based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities. However, there is no assurance that the above measures will be successful in attracting and retaining key personnel or ensuring a smooth transition should changes occur.

5.5 Environmental laws and regulations that may be imposed in the future

The management of the Acquiree Companies are not aware of any onerous environmental laws and regulations, whether relating to the generation, storage, handling and disposal of hazardous wastes and technological equipment, the maintenance of physical facilities or the generation and use of electricity, that the Acquiree Companies are required to comply with, other than in respect of the Unity cable system which has cable landing stations in and has laid cables in the territorial waters of Japan and the US, but these may be imposed on the Acquiree Companies in the future. Compliance with these laws and regulations could impose substantial ongoing compliance costs and operating restrictions on the Acquiree Companies and may adversely affect the Acquiree Companies' expansion plans.

Non-compliance with, or liabilities under, prospective environmental or health and safety laws and regulations, including failure to hold requisite permits, could result in fines, penalties, third party claims and other costs that may have a material adverse effect on the Acquiree Companies.

To mitigate this risk, the Acquiree Companies are currently monitoring and, moving forward, together with our Company, will continue to monitor the same and endeavour to ensure that we are kept abreast as to the legal developments applicable to this area.

5.6 Political, economic and legislative considerations

The telecommunications industry is a regulated industry. In Malaysia, separate licences are required to build and own infrastructure, to operate services and to collect revenue from the end users for such services. Any changes in the political, economic, regulatory and social conditions in Malaysia and any other countries which the Acquiree Companies conduct or intend to conduct their business in, could materially and adversely affect the financial and business prospects of the Acquiree Companies. Amongst the political, economic and regulatory uncertainties are the changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing contracts, interest rates and method of taxation.

Whilst the Acquiree Companies strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially and adversely affect the Acquiree Companies.

5.7 Cancellation, revocation or non-renewal of licences

As mentioned in Section 3, Part A of this Circular, GTC possesses key telecommunications licences issued by the MCMC while GTS and GTHK each holds an SBO Licence granted by the telecommunications authorities in Singapore and Hong Kong respectively. Similarly, AIMS Data Centre and AIMS Data Centre 2 have been granted licences from MCMC to provide certain services as part of their operations.

All such licensees are regulated in accordance with the licensing and regulatory frameworks established by the relevant authorities, which are formulated under the provisions of the governing statutes of each of the countries. Therefore, any breach of the laws, regulations and conditions imposed in the licences could result in the cancellation, revocation or non-renewal of, or impositions of further restrictions or limitations on, these licences. This, in turn, could adversely impact the Acquiree Companies' ability to continue their operations.

To mitigate the above risks, the Acquiree Companies will strive to ensure strict compliance with all applicable laws and regulations, and the conditions in the licences. However, as the telecommunications environment is dynamic and constantly evolving, there can be no assurance that there will be no further changes to the regulatory framework that may adversely affect the Acquiree Companies' financial performances.

5.8 Business risk

Given the stage of development of the telecommunications industry in Malaysia, its highly competitive nature and the extent of reliance on advanced technology, the Acquiree Companies are exposed to a number of operating risks, common to all telecommunications companies. These include, among others, technological advancement (as mentioned above), infrastructure sharing and tariff rebalancing.

Further, contracts between GTC and AIMS Group and their respective customers are entered into on a fixed term basis and typically for a period of one (1) year and most contracts have automatic renewal provisions. Although the current customers of the Acquiree Companies generally continue to renew their short term contracts with the Acquiree Companies, there is no certainty that they will renew their contracts with the Acquiree Companies and there is also a possibility of customers terminating their existing contracts with the Acquiree Companies.

Although the management of the Acquiree Companies may have instituted various measures and controls to mitigate any negative effects arising from the factors mentioned above, including maintaining good relationships with customers, there can be no assurance that these abovementioned factors will not have a material adverse effect on the Acquiree Companies' businesses.

5.9 Competition

The communications and multimedia industry in Malaysia remains highly competitive as telecommunications companies have migrated to the new licensing regime under the CMA.

To mitigate the above risks, the Acquiree Companies take actions to ensure that their facilities and services are competitive in relation to other competing telecommunications companies. However, there can be no assurance that other companies will not venture into the business of the Acquiree Companies that would be in direct competition with the Acquiree Companies. Furthermore, such potential market entrants may have significantly greater financial resources than the Acquiree Companies.

5.10 Integration risk

As mentioned in Section 4.3.5, Part A of this Circular, our Company intends to integrate our domestic network with GTC and GTL's domestic and international networks respectively and, together with the data centres operated by AIMS Group, will be able to produce an overall one-stop solution for our customers. Such solutions include complete end-to-end services and a full suite of managed services. The effective integration of these solutions is required to ensure that our Company will derive synergistic benefits from the Proposed Acquisitions, including expansion in customer base, economies of scale and cost savings.

Nevertheless, if unforeseen issues arise during the integration process (such as disruption to the network services) and the system becomes temporarily inoperative or malfunction, this will have a detrimental impact on customer services. Our Company has put in place proper plans of integration and back-up plans in order to mitigate suck risks. However, there can be no assurance that even with such plans, these integration risks, especially unforeseeable ones, will not adversely impact our services and, in turn, have an adverse impact on the Acquiree Companies' performance and financial position as a result of damage to customer relationship.

5.11 Foreign exchange risk

If the currencies of various countries in which the Acquiree Companies conduct their operations and receive their revenue fluctuate relative to the Ringgit, these fluctuations may result in higher or lower financial numbers after translation into Ringgit. Major devaluation or depreciation of any such currencies may also result in a collapse of the international foreign exchange markets and may limit the Acquiree Companies' ability to transfer or to convert such currencies into Ringgit and/or other currencies. In addition, the governments of certain countries in which the Acquiree Companies operate and/or have investments may in the future institute restrictive exchange rate policies that limit or restrict the ability to convert their respective currencies into other currencies or to transfer other currencies out of their jurisdictions.

There can be no assurance that currency fluctuations or limitations on the Acquiree Companies' ability to convert or transfer currencies would not have a material adverse effect on the Acquiree Companies' financial condition, results of operations and prospects.

Currently, sale and purchase transactions are traded in the same currency. Moving forward, our Company will monitor and evaluate such risks and where considered necessary, the Group may consider using financial instruments to hedge its foreign currency risk.

5.12 Financing Risk

Our Group's and/or the respective Aquiree Companies' ability to obtain external financing to fund our/their capital expenditure and/or operations and to make timely repayments of our/their debt obligations are subject to various uncertainties, including our/their future results of operations, financial condition and cash flows, the condition of the Malaysian economy and the markets for our/their products, the cost of financing and the condition of financial markets, and the continuing willingness of banks to provide new loans. It is not certain that any required additional financing, either on a short-term or long-term basis will be made available to our Group and/or the respective Acquiree Companies on satisfactory terms, if at all. If adequate funding is not available when needed, or is available only on unfavourable terms, meeting our Group's and/or the respective Acquiree Companies' capital needs or otherwise taking advantage of business opportunities or responding to competitive pressures may become challenging, which could have a material and adverse effect on our Group/the respective Acquiree Companies' business, financial condition and results of operations.

The Acquiree Companies are capital intensive in nature and requires financing which may be subject to normal terms, conditions and covenants, such as cross defaults, recall of borrowings at the financier's discretion, etc. To mitigate the above risks, the management of our Company, together with the Acquiree Companies, will continuously monitor gearing levels and continue to practise sound financial management to prevent the occurrence of any default of borrowings.

6. EFFECTS OF THE PROPOSALS

6.1 Issued and paid-up share capital

The implementation of the Proposals would have an immediate impact on the issued and paid-up share capital of our Company, and the effects of the Proposals on issued and paid-up share capital of our Company as at 31 December 2010 (audited) are illustrated in the following table:

	No of TdC shares 000	Par value RM	Issued and paid-up share capital RM 000
As at 31 December 2010	2,530,775	1.00	2,530,775
Upon Proposed Capital Repayment	-	-	-
	2,530,775	**1.00**	**2,530,775**
Upon Proposed Capital Reduction	-	(0.90)	(2,277,698)
	2,530,775	**0.10**	**253,077**
Upon Share Consolidation	(2,024,620)	(1)	-
	506,155	**0.50**	**253,077**
Upon the Proposed Acquisition of GTC	28,732	0.50	14,366
	534,887	**0.50**	**267,443**
Upon the Proposed Acquisition of GTL	17,071	0.50	8,535
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of GTS	-	-	-
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of GTHK	-	-	-
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of AIMS Group	20,112	0.50	10,057
	572,070	**0.50**	**286,035**

Note:

(1) The par value of each TdC Share increases from RM0.10 to RM0.50 pursuant to the Proposed Share Consolidation of 2,530,775,000 ordinary shares of RM0.10 (after the Proposed Capital Reduction) into 506,155,000 TdC Shares, on the basis of five (5) ordinary shares of RM0.10 each in TdC into one (1) ordinary share of RM0.50 each in TdC

6.2 Net EPS

The Proposals are expected to contribute positively to the future earnings of our Group. Our Group's EPS is expected to improve as a result of improved future earnings as well as consolidation of TdC Shares.

For illustration purposes only, assuming that the Proposals had been completed on 1 January 2010 and based on the audited consolidated financial statements of our Group for the financial year ended 31 December 2010, the effects of the Proposals on our Group's results are set out below. We wish to highlight that the EPS for the enlarged group's proforma results for the year ended 31 December 2010 as set out in column IV of the table below, may not be reflective of a full year of operations post Proposed Acquisitions as GTL only started generating revenue in Quarter 4, 2010. As such, we have further illustrated a potential full year impact of GTL's results based on the annualisation of its Quarter 4, 2010 results in column V of the table below.

The net profits and net EPS are arrived at after adjustment of:

(i) one-off acquisition related expenses estimated at RM3.7 million in compliance with FRS 3 (revised) comprising estimated:

  (a) advisory fees of RM3.4 million;

  (b) regulatory expenses of RM0.1 million; and

  (c) shareholders' meeting & printing expenses of RM0.2 million;

(ii) estimated interest expense of RM5.28 million for acquisition financing on the total cash consideration of RM88 million; and

(iii) elimination of inter-group transactions which mainly comprise of global bandwidth sales and other trade transactions entered into in 2010.

	(I)	(II)	(III)			(IV)		(V)
			(a)	(b)	(c)	(d = a + b + c)	(e)	(d + e)
	Our Group's audited consolidated results for the year ended 31 December 2010	**After (I) and After the Proposed Capital Repayment**	**After (II) and After the Proposed Capital Restructuring**	**The Acquiree Companies' proforma group results for the year ended 31 December 2010**	**Adjustments for Inter-group transactions and expenses incurred for the Proposed Acquisitions**	**After (III) and after the Proposed Acquisitions**	**Incremental contribution to the Acquiree Companies' group results for the year ended 31 December 2010 assuming GTL's results are annualised[5]**	**After (IV) and assuming GTL's results are annualised[5]**
	RM million	**RM million**	**RM million**	**RM million**	**RM million**	**RM million**	**RM million**	**RM million**
Revenue	321.1	321.1	321.1	103.8[2]	(76.8)[3]	348.1[4]	38.6	386.7
Net profit	107.1	107.1	107.1	8.4[2]	(32.0)[3]	83.5[4]	14.5	98.0
Net EPS (sen)	4.23	4.23	21.15[1]	n/a	n/a	14.60[4]	n/a	17.14
No of shares (mil)	2,530.8	2,530.8	506.2[1]	n/a	n/a	572.1	n/a	572.1

Notes:

(1) The Proposed Capital Restructuring involves a Proposed Capital Reduction which will reduce the par value of each share from RM1.00 to RM0.10 and a Proposed Share Consolidation which will increase the par value of each share from RM0.10 to RM0.50 and reduce the number of shares from 2,530.775 million shares to 506.155 million shares resulting in the increase in Net EPS from 4.23 sen to 21.15 sen

(2) The Acquiree Companies' proforma group results were arrived at based on the aggregation of the Acquiree Companies' audited results for the year ended 31 December 2010 and adjusted for inter-company transactions in revenue & expenses of the Acquiree Companies' proforma group

(3) Adjustments for inter-group transactions between TdC and the Acquiree Companies for the financial year ended 31 December 2010 comprising both revenue and expense contributions from TdC to the Acquiree Companies and vice versa. Also included are interest expense of RM5.280 million on the cash portion of the Proposed Acquisition of RM88.000 million to be financed by borrowings and one off acquisition related expenses of RM3.700 million

(4) The enlarged Group's proforma results were arrived at based on the aggregation of TdC's results for the year ended 31 December 2010 after the Proposed Capital Restructuring as per column III, the Acquiree Companies' proforma group results for the year ended 31 December 2010 as per Note 2 above and the Adjustments as per Note 3 above

(5) For illustration purposes, GTL's results are annualised based on its Quarter 4, 2010 results assuming it will be consistently reflected throughout a full financial year (as GTL only started generating revenues in Quarter 4, 2010) and the incremental contribution is set out above. The enlarged Group's proforma results were arrived as per Note 4 above, save for GTL's results which was annualised based on its Quarter 4, 2010 results

6.3 NA per share and gearing

The effects of the Proposals on the TdC Group's net assets per share and gearing as at 31 December 2010 are illustrated based on the audited financial statements for the year ended 31 December 2010 assuming the Proposals were completed on 31 December 2010 are shown as follows:

		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	
	Audited as at 31 December 2010	Proposed Capital Repayment	After (i) and Proposed Capital Reduction	After (ii) and Proposed Cancellation of Share Premium	After (iii) and Proposed Share Consolidation	After (iv) and Proposed Acquisition of GTC	After (v) and Proposed Acquisition of GTL	After (vi) and Proposed Acquisition of GTS	After (vii) and Proposed Acquisition of GTHK	After (viii) and Proposed Acquisition of AIMS Group
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Share capital (issued and fully paid up)	2,530,775	2,530,775	253,077[4]	253,077	253,077	267,443[7]	275,978[8]	275,978	275,978	286,035[11]
Share premium	1,570,758	1,520,142[2]	1,520,142	685,827[5]	685,827	773,461[7]	825,526[8]	825, 526	825, 526	886, 869[11]
Available-for-sale reserve	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000
Retained earnings / (accumulated losses)	(2,928,730)	(2,932,430)[3]	(654,732)[4]	-	-	-	-	125[10]	125	125
Capital reserves	-	-	-	179,583[5]	179,583	179,583	179,583	179,583	179,583	179,583
NA	1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,297,487	1,358,087	1,358,212	1,358,212	1,429,612
Less : Goodwill / intangible assets[1]	-	-	-	-	-	93,757	158,808 [9]	158,808	158,863	291,937
Net tangible assets	1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,203,730	1,199,279	1,199,404	1,199,349	1,137,675
Borrowings:										
Acquiree Companies						8,297[7]	62,561[8]	62,561	62,561	103,938[11]
undertaken by TdC to fund the Proposed Acquisitions						-	40,400[8]	40,400	40,400	88,000[11]
Total borrowings						8,297	102,961	102,961	102,961	191,938
Number of shares in issue (000)	2,530,775	2,530,775	2,530,775	2,530,775	506,155[6]	534,887[7]	551,958[8]	551,958	551,958	572,070[11]
NA per share (RM)	0.49	0.47	0.47	0.47	2.36	2.43	2.46	2.46	2.46	2.50
Gearing ratio (times)[12]	-	-	-	-	-	0.01	0.08	0.08	0.08	0.13

Notes:

(1) Goodwill / intangible assets arising from the Proposed Acquisitions are subject to the purchase price allocation exercise to be undertaken by our Company. Goodwill / intangible assets breakdown is elaborated in a table below:

	GTC	GTL	GTS	GTHK	AIMS Group
	RM 000	RM 000	RM 000	RM 000	RM 000
Purchase consideration	102,000	101,000	-	-	119,000
Less: (NTA) / NTL	(8,243)	(35,949)	(125)	55	14,074
Goodwill / Intangible assets	93,757	65,051	-(10)	55	133,074

(2) The capital repayment of RM0.02 per share is settled via the capitalisation of share premium. As such, this will result in reduction of share premium by RM50.6 million

(3) In accordance with the FRS 3 (revised), Business Combinations, estimated expenses for the Proposals of RM3.7 million is incorporated

(4) The Proposed Capital Reduction will reduce the par value of each TdC Share from RM1.00 to RM0.10. As such, our Company's share capital will be reduced by RM2.3 billion and our accumulated losses will be reduced by the same amount. There is no change in total shareholders' funds

(5) The Proposed Share Premium Reduction will reduce the share premium from RM1.52 billion to RM0.7 billion and will result in a capital reserve of RM179.6 million

(6) The Proposed Share Consolidation will increase the par value of each TdC Share from RM0.10 to RM0.50 and reduce the number of issued shares. As such, the number of issued shares will be reduced to 506.155 million with a par value of RM0.50 per TdC Share

(7) The Proposed Acquisition of GTC will increase our Company's share capital by RM14.4 million and the share premium by RM87.6 million and our Company will assume borrowings of GTC of RM8.3 million. As the purchase consideration of the Proposed Acquisition of GTC is to be fully settled by the issuance of New TdC Shares at an issue price of RM3.55 each, our Company's share capital will increase by 28,732,394 TdC Shares

(8) The Proposed Acquisition of GTL will increase our Company's share capital by approximately RM8.5 million and the share premium by RM52.1 million. The purchase consideration of the Proposed Acquisition of GTL will be funded by RM40.4 million in cash and RM60.6 million in New TdC Shares which will result in the paid up capital of our Company increasing by 17,070,421 TdC Shares. Further, our Company will assume the borrowings of GTL of RM54.3 million and incur additional borrowings of RM40.4 million to fund the cash portion of the Proposed Acquisition of GTL

(9) Irredeemable preference shares issued by GTL, which is classified as non-current liability as per GTL's audited statement of financial position, is eliminated in the proforma consolidated statement of financial position as the irredeemable preference shares will be owned by TdC subsequent to the Proposed Acquisitions. Goodwill was arrived based on the difference between the purchase consideration and GTL's NA after the elimination of the irredeemable preference shares

(10) Our Company will acquire GTS for a purchase consideration of RM1.00 which is below GTS' net assets value of approximately RM125,000 as at 31 December 2010 (audited), thereby creating a negative goodwill amount of approximately RM125,000. The negative goodwill amount will be immediately recognised in retained earnings

(11) The Proposed Acquisition of AIMS Group will increase our Company's share capital by approximately RM10.1 million and the share premium by RM61.3 million. The purchase consideration for the Proposed Acquisition of AIMS Group will be funded by RM47.6 million in cash and RM71.4 in New TdC Shares which will result in the paid up share capital of our Company increasing by 20,112,676 TdC Shares. Further, our Company will assume the borrowings of AIMS Group of RM41.4 million and incur additional borrowings of RM47.6 million to fund the cash portion of the Proposed Acquisition of AIMS Group

(12) The gearing ratio is arrived at based on the total borrowings against our Company's shareholders funds or NA above

Please refer to Appendix IX of this Circular for the Proforma Consolidated Statements of Financial Position of our Group as at 31 December 2010 together with the reporting accountants' letter thereon.

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6.4 Shareholdings

The effects of the Proposals on shareholdings in our Company are set out below:

	Existing as at the LPD				(I) After Proposed Capital Repayment				(II) After (I) and Proposed Capital Reduction and Proposed Share Premium Reduction			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%
PKV	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-
KWAP	186,730	7.38	-	-	186,730	7.38	-	-	186,730	7.38	-	-
KNB	-	-	1,072,669[1]	42.39	-	-	1,072,669[1]	42.39	-	-	1,072669[1]	42.39
UEMG	312,459	12.35	-	-	312,459	12.35	-	-	312,459	12.35	-	-
GTI [3]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04
Megawisra[4]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04
Megawisra Investments[5]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04
Afzal[6]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04
Te-Shen[6]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04
Continuum Capital	-	-	-	-	-	-	-	-	-	-	-	-
Minority shareholders	1,271,376	50.23	-	-	1,271,376	50.23	-	-	1,271,376	50.23	-	-

	(III) After (II) and Proposed Share Consolidation				(IV) After (III) and Proposed Acquisition of GTC				(V) After (IV) and Proposed Acquisition of GTL			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%
PKV	152,042	30.04	-	-	180,774	33.80	-	-	180,774	32.75	-	-
KWAP	37,346	7.38	-	-	37,346	6.98	-	-	37,346	6.77	-	-
KNB	-	-	214,534[1]	42.39	-	-	243,266[1]	45.48	-	-	246,073[2]	44.58
UEMG	62,492	12.35	-	-	62,492	11.68	-	-	62,492	11.32	-	-
GTI [3]	-	-	152,042	30.04	-	-	180,774	33.80	-	-	180,774	32.75
Megawisra[4]	-	-	152,042	30.04	-	-	180,774	33.80	4,719	0.85	180,774	32.75
Megawisra Investments[5]	-	-	152,042	30.04	-	-	180,774	33.80	-	-	185,493	33.60
Afzal[6]	-	-	152,042	30.04	-	-	180,774	33.80	-	-	185,493	33.60
Te-Shen[6]	-	-	152,042	30.04	-	-	180,774	33.80	-	-	185,493	33.60
Continuum Capital	-	-	-	-	-	-	-	-	2,807	0.51	-	-
Minority shareholders	254,275	50.23	-	-	254,275	47.54	-	-	263,820	47.80	-	-

	(VI) After (V) and Proposed Acquisition of GTS				(VII) After (VI) and Proposed Acquisition of GTHK				After (VII) and Proposed Acquisition of AIMS Group			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%	No. of TdC Shares held 000	%
PKV	180,774	32.75	-	-	180,774	32.75	-	-	180,774	31.60	-	-
KWAP	37,346	6.77	-	-	37,346	6.77	-	-	37,346	6.53	-	-
KNB	-	-	246,073[(2)]	44.58	-	-	246,073[(2)]	44.58	-	-	246,073[(2)]	43.01
UEMG	62,492	11.32	-	-	62,492	11.32	-	-	62,492	10.92	-	-
GTI [(3)]	-	-	180,774	32.75	-	-	180,774	32.75	-	-	180,774	31.60
Megawisra[(4)]	4,719	0.85	180,774	32.75	4,719	0.85	180,774	32.75	24,831	4.34	180,774	31.60
Megawisra Investments[(5)]	-	-	185,493	33.60	-	-	185,493	33.60	-	-	205,605	35.94
Afzal[(6)]	-	-	185,493	33.60	-	-	185,493	33.60	-	-	205,605	35.94
Te-Shen[(6)]	-	-	185,493	33.60	-	-	185,493	33.60	-	-	205,605	35.94
Continuum Capital	2,807	0.51	-	-	2,807	0.51	-	-	2,807	0.49	-	-
Minority shareholders	263,820	47.80	-	-	263,820	47.80	-	-	263,820	46.12	-	-

Notes:

(1) *Deemed interest by virtue of its shareholding in PKV and UEMG*

(2) *Deemed interest by virtue of its shareholding in PKV, UEMG and Continuum Capital*

(3) *Deemed interest by virtue of its shareholding in PKV*

(4) *Deemed interest by virtue of its shareholding in GTI*

(5) *Deemed interest by virtue of its shareholding in Megawisra*

(6) *Deemed interest by virtue of his shareholding in Megawisra Investments*

7. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

7.1 Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Amendment

None of our Company's Directors and/or major shareholders and persons connected to them has any interest, direct or indirect, in the Proposed Capital Repayment, Proposed Capital Restructuring and the Proposed Amendment, save for their respective entitlements (if any) under the Proposed Capital Repayment and Proposed Capital Restructuring as shareholders of our Company.

7.2 Proposed Acquisitions and Proposed Exemptions

Save as disclosed below, none of our Company's major shareholders and/or Directors and/or persons connected to them has any interest, direct or indirect, in the Proposed Acquisitions and Proposed Exemptions.

7.2.1 Major shareholders and/or persons connected to them

KNB is a major shareholder of PKV with sixty one point two percent (61.20%) direct shareholding as at the LPD. PKV is a major shareholder of our Company, with thirty point zero four percent (30.04%) direct shareholding as at the LPD. KNB also has interest in our Company through UEMG, which holds twelve point three five percent (12.35%) direct shareholding in our Company.

GTI, a wholly owned subsidiary of Megawisra, is a shareholder of PKV with thirty eight point eight percent (38.80%) direct shareholding. Megawisra is a wholly owned subsidiary of Megawisra Investments, whose shareholders are Afzal and Te-Shen.

Megawisra is also the holding company of the AIMS Group and the Global Transit Entities and it holds thirty five percent (35%) direct shareholding in GTL. Continuum Capital, who owns fifteen percent (15%) of GTL, is wholly owned by Pulau Tiga Ventures Sdn Bhd, which in turn is wholly owned by KNB.

Accordingly, KNB, PKV, UEMG, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI are deemed interested in the Proposed Acquisition of GTC whilst KNB, PKV, UEMG, Pulau Tiga Ventures Sdn Bhd, Continuum Capital, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI are deemed interested in the Proposed Acquisition of GTL and Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI are deemed interested in the Proposed Acquisition of the Global Transit Entities and the Proposed Acquisition of the AIMS Group. Further, KNB, PKV, UEMG, Pulau Tiga Ventures Sdn Bhd, Continuum Capital, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI are deemed interested in the Proposed Exemptions.

As the above major shareholders and persons connected to them are deemed interested in the Proposed Acquisitions and Proposed Exemptions, they are required to abstain and have undertaken that they will ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions respectively at the EGM to be convened for the Proposals.

7.2.2 Directors and/or persons connected to them

Afzal is our Chief Executive Officer and Director. He is also a substantial shareholder with seventy five percent (75%) equity stake in Megawisra Investments, the holding company of Megawisra. Afzal is also a director in PKV, GTI and Megawisra. Afzal does not hold direct shareholdings in either our Company or PKV.

Megat Hisham is our Chief Operating Officer and Director. Megat Hisham is also a director of PKV and GTI. Elakumari represents KNB on our Board. Abdul Kadir sits on the board of directors of UEMG. These three (3) Directors do not hold any TdC Shares, whether directly or indirectly.

These Directors are accordingly deemed interested in the Proposed Acquisitions and Proposed Exemptions and they have abstained and will continue to abstain from all deliberations and voting on the Proposed Acquisitions and Proposed Exemptions at the relevant Board meetings of our Company and will abstain from voting in respect of their respective direct and/or indirect shareholdings, if any. These Directors have also undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect interests in our Company, if any, on the resolutions relating to the Proposed Acquisitions and Proposed Exemptions at the EGM to be convened for the Proposals.

Elakumari, who is also member of the Audit Committee, has abstained and will continue to abstain from all deliberations and voting on the Proposed Acquisitions and Proposed Exemptions at the relevant Audit Committee meetings.

7.3 Interested major shareholders' and interested Directors' shareholdings

Based on our Company's Register of Substantial Shareholders and Register of Directors' Shareholdings as at the LPD, the interested major shareholders' and interested Director's shareholdings in our Company are as follows:

	Direct		Indirect	
	No. of TdC Shares	**%**	**No. of TdC Shares**	**%**
<u>Major shareholders</u>				
PKV	760,209,826	30.04	-	-
KNB	-	-	1,072,668,677	42.39[(1)]
UEMG	312,458,851	12.35	-	-
GTI	-	-	760,209,826	30.04[(2)]
Megawisra	-	-	760,209,826	30.04[(3)]
Megawisra Investments	-	-	760,209,826	30.04[(4)]
Azfal	-	-	760,209,826	30.04[(5)]
Te-Shen	-	-	760,209,826	30.04[(5)]
<u>Directors</u>				
Afzal	-	-	760,209,826	30.04[(5)]
Megat Hisham	-	-	-	-
Elakumari	-	-	-	-
Abdul Kadir	-	-	-	-

Notes:

(1) *Deemed interest through its shareholding in PKV and UEMG*

(2) *Deemed interest through its shareholding in PKV*

(3) *Deemed interest through its shareholding in GTI*

(4) *Deemed interest through its shareholding in Megawisra*

(5) *Deemed interest through his shareholding in Megawisra Investments*

8. OTHER INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

In the twelve (12) months preceding the LPD, the total amount (related party transactions and recurrent related party transactions) transacted between our Group and companies related to KNB and Megawisra were approximately RM95.1 million and RM3.6 million respectively.

Save for the Proposals, we have not announced any corporate exercise / scheme that has yet to be completed.

9. DIRECTORS' STATEMENT

Our Board (save for Afzal, Megat Hisham, Elakumari and Abdul Kadir, who have abstained from all deliberation on the Proposed Acquisitions and Proposed Exemptions), after taking into consideration the advice of PIVB, and having considered all aspects of the Proposed Acquisitions and Proposed Exemptions including but not limited to the rationale, fairness of consideration, the financial effects of the Proposed Acquisitions and Proposed Exemptions and the evaluation of the Audit Committee in relation to the Proposed Acquisitions, is of the opinion that the Proposed Acquisitions and Proposed Exemptions are in the best interest of our Company and is not detrimental to the interest of the non-interested shareholders of our Company. Our Board (save for Afzal, Megat Hisham, Elakumari and Abdul Kadir) is of the view that the Proposed Acquisitions and Proposed Exemptions are fair, reasonable and on normal commercial terms. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions to be tabled at our forthcoming EGM.

Our Board, after having considered all aspects of the Proposed Capital Repayment, the Proposed Capital Restructuring and the Proposed Amendment, is of the view that the Proposed Capital Repayment, the Proposed Capital Restructuring and the Proposed Amendment is in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposed Capital Repayment, the Proposed Capital Restructuring and the Proposed Amendment to be tabled at our forthcoming EGM.

For your information, Balasingham A. Namasiwayam's spouse holds 25,000 TdC Shares as at LPD, which were purchased in 2006 and 2007.

Where information has been extracted from publicly available sources and/or provided by the management of the Acquiree Companies and/or Megawisra (including all information relating to the Acquiree Companies), the only responsibility of our Directors is to ensure that such information is accurately reproduced in this Circular.

10. AUDIT COMMITTEE'S STATEMENT

Our Audit Committee (save for Elakumari, who is deemed interested in the Proposed Acquisitions and has abstained from all deliberation on the Proposed Acquisitions) after having considered all aspects of the Proposed Acquisitions, is of the opinion that the Proposed Acquisitions are in the best interest of our Company and are not detrimental to the interest of the non-interested shareholders. The Audit Committee is of the view that the Proposed Acquisitions are fair, reasonable and on normal commercial terms.

In forming its views and opinion on the Proposed Acquisitions mentioned above, our Audit Committee (save for Elakumari) has considered:

(i) the rationale and the key terms of the Proposed Acquisitions;

(ii) our financial resources, experience and expertise in the telecommunications business;

(iii) the valuation analysis conducted by PwC Capital; and

(iv) PIVB's (the independent adviser) opinion and advice that the terms of the Proposed Acquisitions are fair and reasonable and not detrimental to our non-interested shareholders.

11. APPROVALS REQUIRED AND INTERCONDITIONALITY OF THE PROPOSALS

The Proposals are subject to approvals being obtained from the following:

(i) our shareholders at the EGM to be convened;

(ii) the High Court of Malaya, for the Proposed Capital Repayment and the Proposed Capital Restructuring, both pursuant to Section 64 of the Act;

(iii) Bursa Securities for the listing and quotation of the securities to be issued pursuant to the Proposed Acquisitions, which the approval was obtained on 9 June 2011;

(iv) the SC, for the Proposed Dispensation, which was given on 19 September 2011, subject to certain disclosure requirements;

(v) the SC, for the Proposed Exemptions;

(vi) the creditors of TdC, if necessary; and

(vii) any other relevant parties / authorities, if required.

As at the LPD, save for the approvals from Bursa Securities for the listing and quotation of the securities to be issued pursuant to the Proposed Acquisitions and the SC for the Proposed Dispensation, none of the other approvals above has been obtained.

The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are inter-conditional upon one another.

The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are conditional upon the Proposed Capital Restructuring and Proposed Amendment.

The Proposed Capital Restructuring and the Proposed Amendment are inter-conditional upon one another.

The Proposed PAC Group Exemption and the Proposed Megawisra Exemption are not inter-conditional upon one another.

The Proposals are not conditional upon any other corporate exercises being undertaken by our Company.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to obtaining all required approvals, the Proposals are expected to be completed by early 2012.

13. EGM

The resolutions pertaining the Proposals will be tabled at our forthcoming EGM which will be held on Tuesday, 22 November 2011 at 10.00 a.m. or at any adjournment at Ballroom 1 and 2, Grand Dorsett Subang Hotel (formerly Sheraton Subang Hotel & Towers), Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia. The Notice of EGM and Form of Proxy are enclosed in this Circular.

If you are unable to attend the EGM in person, please complete the enclosed Form of Proxy and forward it to our Share Registrar's office at Level 15-2, Sheraton Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur so as to arrive not later than forty eight (48) hours before the time for convening the EGM.

The completion and return of the Form of Proxy will not preclude you from attending and voting at the EGM in person should you wish to do so, as long as you revoke the appointment of your proxy. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

14. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
TIME dotCom Berhad

Ronnie Kok Lai Huat
Senior Independent Non-Executive Director
and Chairman of the Audit Committee

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PART B

INDEPENDENT ADVICE CIRCULAR TO OUR NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS, PROPOSED EXEMPTIONS, PROPOSED CAPITAL REPAYMENT AND PROPOSED CAPITAL RESTRUCTURING

We have prepared this independent advice circular ("IAC") as your independent adviser ("Independent Adviser") to provide you with an independent evaluation of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions and to express our recommendation thereon. This executive summary is intended to be only a brief summary of the IAC. We advise you to read both this IAC together with the circular to the shareholders of TIME dotCom Berhad ("TdC") dated 25 October 2011 ("Circular") and to carefully consider the recommendation contained herein before voting on the resolutions pertaining to the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions at the forthcoming EGM of TdC.

All definitions used in this IAC shall have the same meaning as the words and expressions defined in the "Definitions" section of the Circular except where the context otherwise requires or where otherwise defined in this IAC.

1. INTRODUCTION

1.1 Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring

On the dates between 15 November 2010 and 15 March 2011, CIMB, on behalf of your Board had announced that your Board had resolved to undertake the following:

(i) Proposed acquisitions of 100% equity stake in GTC, GTL, the Global Transit Entities and the AIMS Group whereby the total purchase consideration would be settled via the combination of cash payment and issuance of New TdC Shares;

(ii) Proposed Capital Repayment; and

(iii) Proposed Capital Restructuring.

1.2 Proposed Exemptions

On 20 September 2011, CIMB, on behalf of your Board had announced the following:

(i) TEB had ceased to be a shareholder of TdC following the completion of the TEB OFS on 2 August 2011 and TEB is not deemed as a party acting in concert for the purposes of the Proposed Acquisitions; and

(ii) Prior to the completion of the Proposed Acquisitions, Megawisra's direct and indirect shareholdings (through GTI, its wholly-owned subsidiary and PKV) in TdC is 30.04% whilst the PAC Group collectively holds 42.39% of the voting shares in TdC. Further, upon completion of the Proposed Acquisitions, Megawisra's direct and indirect shareholdings (through GTI, its wholly-owned subsidiary and PKV) in TdC will increase from 30.04% to 35.94% and the PAC Group, collectively will increase its shareholdings in TdC from 42.39% to 47.35%, respectively.

Premised on the foregoing, in accordance with Section 9(1), Part III of the Code:

(a) Megawisra, individually will be obliged to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by Megawisra as it will obtain control of TdC by increasing its shareholdings in TdC from 30.04% to 35.94% upon completion of the Proposed Acquisitions; and

(b) the PAC Group, collectively will be obliged to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by them, as the collective shareholdings of the PAC Group in TdC will increase by more than two percent (2%) in any given six (6) month period from 42.39% to 47.35% upon completion of the Proposed Acquisitions.

As it is not the intention of Megawisra nor the PAC Group to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by them as a result of the Proposed Acquisitions, Megawisra and the PAC Group will make the relevant applications to the SC, seeking the SC's approval for the Proposed Exemptions under Paragraph 16.1(a), Practice Note 9 of the Code, subject to Megawisra and the PAC Group obtaining prior approval from the non-interested shareholders of TdC.

In view of the interest of the Interested Major Shareholders and the Interested Directors in the Proposed Acquisitions as disclosed in Section 6 of this IAC, the Proposed Acquisitions are deemed to be related party transactions pursuant to Chapter 10 of the Listing Requirements.

Pursuant thereto, your Board had on 15 November 2010, appointed Public Investment Bank Berhad ("**PIVB**") to act as the Independent Adviser to the non-interested Directors and non-interested shareholders of TdC in relation to the Proposed Acquisitions. Your Board had also on 15 November 2010, appointed PIVB as the Independent Adviser to advise the non-interested shareholders of TdC in relation to the Proposed Exemptions. On 18 July 2011, PIVB had declared its independence to the SC in respect of its appointment as the Independent Adviser for the Proposed Exemptions.

In addition, for the benefit of all shareholders of TdC, PIVB had also been appointed by the non-interested Directors of TdC as the Independent Adviser to all shareholders of TdC in respect of the Proposed Capital Repayment and the Proposed Capital Restructuring.

2. RATIONALE FOR THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS

A summary of the rationale for the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions is set out below. The details of the rationale are set out in Section 8 of this IAC.

2.1 Rationale for the Proposed Acquisitions

- The Proposed Acquisitions would allow TdC to strengthen its position in the telecommunications business for enhanced business growth and to facilitate its vision to be a stronger player in the regional telecommunications industry.

- The Proposed Acquisition of GTC would allow the TdC Group to tap into GTC's regional wholesale customer base enabling the TdC Group to enter and provide a platform to broaden its presence in the regional and global bandwidth business.

- The Proposed Acquisition of GTL would allow the TdC Group to have greater flexibility in establishing new networks to provide its customers a range of services by carrying Trans-Pacific voice and data traffic through these routes, thus extending its reach both regionally and globally.

- The Proposed Acquisition of AIMS Group would provide the TdC Group with alternative future income streams specialising in data centres and managed services.

- The Proposed Acquisitions of Global Transit Entities would facilitate the TdC Group to tap into Singapore and Hong Kong telecommunications markets as GTS and GTHK hold SBO licence in these two (2) countries.

Premised on the above, we are of the opinion that the rationale for the Proposed Acquisitions is reasonable.

2.2 Rationale for the Proposed Capital Repayment

- It is the objective of TdC's capital management framework to improve its capital structure and unlock values to enhance return to its shareholders, which includes returning cash in excess of TdC's requirement to shareholders.

- The Proposed Capital Repayment is an avenue for shareholders of TdC to monetise part of their investments in TdC, while still maintaining the same number of TdC Shares and percentage of shareholdings in TdC.

- It also serves to reward the shareholders of TdC for their continuous support of the Company, notwithstanding that TdC has never declared any dividend to its shareholders since its listing on 12 March 2001.

Premised on the above, we are of the opinion that the rationale for the Proposed Capital Repayment is reasonable.

2.3 Rationale for the Proposed Capital Restructuring

- The Proposed Capital Restructuring is expected to enable the balance sheet of TdC to be more reflective of available assets within the TdC Group and better positioned for future growth opportunities.

- Both the Proposed Capital Reduction and Proposed Share Premium Reduction will enable TdC to eliminate its accumulated losses, as such, TdC moving forward will be in a positive capital reserves position and this may enable the consideration of cash or non-cash form of dividends payout to be distributed to shareholders of TdC in the future.

- The Proposed Share Consolidation will be beneficial to TdC and its shareholders as it may serve to reduce the fluctuation in magnitude of the Company's market capitalisation caused by the inherent volatility in the market price of "penny stock" with small volume of trades.

- The consolidation of the TdC Shares after the Proposed Capital Restructuring serves to erase the image of TdC Shares as a "penny stock" and elevate the same to a better quality stock driven with a new business model that would interest more following by sophisticated investors with longer term investment horizons.

Premised on the above, we are of the opinion that the rationale for the Proposed Capital Restructuring is reasonable.

2.4 Rationale for the Proposed Exemptions

- Upon completion of the Proposed Acquisitions (assuming that the Proposed Exercise of the Call Options is completed), Megawisra, individually will obtain control of TdC as its total shareholdings in TdC will increase from 30.04% to 35.94% and the percentage of voting interests of the PAC Group, collectively in TdC will increase by more than two percent (2%) in any given six (6) months period from 42.39% to 47.35%. Pursuant to Section 9(1), Part III of the Code, Megawisra, individually and the PAC Group, collectively will be obliged to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by them, respectively.

- As such, the Proposed Exemptions is sought as it is not the intention of Megawisra nor the PAC Group to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by them upon completion of the Proposed Acquisitions. Further, Megawisra and the PAC Group intend to maintain the listing status of TdC on the Main Market of Bursa Securities upon completion of the Proposed Acquisitions.

- The Proposed Capital Repayment, Proposed Acquisitions and Proposed Exemptions are inter-conditional upon one another, as such, in the event that the Proposed Exemptions is not approved by the non-interested shareholders of TdC or the SC, the obligation to undertake the mandatory take-over offer as mentioned above will not arise as both the Proposed Capital Repayment and Proposed Acquisitions will not be implemented and any potential benefits arising from those proposals will not materialise.

Premised on the above, we are of the opinion that the rationale for the Proposed Exemptions is reasonable.

3. FINANCIAL EVALUATION OF THE PROPOSED ACQUISITIONS

The Purchase Consideration and the proposed issue price of the New TdC Shares of RM3.55 ("**Proposed Issue Price**") to partially settle the Proposed Acquisitions is **fair** based on the following factors in the ensuing paragraphs below:

- The Purchase Consideration of RM322.00 million is within the range of the fair value of the Acquiree Companies of RM284.00 million to RM347.00 million appraised by PwC Capital adopting the discounted cash flow ("**DCF**") valuation methodology. In addition, the Purchase Consideration of RM322.00 million, which represents only a premium of RM6.50 million or approximately 2% as compared with the mid-point range of the PwC Capital valuation was arrived after extensive negotiations on a best effort basis with the vendors of the Acquiree Companies.

- The Proposed Issue Price is at a premium of between 0.83% and 30.82% as compared to the closing market price as at the LPD, the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAP up to and including 11 November 2010 ("**LTD**"). The market price of TdC Shares has never previously traded above the Adjusted Issue Price of RM0.73 per TdC Share since February 2008 and up to three (3) days before the LTD.

- The following provides a comparison of the PE multiple, the price to book ratio ("**PBR**")-NA, the PBR-net tangible assets ("**NTA**") and the EV/EBITDA multiple of TdC relative to the comparable companies:

  (i) the PE multiple of TdC of 21.47 times based on the Proposed Issue Price is within the range and above the simple average of the multiples of the selected comparable companies;

  (ii) the PBR-NA and PBR-NTA of 1.62 times for both based on the Proposed Issue Price are below the range of the selected comparable companies; and

  (iii) the EV/EBITDA multiple of TdC of 19.77 times based on the Proposed Issue Price is above the range of the selected comparable companies.

- The mode of payment for the Purchase Consideration of RM322.00 million would be a combination of approximately 27% cash and approximately 73% New TdC Shares. Based on the average value of TdC of RM2.55 (computed after adjusting the average value of TdC of RM0.53 for the Proposed Capital Repayment and Proposed Share Consolidation), the implied value of the mode of payment for the Purchase Consideration is RM256.00 million. On a standalone basis, TdC would benefit from this implied value as TdC would receive an effective premium of approximately RM66.00 million or 26% based on this mode of payment for the Purchase Consideration of RM322.00 million.

  Taking into account that the Purchase Consideration of RM322.00 million also represents a slight premium of RM6.50 million or approximately 2% to the mid-point of the fair value of the Acquiree Companies of RM315.50 million, TdC would still benefit as the effective net premium to be received by TdC from this mode of payment for the Proposed Acquisitions is 24%, which is **fair** to TdC. Kindly refer to Section 9.1.3 of this IAC for further details.

- The Acquiree Companies are growing at significant higher growth rates as compared to TdC but more importantly, all the Acquiree Companies (save for GTHK) are income generating and self-sustaining. Pursuant thereto, premised on the historical growth achieved by these Acquiree Companies both in revenue and profit generated, the Proposed Acquisitions would be expected to contribute positively to the future earnings of the enlarged TdC Group moving forward.

4. EVALUATION OF THE SALIENT TERMS OF THE SPAS

The salient terms contained in the SPAs are generally **reasonable** as far as the interest of TdC is concerned and are also **not detrimental** to the non-interested shareholders of TdC as the interest of TdC is safeguarded where TdC is provided with reasonable recourse, no preferential treatment is given to the vendors of the Acquiree Companies and sufficient time is given to TdC for claims to be made (if any) against the vendors of the Acquiree Companies.

5. IMPLICATIONS ARISING FROM THE PROPOSED EXEMPTIONS

5.1 Assuming that the non-interested shareholders of TdC vote *in favour of* the Proposed Exemptions

- Megawisra, directly and indirectly (through GTI, its wholly-owned subsidiary and PKV) will obtain control of TdC by increasing its shareholdings in TdC from 30.04% to 35.94% upon completion of the Proposed Acquisitions.
- The SC would be able to consider the applications made by Megawisra and the PAC Group for the Proposed Exemptions.
- Relieve Megawisra and the PAC Group from having to extend the mandatory take-over offer to acquire all the remaining TdC Shares not already owned by them upon the completion of the Proposed Acquisitions.
- Facilitate the approval of the Proposed Capital Repayment and Proposed Acquisitions as they are inter-conditional with each another.

5.2 Assuming that the non-interested shareholders of TdC vote *against* the Proposed Exemptions

- The obligation to undertake the mandatory take-over offer will not arise as the Proposed Capital Repayment, Proposed Acquisitions and Proposed Exemptions are inter-conditional, and TdC will not be able to implement both the Proposed Capital Repayment and Proposed Acquisitions in the absence of the approval from the non-interested shareholders of TdC for the Proposed Exemptions. Henceforth, any potential benefits arising from the Proposed Capital Repayment and Proposed Acquisitions will not materialise.

6. RISK FACTORS

As the TdC Group is already involved in the IT and telecommunications businesses, the risk factors highlighted in Section 13 of this IAC is inherent to the TdC Group. The Proposed Acquisitions could be viewed as an expansion or complementary of the TdC Group's businesses, accordingly, would not necessarily result in the enlarged TdC Group being exposed to a greater degree of exposure to the risks inherent in the businesses of the Acquiree Companies, save for the Proposed Acquisition of GTL, where new form of risk is faced by the enlarged TdC Group, of which reasonable mitigating actions has already been put in place.

7. PROSPECTS OF TdC, THE ACQUIREE COMPANIES AND THE ENLARGED TdC GROUP

A summary of the prospects of TdC, the Acquiree Companies and the enlarged TdC Group is set out below. The details of the respective prospects are set out in Section 14 of this IAC.

7.1 Prospects of TdC

The prospects of the TdC Group for the next twelve (12) months will remain **favourable** given the strong and unique business services as well as the readiness of its existing infrastructure to meet the demands of emerging technologies and scale its service offerings underpinned by the demand for communication services emanating from our Government's thrust to further strengthen telecommunications as one of its key industries in achieving its aspiration of being a high-income country.

7.2 Prospects of the AIMS Group

The prospects of the AIMS Group for the next twelve (12) months will remain **favourable,** further leveraging on its strengths for the support from the local and regional ISPs, coupled with the AIMS Group's focus to increase its regional presence as well as the initiatives by our Government to improve the overall ICT industry in Malaysia will further drive the growth, demand and popularity of the data centre services market.

7.3 Prospects of GTC

The prospects of GTC for the next twelve (12) months will remain **favourable** in view of its position as a "one-stop-shop" solution provider in the market and its ability to provide competitive international bandwidth services to Malaysian as well as regional service providers. Further, the promising growth prospects of IP Transit Network services market, coupled with the global internet traffic growth, which is expected to encourage higher demand for bandwidth and IP related services also augurs well for GTC.

7.4 Prospects of GTL

The prospects of GTL for the next twelve (12) months will remain **favourable** as the international bandwidth industry is expected to further expand as more broadband services are subscribed by users driven by fixed and mobile broadband technologies. Further, the competitive prices offered by GTL places itself as an entity with huge potential for growth.

7.5 Prospects of GTS and GTHK

Moving forward, GTS and GTHK, which are equipped with the required SBO licence, will be of strategic value to GTC and GTL to activate their footprint in Singapore and Hong Kong markets in the future.

7.6 Overall prospects of the enlarged TdC Group

The prospects of the enlarged TdC Group for the next twelve (12) months will be **favourable** as the current management had demonstrated its abilities in its turnaround plan which would bode well for the successful integration of the TdC Group and the Acquiree Companies to achieve the desired strategic and business objectives arising from the Proposed Acquisitions.

8. RECOMMENDATION

Premised on the foregoing and our evaluation of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions, we are of the opinion that:

(i) the Proposed Acquisitions and Proposed Exemptions are ***fair*** and ***reasonable*** and not detrimental to the interest of the non-interested shareholders of TdC; and

(ii) the Proposed Capital Repayment and Proposed Capital Restructuring are ***fair*** and ***reasonable*** and not detrimental to the interest of the shareholders of TdC.

As highlighted in Section 9, Part A of the Circular, your Board (save for the Interested Directors) is of the view that the Proposed Acquisitions and Proposed Exemptions are fair, reasonable and on normal commercial terms. Your Board is also of the view that the Proposed Capital Repayment and Proposed Capital Restructuring is in the best interest of your Company.

Accordingly, we recommend that:

(i) the non-interested shareholders of TdC vote ***in favour*** of the resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions; and

(ii) all shareholders of TdC vote ***in favour*** of the resolutions pertaining to the Proposed Capital Repayment and Proposed Capital Restructuring,

to be tabled at the forthcoming EGM of TdC.

PUBLIC INVESTMENT BANK
大众投资银行

Registered Office:
27th Floor
Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur

25 October 2011

To: **The shareholders of TIME dotCom Berhad**

Dear Sir / Madam,

INDEPENDENT ADVICE CIRCULAR TO THE NON-INTERESTED SHAREHOLDERS OF TIME DOTCOM BERHAD IN RELATION TO THE PROPOSED ACQUISITIONS, PROPOSED EXEMPTIONS AND TO ALL SHAREHOLDERS OF TIME DOTCOM BERHAD IN RELATION TO THE PROPOSED CAPITAL REPAYMENT AND PROPOSED CAPITAL RESTRUCTURING

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1. PREAMBLE

This independent advice circular ("**IAC**") is prepared for inclusion in the circular to the shareholders of TdC dated 25 October 2011 ("**Circular**") in relation to the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions and should be read in conjunction with the same. All definitions used in this IAC shall have the same meaning as the words and expressions provided in the "*Definitions*" section of the Circular, except where the context otherwise requires or where otherwise defined herein.

2. INTRODUCTION

A brief information in relation to the chronology of events of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions are set out in the ensuing paragraphs. The details of the chronology of events are set out in Section 1, Part A of the Circular.

2.1 Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring

On 15 November 2010, CIMB, on behalf of your Board, announced that TdC, had, on the same date, entered into the MoA 1 and MoA 2 with Megawisra and the GTL Vendors respectively, for the proposed acquisition of 100% equity stake in GTC, GTL, Global Transit Entities and the AIMS Group whereby the total purchase consideration would be settled via the combination of cash payment and issuance of New TdC Shares.

Further thereto, CIMB, on behalf of your Board announced, on the same date, that your Board had resolved to undertake the Proposed Capital Repayment and Proposed Capital Restructuring, comprising the Proposed Capital Reduction, Proposed Share Premium Reduction and Proposed Share Consolidation.

On 6 December 2010, CIMB, on behalf of your Board, announced that TdC, had, on the same date entered into four (4) conditional SPAs with the following parties:

(i) PKV for the proposed acquisition of 100% equity stake in GTC;

(ii) GTL Vendors for the proposed acquisition of 100% equity stake in GTL;

(iii) GTI for the proposed acquisitions of 100% equity stakes in the Global Transit Entities for a total cash consideration of RM2; and

(iv) Megawisra for the proposed acquisition of 100% equity stakes in the AIMS Group.

On 15 March 2011, CIMB, on behalf of your Board, announced that pursuant to the completion of the due diligence exercise undertaken on the Acquiree Companies, and an independent valuation undertaken by PwC Capital, the following letters of agreement which are supplemental to the respective SPAs were executed:

(i) a letter of agreement executed by TdC and PKV on 15 March 2011 in respect of the Proposed Acquisition of GTC, for a purchase consideration of RM102,000,000, to be fully settled through the issuance of 28,732,394 New TdC Shares;

(ii) a letter of agreement executed by TdC and GTL Vendors on 15 March 2011 in respect of the Proposed Acquisition of GTL, for a purchase consideration of RM101,000,000, to be fully settled via the issuance of 17,070,421 New TdC Shares and a cash payment of RM40,400,000; and

(iii) a letter of agreement executed by TdC and Megawisra on 15 March 2011 in respect of the Proposed Acquisition of AIMS Group, for a purchase consideration of RM119,000,000 to be fully settled via the issuance of 20,112,676 New TdC Shares and a cash payment of RM47,600,000.

2.2 Proposed Exemptions

On 21 January 2011, CIMB had announced, on behalf of TEB (a major shareholder of TdC) that TEB proposes to undertake the TEB OFS which has since been completed on 2 August 2011. Pursuant to the completion of the TEB OFS, the collective shareholdings of the PAC Group in TdC had decreased from 54.78% to 42.39% of the issued and paid-up share capital of TdC.

Pursuant to the Proposed Acquisitions, which, if approved by the non-interested shareholders of TdC, Megawisra and the PAC Group will receive in total 56,370,969 New TdC Shares as part of the settlement of the Purchase Consideration. This in essence will subsequently increase their collective shareholdings in TdC from 42.39% to 47.35%, thus triggering the mandatory take-over obligations under Section 9(1), Part III of the Code.

On 20 September 2011, CIMB, on behalf of your Board had announced the following:

(i) TEB had ceased to be a shareholder of TdC and UEMG directly holds 312,458,851 TdC Shares, representing 12.35% equity stake in TdC following the completion of the TEB OFS on 2 August 2011;

(ii) TEB is not deemed as a party acting in concert for the purposes of the Proposed Acquisitions, subject to TEB not owning or acquiring any TdC Shares prior to the completion of the Proposed Acquisitions;

(iii) prior to the completion of the Proposed Acquisitions, Megawisra's direct and indirect (through GTI, its wholly-owned subsidiary and PKV) shareholdings in TdC is 30.04% whilst the PAC Group collectively holds 42.39% of the voting shares in TdC; and

(iv) upon completion of the Proposed Acquisitions, Megawisra's direct and indirect (through GTI, its wholly-owned subsidiary and PKV) shareholdings in TdC will increase from 30.04% to 35.94% and the PAC Group, collectively will increase its shareholdings in TdC from 42.39% to 47.35%, respectively.

Premised on the foregoing, in accordance with Section 9(1), Part III of the Code:

(a) Megawisra, individually will be obliged to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by Megawisra as it will obtain control of TdC by increasing its shareholdings in TdC from 30.04% to 35.94% upon completion of the Proposed Acquisitions; and

(b) the PAC Group, collectively will be obliged to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by them, as the collective shareholdings of the PAC Group in TdC will increase by more than two percent (2%) in any given six (6) month period from 42.39% to 47.35% upon completion of the Proposed Acquisitions.

As it is not the intention of Megawisra nor the PAC Group to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by them as a result of the Proposed Acquisitions, Megawisra and the PAC Group will make the relevant applications to the SC, seeking the SC's approval for the Proposed Exemptions under Paragraph 16.1(a), Practice Note 9 of the Code, subject to Megawisra and the PAC Group obtaining prior approval from the non-interested shareholders of TdC.

In view of the interest of the Interested Major Shareholders and the Interested Directors in the Proposed Acquisitions as disclosed in Section 6 of this IAC, the Proposed Acquisitions are deemed to be related party transactions pursuant to Chapter 10 of the Listing Requirements.

Pursuant thereto, your Board had on 15 November 2010, appointed Public Investment Bank Berhad (**"PIVB"**) to act as the independent adviser (**"Independent Adviser"**) to the non-interested Directors and non-interested shareholders of TdC in relation to the Proposed Acquisitions. Your Board had also on 15 November 2010, appointed PIVB as the Independent Adviser to advise the non-interested shareholders of TdC in relation to the Proposed Exemptions. In view that the Proposed Exemptions is required as a result of the factors mentioned in Section 2.2 above, PIVB had on 18 July 2011, declared its independence to the SC in respect of its appointment as the Independent Adviser for the Proposed Exemptions.

In addition, for the benefit of all shareholders of TdC, PIVB had also been appointed by the non-interested Directors as the Independent Adviser to all shareholders of TdC in respect of the Proposed Capital Repayment and the Proposed Capital Restructuring.

The purpose of this IAC is to provide the non-interested shareholders of TdC with an independent evaluation on the fairness and reasonableness of the Proposed Acquisitions and Proposed Exemptions as well as to provide all shareholders of TdC an independent evaluation on the fairness and reasonableness of the Proposed Capital Repayment and Proposed Capital Restructuring, together with our recommendations thereon, subject to the scope of our role and evaluation specified herein, in relation to the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions. All shareholders of TdC should nonetheless rely on their own evaluation of the merits of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions before making a decision on the course of action to be taken.

ALL SHAREHOLDERS OF TdC ARE ADVISED TO READ BOTH THIS IAC TOGETHER WITH THE OTHER SECTIONS OF THE CIRCULAR AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS TO BE TABLED AT THE FORTHCOMING EGM OF TdC.

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3. DETAILS OF THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS

3.1 Proposed Acquisitions

3.1.1 Details of the Proposed Acquisitions

The Company had entered into the SPAs for the following acquisitions:

Acquiree Companies	Vendor	Total Purchase Consideration RM	Share Consideration No. of New TdC Shares	Share Consideration Equivalent value RM	Cash consideration RM
GTC	PKV	102,000,000	28,732,394	102,000,000	-
GTL	Megawisra	27,918,903	4,718,687	16,751,340	11,167,562
	Halfmoon Bay	33,218,679	6,175,867	21,924,328	11,294,351
	Accurate Gain Profits	19,931,207	3,368,654	11,958,724	7,972,483
	Continuum Capital	19,931,207	2,807,212	9,965,604	9,965,604
	Nicholas Lim Ping	4	1	4	-
		101,000,000	17,070,421	60,600,000	40,400,000
Global Transit Entities	GTI	*	-	-	*
AIMS Group	Megawisra	119,000,000	20,112,676	71,400,000	47,600,000
		322,000,000	**65,915,491**	**234,000,000**	**88,000,000**
			Approx. 73% of the total Purchase Consideration		**Approx. 27% of the total Purchase Consideration**

Note:

* *The aggregate purchase consideration payable by TdC for the Global Transit Entities is RM2.00.*

In essence, the Proposed Acquisitions would be for a total purchase consideration of RM322,000,000 to be fully satisfied via the issuance of approximately 65.92 million New TdC Shares (73%) and RM88 million payable in cash (27%).

Upon the completion of the TEB OFS on 2 August 2011, the collective shareholdings of the PAC Group in TdC had decreased from 54.78% to 42.39%. Following the completion of the Proposed Acquisitions (assuming that the Proposed Exercise of the Call Options is completed), Megawisra, individually will obtain control of TdC and the percentage of voting interests of the PAC Group, collectively in TdC will increase by more than two percent (2%) in any given six (6) months period. Pursuant to Section 9(1), Part III of the Code, Megawisra, individually and the PAC Group, collectively will be obliged to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by them, respectively.

3.1.1.1 Overview of GTC

GTC is in the business of providing international bandwidth services such as International Private Leased Circuits and IP Transit services to Malaysian as well as regional carriers and service providers. GTC owns and operates a global network that connects multiple data centres around the world (such as AIMS Data Centre in Malaysia, MEGA-iAdvantage in Hong Kong, One Wilshire in Los Angeles, Equinix and Global Switch in Singapore) and peering points (where many networks interconnect together to exchange traffic) in Singapore, Hong Kong and the US.

GTC is a fast growing telecommunications company specialising in regional connectivity and stands as a gateway to the world. Further, GTC is one of thirteen (13) operators in Malaysia granted with a Network Facilities Providers (Individual) license to build and operate submarine cable landing stations as at 11 October 2011. The remaining twelve (12) operators granted such license are as follows:

(i) Sacofa Sdn Bhd;

(ii) Celcom Timur (Sabah) Sdn Bhd;

(iii) Jalur Lebar Nasional Sdn Bhd;

(iv) U Mobile Sdn Bhd;

(v) Maxis International Sdn Bhd;

(vi) Measat Broadcast Network Systems Sdn Bhd;

(vii) Tg Agas Technology Sdn Bhd;

(viii) Omni-Glory Infotech Sdn Bhd;

(ix) NTT MSC Sdn Bhd;

(x) DMD Fone Network Sdn Bhd

(xi) Genesis Communications Sdn Bhd; and

(xii) Symphonet Sdn Bhd

(Source: www.skmm.gov.my)

It should be noted that PKV holds 100% equity stake in GTC following the GTC SPA that was entered into between GTI and PKV on 6 October 2008 for the acquisition by PKV of 2,000,000 shares of RM1.00 each in GTC from GTI (increased from 500,000 shares due to an allotment and issuance of 1,500,000 new ordinary shares of RM1.00 each in GTC to GTI on 19 December 2008 to set-off against the sum owed by GTC to GTI) in consideration of the issuance of 48,200,000 new shares in PKV at RM1.00 each, and a deferred consideration of up to 128,000,000 new PKV shares at RM1.00 each upon PKV achieving certain financial targets in its investments. Please refer to Section 3.2.9, Part A of the Circular for further details of the GTC SPA.

3.1.1.2 Overview of GTL

GTL together with Google Cable Bermuda Ltd, Bharti Airtel Limited, KDDI Corporation, Pacnet Limited and Singapore Telecommunications Limited collaborated to procure the construction of the Unity cable system measuring approximately 9,620km in February 2008.

The Unity cable system, which has an initial design capacity of 4.8Tbps, was completed in March 2010. GTL has participating interest in 10% of the capacity in the Unity cable system, which amounts to 480Gbps, and this can be potentially increased to approximately one (1) Tbps.

3.1.1.3 Global Transit Entities

3.1.1.3.1 Overview of GTS

GTS holds a SBO (Individual) licence for international simple resale services, resale of leased circuits, public internet access and internet exchange services from the Info-Communications Development Authority of Singapore. GTS currently has minimal operations.

3.1.1.3.2 Overview of GTHK

GTHK holds a SBO (Individual) licence, which allows GTHK to provide external telecommunications services and international value-added network services in Hong Kong, from the Office of the Telecommunications Authority, Hong Kong. It should be noted that presently GTHK is dormant subsequent to its commencement in July 2005 due to its shareholders' main focus on growing its other businesses in Malaysia. Notwithstanding that, the SBO (Individual) licence will be of strategic value to GTC and GTL to enable it to penetrate the North Asia telecommunications market in the future.

3.1.1.4 Overview of the AIMS Group

The AIMS Group owns and operates a carrier-neutral data centre with approximately 200 carriers, of which its main headquarters is connected to all fiber networks licensed by MCMC. The AIMS Group has positioned itself as one of the interconnection points for telecommunications companies in Malaysia.

The AIMS Group's data centre business comprises the following segments:

(i) the provision of hosting and co-location services to a predominantly regional customer base;

(ii) the provision of managed services which include the operation and maintenance of servers and routers for its customers; managed hosting which includes managed security (the operation and maintenance of firewalls and intrusion detection systems, anti-spam etc for its customers) and managed storage (the operation and maintenance of storage space for customers' servers); and enabling Infrastructure-as-a-Service (provision of virtual servers and the operation and maintenance of the virtual machines) to local and regional corporations; and

(iii) the provision of interconnection services between carriers and service providers.

3.1.2 Basis for arriving at the Purchase Consideration

The Purchase Consideration for the Proposed Acquisitions of RM322.00 million was arrived at on a "willing buyer-willing seller" basis after extensive negotiations on a best effort and on an arm's length basis with the vendors of the Acquiree Companies. This included taking into consideration, amongst others, the independent valuation of the equity value of the Acquiree Companies as conducted by PwC Capital of between RM284.00 million and RM347.00 million, the future earnings potential of the businesses of the Acquiree Companies, and anticipated synergies of the Acquiree Companies with the TdC Group's existing core business and its operations in the overall context of the enlarged TdC Group as well as our independent advice.

3.1.3 Basis for arriving at the Share Consideration

The proposed issue price of RM3.55 per TdC Share ("**Proposed Issue Price**") for the New TdC Shares to be issued as part of the settlement consideration for the Proposed Acquisitions (save for the Proposed Acquisitions of the Global Transit Entities which is to be entirely satisfied via RM2.00 in cash) was agreed between TdC and the vendors of the Acquiree Companies based on the theoretical ex-all price of the TdC Shares of RM3.5185 and the rounding up premium of 0.90% or RM0.0315 to RM3.55 per TdC Share as illustrated in the table below:

	No. of TdC Shares '000	Market price / Theoretical ex-all price RM	Market capitalisation RM'000
5-day VWAP up to and including 11 November 2010	2,530,775	0.7237	1,831,269
Post-Proposed Capital Repayment	2,530,775	0.7037[(a)]	1,780,653
Post-Proposed Capital Restructuring	506,155	3.5185	1,780,653
Add: Rounding up premium of 0.90%		0.0315	
Proposed Issue Price		**3.5500**	

Note:

(a) *This was computed after adjusting for the Proposed Capital Repayment of RM0.02 per TdC Share.*

The theoretical ex-all price of RM3.5185 was arrived at after adjusting the 5-day VWAP of TdC market share price up to and including 11 November 2010 of RM0.7237 for the effects of the Proposed Capital Repayment and the Proposed Capital Restructuring.

Based on our analysis as set out in Section 9.1.2.2 of this IAC, we are of the opinion that the 5-day VWAP of TdC market share price up to and including 11 November 2010 of RM0.7237 is not reflective of the value of TdC as TdC is valued at the range between RM0.45 to RM0.61 per TdC Share as at 11 November 2010 ("**LTD**").

The New TdC Shares to be issued (after completion of the Proposed Capital Repayment and Proposed Capital Restructuring) shall, upon allotment and issue, rank *pari passu* in all respects with the existing TdC Shares after the Proposed Capital Restructuring, except that they shall not be entitled to any dividends, rights, allotments and / or other distributions the record or entitlement date of which is prior to the allotment date of the New TdC Shares. For avoidance of doubt, the New TdC Shares will not be entitled to the Proposed Capital Repayment and will not be subject to the Proposed Capital Restructuring.

3.1.4 Source of funding

The portion of Purchase Consideration to be paid in cash is intended to be fully funded by bank borrowings.

3.1.5 Liabilities to be assumed by TdC

Save and except for the following, TdC will not assume any additional liabilities in connection with the Proposed Acquisitions:

(i) the liabilities incurred in the ordinary course of business of the Acquiree Companies up to the completion of the Proposed Acquisitions;

(ii) the liabilities as disclosed in the Acquiree Companies' audited accounts as at 31 December 2010; and

(iii) the liabilities incurred or to be incurred from time to time up to the completion of the Proposed Acquisitions with the consent of TdC as required or permitted under the terms of the SPAs, including guarantees which TdC may have to provide in substitution of the existing guarantees for transactions entered into by the Acquiree Companies, which are further detailed in Appendix XII of the Circular.

3.1.6 Additional financial commitment required

Save for the Purchase Consideration and the financial commitments and guarantees to be assumed by TdC, as the new shareholder of the Acquiree Companies, there is no additional financial commitment immediately required from TdC to put the respective businesses of the Acquiree Companies on stream or for the Acquiree Companies' day to day operations, as the Acquiree Companies are already in operation (save for GTS which currently has minimal operations and GTHK which currently is dormant) and have sufficient working capital for their day to day operations.

As at this juncture, TdC does not expect to incur substantial financial commitment and working capital requirement to put GTS and GTHK on stream. GTS has revenue of only SGD0.3 million, whilst GTHK has no revenue for the financial year ended 31 December 2010. As both entities already hold the licences to enable them to operate in the respective jurisdictions, TdC intends to leverage upon its existing resources to penetrate the Singapore and Hong Kong markets in the future following the completion of the Proposed Acquisitions.

3.2 Proposed Capital Repayment

The Proposed Capital Repayment entails a capital distribution of a sum of RM50,615,500 on the basis of RM0.02 for every one (1) TdC Share to the shareholders of TdC whose names appear in the Record of Depositors of TdC at the close of business on an entitlement date to be determined at a later date.

The Proposed Capital Repayment is to be implemented via a reduction of TdC's share premium of an equivalent sum of RM50,615,500 and the cash payment is intended to be funded by internally generated funds.

3.3 Proposed Capital Restructuring

The Proposed Capital Restructuring entails the proposed elimination of TdC's accumulated losses through the credits arising from the Proposed Capital Reduction and the Proposed Share Premium Reduction subsequent to an increase in the par value from RM0.10 to RM0.50 of each TdC Shares through the Proposed Share Consolidation.

The actual amount of accumulated losses to be eliminated will be as at the date on which the Directors shall determine.

3.3.1 Proposed Capital Reduction

As at 31 December 2010, TdC has an issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 TdC Shares of RM1.00 par value each and audited accumulated losses of RM3,108,313,000.

Your Board has proposed that the existing issued and paid-up share capital of the Company be reduced to RM253,077,500 comprising 2,530,775,000 TdC Shares of RM0.10 par value each, by way of cancellation of RM0.90 of the par value from each existing TdC Share in issue pursuant to Section 64 of the Act.

The reduction of RM0.90 of the par value for each existing TdC Share would give rise to a credit of approximately RM2,277,697,500, which would be utilised to reduce the Company's accumulated losses.

3.3.2 Proposed Share Premium Reduction

Based on the audited financial statements of the Company as at 31 December 2010, the share premium of the Company of RM1,570,758,000 will be reduced to RM1,520,142,500 pursuant to the Proposed Capital Repayment. Pursuant to Section 60(2) of the Act, the share premium account can be treated as if the share premium were paid-up share capital of the Company for the purpose of a capital reduction. Accordingly, the Company may, pursuant to Section 64(1) of the Act, reduce the share premium account to eliminate the accumulated losses.

Based on the outstanding accumulated losses of the Company as at 31 December 2010, the share premium account of the Company (after accounting for one-off acquisition related costs in compliance with FRS 3 (revised), Business Combination and the Proposed Capital Reduction), will be reduced by an amount of up to RM834,315,000 and the credit of up to RM834,315,000 arising therefrom may be utilised to further reduce the accumulated losses of the Company. The final amount of the share premium account that will be utilised to eliminate the accumulated losses of the Company will be determined nearer to the completion of the Proposals, as the amount of the accumulated losses is currently reducing due to the improved financial performance of the Company. As such, the amount of accumulated losses to be eliminated will be determined once TdC establishes the timeline to proceed with the procedures to effect the Proposed Capital Reduction.

The accumulated losses of the Company after completion of the Proposed Capital Restructuring will be eliminated and consequently may result in the creation of a capital reserve account in TdC and its subsidiaries ("**TdC Group**").

3.3.3 Proposed Share Consolidation

Based on the audited financial statements of the TdC Group as at 31 December 2010 and after the Proposed Capital Reduction and Proposed Share Premium Reduction, the Company will have an issued and paid-up share capital of RM253,077,500 comprising 2,530,775,000 TdC Shares of RM0.10 each.

The Proposed Share Consolidation entails the consolidation of five (5) TdC Shares of RM0.10 each after the Proposed Capital Reduction into one (1) TdC Share of RM0.50 each. Upon the completion of the Proposed Share Consolidation, the issued and paid-up share capital of the Company will remain unchanged at RM253,077,500 notwithstanding that the total number of shares in issue will be reduced from 2,530,775,000 TdC Shares of RM0.10 each to 506,155,000 TdC Shares of RM0.50 each.

3.4 Proposed Exemptions

Pursuant to Paragraph 16.1(a), Practice Note 9 of the Code, an offeror who triggers a mandatory take-over offer obligation as a result of the offeror being issued new voting shares or voting rights as consideration for the sale or disposal of assets and / or interests by them, may apply to the SC for an exemption from the obligation to undertake a mandatory take-over offer.

However, notwithstanding the above, it is pertinent to note that the application for the exemption under Paragraph 16.1(a), Practice Note 9 of the Code is still subject to the approval of the non-interested shareholders of a company.

Based on Section 3.2.8, Part A of the Circular, we have noted the following in relation to the Proposed Exemptions:

(i) as at the LPD, KNB and GTI (a wholly-owned subsidiary of Megawisra) are the shareholders of PKV with a direct shareholdings of 61.20% and 38.80%, respectively; and

(ii) upon completion of the Proposed Exercise of the Call Options but prior to the completion of the Proposed Acquisitions, GTI will be the largest shareholder of PKV with the increase of its direct shareholdings from 38.80% to 51.00%. Pursuant thereto, Megawisra (via GTI, its wholly-owned subsidiary) will obtain control of PKV and as such, Megawisra will have control of the largest equity stake in TdC of 30.04% within the PAC Group.

The effects on the shareholdings of the PAC Group following the Proposed Capital Restructuring and Proposed Acquisitions are set out below:

	As at the LPD				After the Proposed Capital Restructuring				After the Proposed Acquisitions			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held[a]	%	No. of TdC Shares held[a]	%	No. of TdC Shares held[a]	%	No. of TdC Shares held[a]	%	No. of TdC Shares held[a]	%	No. of TdC Shares held[a]	%
Voting shares	***2,530,775,000***	***100.00***	***2,530,775,000***	***100.00***	***506,155,000***	***100.00***	***506,155,000***	***100.00***	***572,070,491***	***100.00***	***572,070,491***	***100.00***
PAC Group												
Megawisra[b]	-	-	760,209,826	30.04	-	-	152,041,965	30.04	24,831,363	4.34	180,774,359	31.60
PKV	760,209,826	30.04	-	-	152,041,965	30.04	-	-	180,774,359	31.60	-	-
KNB	-	-	1,072,668,677[c]	42.39	-	-	214,533,735	42.39	-	-	246,073,341[d]	43.01
UEMG	312,458,851	12.35	-	-	62,491,770	12.35	-	-	62,491,770	10.92	-	-
Pulau Tiga Ventures Sdn Bhd ("**PTV**")	-	-	-	-	-	-	-	-	-	-	2,807,212	0.49
Continuum Capital	-	-	-	-	-	-	-	-	2,807,212	0.49	-	-
GTI[e]	-	-	760,209,826	30.04	-	-	152,041,965	30.04	-	-	180,774,359	31.60
Megawisra Investments[f]	-	-	760,209,826	30.04	-	-	152,041,965	30.04	-	-	205,605,722	35.94
Afzal[g]	-	-	760,209,826	30.04	-	-	152,041,965	30.04	-	-	205,605,722	35.94
Te-Shen[g]	-	-	760,209,826	30.04	-	-	152,041,965	30.04	-	-	205,605,722	35.94
Total voting shares	***1,072,668,677***	***42.39***	***N/A***	***N/A***	***214,533,735***	***42.39***	***N/A***	***N/A***	***270,904,704***	***47.35***	***N/A***	***N/A***

Notes:

(a) *As at the LPD, there is only one (1) class of voting shares in TdC, being the ordinary shares of RM1.00 each.*

(b) *Deemed interest by virtue of its shareholding in GTI.*

(c) *Deemed interest by virtue of its shareholding in PKV and UEMG.*

(d) *Deemed interest by virtue of its shareholding in PKV, UEMG and Continuum Capital.*

(e) *Deemed interest by virtue of its shareholding in PKV.*

(f) *Deemed interest by virtue of its shareholding in Megawisra.*

(g) *Deemed interest by virtue of his shareholdings in Megawisra Investments.*

N/A *Not applicable.*

As depicted in the table above, it should be noted that:

(a) upon completion of the Proposed Acquisitions (assuming that the Proposed Exercise of the Call Options is completed), Megawisra will obtain control of TdC as its total shareholdings in TdC, which is made up of its direct shareholdings of 4.34% (previously nil) and indirect shareholdings of 31.60% (previously 30.04%) will increase from 30.04% to 35.94%;

(b) upon completion of the Proposed Acquisitions, the percentage of voting interests of the PAC Group, collectively in TdC will increase by more than two percent (2%) in any given six (6) month period from 42.39% to 47.35%; and

(c) notwithstanding Notes (a) and (b) above, the PAC Group continues to remain as the dominant shareholder of TdC after the completion of the Proposed Acquisitions.

Pursuant to the increase in the percentage of shareholdings as detailed in Notes (a) and (b) above, in accordance with Section 9(1), Part III of the Code, Megawisra and the PAC Group will be obliged to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by Megawisra and the PAC Group upon completion of the Proposed Acquisitions.

As set out in Section 3.2.8, Part A of the Circular, it is not the intention of Megawisra and the PAC Group to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by Megawisra and the PAC Group as a result of the Proposals. As such, Megawisra and the PAC Group, respectively will make an application to the SC, seeking the SC's approval for the Proposed Exemptions under Paragraph 16.1(a), Practice Note 9 of the Code, subject to Megawisra and the PAC Group obtaining prior approval from the non-interested shareholders of TdC for the Proposed Exemptions and the following procedures being complied with:

(aa) the resolution for the Proposed Exemptions shall be separate from other resolutions but may be conditional on other resolutions;

(bb) all interested parties have to abstain from voting on the resolution at TdC's forthcoming EGM;

(cc) the voting for the Proposed Exemptions at TdC's forthcoming EGM will be conducted by way of a poll, the result of which has to be confirmed by an independent auditor;

(dd) the non-interested shareholders of TdC are provided with competent and independent advice;

(ee) PIVB to declare its independence to the SC. PIVB had declared its independence to the SC on 18 July 2011;

(ff) the consent of the SC for the IAC prior to its despatch. The SC has consented to the contents of the IAC setting out details for the Proposed Exemptions on 24 October 2011, of which the consent of the SC for the contents of this IAC is not to be taken or implied that the SC concurs with the views and recommendations of PIVB contained herein but only that this IAC has been prepared in compliance with the disclosure requirements of the Code; and

(gg) the IAC is despatched to the non-interested shareholders of TdC at least fourteen (14) days before TdC's forthcoming EGM.

In the event that the Proposed Exemptions is approved by the non-interested shareholders of TdC and the SC has subsequently granted either a conditional or non-conditional exemption to the Proposed Exemptions, the Proposed Exemptions will then relieve Megawisra and the PAC Group from the obligation to undertake a mandatory take-over offer for all the remaining TdC Shares not already owned by them upon completion of the Proposed Acquisitions.

In view that the Proposed Exercise of the Call Options is conditional upon TdC obtaining all the required approvals in relation to the Proposals as set out in Section 11, Part A of the Circular and the completion of the Proposed Capital Repayment and the Proposed Capital Restructuring, the approval for the Proposed Exemptions granted by the non-interested shareholders of TdC and the SC, would allow Megawisra to obtain control of TdC pursuant to the completion of the Proposed Exercise of the Call Options.

Pursuant to Paragraph 16.9, Practice Note 9 of the Code, the exemption from the SC, if granted, in respect of the Proposed Exemptions will be invalidated should Megawisra and / or any of the members of the PAC Group trigger a disqualifying transaction. However, the exemption granted by the SC remains valid for the period prior to the disqualifying transaction. In the event of the invalidation of the Proposed Exemptions, Megawisra and the PAC Group will be subject to Section 9(1), Part III of the Code to undertake a mandatory take-over offer.

3.4.1 Disqualifying transaction

For the purpose of the Proposed Exemptions, a "disqualifying transaction" refers to a purchase of voting shares or voting rights by Megawisra and / or any of the members of the PAC Group subsequent to negotiation, discussion, understanding or agreement with the Board in relation to the Proposals, and before the completion of the Proposals where the exemption under Paragraph 16.1(a), Practice Note 9 of the Code is sought and approved (**"Disqualifying Transaction(s)"**).

Pursuant to the above, UEMG's participation in the TEB OFS and the Proposed Exercise of the Call Options may be deemed as Disqualifying Transactions. However, as set out in Section 3.2.8, Part A of the Circular, the SC vide its letter dated 19 September 2011 has concurred the following:

(i) the subscription of the TdC Shares and the subscription of the excess shares by UEMG under the TEB OFS are not deemed as Disqualifying Transactions under Paragraph 16.4 of Practice Note 9 of the Code; and

(ii) the Proposed Exercise of the Call Options is not deemed as a Disqualifying Transaction under Paragraph 16.4 of Practice Note 9 of the Code subject to the non-interested shareholders of TdC being informed of the fact that when the non-interested shareholders of TdC approve the Proposed Exemptions:

 (a) Megawisra (via GTI) will own 51% in PKV pursuant to the Proposed Exercise of the Call Options; and

 (b) both the PAC Group (as a group) and Megawisra (as an individual entity) will trigger a mandatory take-over offer obligation under the Code to acquire all the remaining TdC Shares not already owned by them upon the completion of the Proposed Exercise of the Call Options and the Proposed Acquisitions. However, the following factors represented by Megawisra to the SC indicate that Megawisra could be given an exemption by the SC from having to undertake a mandatory offer:

  - Megawisra remains the leader before and after the Proposals;
  - GTI, (which Megawisra controls) did not pay a premium for the TdC Shares (which it will acquire through PKV);
  - the relationship between KNB and GTI which makes them persons acting in concert was established since 2008; and
  - no single member of the PAC Group would increase its equity stake in TdC to more than fifty percent (50%) upon completion of the Proposed Exercise of the Call Options.

In respect of Note (ii)(b) above, should the Proposed Exemptions be approved by the non-interested shareholders of TdC and subsequently by the SC, Megawisra, individually and the PAC Group, collectively would then be exempted from having to undertake a mandatory take-over offer pursuant to Section 9(1), Part III of the Code.

Further to the above, we are of the view that the subscription of the TdC Shares and the subscription of the excess shares by UEMG under the TEB OFS and the Proposed Exercise of the Call Options are not deemed as Disqualifying Transactions, *inter-alia* due to the following factors:

(i) although the TEB OFS was announced on 21 January 2011, which is subsequent to the announcement of the Proposed Acquisitions on 15 November 2010 and completed prior to the approval being sought for the Proposed Acquisitions, all shareholders of TEB are ranked equally, having the same rights and entitlements under the TEB OFS. As such, UEMG (being a member of the PAC Group) is merely exercising its rights, which is similarly available to all other shareholders of TEB on a *pari passu* basis in respect of its participation in the TEB OFS;

(ii) GTI's call options in respect of the Proposed Exercise of the Call Options had previously been granted to GTI pursuant to the PKV Shareholders' Agreement on 6 October 2008, which was signed approximately three (3) years ago prior to the announcement of the Proposed Acquisitions; and

(iii) GTI (which Megawisra controls) did not pay a premium for the TdC Shares (which it will acquire through PKV) as illustrated in Section 3.2.8, Part A of the Circular.

It should be noted that Megawisra and the PAC Group have undertaken that they, as well as persons connected to them, if any, will abstain from voting in respect of their direct and / or indirect shareholdings in TdC on the resolution pertaining to the Proposed Exemptions to be tabled at TdC's forthcoming EGM.

Nevertheless, it is pertinent to note that on the assumption that the Proposed Exemptions is approved by the SC and upon completion of the Proposals, Megawisra, individually or the PAC Group, collectively will still have an obligation to undertake a mandatory take-over offer pursuant to Section 9(1), Part III of the Code under the following circumstances:

(a) in the event that any of the members of the PAC Group, individually (save for Megawisra, of which its shareholdings in TdC would exceed 33% after the completion of the Proposed Exercise of the Call Options and the Proposed Acquisitions) increases their respective voting shares or voting rights in TdC to more than 33% of the total voting shares of TdC (other than as a result of the Proposed Acquisitions); and / or

(b) in the event Megawisra, individually or the PAC Group collectively increases their voting shares or voting rights in TdC by more than two percent (2%) in any given six (6) month period (other than as a result of the Proposed Acquisitions).

It is pertinent for the non-interested shareholders of TdC to note that the Proposed Capital Repayment, Proposed Acquisitions and Proposed Exemptions are inter-conditional upon each other. As such, the Proposed Capital Repayment and Proposed Acquisitions will not be implemented in the absence of the approval from the non-interested shareholders of TdC for the Proposed Exemptions.

3.5 Conditionality

The Proposed Capital Repayment, the Proposed Acquisitions and Proposed Exemptions are inter-conditional upon one another.

The Proposed Capital Repayment and the Proposed Acquisitions are conditional upon the Proposed Capital Restructuring, Proposed Exemptions and Proposed Amendment to TdC's Memorandum of Association.

The Proposed Capital Restructuring is conditional upon the Proposed Amendment to TdC's Memorandum of Association.

The Proposed Capital Restructuring is not conditional upon the Proposed Capital Repayment, Proposed Acquisitions or the Proposed Exemptions.

The Proposals are not conditional upon any other corporate exercises being undertaken by TdC.

As at the LPD, Megawisra and the PAC Group are the dominant shareholders of TdC. Hence, the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions will not result in any change in the dominant shareholders of TdC.

4. SOURCES OF INFORMATION

In preparing this IAC, PIVB has relied upon the following sources of information and documents:

(a) SPAs;

(b) information contained in the Circular;

(c) other relevant information furnished to us by TdC and the PAC Group;

(d) letter by PwC Capital on the valuation of the equity value of the Acquiree Companies dated 21 October 2011;

(e) relevant independent market reports by Frost & Sullivan, as disclosed in Sections 9 and 14 of this IAC;

(f) other publicly available information; and

(g) discussions with the management of TdC and the PAC Group.

In respect of items (d) and (e) above, PwC Capital and Frost & Sullivan, respectively have given and have not subsequently withdrawn their written consent to the inclusion of their name, letter and all references thereto in the form and context in which it appears.

5. LIMITATIONS TO THE EVALUATION OF THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS

PIVB was not involved in any formulation of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions and / or any deliberations and negotiations pertaining to the terms and conditions of these proposals. PIVB's terms of reference as an independent adviser is limited to expressing an independent evaluation of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions which is based on the sources of information highlighted in Section 4 of this IAC.

We have relied on TdC and its Directors and management to take due care to ensure that all information, documents and representations provided to us by TdC to facilitate our evaluation are accurate, valid and complete in all material respects. Accordingly, we have not independently verified such information for its reasonableness, reliability, accuracy and / or completeness. We express no opinion on any such information and have not undertaken any independent investigation into the business and affairs of TdC and all relevant parties involved in the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions.

As at the LPD, we believe that such information are neither false nor misleading and the Directors have individually and collectively accepted full responsibility for the accuracy of the information provided and contained herein and confirmed that after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information necessary for our evaluation have been disclosed to us and there is no omission of any material fact which would render any information provided to us incomplete, misleading and / or inaccurate.

Our evaluation and recommendations expressed herein shall hold only in so far as the information and data supplied to us as at the date hereof remains accurate and consistent.

In rendering our advice, PIVB had taken note of pertinent issues, which we believe are of importance to an assessment of the implications of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions and therefore of general concern to the shareholders of TdC. As such:

(i) the scope of PIVB's responsibility regarding the evaluation and recommendations contained herein is confined to the assessment of the fairness and reasonableness of the valuation of the Proposed Acquisitions and other implications of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions only. Comments or points of consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions are included for our overall evaluation as we deem it necessary for disclosure purposes to enable shareholders to consider and form their views thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions;

(ii) PIVB's views and advice as contained in this IAC to the non-interested shareholders of TdC in relation to the Proposed Acquisitions, has taken into account the valuation of the equity value of the Acquiree Companies appraised by an independent valuer, PwC Capital. As such, we have not independently conducted a valuation of the Acquiree Companies;

(iii) PIVB's views and advice as contained in this IAC only cater to the shareholders of TdC at large and not to any shareholder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual shareholder or any specific group of shareholders; and

(iv) we recommend that any individual shareholder or group of shareholders who is in doubt as to the action to be taken or require advice in relation to the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions in the context of their individual objectives, risk profiles, financial and tax situation or particular needs, consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

We acknowledge that, based on all available information, and to the best of our knowledge and belief, this IAC constitutes a full and true disclosure of all material facts concerning the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions and there are no false or misleading statements or other material facts, the omission of which would make any statement herein false or misleading. Our opinion as set out in this IAC is based on prevailing market, economic, industry and other conditions and information / documents made available to us as at the LPD.

6. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

6.1 Proposed Capital Repayment and Proposed Capital Restructuring

None of TdC's Directors, and / or major shareholders and / or persons connected to them has any interest, direct or indirect, in the Proposed Capital Repayment and Proposed Capital Restructuring, save for their respective entitlements (if any) under the Proposed Capital Repayment and Proposed Capital Restructuring as shareholders of TdC.

6.2 Proposed Acquisitions and Proposed Exemptions

Save as disclosed below, none of TdC's Directors and / or major shareholders and / or persons connected to them has any interest, direct or indirect, in the Proposed Acquisitions and Proposed Exemptions:

6.2.1 Interested Major Shareholders and / or persons connected to them

KNB is a major shareholder of PKV with 61.20% direct shareholding as at the LPD. PKV is a major shareholder of TdC, with 30.04% direct shareholding as at the LPD. KNB also has a deemed interest in TdC through UEMG, which holds 12.35% direct shareholding in TdC as at the LPD.

GTI, a wholly-owned subsidiary of Megawisra, is a shareholder of PKV with 38.80% direct shareholding. Megawisra is a wholly-owned subsidiary of Megawisra Investments, whose shareholders are Afzal and Te-Shen.

Megawisra is also the holding company of the AIMS Group and the Global Transit Entities and it holds 35.00% direct shareholding in GTL. Continuum Capital, who owns 15.00% of GTL, is wholly-owned by PTV, which in turn is wholly-owned by KNB.

Accordingly, the parties deemed interested in the Proposed Acquisitions are as follows:

	Proposed Acquisition of GTC	Proposed Acquisition of GTL	Proposed Acquisitions of Global Transit Entities	Proposed Acquisition of AIMS Group
Interested Parties	KNB, PKV, UEMG, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI	KNB, PKV, UEMG, PTV, Continuum Capital, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI	Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI	

As such, KNB, PKV, UEMG, PTV, Continuum Capital, Megawisra, Megawisra Investments, Afzal, Te-Shen and GTI (**"Interested Major Shareholders"**) are deemed interested in the Proposed Acquisitions and Proposed Exemptions. Please refer to Section 6.2.3 of this IAC for the details of the Interested Major Shareholders' shareholdings in TdC and Sections 3.1.1 and 3.1.2, Part A of the Circular for the corporate structure, before and after the Proposals.

As the Interested Major Shareholders are deemed interested in the Proposed Acquisitions and Proposed Exemptions, they will abstain from voting in respect of their direct and / or indirect shareholdings in TdC on the resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions at the forthcoming EGM of TdC. The Interested Major Shareholders have also undertaken to ensure that the persons connected with them will abstain from voting in respect of their direct and / or indirect shareholdings in TdC on the relevant resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions at the forthcoming EGM of TdC.

6.2.2 Interested Directors and / or persons connected to them

As at the LPD:

(a) Abdul Kadir, the Chairman and Non-Independent Non-Executive Director of TdC is also a director of UEMG;

(b) Afzal, the Chief Executive Officer and Non-Independent Executive Director of TdC, is also a substantial shareholder with 75.00% equity stake in Megawisra Investments, the holding company of Megawisra. He is also a director in PKV, GTI and Megawisra. Afzal, however, does not hold any direct shareholdings in either TdC or PKV;

(c) Megat Hisham, the Chief Operating Officer and Non-Independent Executive Director of TdC, is also a director of PKV and GTI; and

(d) Elakumari, the Non-Independent Non-Executive Director of TdC is also a representative of KNB on your Board.

Accordingly, Abdul Kadir, Afzal, Megat Hisham and Elakumari (collectively referred to as the "**Interested Directors**") are deemed interested in the Proposed Acquisitions and Proposed Exemptions.

As the Interested Directors are deemed interested in the Proposed Acquisitions and Proposed Exemptions, they have abstained and will continue to abstain from all deliberations and voting on the Proposed Acquisitions and Proposed Exemptions at the relevant Board meetings of TdC and will also abstain from voting in respect of their respective direct and / or indirect shareholdings on the relevant resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions at the forthcoming EGM of TdC.

The Interested Directors have also undertaken to ensure that the persons connected with them will abstain from voting in respect of their direct and / or indirect shareholdings in TdC, if any, on the relevant resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions at the forthcoming EGM of TdC.

Elakumari, who is also a member of the Audit Committee, has abstained and will continue to abstain from all deliberations and voting on the Proposed Acquisitions and Proposed Exemptions at the relevant Audit Committee meetings. Please refer to Section 6.2.3 of this IAC for the details of the Interested Directors' shareholdings in TdC.

6.2.3 Interested Major Shareholders' and Interested Directors' shareholdings

Based on TdC's Register of Substantial Shareholders and Register of Directors' Shareholdings as at the LPD, the direct and indirect shareholdings of the Interested Major Shareholders and Interested Directors are as follows:

	Direct interest		Indirect interest	
	No. of TdC Shares	%	No. of TdC Shares	%
Major shareholders				
PKV	760,209,826	30.04	-	-
KNB	-	-	1,072,668,677	42.39[(a)]
UEMG	312,458,851	12.35	-	-
GTI	-	-	760,209,826	30.04[(b)]
Megawisra	-	-	760,209,826	30.04[(c)]
Megawisra Investments	-	-	760,209,826	30.04[(d)]
Afzal	-	-	760,209,826	30.04[(e)]
Te-Shen	-	-	760,209,826	30.04[(e)]

	Direct interest		Indirect interest	
	No. of TdC Shares	%	No. of TdC Shares	%
Directors				
Afzal	-	-	760,209,826	30.04[(e)]
Megat Hisham	-	-	-	-
Elakumari	-	-	-	-
Abdul Kadir	-	-	-	-

Notes:

(a) *Deemed interest through its shareholding in PKV and UEMG.*

(b) *Deemed interest through its shareholding in PKV.*

(c) *Deemed interest through its shareholding in GTI.*

(d) *Deemed interest through its shareholding in Megawisra.*

(e) *Deemed interest through his shareholding in Megawisra Investments.*

Further, as at the LPD, none of the non-interested Directors have any direct shareholdings in the TdC Shares. However, the following non-interested Director has indicated his spouse's intention to vote ***IN FAVOUR OF*** the resolution pertaining to the Proposed Exemptions in respect of her entire holdings in the TdC Shares at the forthcoming EGM:

Non-interested Director	No. of TdC Shares held (Indirect through his spouse's shareholdings in TdC)	%
Balasingham A. Namasiwayam	25,000	0.001

7. EVALUATION OF THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS

PIVB's scope in arriving at our opinion and recommendations as the Independent Adviser to the non-interested shareholders of TdC in relation to the Proposed Acquisitions and Proposed Exemptions as well as to the shareholders of TdC in relation to the Proposed Capital Repayment and Proposed Capital Restructuring is limited and confined to the following bases and analyses:

(a)	Rationale for the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions	Section 8
(b)	Financial evaluation of the Proposed Acquisitions	Section 9
(c)	Evaluation of the salient terms of the SPAs	Section 10
(d)	Effects of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions	Section 11
(e)	Implications arising from the Proposed Exemptions	Section 12
(f)	Risk factors	Section 13

The views expressed by PIVB in this IAC are, amongst others, based on current economic, market and other conditions prevailing as at the LPD. In this respect, the shareholders of TdC should take further note of any announcements relevant to their consideration of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions which may be released after the LPD.

8. RATIONALE FOR THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS

8.1 Rationale for the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring

TdC is primarily a data-centric fixed line telecommunications player in Malaysia with its fiber optic network spanning across Peninsular Malaysia and parts of Sabah and Sarawak. The business of the TdC Group is substantially driven by its wholesale and corporate market segments, supplemented by the SME and consumer market segments.

As the business turnaround initiative undertaken in October 2008 has yielded positive results for the TdC Group, it is now positioned and primed to enter the next stage of its growth phase. In order for the TdC Group to expand beyond its current market reach to increase its customer and earnings base, it has identified a few areas to facilitate this growth and capital management strategies. The Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring were initiated to realise some of these objectives.

The Proposed Acquisitions were undertaken to expand and diversify its earnings potential whilst the Proposed Capital Restructuring were undertaken to rationalise and enable the balance sheet of TdC to be more reflective of its core assets. As an initial step of its capital management strategy, the Proposed Capital Repayment was then proposed to reward shareholders of TdC in the interim, for their continuous support of the TdC Group as no dividends have been previously declared since the Company was listed in 2001.

The ensuing paragraphs depict our views on the rationale for and benefits of the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring.

8.1.1 Rationale for the Proposed Acquisitions

We have noted that the Proposed Acquisitions are undertaken by TdC to strengthen its position in the telecommunications business for enhanced business growth opportunities and to facilitate its vision to be a stronger player in the regional telecommunications industry. As such, the following proposed acquisitions were undertaken by TdC towards realising these objectives:

(a) *Proposed Acquisition of GTC* - allows the TdC Group to tap into GTC's regional wholesale customer base enabling the TdC Group to enter and provide a platform to broaden its presence in the regional and global bandwidth business and enabling the provision of IP Transit services;

(b) *Proposed Acquisition of GTL* - provides opportunity for the TdC Group to have a participating interest in an international submarine cable asset thus allowing it greater flexibility in establishing new networks and propel it to be in the market to provide its customers with a range of services by carrying Trans-Pacific voice and data traffic through these routes, thus extending its reach both regionally and globally;

(c) *Proposed Acquisition of AIMS Group* - provides the TdC Group with alternative future income streams specialising in data centres and managed services, to complement its existing regular income from data services; and

(d) *Proposed Acquisitions of Global Transit Entities* - facilitate the TdC Group to tap into Singapore and Hong Kong telecommunications markets as GTS and GTHK hold SBO licence in these two (2) countries. However, as at this juncture, GTS has minimal operations and GTHK is dormant.

Further, the Proposed Acquisitions would also enable the TdC Group to provide a more complete range of telecommunications and managed data services for its existing or potential customers, thereby relieving them from the need to deal with multiple parties. This can be achieved through the amalgamation of its current domestic network with GTC's and GTL's respective domestic and international networks as well as the data centres operated by the AIMS Group.

The effective integration of these new businesses are expected to derive benefits to the TdC Group beside enhancing the value propositions to existing or potential customers such as expansion in customer base, economies of scale, pooling of human resources and knowledge and / or technology skills, improve the effectiveness in acquisition of new or expand customers base through a more diverse portfolio of product offerings and potential cost savings. Such benefits, when realised is expected to translate into upside in revenue growth for a more diversified and sustainable earnings base for the enlarged TdC Group in the future.

The Proposed Acquisitions are as such, expected to yield the following benefits:

(a) Allow TdC to grow vertically within its product supply and distribution chain

Presently, TdC is involved in the provision of telecommunications services ranging from voice to data communications and broadband internet, satellite connectivity, private networks and managed network services to Malaysian centric customers.

The telecommunications services provided by TdC is on the back of its current infrastructure which includes fiber optic cables across the Peninsular Malaysia from the Thailand border to Singapore and parts of East Malaysia, digital microwave and satellite links covering other remote areas.

GTC's business operations involve the provision of IP Transit services to predominantly carriers and service providers in Malaysia, as well as the provision of solutions for global bandwidth requirements to carriers and service providers globally.

The Proposed Acquisition of GTC would allow the TdC Group to tap into GTC's local customer base and the more demanding international clientele for both the local and global markets. The increase in its wholesale customer base, is a more strategic source to TdC relative to its retail customer base. In addition, the services provided by GTC would widen the range of services that the TdC Group can offer to its customers, thus enhancing its competitive position to move towards a complete telecommunications service provider. A key growth area that the TdC Group intends to take advantage of, is the aggregation of traffic from Indo-China transiting through Malaysia and Singapore destined for North Asia and the US.

On the other hand, the Proposed Acquisition of GTL, would enable the TdC Group to indirectly have participating interest in 10% of the capacity of the Unity cable system, which amounts to 480Gbps with a potential to increase to approximately one (1) Tbps. This acquisition will allow the TdC Group to use their own submarine cable assets and / or participate in network exchange arrangements with other cable systems and access capacity to other routes at minimal cost. As a submarine cable asset owner, this is expected to improve the Group's bargaining position when negotiating with other cable owners for capacity on other routes around the globe. In addition, the rights to the capacity of the Unity cable system would further add to the portfolio of telecommunications infrastructure of the TdC Group with access to the Trans-Pacific link.

Further, the Proposed Acquisition of GTC and Proposed Acquisition of GTL would also enable the TdC Group to benefit from economies of scale in view of the enlarged business operations, offering various complimentary products and potential pooling of human resources, knowledge and / or technology skills.

The Proposed Acquisitions of Global Transit Entities, on the other hand, would position the TdC Group in both Singapore and Hong Kong with the SBO licence to provide telecommunications services to existing or new customers in these countries, thus allowing TdC to penetrate these two (2) markets without delays from the need to obtain the licence. Although at this stage GTS has minimal operations and GTHK is dormant, there are potential opportunities for the TdC Group to complement its existing customers in these two (2) markets with its product range as well as increased points in its distribution chain.

As such, the Proposed Acquisitions are expected to expand and improve the existing business operations of the TdC Group, coupled with the vertical growth into its product supply and distribution chain within the telecommunications industry. Given the enlarged outfit and the enhanced presence in the value chain of the provision of telecommunications services, the Proposed Acquisitions are expected to have positive impacts on the growth, earnings as well as enhancing its competitive edge in the regional and global markets.

(b) Allows TdC to diversify its business operations into a new income stream

The Proposed Acquisitions involves acquisition of companies involved in a diversified pool of business, of which, would complement the TdC Group's existing business operations which is mainly dependent on its fiber optics infrastructure.

The AIMS Group, which is made up of several companies, collectively provides data centre services, which include amongst others, provision of hosting and co-location services, managed services and provision of interconnection services and operates as a carrier neutral data centre. As such, the Proposed Acquisition of AIMS Group would allow the TdC Group to diversify its business operations and at the same time enhance the strategic competitiveness of TdC.

To ensure the network neutrality of the AIMS Group's businesses, it should be noted that TdC intends to operate the AIMS Group separately from its other businesses, with a separate management team reporting to your Board.

As a result of the Proposed Acquisition of the AIMS Group which would broaden its business base, the TdC Group would be able to mitigate the risk attributable to the complete dependency on its current income generation from its telecommunications business segment. This business diversification would allow the TdC Group to expand its revenue stream and complement its current business operations adding-on new services offered by the AIMS Group in the service package to its customers immediately. In addition, the acquisition of the AIMS Group in its current status and outfit with approximately 200 carriers up to-date, would ensure that a more reliable and constant stream of new revenue will be contributed to the TdC Group. Complementing the current infrastructure of the TdC Group, this acquisition would further enhance the connectivity of the businesses of the AIMS Group moving forward, thus enhancing further revenue generation opportunities.

(c) An avenue for TdC to further enhance its earnings

The Proposed Acquisitions are expected to enhance the earnings of the TdC Group through costs savings and additional earnings contribution from the Acquiree Companies.

Upon completion of the Proposed Acquisition of GTL, the TdC Group would be able to utilise some of the Unity cable system's capacity for its own business or to participate in network exchange arrangements with other cable owners, when realised, would be expected to reduce the cost of operations for the TdC Group. The cost savings would further enhance its competitiveness and further benefit the TdC Group through a more flexible pricing strategy for its products and services, strengthen its wholesale offering and also allow the TdC Group to leverage on such advantages when negotiating with other cable owners for capacity on their cables.

Further, as several of the services of the TdC Group and GTC crossover with one another, both companies would then be able to benefit from economies of scale in terms of capacity requirement, thus lowering cost per unit of bandwidth capacity.

In addition to cost savings, the Proposed Acquisitions would enable TdC to recognise revenue and cash inflow immediately from the AIMS Group, GTL and GTC. These companies are already operational and are generating revenue, EBITDA positive as well as recording accounting profits as highlighted in Section 9.2 of this IAC.

(d) To expand and enhance TdC's geographical presence especially within the Asian region

TdC's current business operations are carried out in the Asian region mainly in Malaysia. As such, the Proposed Acquisitions would facilitate TdC to:

(i) further enhance its geographical presence in the Asian region on the back of the existing pool of clients that GTC has, especially between the Indo-China route;

(ii) provide telecommunications services in Singapore and Hong Kong via GTS and GTHK respectively leveraging on their SBO licence; and

(iii) extend the geographical presence of TdC on the back of the Unity cable system, which links Asia to the US.

In essence, the Proposed Acquisitions would allow the enlarged TdC Group to expand into providing telecommunications services in the Asian region and providing a more complete range of telecommunications services to its customers routing between the Asian region to the US and *vice versa.*

(e) The Proposed Acquisitions entails the acquisition of growing companies which are moving out of their infancy stage of business cycle

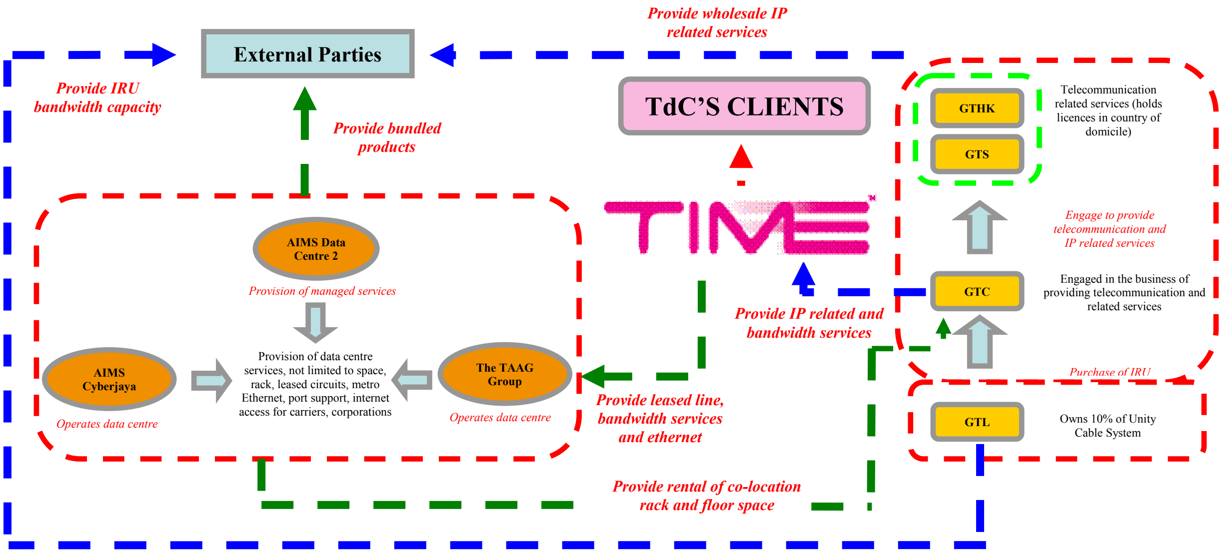
The Proposed Acquisitions would entail the acquisition by TdC of a group of companies which comprise of companies both related and unrelated to the current business operations of TdC. Nonetheless, it should be noted that save for the Global Transit Entities, the Acquiree Companies are actually moving out of the infancy stage of their respective business cycles, which is mainly capital intensive and require significant "nurturing" to the next stage of their business cycle.

The full year's earnings of GTL will only be reflected in year 2011 as it has only started generating revenue in the last quarter of 2010. Thus, the Proposed Acquisitions at this stage, would no longer require TdC to incur substantial capital expenditure for "nurturing" yet would facilitate TdC to recognise an immediate stream of revenue and cash flow as these Acquiree Companies enter the growth phase of their respective business cycles.

Further, any required future capital expenditure in relation to the Acquiree Companies, would be utilised for business operation expansions rather than the more uncertain and riskier start-up stage. This would further allow the TdC Group to focus on scaling and developing the businesses of the Acquiree Companies as well as its existing businesses to the next level of growth by leveraging on the enlarged TdC Group's operating network and platform.

In addition to the above and given that the Acquiree Companies have been generating reasonable returns given its present stage of its business cycle, as depicted in their latest financial results as set out in Section 9.2 of this IAC, the Proposed Acquisitions are expected to contribute positively to the earnings and cash flow of the TdC Group, moving forward.

Premised on the above, we have illustrated in the diagram below, the impact of the Proposed Acquisitions and its expected integration with the existing business operations of TdC:



From the illustration above, the Proposed Acquisitions are complementary to the TdC Group's existing business and also introduces a new revenue stream via data centre services.

The geographical presence of TdC after the Proposed Acquisitions are also illustrated in the graph below:

From the map above, the Proposed Acquisitions would provide TdC with a direct presence in the Asian region by having participating interest in 10% of the Unity cable system (which provides a Trans-Pacific link from Chikura, Japan to Los Angeles, US) as well as presence in Singapore and Hong Kong.

Premised on the above, we are of the opinion that the rationale for the Proposed Acquisitions are reasonable.

8.1.2 **Rationale for the Proposed Capital Repayment**

The Proposed Capital Repayment is consistent with the objectives of TdC's capital management framework to improve its capital structure and unlock values to enhance return to its shareholders, which includes returning cash to reward shareholders, within a manageable level after taking into consideration, amongst others, TdC's level of cash, business prospects, projected levels of capital expenditure, other investment plans and current and expected obligations. TdC believes that this is an opportune time to implement the Proposed Capital Repayment in tandem with its increased balance sheet strength and expected operational improvements, further efficiencies from scale opportunities and the earnings base from the Proposed Acquisitions.

Shareholders of TdC are expected to benefit from the near term value enhancement arising from the Proposed Capital Repayment as it would allow shareholders of TdC to monetise part of their investments in TdC while still maintaining the same number of TdC Shares and percentage of shareholdings in TdC.

By returning equity to its shareholders, your Board expects, with a more optimal capital structure, the Company's return on equity to improve in the future. In addition, the Proposed Capital Repayment serves to reward the shareholders of TdC for their continuous support of the Company as TdC has never declared any dividend to its shareholders since its listing on 12 March 2001. Further, we are of the view that the capital distribution of RM0.02 per TdC Share is reasonable as it represents the first return to shareholders since the listing of TdC and a dividend yield of approximately 2.72% and 3.48% based on the closing market price of TdC Shares as at the LTD, being the last full trading day prior to the announcement of the Proposals of RM0.735 and on the LPD of RM0.575, respectively.

Premised on the above, we are of the opinion that the rationale for the Proposed Capital Repayment is reasonable.

8.1.3 **Rationale for the Proposed Capital Restructuring**

The Proposed Capital Restructuring would serve to rationalise the TdC Group's balance sheet by writing off part of the share capital that is unrepresented by available assets via the Proposed Capital Reduction and Proposed Share Consolidation.

The Proposed Capital Reduction which involves the reduction of TdC's par value of RM0.90 from RM1.00 to RM0.10 would give rise to a credit of approximately RM2,277,697,500 and the aforesaid credit would be able to be utilised to reduce TdC's accumulated losses of RM3,108,313,000 based on the audited financial statements of the TdC Group as at 31 December 2010.

Subsequent to the Proposed Capital Reduction, the share premium account of TdC will be reduced by an amount of up to RM834,315,000 and the credit arising therefrom may be utilised to further reduce the accumulated losses of the TdC Group via the Proposed Share Premium Reduction. The final amount of the share premium account that will be utilised to eliminate the accumulated losses of TdC will be determined nearer to the completion of the Proposals.

Premised on the above, it should be noted that both the Proposed Capital Reduction and Proposed Share Premium Reduction will enable TdC to eliminate its accumulated losses. As such, TdC moving forward will be in a positive capital reserves position and this may enable the consideration of cash or non-cash form of dividends payout to be distributed to shareholders of TdC in the future, without having to consider the accumulated losses position as one of the criteria when deciding the rate and timing of dividend payment premised that the Company continues to remain profitable in the future.

The Proposed Share Consolidation which involves the consolidation of five (5) TdC Shares of RM0.10 each after the Proposed Capital Reduction into one (1) TdC Share of RM0.50 each will generally be beneficial to the Company and its shareholders as it may serve to reduce the fluctuation in magnitude of the Company's market capitalisation caused by the inherent volatility in the market price of "penny stocks" with small volume of trades.

Generally, stocks with trading prices lower than RM1.00 would be regarded as "penny stock". The market prices of penny stocks as quoted on Bursa Securities are more volatile in nature due to it being prone to speculative activities. The consolidation of the TdC Shares after the Proposed Capital Restructuring serves to erase the image of TdC Shares as a "penny stock" and elevate the same to a better quality stock driven with a new business model that would interest more following by sophisticated investors with longer term investment horizons. In addition, the Proposed Share Consolidation will result in the EPS of TdC to increase by five (5) times in absolute terms and this is expected to improve investors' evaluation of the New TdC Shares.

Premised on the above, we are of the opinion that the rationale for the Proposed Capital Restructuring is reasonable.

8.2 Rationale for the Proposed Exemptions

In accordance with Section 9(1), Part III of the Code, the obligation of Megawisra, individually and the PAC Group, collectively to undertake a mandatory take-over offer on the remaining TdC Shares not already owned by them, arises due to the following:

(a) upon completion of the Proposed Acquisitions (assuming that the Proposed Exercise of the Call Options is completed), Megawisra will obtain control of TdC as its total shareholdings in TdC, which is made up of its direct shareholdings of 4.34% (previously nil) and indirect shareholdings of 31.60% (previously 30.04%) will increase from 30.04% to 35.94%; and

(b) following the completion of the TEB OFS, the collective percentage of voting interests of the PAC Group in TdC had decreased from 54.78% to 42.39%. As such, upon completion of the Proposed Acquisitions, the percentage of voting interests of the PAC Group, collectively in TdC will increase by more than two percent (2%) in any given six (6) month period from 42.39% to 47.35%.

Pursuant to the above, should the Proposed Exemptions be approved by the non-interested shareholders of TdC, the SC may be able to consider the application by Megawisra, individually and the PAC Group, collectively for the Proposed Exemptions. Further, should the SC subsequently approve the application, Megawisra, individually and the PAC Group, collectively would then be exempted from having to undertake a mandatory take-over offer pursuant to Section 9(1), Part III of the Code.

The Proposed Exemptions is necessary as it is not the intention of Megawisra nor the PAC Group to undertake a mandatory take-over offer for the remaining TdC Shares not already owned by them upon completion of the Proposed Acquisitions. Further, Megawisra and the PAC Group intend to maintain the listing status of TdC on the Main Market of Bursa Securities upon completion of the Proposed Acquisitions.

In addition, the Proposed Capital Repayment, Proposed Acquisitions and the Proposed Exemptions are inter-conditional upon one another, as such, in the event that the Proposed Exemptions is not approved by the non-interested shareholders of TdC or the SC, the obligation to undertake the mandatory take-over offer as mentioned above will not arise as both the Proposed Capital Repayment and Proposed Acquisitions will not be implemented. Hence, any potential benefits arising from those proposals as highlighted in Sections 8.1.1 and 8.1.2 of this IAC will not materialise.

Further thereto, we are of the opinion that the rationale for the Proposed Exemptions is reasonable as the Proposed Exemptions will allow TdC to implement the Proposed Capital Repayment and Proposed Acquisitions without causing Megawisra, individually and the PAC Group, collectively to undertake a mandatory take-over offer under Section 9(1), Part III of the Code.

9. FINANCIAL EVALUATION OF THE PROPOSED ACQUISITIONS

In evaluating the reasonableness and fairness of the terms of the Proposed Acquisitions and in arriving at our recommendation, we have considered the following financial analysis:

(a)	Evaluation of the Proposed Acquisitions	Section 9.1
	(i) Valuation of the Acquiree Companies by PwC Capital	Section 9.1.1
	(ii) Evaluation of the Proposed Issue Price of the New TdC Shares	Section 9.1.2
	(iii) Evaluation of the mode of consideration	Section 9.1.3
(b)	Review of the historical financial performance of the Acquiree Companies	Section 9.2

Non-interested shareholders of TdC should note that notwithstanding that the Proposed Acquisitions entails the acquisition of several companies, the Proposed Acquisitions should be considered and taken as a whole in a "basket" purchase of all the Acquiree Companies at a total Purchase Consideration amounting to RM322.00 million given that the acquisition of the Acquiree Companies are all inter-conditional. Details of the amount and the mode of settlement for the Purchase Consideration are set out in the table below:

Acquiree Companies	Purchase Consideration - cash portion RM million	Purchase Consideration - New TdC Shares portion RM million	Aggregate Purchase Consideration RM million
AIMS Group	47.60	71.40	119.00
GTC	-	102.00	102.00
GTL	40.40	60.60	101.00
Global Transit Entities	*	-	*
Total Value	88.00	234.00	322.00

Note:

* *Based on a purchase consideration of RM2.00.*

As the Purchase Consideration would be substantially satisfied by the issuance of the New TdC Shares, it is therefore:

(i) essential to not only evaluate the fairness of the Purchase Consideration for the "basket" purchase of the Acquiree Companies; but

(ii) it is equally important to ascertain the fairness of the Proposed Issue Price of the New TdC Shares.

In arriving at our opinion on the reasonableness and fairness from our evaluation of the Purchase Consideration of the Proposed Acquisitions, we have considered the following valuation methodologies:

Methodologies	Reasons
Discounted cash flow ("**DCF**")	This method, which takes into consideration the concept of time value of money, values a company by discounting all future free cash flows that a company is expected / forecasted to generate to their present value and thereafter, adding the current cash and cash balance and deducting the current outstanding borrowings of a company. One of the key factors of the DCF method is the discount rate adopted at which such future free cash flows are discounted back to the present value. Generally, the weighted average cost of capital ("**WACC**") of a company will be used as the discounting factor.

Methodologies	Reasons
Trading comparable multiples	This method takes into consideration companies operating in similar industries that are comparable to the Acquiree Companies and thereafter, comparing relevant trading multiples of these comparable companies with that of the Acquiree Companies. The trading multiples which would be considered are as follows: • **Price to earnings ("PE") multiple** PE multiple is a valuation metric which compares a company's share price against its earnings per share. It can be useful to compare the PE multiple of the company to that of its peers to gauge how richly the company is valued relative to its peers as a higher PE multiple implies that investors are willing to pay more for a dollar's worth of earnings from a company. • **Price to book ratio ("PBR")** PBR is a method used in the valuation of companies by comparing the company's market value to its book value. A PBR of less than one (1) tome would mean that the market value accorded to the company is less than the net asset attributable to the shareholders of the company and may therefore indicate that the company is undervalued. • **Enterprise value over EBITDA multiple ("EV/EBITDA")** EV/EBITDA is commonly used in valuation as compared to PE multiple, as it is not affected by the different leverage level and borrowing cost as well as different depreciation policies. Also, it eliminates the impact from non-operating items. The EV of a company is calculated based on the market capitalisation of the company after deducting the cash and cash equivalent portion and adding borrowings, minority interest and preference shares value.
Book value approach	This method considers the current net book value of a company without taking into consideration any future / potential prospects.
Discounted income approach	This method is a hybrid of income and asset approach where the value of a company is derived by discounting the future income that a company is expected / forecasted to their present value and thereafter adding the current net asset position of the company. Similar to the DCF method, a key factor of this approach is to adopt the most appropriate discount rate at which future income are discounted back to the present value. For the discounted income approach both the WACC or the cost of equity of a company can be used as the discounting factor.

Pursuant to our preliminary analysis, both the book value approach and discounted income approach were not adopted in our evaluation due to the following:

Methodologies	Adopted	Reasons
Book value approach	No	• All the Acquiree Companies are in the early growth stages of their respective business cycle and their current position may not be fully reflective of their future earnings potential. Further potential for growth is expected for the Acquiree Companies which would result in the increase in book value moving forward.
Discounted income approach	No	• Acquiree Companies are in the early growth stages of their respective business cycle and as such the profit in the short term may not be reflective of its actual value. • Does not take into consideration the required additional capital investment required to realise its potential growth.

In relation to the trading comparable multiples methodology, during our evaluation process, save for Telekom Malaysia Berhad (which has a significantly larger market capitalisation and business operations relative to the TdC Group) we were unable to identify any other company listed in Malaysia which is comparable to the Acquiree Companies.

Thereafter, even when such a selection process was expanded to include companies listed in other major stock exchanges, we were only able to identify companies which were similar to the Acquiree Companies in terms of business activities but such companies were significantly larger in size and operations, operating in different stages of their respective business cycle, have different capital structures and significantly larger market capitalisation. The list of companies identified and their respective market capitalisation are as follows:

- **Comparable companies of the AIMS Group:**

No.	Name of company	Principal business activities	Primary listing	Market capitalisation	
			Country	Foreign currency million[(a)]	RM million[(b)]
	AIMS Group	**As detailed in Section 3.1.1.4 of this IAC.**	-	-	**119.00**[(c)]
1.	Rackspace Hosting Inc ("**Rackspace**")	Provision of services related to delivery and support of hosting solutions such as provision of infrastructure in which to house data and customer support for their hosting solutions.	US	5,763.57[(d)]	17,924.70
2.	Equinix Inc ("**Equinix**")	Provision of connected data with partners and customers around the world through a global platform of high performance data centres, containing dynamic ecosystems and a broad choice of networks.	US	5,150.06[(d)]	16,016.69
3.	Telecity Group Plc ("**Telecity**")	Provision of highly connected data centres in key European cities.	United Kingdom ("**UK**")	1,166.69[(e)]	5,728.45
4.	CSF Group Plc ("**CSF**")	Provision of services which comprise of design, construction and installation of data centres on an outsourced basis, ongoing support and maintenance and rental of data centre space.	UK	96.82[(e)]	475.39

Notes:

(a) *For the foreign listed companies, the market capitalisation is calculated based on the respective market price after adjusting to the Malaysian context. The details of the adjustments are as follows:*

Company	*5-day VWAP up to LPD (i)*	*Expected market retur[n] (ii)*	*Expected market return of Malaysia (iii)*	*Adjusted value (iv)=(i)/(ii)*(iii)*
CSF	*GBP0.60*	*12.95%*	*13.06%*	*GBP0.605*
Rackspace	*USD38.83*	*11.17%*	*13.06%*	*USD45.400*
Equinix	*USD95.41*	*11.17%*	*13.06%*	*USD111.554*
Telecity	*GBP5.84*	*12.95%*	*13.06%*	*GBP5.890*

(b) *Based on the exchange rate for conversion to RM as at the LPD.*

(c) *Represented by the purchase consideration amounting to RM119.00 million.*

(d) *Amount denoted in USD. Converted into RM based on an exchange rate of USD1: RM3.11.*

(e) *Amount denoted in Great British Pounds ("**GBP**"). Converted into RM based on an exchange rate of GBP1: RM4.91.*

- **Comparable companies of GTC:**

No.	Name of company	Principal business activities	Primary listing	Market capitalisation	
			Country	Foreign currency million[a]	RM million[b]
	GTC	**As detailed in Section 3.1.1.1 of this IAC.**	-	-	**102.00**[c]
1.	Juniper Networks Inc ("**Juniper**")	Principally involved in designing, developing, and selling innovative products and services with high-performance network infrastructure that creates responsive and trusted environments for accelerating the deployment of services and applications over a single network.	US	12,856.75[d]	39,984.49
2.	NTT Data Corporation ("**NTT**")	Provision of large scale system integration such as data transmission system design, sales, leasing and services as well as networking system services such as internet related and linked computer networks and data provision and management of data.	Japan	759,999.03[e]	30,779.96
3.	Telekom Malaysia Berhad ("**TM**")	Principally involved in the establishment, maintenance and provision of telecommunications and related services under the licence issued by the Ministry of Information, Communication and Culture.	Malaysia	N/A	15,136.34
4.	Level 3 Communications Inc ("**Level 3**")	Provision of a broad range of integrated communications services such as Internet Protocol and data services, content distribution services, collocation services and softswitch and voice services.	US	3,242.19[d]	10,083.21
5.	PCCW Limited ("**PCCW**")	Provision of local, mobile and international telecommunications services, Internet access services, interactive multimedia and pay-TV services, the sale and rental of telecommunications equipment, and the provision of computer, engineering and other technical services primarily in the Hong Kong Special Administrative Region ("Hong Kong"), and also in mainland China and elsewhere in the Asia Pacific region; investments in, and development of, systems integration, network engineering, and technology-related businesses; and investments in, and development of, infrastructure and properties in Hong Kong, mainland China and elsewhere in the Asia Pacific and Middle East regions.	Hong Kong	17,647.19[f]	7,058.88

No.	Name of company	Principal business activities	Primary listing	Market capitalisation	
			Country	Foreign currency million[(a)]	RM million[(b)]
6.	Tata Communications Limited ("**Tata Com**")	Provision of advanced solutions and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.	India	56,451.85[(g)]	3,573.40
7.	Cogent Communications Group Inc ("**Cogent**")	Provision of low-cost, high-speed Internet access and Internet Protocol, or IP, communications services. Our network is specifically designed and optimised to transmit data using IP.	US	809.81[(d)]	2,518.51
8.	QSC AG ("**QSC**")	Provision of telecommunications services with its own broadband network, offering businesses a portfolio of broadband communication options. The company implements complete enterprise networks (IP-VPNs), including managed services, operates voice and data services on the basis of its Next Generation Network (NGN) and provides leased lines in a variety of bandwidths.	Germany	302.69[(h)]	1,301.57
9.	Amcom Telecommunication Limited ("**Amcom**")	Specialising in meeting the growing needs of business and government for data, internet, voice and related services over its own extensive fibre optic network.	Australia	176.69[(i)]	561.87

Notes:

(a) *For the foreign listed companies, the market capitalisation is calculated based on the market price after adjusting to the Malaysian context. The details of the adjustments are as follows:*

Company	*5-day VWAP up to LPD (i)*	*Expected market return (ii)*	*Expected market return of Malaysia (iii)*	*Adjusted value (iv)=(i)/(ii)*(iii)*
Juniper	*USD20.93*	*11.17%*	*13.06%*	*USD24.471*
NTT	*JPY257,044.49*	*12.39%*	*13.06%*	*JPY270,944.394*
Level 3	*USD1.66*	*11.17%*	*13.06%*	*USD1.941*
PCCW	*HKD2.88*	*15.50%*	*13.06%*	*HKD2.427*
Tata Com	*INR186.55*	*12.30%*	*13.06%*	*INR198.077*
Cogent	*USD15.11*	*11.17%*	*13.06%*	*USD17.667*
QSC	*EUR2.40*	*14.20%*	*13.06%*	*EUR2.207*
Amcom	*AUD0.81*	*14.39%*	*13.06%*	*AUD0.735*

(b)	*Based on the exchange rate for conversion to RM as at the LPD.*
(c)	*Represented by the purchase consideration amounting to RM102.00 million.*
(d)	*Amount denoted in USD. Converted into RM based on an exchange rate of USD1: RM3.11.*
(e)	*Amount denoted in Japanese Yen ("**JPY**"). Converted into RM based on an exchange rate of JPY100: RM4.05.*
(f)	*Amount denoted in HKD. Converted into RM based on an exchange rate of HKD1: RM0.40.*
(g)	*Amount denoted in Indian Rupee ("**INR**"). Converted into RM based on an exchange rate of INR100: RM6.33.*
(h)	*Amount denoted in Euro ("**EUR**"). Converted into RM based on an exchange rate of EUR1: RM4.30.*
(i)	*Amount denoted in Australian Dollars ("**AUD**"). Converted into RM based on an exchange rate of AUD1: RM3.18.*
N/A	*Not applicable as amount is denoted in RM only.*

- **Comparable companies of GTL:**

  We wish to highlight that there are no relevant listed peers which have similar business and activities to GTL, as all the other listed peers which also own or have an interest in a Trans-Pacific submarine cable line are actually telecommunications service providers. Their main source of revenue are from the provision of a complete suite of telecommunications service, amongst others, includes fixed line services, mobile services, internet connectivity and television services. GTL on the other hand, derives its revenue predominantly from the trading of bandwidth capacity of its share of the Trans-Pacific submarine cable line.

As depicted in the tables above, notwithstanding that the identified comparable companies had similar business activities with the AIMS Group and GTC, it should be noted that these identified comparable companies were significantly larger in size in terms of their respective market capitalisation. The largest comparable company for the AIMS Group was more than 150 times larger than the AIMS Group while the largest comparable company for GTC was more than 390 times larger than GTC. In view of the significant variance in size of the identified comparable companies coupled with the fact that these were listed in different countries, this has resulted in a wide range of valuation ratios (such as PE, PBR and EV/EBITDA) where even among the identified comparable companies, there was no clear indication of a reasonable range for each respective valuation ratio. As the valuation ratios derived by us do not provide a meaningful and reasonable evaluation, we did not adopt the trading comparable multiples methodologies in our evaluation of the valuation of the Acquiree Companies.

Pursuant to the above, we have only adopted the DCF analysis for our evaluation of the Acquiree Companies as it is the most appropriate method in this circumstance as it takes into consideration, amongst others, the potential of the companies moving forward, their future earnings capability and expected growth in operations and size as well as the capital expenditure / funding required and does not penalise the current size of the asset or the current earnings. In addition, the DCF analysis in the context of valuing the Acquiree Companies is on a stand-alone analysis, whereby comparison with other companies is not critical. Consequently, we have evaluated the Purchase Consideration against the independent valuation carried out by the Independent Valuer namely, PwC Capital as shown in Section 9.1.2 of this IAC below.

As for the evaluation of the fairness of the Proposed Issue Price of the New TdC Shares, in arriving at our opinion of the Proposed Issue Price, we have amongst others, compared the Proposed Issue Price of the New TdC Shares to its historical traded market price up to the LPD (adjusted for the effects of the Proposed Capital Repayment and Proposed Capital Restructuring) and also adopted the trading comparable multiples methodology to determine the fair value of the TdC Shares as TdC is a listed company with identifiable comparable companies listed on Bursa Securities.

Nonetheless, it should be noted that the **actual results of the financial evaluation would be dependent on amongst others, the prevailing market prices of the TdC Shares as well as the achievability of the expected future results of the Acquiree Companies.** The financial evaluation has not taken into consideration any movements in the market price of the TdC Shares subsequent to the LPD. As such, the illustrated values may not represent the value of the TdC Shares at the point when the Proposed Acquisitions would be completed upon fulfilment of all the conditions precedent of the SPAs. Hence, non-interested shareholders of TdC should consider the effects of the prevailing market prices, economic, monetary and socio-political conditions as well as the future prospects and risk associated with the Proposed Acquisitions prior to making your decision to vote on the resolution pertaining to the Proposed Acquisitions at the Company's forthcoming EGM.

9.1 Evaluation of the Proposed Acquisitions

9.1.1 Valuation of the Acquiree Companies by PwC Capital

PwC Capital has been appointed by the non-interested Directors to conduct an independent valuation of the Acquiree Companies pursuant to the Proposed Acquisitions. Premised on the PwC Capital's valuation letter ("**Valuation Letter**") attached in Appendix X of the Circular and subject to the assumptions stated in the Valuation Letter therein, the fair value of the Acquiree Companies and the WACC adopted are as follows:

Acquiree Company	Implied WACC adopted %	Value RM million
GTC	14.00	92 to 113
GTL	15.00	86 to 105
AIMS Group	13.50 - 17.00	106 to 129
Global Transit Entities	-	*
Total		**284 to 347**

Note:

* *The purchase consideration of the Global Transit Entities collectively is at a nominal value of RM2.00.*

In estimating the fair value of the Acquiree Companies as at 30 November 2010, we noted that PwC Capital have primarily relied on the DCF methodology by discounting the projected cash flows of the respective Acquiree Companies. In estimating the DCF valuation of the Acquiree Companies and the calculation of the appropriate discount rates, PwC Capital have considered amongst others the following:

(i) achievability of the Acquiree Companies' management assumptions;

(ii) current stage of development and complexity of the Acquiree Companies' businesses;

(iii) marketability of the shares of the Acquiree Companies which are unquoted and less liquid; and

(iv) size of the Acquiree Companies' operations which are deemed smaller and less diversified compared to the selected peer companies.

In assessing the value provided by PwC Capital, we have considered the basis and assumptions which have been adopted by PwC Capital. In addition to such basis and assumptions, we have also considered the discount factors adopted as well as the key underlying assumptions and market comparables.

A salient factor which would have an impact on the value derived when adopting the DCF methodology is the selection of a discount rate that takes into consideration the relevant market risk, debt to equity structure of the company, inflation rates, liquidity risk and other systematic risk relating to the industry that the company operates in. We noted that PwC Capital has adopted the WACC of the respective Acquiree Companies as the discount factor, which is depicted in the table above. As the discount rate is based on the WACC of the Acquiree Companies, this is fair as it takes into consideration not only the cost of equity ("k_e") but also the cost of debt ("k_d") in which both factors are based on the capital structure of each respective Acquiree Companies.

In our evaluation of the fair value of the Acquiree Companies provided by PwC Capital, we have reviewed the range of WACC adopted and compared it with the average WACC of companies in telecommunications (with regards to GTC and GTL) and information technology sectors (with regards to the AIMS Group) listed on Bursa Securities. Nonetheless, it should be noted that the WACC of the Acquiree Companies, which is the discount rate used, which ranges from 13.50% to 17.00% is lower than the current WACC of TdC of 21.39% (as extracted from Bloomberg).

Generally, it is favourable for a company to acquire assets / companies with lower WACC as compared to its own WACC as the level of earnings generated by a company, which is sufficient to meet its own WACC, would also be sufficient to satisfy the WACC of the acquired assets / companies. Furthermore, when such assets / companies with lower WACC are acquired, the WACC level of the acquiring company is expected to improve (decrease). As such, given that TdC is acquiring the Acquiree Companies with lower WACC, the Proposed Acquisitions is expected to reduce the WACC of TdC.

(i) AIMS Group

The key basis and assumptions which have been considered by PwC Capital are as follows:

No.	Basis and assumptions	Evaluation
1.	**TAAG Group**: • Total revenue generated is assumed to grow at a compounded annual growth rate ("**CAGR**") of 7% during FY2011-FY2015. Total operating expenses is assumed to grow at a CAGR of 5% during FY2011-FY2015.	The assumed CAGR for the revenue generated by the TAAG Group is **fair** considering the following factors: (i) The assumed CAGR of the revenue generated of 7% is significantly lower as compared to the historically CAGR recorded by the TAAG Group of 23% for between FYE 31 December 2008 and FYE 31 December 2010 and lower than the growth of revenue from FYE 31 December 2009 to FYE 31 December 2010 of 43%. This assumption is **fair** as a company entering its growth stage is not expected to grow at the same rate as a company in its infancy stage. In addition, it should be noted that a lower growth rate adopted would result in a more prudent DCF value for the TAAG Group. (ii) In general, growth in revenue of a data centre is dependent on the availability of additional or free data centre floor space. As such, the forecasted revenue at a CAGR of 7% is reasonable as compared to the growth in data centre floor space by the TAAG Group at a CAGR of 25% for the next five (5) years. (iii) The expenses are expected to increase pursuant to increase in revenue. Nonetheless the assumed growth rate for expenses is lower than that for revenue growth rate due to economies of scale.

No.	Basis and assumptions	Evaluation
1.	**AIMS Cyberjaya**:	
	• Total revenue generated is assumed to grow at a CAGR of 34% during FY2011-FY2015. Total operating expenses is assumed to grow at a CAGR of 35% during FY2011-FY2015.	The assumed CAGR for the revenue generated by AIMS Cyberjaya is **fair** considering the following factors: (i) The assumed CAGR of the revenue generated of 34% is significantly lower as compared to the historically CAGR recorded by AIMS Cyberjaya of 452% for between FYE 31 December 2008 and FYE 31 December 2010 and lower than the growth of revenue from FYE 31 December 2009 to FYE 31 December 2010 of 110%. This assumption is **fair** as a company entering its growth stage is not expected to grow at the same rate as a company in its infancy stage. In addition, it should be noted that a lower growth rate adopted would result in a more prudent DCF value for AIMS Cyberjaya. (ii) In general, growth in revenue of a data centre is dependent on the availability of additional or free data centre floor space. As such, the forecasted revenue at a CAGR of 34% is reasonable as compared to the growth in data centre floor space by AIMS Cyberjaya at a CAGR of 50% for the next five (5) years. (iii) The expenses are expected to increase pursuant to increase in revenue. Nonetheless, the growth rate of the expenses is assumed to be higher than that of revenue due mainly to the expansion of business operations and expansion of floor space to be undertaken by AIMS Cyberjaya which would result in increased overheads. In addition it should be noted that AIMS Cyberjaya had only commenced its operations in year 2008 and may not have reached the optimum level in terms of economies of scale.
	AIMS Data Centre 2:	
	Total revenue generated is assumed to grow at a CAGR of 28% during FY2011-FY2015. Total operating expenses is assumed to grow at a CAGR of 21% during FY2011-FY2015.	The assumed CAGR for the revenue generated by AIMS Data Centre 2 is **fair** considering the following factors: (i) The assumed CAGR of the revenue generated of 28% during the FY2011 to FY2015, where AIMS Data Centre 2 is at its growth stage, is significantly lower as compared to the historically CAGR recorded by the AIMS Data Centre 2 of 1,348% for the FYE 31 December 2008 to FYE 31 December 2010, (where AIMS Data Centre 2 was at its infancy stage) and lower than the growth of revenue from the FYE 31 December 2009 to FYE 31 December 2010 of 422%.

No.	Basis and assumptions	Evaluation
1.	**AIMS Data Centre 2:** Total revenue generated is assumed to grow at a CAGR of 28% during FY2011-FY2015. Total operating expenses is assumed to grow at a CAGR of 21% during FY2011-FY2015. *(Cont'd)*	This assumption is **fair** as a company entering its growth stage is not expected to grow at the same rate as a company in its infancy stage. In addition, it should be noted that a lower growth rate adopted would result in a more prudent DCF value for AIMS Data Centre 2. (ii) The expenses are expected to increase pursuant to increase in revenue. Nonetheless the assumed growth rate for expenses is lower than that for revenue growth rate due to economies of scale.
2.	Tax charges for the AIMS Group, save for AIMS Cyberjaya, is assumed to be at a rate of 25% per annum for the period between FY2011-FY2015 and the terminal year. For AIMS Cyberjaya no tax is assumed for the period between FY2011-FY2015 save for a tax of 25% assumed for the terminal year.	The assumption is conservative but **fair** as PwC Capital has adopted the maximum corporate tax rate of 25% to derive at the amount of tax charges to be incurred by the company. There has been no provision made for capital allowances. The assumption is **fair** as AIMS Cyberjaya is expected to benefit from capital allowances and benefits derived from its Multimedia Super Corridor ("MSC") status during the period between FYE 2011 to FYE 2015.
3.	The perpetual growth rate at terminal year is expected to be at 5%.	The growth rate of 5% is **fair**: (i) As extracted from the "2010 Asia Pacific Telecoms Industry Outlook" report by Frost & Sullivan dated June 2010: • Key players like Equinix have grown at 26% despite the recession. As such, given that Equinix, being a comparable company of the AIMS Group with similar business activities operating in US, is able to grow at rates of 45%* during recession periods, the assumed growth rate of AIMS Group of 5% which is lower than the above mentioned growth rate for Equinix is **reasonable**. *(* Adjusted to the Malaysian context based on the comparison of the growth in GDP in year 2010 of the respective country)*

No.	Basis and assumptions	Evaluation
3.	The perpetual growth rate at terminal year is expected to be at 5% *(Cont'd)*	(ii) As extracted from the "Strategic Analysis of the Asia Pacific Infrastructure Hosting Markets" report by Frost & Sullivan dated February 2009: • Malaysia can grow strongly as a cheaper alternative to Singapore's over-subscribed data centers. • Malaysia's co-location and managed hosting markets is expected to grow at a CAGR of 15% from 2008 to 2014. The financial prospects and growth for the AIMS Group, which is one of the service provider for the co-location and managed hosting services market in Malaysia, is dependent on the prospect and growth of such markets which it operates in. As such, generally the growth prospects of the AIMS Group are expected to move in tandem with the growth of the Malaysian market. Premised on the above, the assumed terminal growth rate of 5%, which is lower than the expected CAGR of the co-location and managed hosting markets in Malaysia of 15% (for the period between 2008 and 2014) is **reasonable.** (iii) As extracted from the "Asia Pacific Data Center Services Market 2008" report by Frost & Sullivan dated November 2009: • Malaysia has only captured 3.5% of the Asia Pacific Data Centre revenue. • There is room for expansion in market share for Malaysia centric data centres in the Asia Pacific. Based on the report, the revenue forecasted for data centre services for the year 2011 amounts to USD10.68 billion.

No.	Basis and assumptions	Evaluation
4.	**TAAG Group:** • Projected new floor space with a CAGR of 25% for the next five (5) years. **AIMS Cyberjaya:** • Projected new floor space with a CAGR of 50% for the next five (5) years.	The CAGR growth in floor space is **fair**: (i) As extracted from the "2010 Asia Pacific Telecoms Industry Outlook" report by Frost & Sullivan dated June 2010: • Demand for data centre is higher than supply. • Most co-location providers are running at high capacity utilisation (90%).

The discount rates adopted by PwC Capital in their DCF valuation of the AIMS Group of 13.50% to 17.00% is **higher** than the average WACC of companies in the information technology sector (the sector in which the AIMS Group operates in) which are listed on Bursa Securities of 11.60% (as extracted from Bloomberg).

In general, a higher discount rate applied to the DCF valuation methodology indicates a higher required rate of return for the investment which would result in a more conservative value. In this instance, a higher WACC adopted in the valuation of the AIMS Group could be due to the fact that the AIMS Group is not listed, therefore increased liquidity risk has been adopted as a consideration to value the company. This in essence brings down the value of the AIMS Group.

Premised on the above, the key basis and assumptions and the discount rates adopted by PwC Capital in arriving at the fair value of the AIMS Group of RM106.00 million to RM129.00 million is **fair**. In addition, the purchase consideration for the Proposed Acquisition of AIMS Group of RM119.00 million is **fair** as it is **within** the range of the fair value of the AIMS Group.

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(ii) GTC

The key basis and assumptions which have been considered by PwC Capital are as follows:

No.	Basis and assumptions	Evaluation
1.	GTC's revenue is based on projected CAGR in total bandwidth usage in Malaysia and Asia of 58% and 42% respectively for the next five (5) years. The revenue generated by GTC for the next five (5) years can be further segregated as follows: • IP services revenue projected to grow at a CAGR of 30%; • Bandwidth resale revenue to decline steadily from RM30 million in FY2010 to RM27 million in FY2015, representing an average decline of 2% per year; and • Managed services revenue projected to increase at a CAGR of 70%.	The assumption in growth in bandwidth usage is mainly dependent on the growth in users. As such, the assumed growth rate is **fair**: (i) As extracted from the "Asia Pacific Broadband Market" report by Frost & Sullivan dated August 2010: • Subscriber base for Asia Pacific is expected to grow to 346,625,000 by 2015 with a 2009 to 2015 subscriber CAGR of 10.9%. • The revenues for Asia Pacific are expected to grow from USD41,698 million in 2009 to USD62,237 million in 2015 at a CAGR of 6.9%. • Premised on the above CAGR for both the subscriber base and revenue for Asia Pacific region, this is expected to increase the usage of IP traffic thus resulting in an increase demand for bandwidth which is in line with the assumed growth in bandwidth usage which would support and drive the demand for IP related services. As such, this also substantiates the projected growth in revenue of GTC based on the assumption that GTC maintains its current market share of 3.0% in Malaysia and 0.2% in Asia between FYE 2011 and FYE 2015. Notwithstanding that currently GTC mainly operates within the South East Asian Region and Hong Kong, the basis for revenue projection is benchmark with Asia as this is in line with GTC's plans to expand to other regions in Asia (as reflected in Appendix I of the Circular) and provide synergistic support to GTL with linkages to GTL complementing its business operations pursuant to the commencement of operations of the Unity cable system. • Irrespective of the demand for bandwidth, the projection is based on an assumption of a decline in bandwidth resale thus providing a more conservative projection.

No.	Basis and assumptions	Evaluation
2.	Tax charges for GTC are assumed to be at a rate of 25% per annum for the period between FY2011-FY2015 and the terminal year.	The assumption is conservative but **fair** as PwC Capital has adopted the maximum corporate tax rate of 25% to derive at the amount of tax charges to be incurred by the company. There has been no provision made for capital allowances.
3.	The perpetual growth rate at terminal year is expected to be at 5%.	The growth rate of 5% is **fair**: (i) As extracted from the "Asia Pacific Broadband Market" report by Frost & Sullivan dated August 2010: • Household penetration rate is expected to reach 35.8% by 2015 from 19.6% in 2009. • As such, domestic demand for bandwidth is expected to increase. • For 2009 to 2015, the subscriber CAGR in Malaysia of 13.2% outperformed the CAGR of 10.9% for the Asia Pacific broadband market. (ii) As extracted from the "Malaysia Enterprise Telephony Markets CY 2009" report by Frost & Sullivan dated December 2010: • Hybrid and pure IP telephone systems will see positive growth in the forecast period (2009 - 2016), and will be driven by new telephony system sales. • Session Initiation Protocol terminals and telephony available as managed services would spur after transition from Time Division Multiplexing to IP, resulting in good growth for the segment. Both broadband subscriber base and IP related services have a direct relationship with bandwidth consumptions. As such, with growth expected for both broadband subscriber and demand for IP related services, this is expected to drive demand for bandwidth. As shown above, broadband subscriber base is expected to grow by 13.2% and 10.9% for Malaysia and Asia respectively. As such, this would result in telecommunications providers to ensure that ample bandwidth is in place to meet such demand thus driving the growth in bandwidth demand. Premised on this, the forecasted growth rate of 5% is in line with this growth and has been adjusted downwards to be more prudent.

No.	Basis and assumptions	Evaluation
4.	All contracts are assumed to have a churn rate of 10% (which represents the percentage of subscribers that discontinued or downgraded their subscriptions) and contracts moving forward have taken into consideration price erosion, service termination and service downgrade.	The assumption is **fair** as it has taken into consideration the deterioration in the existing number of contracts, pricing and continuation with the same services. With this assumption, the forecasted numbers used in the DCF valuation would be more on the conservative side.

The discount rate adopted by PwC Capital in their DCF valuation of GTC of 14.00% is **higher** than the average WACC of companies in the telecommunications sector (the sector in which GTC operates in) which are listed on Bursa Securities of 11.63% (as extracted from Bloomberg).

In general, a higher discount rate applied to the DCF valuation methodology indicates a higher required rate of return for the investment which would result in a more conservative value. In this instance, a higher WACC adopted in the valuation of the GTC could be due to the fact that GTC is not listed, therefore increased liquidity risk has been adopted as a consideration to value the company. This in essence brings down the value of GTC.

Premised on the above, the key basis and assumptions and the discount rate adopted by PwC Capital in arriving at the fair value of GTC of RM92.00 million to RM113.00 million is **fair**. In addition, the purchase consideration for the Proposed Acquisition of GTC of RM102.00 million is **fair** as it is **within** the range of the fair value of GTC.

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(iii) GTL

The key basis and assumptions which have been considered by PwC Capital are as follows:

No.	Basis and assumptions	Evaluation
1.	Revenue is primarily dependent on GTL's ability to win new Indefeasible Right of Use ("**IRU**") contracts, which are the outright sales of bandwidth based on 10 Gbps and increased lit capacity (i.e. activation of available for use of dark fiber) and convert this capacity into upfront cash inflow. It is assumed that GTL will be able to convert a total of 820 Gbps by FY2016/2017.	The assumption that GTL will be able to win new IRU contracts moving forward would be dependent on the demand for IRU moving forward. We are of the opinion that demand for IRU would be expected to be favourable moving forward given the following: (i) As extracted from the "Submarine Cable Networks Outlook" report by Frost & Sullivan dated December 2010: • International bandwidth usage for the top 14 markets of the Asia Pacific region is expected to grow at a CAGR of 36.4% from 6,178 Gbps at the end of 2009 to 39,864 Gbps at the end of 2015. Premised on this expected demand for international bandwidth usage, the forecasted 820 Gbps to be fully converted by GTL would only be able to cater to approximately 2% of the anticipated demand. As such the forecasted lit capacity of 820 Gbps is **reasonable** given the anticipated significant demand in the future. • With the deployment of high speed fixed and mobile broadband technologies and offering attractive service plans by the service providers, existing consumers are expected to accelerate their consumption of broadband and new users are expected to take up broadband service. • As new subscribers take up broadband service in Malaysia, Indonesia, Vietnam, Philippines and Thailand the combined international bandwidth usage of these 5 markets is expected to reach 3,949 Gbps and 10% of the total Asia Pacific consumption. • Pushed by government incentives, the last mile fiber investments in Singapore, Malaysia, Australia and New Zealand will help increase the international bandwidth consumptions in these markets. • Only three (3) Trans-Pacific cables (points of landing encompassing Japan and US) planned for construction since year 2010 of which the Unity cable system is the first completed and ready for service post year 2010. (ii) Any new construction for a submarine cable would require a lead time of approximately three (3) years.

No.	Basis and assumptions	Evaluation
2.	Tax charges for GTL are based on the prevailing tax rate, where a company may elect to pay tax at a rate of 3% of its net audited profits or at a fixed rate of RM20,000 per annum under Section 5 of Labuan Business Activity Act 1990.	The assumption is **fair** as it is based on the tax legislation of Labuan, the place of incorporation of GTL.
3.	Zero terminal value is assumed. Valuation is only based on a 20-year cash flow.	No terminal value has been assumed. In general, a submarine cable would have a life span of between 15 years to 25 years. As the valuation is based on a 20-year cash flow with zero residual value to the asset, it is deemed conservative but **fair**. Nonetheless, we would like to point out that submarine cables can still be used after its intended useful life as a back up infrastructure for telecommunications companies. In addition it should be noted that technology advancements may increase the useful life or increase the capacity of the submarine cables as shown in the upgrade from 10G technology to 40G technology which would result in increase capacity.
4.	Approximately 20% price erosion per annum has been applied to the IRU price per 10Gbps from FY2012 to FY2013, followed by 5% per annum in FY2014 and no erosion thereafter.	The assumption in the erosion of IRU pricing is **fair**: (i) As extracted from the "Submarine Cable Networks Outlook" report by Frost & Sullivan dated December 2010: • Vendor competition has pushed submarine cable infrastructure prices down and this has helped justify new investments in networks. • The prices are expected to further decline as operators recoup their investments and competition intensifies amongst the various providers. (ii) However, though there may be a price erosion of between 15% to 20% per annum, there is expected marked growth in the subscriber base and this is not only expected to cushion the price erosion effect, it is still expected to more than compensate for the price erosion.
5.	Operating expenses are made up of Unity cable maintenance and co-location. Annual maintenance cost is expected at 5% of cost up to 2015 and thereafter at 15%.	The maintenance cost of 5% up to 2015 is constant with the assumed life span for the Unity cable system of 20 years. The increase in cost to 15% after year 2015 is to account for the age of the Unity cable system as longer wear and tear would require higher maintenance cost.

The discount rate adopted by PwC Capital in their DCF valuation of GTL of 15.00% is **higher** than the average WACC of companies in the telecommunications sector (the sector in which GTL operates in) which are listed on Bursa Securities of 11.63% (as extracted from Bloomberg).

In general, a higher discount rate applied to the DCF valuation methodology indicates a higher required rate of return for the investment which would result in a more conservative value. In this instance, a higher WACC adopted in the valuation of the GTL could be due to the fact that GTL is not listed, therefore increased liquidity risk has been adopted as a consideration to value the company. This in essence brings down the value of the GTL.

Premised on the above, the key basis and assumptions and the discount rate adopted by PwC Capital in arriving at the fair value of GTL of RM86.00 million to RM105.00 million is **fair**. In addition, the purchase consideration for the Proposed Acquisition of GTL of RM101.00 million is **fair** as it is **within** the range of the fair value of GTL.

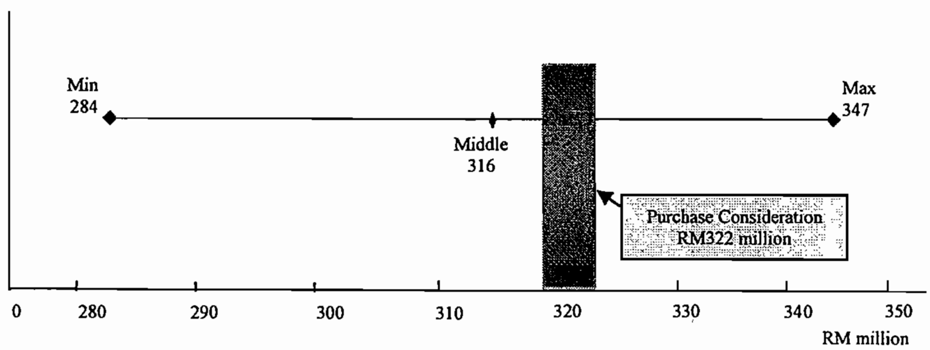
Premised on the evaluation above, it is pertinent to note that the consideration paid for each of the Acquiree Companies is still within the range of the fair value of each of the respective Acquiree Companies as derived by PwC Capital as depicted in the table below.

Acquiree Companies	Acquisition price RM million	Fair value range RM million
GTC	102	92 to 113
GTL	101	86 to 105
AIMS Group	119	106 to 129
Global Transit Entities	*	*
Total	**322**	**284 to 347**

Note:

* *Based on a purchase consideration of RM2.00.*

Based on the range of value provided by PwC Capital, the middle value of the Acquiree Companies amounts to RM315.50 million. As such, the Purchase Consideration of RM322.00 million for the Acquiree Companies only represents a premium of RM6.50 million or approximately only 2% above this mid-point of the valuation range.



In summary, the Purchase Consideration paid for the Acquiree Companies as compared to the value provided by PwC Capital is **fair** as:

(i) the basis and assumptions adopted by PwC Capital in deriving at the value for the Acquiree Companies are **fair** and have considered majority of the risk factors surrounding and inherent to the businesses of the Acquiree Companies;

(ii) the range of the discount rates of 13.50% to 17.00% which was adopted by PwC Capital in deriving the value of the Acquiree Companies based on the DCF valuation methodology is higher than the range of the WACC of companies in the telecommunications sector (in respect of the analysis of GTC and GTL) and information technology sector (in respect of the analysis of the AIMS Group) which are listed on Bursa Securities of 11.63% and 11.60% respectively. This in essence implies a lower valuation of the Acquiree Companies;

(iii) the acquisition price of each of the respective Acquiree Companies approximates the mid-point range of the value for each of the Acquiree Company derived by PwC Capital; and

(iv) the Purchase Consideration, as compared to the middle value of the range derived by PwC Capital of RM315.50 million represents approximately only a 2% premium i.e. RM6.50 million. This can be considered **reasonable** as amongst others, there are limited opportunity to acquire such type of businesses of the scale presented by the Acquiree Companies in its present business cycle, the vendors of the Acquiree Companies have assumed the critical start-up risks associated with the businesses in particular the Unity cable system, the opportunity to further extract synergistic benefits and reposition the TdC Group to be a more complete telecommunications player with opportunities for an immediate regional reach and platform.

Premised on the above and based on the independent value of the Acquiree Companies as appraised by PwC Capital, the Purchase Consideration is fair and not detrimental to the non-interested shareholders of TdC.

9.1.2 Evaluation of the Proposed Issue Price of the New TdC Shares

Premised on the evaluation in Section 9.1.1 of this IAC, the valuation range of the Acquiree Companies is between RM284.00 million and RM347.00 million as appraised by PwC Capital. For illustration purposes only, based on the mid-point value of RM315.50 million for the Acquiree Companies, the Purchase Consideration of RM322.00 million represents only a marginal premium of RM6.50 million or approximately 2% of the total Purchase Consideration.

It is noteworthy for the non-interested shareholders of TdC to be aware that the price at which the New TdC Shares to be issued should also be taken into consideration as approximately seventy-three percent (73%) of the Purchase Consideration will be satisfied via the issuance of the New TdC Shares. This may emanate regardless of the Proposed Issue Price as the issuance of the New TdC Shares as part of the settlement of the Purchase Consideration will have a dilutive effect on your shareholding. As such, we have further evaluated the Proposed Issue Price of the New TdC Shares in determining the fairness of the Purchase Consideration.

The Proposed Issue Price of RM3.55 is derived after taking into consideration the five (5)-day VWAP up to the LTD and adjusting for the effects of the Proposed Capital Repayment, of RM0.02 per TdC Share and the Proposed Share Consolidation, based on the consolidation of five (5) TdC Shares into one (1) TdC Share. As such, for illustration purposes only and in order to provide a meaningful comparison, we have used an adjusted issue price, which is the price before adjusting for the Proposed Capital Repayment and the Proposed Share Consolidation of RM0.73 per TdC Share (**"Adjusted Issue Price"**), for the purpose of evaluation the Proposed Issue Price further detailed under Section 9.1.2 and Section 9.1.3 of this IAC. Kindly refer to the table below for the detailed workings for deriving the Adjusted Issue Price:

	RM	Remarks
Issue Price	3.55	
Adjustment for Proposed Share Consolidation	(2.84)	Based on the proposed share consolidation of five (5) shares into one (1) share
Adjustment for Proposed Capital Repayment	0.02	Based on proposed payments of RM0.02 per share
Adjusted Issue Price	**0.73**	

9.1.2.1 Historical trading price

A comparison of the Adjusted Issue Price, against the historical closing market price of the TdC Shares and the respective VWAP are as follows:

	Closing market price / VWAP	Adjusted Issue Price	Premium / (Discount) over the closing market price / VWAP	
	RM	RM	RM	%
The closing market price as at the LPD	0.575	0.730	0.155	26.96
The closing market price as at the LTD	0.735	0.730	(0.005)	(0.68)
Five (5)-day VWAP up to the LTD	0.724	0.730	0.006	0.83
One (1)-month VWAP up to the LTD	0.706	0.730	0.024	3.40
Three (3)-month VWAP up to the LTD	0.639	0.730	0.091	14.24
Six (6)-month VWAP up to the LTD	0.609	0.730	0.121	19.87
Twelve (12)-month VWAP up to the LTD	0.558	0.730	0.172	30.82

(Source: Bloomberg)

From the table above, we noted that the Adjusted Issue Price represents a:

(i) discount of RM0.005 or 0.68% over the closing market price of the TdC Shares as at the LTD; and

(ii) premium ranging from RM0.006 to RM0.172 or 0.83% to 30.82% over the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAP of TdC Shares up to the LTD.

As at the LPD, the Adjusted Issue Price represents a premium of 26.96% over the closing market price of RM0.575 per TdC Share.

Premised on the above, non-interested shareholders of TdC should note that, notwithstanding that the Adjusted Issue Price was at a marginal discount of 0.68% over the closing price of TdC Shares as at the LTD, the Adjusted Issue Price nevertheless represents a premium ranging from 0.83% to 30.82% over the closing price as at the LPD and the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAP of the TdC Shares up to the LTD. Premised on the foregoing, we are of the opinion that the Proposed Issue Price of the New TdC Shares to partially satisfy the Purchase Consideration is **fair** at the material time of the announcement of the Proposals.

Further, based on our analysis as set out in Section 9.1.2.2 of this IAC, we are of the opinion that the 5-day VWAP of TdC market share price up to the LTD of RM0.724 is not reflective of the value of TdC as TdC is valued at the range between RM0.45 to RM0.61 per TdC Share as at the LTD.

Nonetheless, it is important to note that the market price of TdC has increased since the announcement of the Proposals from a closing price of RM0.735 per TdC Share as at the LTD to reach a high closing price of RM0.955 on 26 April 2011. Thereafter, the closing price has moved downwards to RM0.575 per TdC Share as at the LPD. The fluctuation of the market price of TdC Shares could be attributed to several factors, amongst others, investors' perception and reaction of the following developments:

- overall improvement in the market sentiments due to our Government's drive to transform our economy to that of a high-income nation;

- market perception in respect to the Proposals announced which also include the Proposed Acquisitions;

- announcement of the financial results of the Company for the FYE 31 December 2010 and FPE 31 March 2011;

- announcement of the collaboration agreement between TT dotcom Sdn Bhd and MEASAT Broadcast Network System Sdn Bhd; and

- other announcements and exercises involving TdC Shares, which amongst others include the TEB OFS.

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The monthly highest and lowest transacted market price and trading volume of the TdC Shares for the past twelve (12) months from October 2010 to September 2011 are as follows:

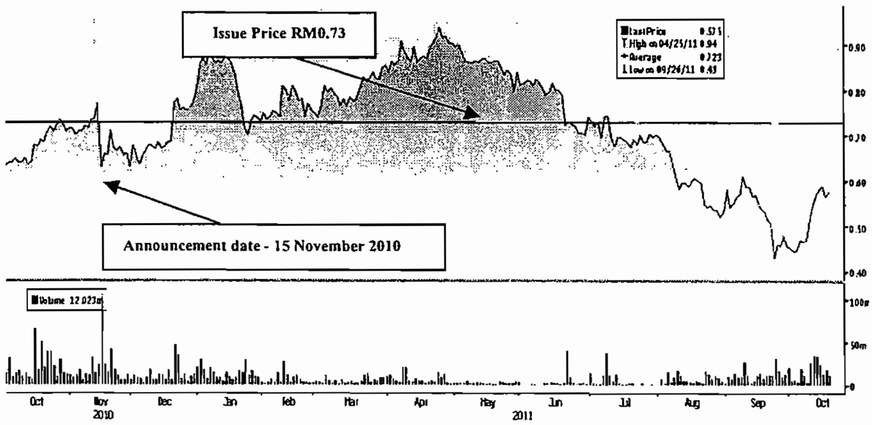
Month	Volume Million units	High RM	Low RM
2010			
October	471.66	0.745	0.610
November	399.81	0.775	0.615
December	286.82	0.800	0.620
2011			
January	275.85	0.895	0.685
February	124.09	0.820	0.725
March	139.52	0.870	0.730
April	165.46	**0.955**	0.840
May	66.33	0.910	0.790
June	102.32	0.840	0.675
July	103.44	0.765	0.675
August	165.23	0.695	0.515
September	265.70	0.615	**0.415**
Simple average for the past 12 months	213.85	0.807	0.658
Adjusted Issue Price		***RM0.730***	

(Source: Bloomberg)

Based on the table above, the Adjusted Issue Price of RM0.730 per TdC Share is within the range of the simple average of the highest and lowest traded market price of the TdC Shares for the past twelve (12) months from October 2010 to September 2011 of between RM0.658 per TdC Share and RM0.807 per TdC Share.

The TdC Shares were traded with a simple average monthly volume of 213.85 million TdC Shares in the past twelve (12) months from October 2010 to September 2011. Such trading volume could imply that the TdC Shares are fairly liquid where a simple average of 8.45% of TdC's total issued and paid-up capital as at the LPD were traded monthly.

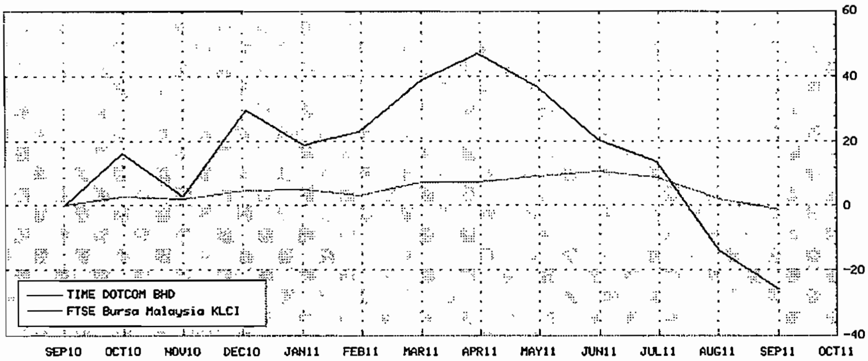
The movements of the market price of the TdC Shares for the past twelve (12) months from October 2010 up to the LPD are illustrated below:



(Source: Bloomberg)

From the table above, we noted that the historical closing market prices of the TdC Shares had mainly traded on an upward trend for the intial seven (7) months from October 2010 to April 2011 and thereafter from May 2011 up to the LPD had mainly traded on a downward trend. Prior to the announcement of the Proposals, save for the trading between 10 November 2010 up to 15 November 2010, being the announcement date of the Proposals, the market price of the TdC Shares have never traded above the Adjusted Issue Price since February 2008. Nonetheless, it should be noted that pursuant to the announcement of the Proposals, the market share price of TdC Shares had traded on a downward trend initially but thereafter in the middle of December 2010 had started to trade mainly on an upwards trend and closed at a high market price of RM0.955 on 26 April 2011. Thereafter, the TdC Shares had drop to close at a market price of RM0.575 per Share as at LPD. Kindly refer to the above for factors which could be attributable for such fluctuation.

Further to the movement of the market price of the TdC Shares, we have analysed the comparative returns of the performance of the TdC Shares against the FTSE Bursa Malaysia Securities Berhad KLCI (**"FTSE KLCI"**), which comprise of the thirty (30) largest companies by full market capitalisation on the Main Market of Bursa Securities, for the past twelve (12) months from the end of September 2010 up to the LPD.



(Source: Bloomberg)

Premised on the chart above, the TdC Shares had mainly traded at an upward trading pattern in the initial seven (7) months from September 2010 to April 2011 which has resulted in TdC Shares mainly outperforming the FTSE KLCI. Subsequently, TdC Shares had traded on a downward trend from May 2011 up to the LPD. Notwithstanding the downward trend of TdC Shares, it should be noted that between May 2011 and July 2011, TdC Shares had still outperformed the FTSE KLCI and only in the mid of August 2011 had the FTSE KLCI outperform TdC Shares. Premised on the above, it should be noted that the historical market prices of the TdC Shares since September 2010, have mainly been valued at a **higher range** as compared with the FTSE KLCI.

As highlighted in Section 3.2.2, Part A of the Circular, the Proposed Issue Price for the New TdC Shares to be issued was derived after adjusting the five (5)-day VWAP of the TdC Share up to the LTD. The period nearing the LTD was the period when the market price of TdC was traded at the highest price for the past twelve (12) months prior to the LTD. As such, it was beneficial to TdC to undertake the Proposed Acquisitions at this period when the market price was at the highest point for the past twelve (12) months prior to the LTD, which had resulted in a higher Proposed Issue Price. Furthermore, it should be noted that the market price of the TdC Shares prior to three (3) market days before the LTD had never traded above the Adjusted Issue Price since February 2008.

Premised on the above evaluation, as the Adjusted Issue Price is at a premium as compared to the historical trading market price of the TdC Shares and was derived based on approximately the highest point of the market price of the TdC Shares since February 2008 and up to three (3) market days before the LTD, the Adjusted Issue Price of RM0.73 per TdC Share is **fair**.

In essence, the issuance of the New TdC Shares at a premium would be beneficial to the non-interested shareholders of TdC as a lower number of New TdC Shares, which reduces the loss of equity ownership in terms of percentage (dilution impact), would be issued to partially settle the Purchase Consideration for the Proposed Acquisitions.

9.1.2.2 Selected comparable companies analysis

For the purpose of assessing the Adjusted Issue Price, we have also reviewed TdC's PBR-NA (price to book ratio based on the TdC Group's NA per share), PBR-NTA (price to book ratio based on the TdC Group's NTA per share), the PE multiple and the EV/EBITDA multiple as compared with the selected comparable companies which are listed on the Main Market of Bursa Securities.

The selected comparable companies are as follows:

No.	Name of company	Market capitalisation RM million[(a)]
	TdC	1,847.47
1.	Maxis Berhad ("**Maxis**")	39,642.75
2.	Digi.Com Berhad ("**Digi**")	24,418.79
3.	Telekom Malaysia Berhad ("**TM**")	15,136.34
4.	Green Packet Berhad ("**GPB**")	449.64

Note:

(a) Based on the five (5)-day VWAP up to the LPD and the number of shares in issue as extracted from the respective annual reports and quarterly reports.

The above selected comparable companies are selected based on companies listed on the Main Market of Bursa Securities which are involved in the provision of telecommunications services. Notwithstanding that the market capitalisation of three (3) of the selected comparable companies namely, Maxis, Digi and TM, are higher than that of TdC, we have included these companies in our analysis as the nature of their business activities are broadly similar to that of TdC.

(a) PBR-NA analysis

The table below provides a comparison of the PBR-NA of TdC relative to the selected comparable companies:

Companies	FPE	Price[(a)] RM	NA per share[(b)] RM	PBR-NA Times
TdC - based on Adjusted Issue Price	30.06.2010	0.730[(c)]	0.45	1.62
Selected comparable companies:				
Maxis	30.06.2010	5.292	1.16	4.56
Digi	30.06.2010	24.903	1.78	13.99
TM	30.06.2010	3.367	2.07	1.63
GPB	30.06.2010	0.914	0.48	1.90
Simple average of the PBR-NA of the selected comparable companies				**5.52**

(Source: Bloomberg and financial reports of the respective companies)

Notes:

(a) *Based on the five (5)-day VWAP up to the LTD.*

(b) *NA per share is based on the information extracted from the unaudited financial results as at 30 June 2010 – quarterly report.*

(c) *Based on the Adjusted Issue Price for the issuance of New TdC Shares to partially satisfy the Purchase Consideration.*

Based on the table above, the PBR-NA of the TdC Shares based on the Adjusted Issue Price of 1.62 times is below the range of 1.63 times to 13.99 times of the selected comparable companies. Premised on this evaluation, it would appear that the Adjusted Issue Price is relatively low as compared to the market price as implied by the PBR-NA of the selected comparable companies, thus indicating that in comparison with the comparable companies, TdC Shares are ascribed a lower value.

The PBR-NA of a company would represent the multiple at which an investor values a company as compared to its NA, where higher PBR-NA multiple would be more favourable as compared to lower PBR-NA multiple. As such, the low PBR-NA multiple of TdC as compared to its comparable companies may denote that TdC is undervalued and this may be due to the fact that TdC, being a telecommunications company has a NA per share of only RM0.45 as at 30 June 2010 and had been recording accumulated losses of more than RM2 billion since year 2007 and has only been profitable since the second quarter of year 2009. Hence, the market price of the TdC Shares has not been fully reflective of its NA position.

Pursuant thereto, we have not merely considered the value of TdC Shares based on the PBR-NA analysis on a standalone basis but had also considered other evaluations such as PE multiple and EV/EBITDA multiple.

For information purposes, the PBR-NA of the TdC Shares based on the Adjusted Issue Price and the NA as at 30 June 2011 (based on the latest publicly available unaudited financial results) of 1.30 times is lower than the range of the PBR-NA of the comparable companies based on the five (5)-day VWAP up to the LPD and the NA as at 30 June 2011(based on the latest publicly available unaudited financial results) of 2.01 times to 19.63 times.

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(b) PBR-NTA analysis

The table below provides a comparison of the PBR-NTA of TdC relative to the selected comparable companies:

Companies	FPE	Price[a] RM	NTA per share[b] RM	PBR-NTA Times
TdC - based on Adjusted Issue Price	30.06.2010	0.730[c]	0.45	1.62
Selected comparable companies:				
Maxis[d]	30.06.2010	5.292	(0.31)	N/A
Digi	30.06.2010	24.903	0.64	38.91
TM	30.06.2010	3.367	1.98	1.70
GPB	30.06.2010	0.914	0.43	2.13
Simple average of the PBR-NTA of the selected comparable companies[d]				**14.25**

(Source: Bloomberg and financial reports of the respective companies)

Notes:

N/A *Not applicable as Maxis is in a net tangible liability ("NTL") position as at 30 June 2010.*

(a) *Based on the five (5)-day VWAP up to the LTD.*

(b) *NTA per share is based on the information extracted from the unaudited financial results as at 30 June 2010 – quarterly report.*

(c) *Based on the Adjusted Issue Price for the issuance of New TdC Shares to partially satisfy the Purchase Consideration.*

(d) *Maxis with a NTL position has been excluded for this evaluation.*

Based on the table above, the PBR-NTA of the TdC Shares based on the Adjusted Issue Price of 1.62 times is below the range of 1.70 times to 38.91 times of the selected comparable companies. Premised on this evaluation, it would appear that the Adjusted Issue Price is relatively low as compared to the price of the selected comparable companies thus indicating that in comparison with the comparable companies, TdC Shares are ascribed a lower value.

As mentioned above, similar to the PBR-NA analysis, the share price of TdC may not be reflective of the NTA position of TdC. As such, we have not merely considered the value of TdC Shares based on the PBR-NTA analysis on a standalone basis but had also considered other evaluations such as PE multiple and EV/EBITDA multiple.

For information purposes, the PBR-NTA of the TdC Shares based on the Adjusted Issue Price and the NTA as at 30 June 2011 (based on the latest publicly available unaudited financial results) of 1.30 times is lower than the range of the PBR-NTA of the comparable companies based on the five (5)-day VWAP up to the LPD and the NTA as at 30 June 2011 (based on the latest publicly available unaudited financial results) of 2.38 times to 51.40 times.

(c) **PE multiple analysis**

The table below provides a comparison of the PE multiple of TdC relative to the selected comparable companies:

Companies	FPE	Price[a] RM	EPS[b] RM	PE multiple Times
TdC - based on Adjusted Issue Price	30.06.2010	0.730[c]	0.034	21.47
Selected comparable companies:				
Maxis	30.06.2010	5.292	0.29	18.25
Digi	30.06.2010	24.903	1.35	18.45
TM	30.06.2010	3.367	0.20	16.84
GPB[d]	30.06.2010	0.914	(0.31)	N/A
Simple average of the PE multiple of the selected comparable companies[d]				**17.85**

(Source: Bloomberg and financial reports of the respective companies)

Notes:

N/A — *Not applicable as GPB was in a loss making position for the FPE 30 June 2010.*

(a) — *Based on the five (5)-day VWAP up to the LTD.*

(b) — *EPS is computed based on the information extracted from the twelve (12) months trailing unaudited financial results up to 30 June 2010 – quarterly report.*

(c) — *Based on the Adjusted Issue Price for the issuance of New TdC Shares to partially satisfy the Purchase Consideration.*

(d) — *GPB which is loss making has been excluded for this evaluation.*

Based on the table above, the PE multiple of the TdC Shares based on the Adjusted Issue Price of 21.47 times is higher than the range of 16.84 times to 18.45 times of the selected comparable companies. As such, it would appear that the Adjusted Issue Price is relatively higher as compared to the price of the selected comparable companies. Premised thereto, issuance of shares based on a higher PE multiple is favourable as lesser shares would be required to be issued.

Further, where the average PE multiple of 17.85 times is used to value TdC, the value of the TdC Shares would be **RM0.61**, which is lower than the Adjusted Issue Price of RM0.73 per TdC Share. Hence, the issuance of the New TdC Shares based on the Adjusted Issue Price would represent a premium of 19.67% to be received by TdC.

For information purposes, the PE multiple of the TdC Shares based on the Adjusted Issue Price and the twelve (12) months trailing unaudited EPS which is computed up to 30 June 2011 (based on the latest publicly available unaudited financial results) of 15.87 times is:

(i) within the range of the PE multiple of the comparable companies of 13.22 times to 20.53 times; and

(ii) lower than the simple average of the PE multiple of the comparable companies of 16.93 times,

based on the five (5)-day VWAP up to the LPD and the twelve (12) months trailing unaudited EPS which is computed up to 30 June 2011 (based on the latest publicly available unaudited financial results) for the respective comparable companies.

(d) EV/EBITDA multiple analysis

The table below provides a comparison of the EV/EBITDA multiple of TdC relative to the selected comparable companies:

Companies	FPE	Price[(a)] RM	EV[(b)] RM million	EBITDA[(b)] RM million	EV/EBITDA Times
TdC - based on Adjusted Issue Price	30.06.2010	0.730[(c)]	1,648.32	83.38	19.77
Selected comparable companies:					
Maxis	30.06.2010	5.292	43,886.00	4,302.00	10.20
Digi	30.06.2010	24.903	19,704.17	2,214.00	8.90
TM	30.06.2010	3.367	15,038.43	2,867.60	5.24
GPB[(d)]	30.06.2010	0.914	767.55	(138.74)	N/A
Simple average of the EV/EBITDA multiple of the selected comparable companies[(d)]					**8.11**

(Source: Bloomberg and financial reports of the respective companies)

Notes:

N/A — *Not applicable as GPB was in a negative EBITDA position based on the twelve (12) months trailing unaudited EBITDA up to 30 June 2010.*

(a) — *Based on the five (5)-day VWAP up to the LTD.*

(b) — *Calculated based on the acquisition price / relevant market capitalisation (based on the market price as per note (a)) of the companies and the relevant financial information extracted from the twelve (12) months trailing unaudited financial results of the respective companies up to 30 June 2010 – quarterly report.*

(c) — *Based on the Adjusted Issue Price for the issuance of New TdC Shares to partially satisfy the Purchase Consideration.*

(d) — *GPB which is loss making has been excluded from this evaluation.*

Based on the table above, the EV/EBITDA multiple of the TdC Shares based on the Adjusted Issue Price of 19.77 times is above the range of the EV/EBITDA multiple of 5.24 times to 10.20 times of the selected comparable companies. As such, it would appear that the Adjusted Issue Price is relatively higher as compared to the price of the selected comparable companies. Premised thereto, issuance of shares based on a higher EV/EBITDA multiple is favourable as lesser shares would be required to be issued.

Further, where the average EV/EBITDA multiple of 8.11 times is used to value TdC, the value of the TdC Shares would be **RM0.35**, which is significantly lower than the Adjusted Issue Price of RM0.73 per TdC Share. Hence, the issuance of the New TdC Shares based on the Adjusted Issue Price would represent a significant premium of 108.57% to be received by TdC.

For information purposes, the EV/EBITDA multiple of the TdC Shares based on the Adjusted Issue Price and the EV as well as the twelve (12) months trailing unaudited EBITDA which are computed up to 30 June 2011 (based on the latest publicly available unaudited financial results) of 16.88 times is higher than the range of the EV/EBITDA multiple of the comparable companies based on the five (5)-day VWAP up to the LPD and the EV as well as the twelve (12) months trailing unaudited EBITDA which are computed up to 30 June 2011 (based on the latest publicly available unaudited financial results) of 6.16 times to 9.83 times and the simple average of 8.50 times.

Notwithstanding the various valuation methodologies, the Adjusted Issue Price is within the range of the selected comparable companies based on the PE multiple analysis and above the range based on the EV/EBITDA multiple analysis.

In respect of the valuation of TdC, we have also considered the following valuation methodologies:

(a) **Book value approach**

The NA per TdC Share as at the LTD and LPD was RM0.45 and RM0.56 per TdC Share respectively;

(b) **Trading comparable approach**

The average PE multiple of TdC's peers in the industry was 17.85 times and 16.93 times as at the LTD and LPD respectively;

The average EV/EBITDA multiple of TdC's peer in the industry was 8.11 times and 8.50 times as at the LTD and LPD, respectively; and

(c) **Market price approach**

The average VWAP of the TdC Shares for the past twenty four (24) months as at the LTD and LPD was RM0.48 and RM0.61, respectively.

Based on the above, we are of the opinion that the trading comparables approach would be the most appropriate valuation methodology to value TdC. However, in general, a company having the nature of business of TdC shall not be valued lower than its book value or NA. Adopting this approach, **TdC is valued at the range of between RM0.45 to RM0.61 per TdC Share.**

Premised on the above evaluation, the Proposed Issue Price of the New TdC Shares which will be issued to partially satisfy the Purchase Consideration is **fair and not detrimental** to the non-interested shareholders of TdC due to the following factors:

- the Adjusted Issue Price is at a premium ranging from 0.83% and 30.82% as compared to the closing market price as at the LPD and based on the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAP up to and including the LTD;

- the market price of the TdC Shares has never previously traded above the Adjusted Issue Price of RM0.73 per TdC Share since February 2008 and up to three (3) days before the LTD; and

- based on the LPD, the EV/EBITDA multiple of the TdC Shares based on the Adjusted Issue Price is above the range of the multiples of the selected comparable companies and the PE multiple is within the range of the selected comparable companies.

9.1.3 Evaluation of the mode of consideration

As mentioned in Section 9.1.1 above of this IAC, as the Purchase Consideration would be satisfied by a combination of cash and issuance of the New TdC Shares, the impact of the share exchange ratio should also be taken into consideration. It is pertinent for the non-interested shareholders of TdC to note that the higher value for the Proposed Issue Price of the New TdC Shares is more beneficial to TdC as lesser shares would be issued to partially satisfy the Purchase Consideration. This would reduce the dilutive effect of the New TdC Shares as highlighted in the above Section 9.1.2 of this IAC as lesser New TdC Shares issued would result in a lower enlarged issued and paid-up share capital post the Proposals.

We have adopted the average value of TdC of RM0.53 per TdC Share based on the range of RM0.45 to RM0.61 per TdC Share, for the simple illustration of the impact on the mode of payment:

	Note	Value RM	Transacted value RM
Value per share		0.53	0.73
Total no. of TdC Shares (No.)		2,530,775,000	2,530,775,000
<u>Post Proposed Capital Repayment and Proposed Capital Restructuring</u>			
Value per share		2.55[(a)]	3.55[(a)]
Total no. of TdC Shares (No.)	(i)	506,155,000	506,155,000
Total value of TdC		1,290,695,250	1,796,850,250
Purchase consideration			
- AIMS Group		119,000,000	
- GTC		102,000,000	
- GTL		101,000,000	
		322,000,000	
Cash		88,000,000	
Shares		234,000,000	
Implied value / Transacted price		2.55	3.55
No. of New TdC Shares to be issued	(ii)	91,764,706	65,915,493
Total enlarged no. of TdC Shares	(iii)	597,919,706	572,070,493
Shareholding impact	(ii) / (i)	18.13%	13.02%
Shareholding impact (based on enlarged no. of TdC Shares)	(ii) / (iii)	15.35%	11.52%

Note:

(a) *After taking into consideration and adjusting for the Proposed Capital Repayment, of RM0.02 per TdC Share and Proposed Share Consolidation, based on the consolidation of five (5) TdC Shares into one (1) TdC Share.*

A lower shareholding impact is better than a higher shareholding impact as it depicts that the recipient of the New TdC Shares to be issued to would have a lower shareholding of the enlarged issued and paid-up share capital. Hence, due to the higher Proposed Issue Price, lesser New TdC Shares will be required to be issued to partially satisfy the Purchase Consideration which would have a lesser dilutive effect on the shareholding of the non-interested shareholders.

In addition, as the Purchase Consideration would be satisfied by a combination of cash and New TdC Shares, we have further evaluated the effective premium to TdC via satisfying the Purchase Consideration with the issuance of more shares, at a favourable price, as compared to cash.

Premised on the Purchase Consideration of RM322.00 million and the mode of payment for the Purchase Consideration as detailed in the terms of the SPAs further illustrated in Section 3.1 of this IAL, the cash component and the total number of New TdC Shares to be issued are as follows:

		Mode of payment		
	Purchase Consideration RM million	Cash RM million	Equivalent value of the New TdC Shares RM million	Number of New TdC Shares to be issued Million
AIMS Group	119.00	47.60	71.40	20.11
GTC	102.00	-	102.00	28.73
GTL	101.00	40.40	60.60	17.07
GTS & GTHK	*	*	-	-
Total	322.00	88.00	234.00	65.91

Note:

* *Based on a purchase consideration of RM2.00.*

For illustration purposes only, the Adjusted Issue Price is at a premium of approximately 38% as compared with the average value of TdC of RM0.53 per TdC Share based on the range of RM0.45 to RM0.61 per TdC Share. However, as the Purchase Consideration will be satisfied via a combination of cash and issuance of New TdC Shares, the effective premium to be received is as follows:

	Implied value RM'000	Transacted value RM'000	Premium received by TdC
Number of New TdC Shares to be issued (million TdC Shares)	65.91	65.91	
Value of each TdC Share (RM)	2.55	3.55	
Value of the total New TdC Shares to be issued	168,071	234,000	
Cash portion to be paid	88,000	88,000	
Total implied / transacted value	**256,071**	**322,000**	**26%**

For illustration purposes, the table below sets out the effective premium to be received by TdC from this mode of payment for the Purchase Consideration:

	Transaction premium
Premium received over Purchase Consideration	26%
Premium paid over the mid-point fair value of Acquiree Companies	(2)%
Net premium received	**24%**

In essence, the implied value of the mode of payment for the Purchase Consideration is a combination of approximately 27% cash and approximately 73% New TdC Shares of RM256.00 million denotes that TdC would receive an effective premium of approximately RM66.00 million or 26% over the Purchase Consideration of RM322 million.

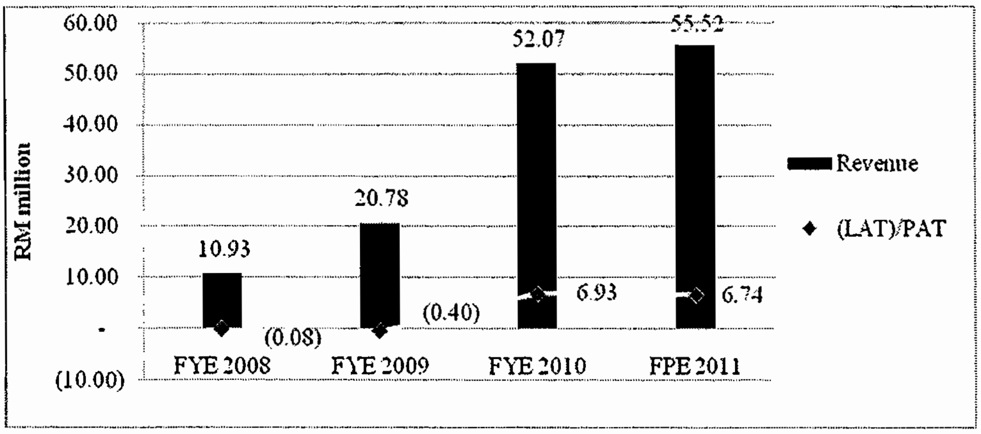
However, the Purchase Consideration of RM322 million also represents a slight premium of RM6.50 million or approximately 2% to the mid-point of the fair value of the Acquiree Companies of RM315.50 million (as mentioned in Section 9.1.1). Hence, the effective net premium to be received by TdC from this mode of payment for the Proposed Acquisitions is 24% as set out in the table below:

Premised on the above evaluation, we are of the opinion that the Proposed Issue Price of the New TdC Shares to be issued to partially satisfy the Purchase Consideration of the Proposed Acquisitions are fair and not detrimental to the non-interested shareholders of TdC.

9.2 Review of the historical financial performance of the Acquiree Companies

(i) GTC

	Audited FYE 31 December			Unaudited nine (9) months FPE 30 September
	2008 RM	2009 RM	2010 RM	2011 RM
Revenue	10,927,719	20,780,249	52,066,243	55,524,566
PBT	17,387	(430,246)	9,133,900	8,509,725
(LAT) / PAT	(79,613)	(395,509)	6,926,567	6,740,860
Shareholders' funds	1,725,936	1,330,427	8,256,994	14,997,854
Total borrowings	116,271	3,074,231	8,296,836	7,907,688



In summary, we noted that GTC's revenue has been increasing progressively throughout the last three (3) financial years and the FPE 30 September 2011 from RM10.93 million in the FYE 31 December 2008 to RM52.07 million in the FYE 31 December 2010 and RM55.52 million in the FPE 30 September 2011 due to the following factors:

(i) continuous increase in customer base by more than three times to approximately 160 customers recorded as at the FYE 31 December 2010 and 244 customers as at the FPE 30 September 2011;

(ii) higher bandwidth utilisation per customer where the bandwidth resale per year increased by more than six (6) times to 250 Mbps sold in the FYE 31 December 2010 and 352 Mbps sold in the FPE 30 September 2011; and

(iii) strong take-up for private leased circuit services from local as well as regional service providers where 2,000 Mbps and 55,540 Mbps of international private lease circuits resold in the FYE 31 December 2010 and FPE 30 September 2011, respectively.

The increase in revenue had allowed GTC to recognise profits for the FYE 31 December 2010 and FPE 30 September 2011 as compared to a net loss position for the FYE 31 December 2008 and the FYE 31 December 2009.

We noted significant improvement in GTC's financial performance in the FYE 31 December 2010 as compared to the preceding financial years as shown in the growth in PBT and PAT was attributed to the continuous effort by the management to secure new contracts with better margin coupled with lower direct costs due to the expansion of the core networks globally. We have also noted that pursuant to the increase in revenue during the FPE 30 September 2011, GTC have recorded a PAT of RM6.74 million for the nine (9) months period.

On the other hand, the total borrowings in the FYE 31 December 2010 and FPE 30 September 2011 had increased due to additional purchase of network equipment such as routers and switches for GTC's further network expansion in the regional markets.

We have further noted from Appendix I of the Circular that for the FYE 31 December 2010, the top five (5) customers of GTC have contributed RM36.43 million, which represents 69.97% of GTC's total revenue. In addition, the TdC Group had contributed RM7.49 million, which represents 14.39% of GTC's total revenue.

Based on Appendix I of the Circular, the top five (5) customers of GTC and their respective contribution to GTC's revenue for the FYE 31 December 2010 are set out in the table below. However, the identity of these customers has not been disclosed for confidentiality reasons, where a waiver for the non-disclosures has been approved by Bursa Securities:

	Revenue contribution to GTC	
Customers	RM'000	%
A	14,481	27.81
B	7,832	15.04
TdC Group	7,492	14.39
C	3,350	6.43
D	3,279	6.30
	36,434	69.97

(ii) GTL

	Audited FPE 25 February 2008 to 31 December 2008		Audited FYE 31 December				Unaudited nine (9) months FPE 30 September	
			2009		2010		2011	
	USD	RM[a]	USD	RM[b]	USD	RM[c]	USD	RM[d]
Revenue	-	-	-	-	4,172,666	12,874,761	3,310,782	10,558,084
(LBT) / PBT	(146,219)	(507,014)	(457,484)	(1,567,569)	260,062	802,421	319,321	1,018,315
(LAT) / PAT	(146,219)	(507,014)	(457,484)	(1,567,569)	253,573	782,399	319,321	1,018,315
Shareholders' fund	(146,019)	(506,321)	(602,803)	(2,065,504)	(349,230)	(1,077,549)	(29,909)	(95,380)
Total borrowings	-	-	12,848,538	44,025,515	17,586,682	54,263,707	17,606,095	56,145,837

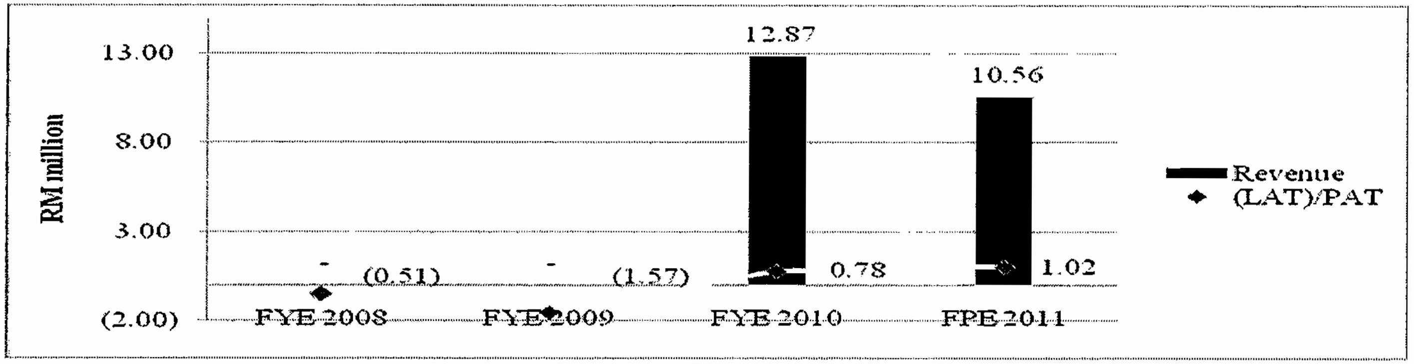
Notes:

(a) *Exchange rate USD1.00: RM3.4675 (being the middle rate at 5.00 p.m. on 31 December 2008 from Bank Negara Malaysia), which is used for illustration purposes only.*

(b) *Exchange rate USD1.00: RM3.4265 (being the middle rate at 5.00 p.m. on 31 December 2009 from Bank Negara Malaysia), which is used for illustration purposes only.*

(c) *Exchange rate USD1.00: RM3.0855 (being the middle rate at 5.00 p.m. on 30 December 2010 from Bank Negara Malaysia), which is used for illustration purposes only.*

(d) *Exchange rate USD1.00: RM3.1890 (being the middle rate at 5.00 p.m. on 30 September 2011 from Bank Negara Malaysia), which is used for illustration purposes only.*



In summary, we noted that no revenue was recorded for the FYE 31 December 2008 and the FYE 31 December 2009 as the Unity cable system was completed and put into operations only in April 2010. The LBT and LAT for these financial years were mainly pertaining to professional fees, legal fees and interest payment on borrowings incurred for operational purposes.

We noted that the Company had, upon obtaining its leasing licence from the relevant authorities in late November 2010, generated revenue of RM12.87 million for the FYE 31 December 2010 and RM10.56 million for the FPE 30 September 2011, arising mainly from the sale of cable capacity and the operations and maintenance service provided. This in turn had also resulted in GTL recording profits of RM0.78 million in the FYE 31 December 2010 and RM1.02 million in the FPE 30 September 2011 as compared to losses previously.

It should be noted that the TdC Group had contributed RM10.56 million, which represents 82.03% of the total revenue of GTL. Further, the customers of GTL and their respective contribution to GTL's revenue for the FYE 31 December 2010 are set out below. However, the identity of these customers has not been disclosed for confidentiality reasons, where a waiver for the non-disclosures has been approved by Bursa Securities:

	Revenue contribution to GTL		
Customers	**USD 000**	**RM 000**	**%**
TdC Group	3,423	10,561	82.03
A	750	2,314	17.97
	4,173	12,875	100.00

The transactions between GTL and the TdC Group are for the provision of bandwidth business by GTL to the TdC Group, where the TdC Group subsequently packages the bandwidth with its own services for onward sale to its other customers.

(iii) GTS

	Audited FYE 31 December						Unaudited nine (9) months FPE 30 September	
	2008		**2009**		**2010**		**2011**	
	SGD	**RM[(a)]**	**SGD**	**RM[(b)]**	**SGD**	**RM[(c)]**	**SGD**	**RM[(d)]**
Revenue	72,784	175,693	66,000	161,383	255,836	610,604	615,367	1,513,557
(LBT) / PBT	(9,024)	(21,783)	(6,420)	(15,698)	4,354	10,392	17,748	43,653
(LAT) / PAT	(7,400)	(17,863)	(2,908)	(7,111)	5,557	13,263	17,748	43,653
Shareholders' fund	49,915	120,490	47,007	114,942	52,564	125,454	70,312	172,939
Total borrowings	-	-	-	-	-	-	-	-

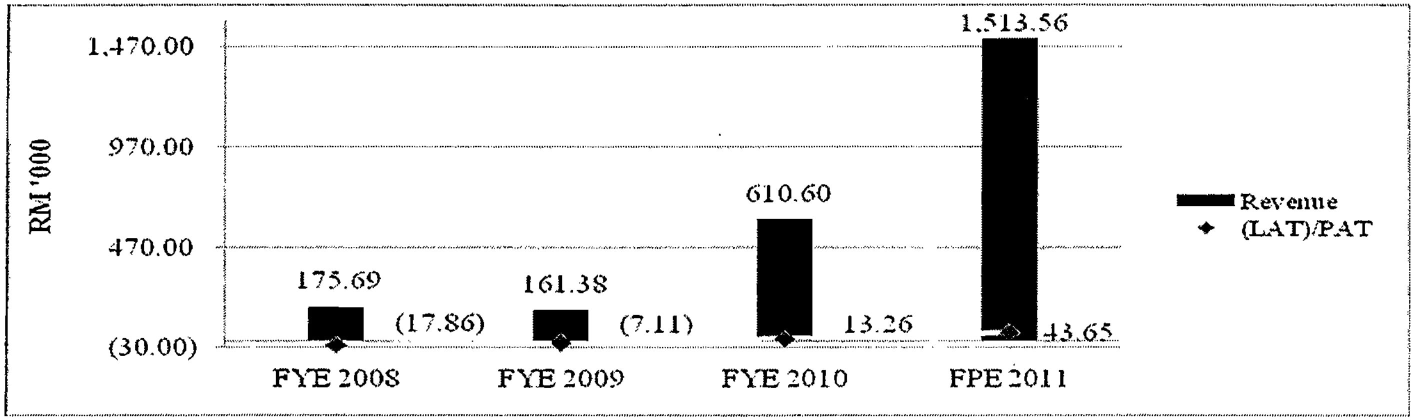
Notes

(a) *Exchange rate SGD1.00: RM2.4139 (being the middle rate at 5.00 p.m. on 31 December 2008 from Bank Negara Malaysia), which is used for illustration purposes only.*

(b) *Exchange rate SGD1.00: RM2.4452 (being the middle rate at 5.00 p.m. on 31 December 2009 from Bank Negara Malaysia), which is used for illustration purposes only.*

(c) *Exchange rate SGD1.00: RM2.3867 (being the middle rate at 5.00 p.m. on 30 December 2010 from Bank Negara Malaysia), which is used for illustration purposes only.*

(d) *Exchange rate SGD1.00: RM2.4596 (being the middle rate at 5.00 p.m. on 30 September 2011 from Bank Negara Malaysia), which is used for illustration purposes only.*



Based on the table and graph above in RM, GTS has been recording losses for the FYE 31 December 2008 and the FYE 31 December 2009. However, the loss had reduced even though the revenue generated in the FYE 31 December 2009 had reduced by 8.14% as compared to the previous financial year due mainly to the termination of co-location contract by a customer. In respect of the FYE 31 December 2010, GTS recorded a profit for the first time in three (3) years on the back of an improved revenue which had increased by 278.36% as compared to the FYE 31 December 2009 due mainly to the expansion of co-location business of its existing customer, namely GTC. As a result of this expansion, GTS remains profitable with revenue increasing further to RM1.51 million for the FPE 30 September 2011.

It should be noted that the audited financial statements of GTS for the FYE 31 December 2009 and 2010 were subject to an audit qualification on the trade and other receivables balances as at the respective FYEs. Nonetheless, subsequent to the date of the FYE 31 December 2010 audit report, the said debt amounting to RM245,873 as at 31 December 2010, has been fully settled by the respective trade debtors.

(iv) **GTHK**

	Audited FYE 31 December						Unaudited nine (9) months FPE 30 September	
	2008		2009		2010		2011	
	HKD	RM[(a)]	HKD	RM[(b)]	HKD	RM[(c)]	HKD	RM[(d)]
Revenue	121,680	54,440	56,589	25,001	-	-	-	-
PBT / (LBT)	19,800	8,859	(8,874)	(3,921)	(10,855)	(4,303)	(18,147)	(7,431)
PAT / (LAT)	19,800	8,859	(8,874)	(3,921)	(10,855)	(4,303)	(18,147)	(7,431)
Shareholders' fund	(119,535)	(53,480)	(128,409)	(56,731)	(139,264)	(55,204)	(157,411)	(64,460)
Total borrowings	-	-	-	-	-	-	-	-

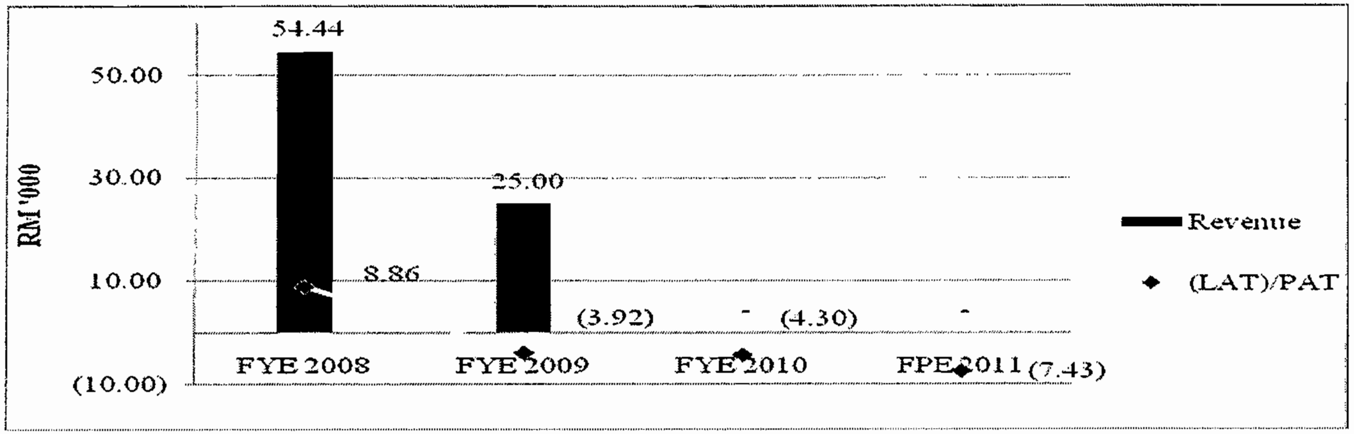
Notes:

(a) *Exchange rate HKD1.00: RM0.4474 (being the middle rate at 5.00 p.m. on 31 December 2008 from Bank Negara Malaysia), which is used for illustration purposes only.*

(b) *Exchange rate HKD1.00: RM0.4418 (being the middle rate at 5.00 p.m. on 31 December 2009 from Bank Negara Malaysia), which is used for illustration purposes only.*

(c) *Exchange rate HKD1.00: RM0.3965 (being the middle rate at 5.00 p.m. on 30 December 2010 from Bank Negara Malaysia), which is used for illustration purposes only.*

(d) *Exchange rate HKD1.00: RM0.4095 (being the middle rate at 5.00 p.m. on 30 September 2011 from Bank Negara Malaysia), which is used for illustration purposes only.*

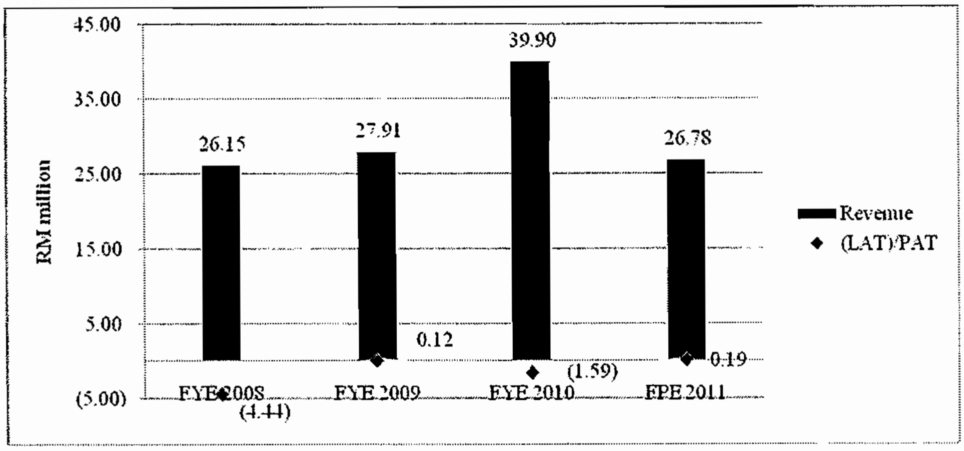


Based on the table and graph above in RM, we noted that GTHK's financial performance has been deteriorating throughout the last three (3) financial years. There was a decrease in revenue generated by GTHK from RM54,440 in the FYE 31 December 2008 to RM25,001 in the FYE 31 December 2009 and subsequently, no revenue was recorded in the FYE 31 December 2010 and FPE 30 September 2011. The reduction in revenue was due mainly to the termination of co-location contract with GTHK's customer and no new contracts was secured as GTHK's customer no longer required co-location services. GTHK has remained dormant since the termination of co-location contract with a customer in June 2009.

Pursuant to the reduction in revenue, this has resulted in GTHK recording LBT and LAT for the FYE 31 December 2009, FYE 31 December 2010 and FPE 30 September 2011. The losses were due mainly to the diminishing revenue as well as annual expenses incurred by the company arising from, professional, administrative and licence related fees incurred.

(v) **The TAAG Group**

	Audited FYE 31 December			Unaudited nine (9) months FPE 30 September
	2008 RM	2009 RM	2010 RM	2011 RM
Revenue	26,151,842	27,909,031	39,903,730	26,780,379
(LBT) / PBT	(4,054,549)	993,040	132,282	193,232
(LAT) / PAT	(4,442,353)	118,789	(1,590,243)	193,232
Shareholders' fund	(5,573,963)	(5,453,953)	(6,996,340)	(6,895,651)
Total borrowings	34,060,574	28,355,137	25,452,009	24,180,660



In summary, we noted that the TAAG Group has only recorded PAT of RM0.12 million for the FYE 31 December 2009, which is an improvement of RM4.56 million as compared to a LAT of RM4.44 million for the FYE 31 December 2008. This was attributed to the increase in revenue, especially in other operating revenue and also reduction in cost arising from the reduction in head count and termination of land lease rental in Singapore.

Despite the increase in revenue for the FYE 31 December 2010 of 42.98% as compared to the previous year, the TAAG Group had recorded a LAT of RM1.59 million, which represents a decrease of RM1.71 million as compared to PAT for the preceding financial year. This was due mainly to the impairment of investment in unquoted bonds amounting to RM2.50 million which has diminished the profit generated from the leased line sales contracts secured during the financial year.

In addition, the audited financial statements of the TAAG Group for the FYE 31 December 2010 was subject to an emphasis of matter opinion, as the TAAG Group recorded a LAT and reported deficits in its shareholders' equity. The validity of the going concern assumption depends on the continued financial support of the TAAG Group's bankers and creditors and the availability of alternative funding arrangements as and when these are required and the ability of the TAAG Group to generate profits and positive operating cash flows in the future.

Notwithstanding the above, should there be no impairment of investment in unquoted bonds amounting to RM2.50 million for the FYE 31 December 2010 (which was a one-off impairment due to TAAG's investments in the Idaman Capital Berhad subordinate bond, which was substantially below the nominal value of RM2.50 million and therefore, TAAG was advised by Idaman Capital Berhad's portfolio manager that the investment should be provided for in full), the TAAG Group would have recorded a PAT of RM0.91 million for the FYE 31 December 2010. Hence, excluding the one-off impairment, the TAAG Group would have been generating profits for the FYE 31 December 2009 and FYE 31 December 2010. This is further evidenced by the PAT recorded for the FPE 30 September 2011 of RM0.19 million as a result of the sales generated from the new contracts secured during the nine (9) months period.

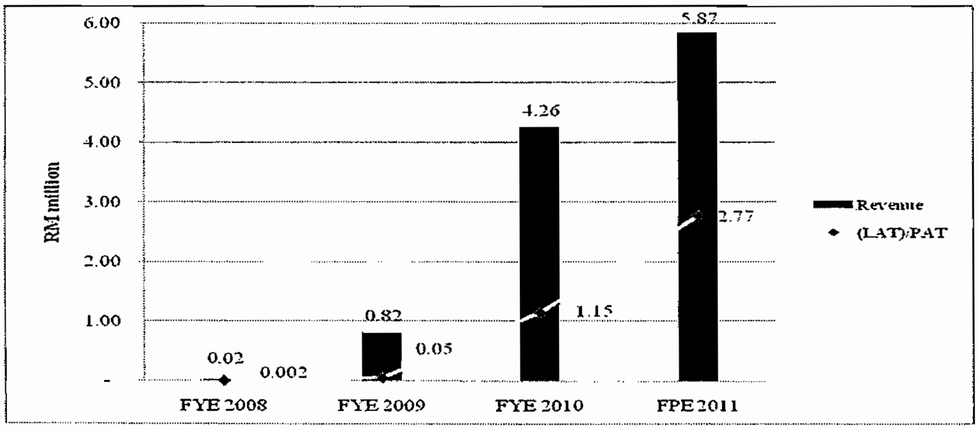
In addition, the borrowings of the company had been reducing year on year from RM34.06 million in FYE 31 December 2008 to RM25.45 million in FYE 31 December 2010 which represents a reduction of approximately 25.27%.

The top five (5) customers of the TAAG Group and their respective contribution to its revenue for the FYE 31 December 2010 are set out in the table below. However, the identity of these customers has not been disclosed for confidentiality reasons, where a waiver for the non-disclosures has been approved by Bursa Securities:

Customers	Revenue contribution to the TAAG Group RM'000	%
A	6,577	16.48
B	5,885	14.75
C	2,485	6.23
D	2,296	5.75
E	1,460	3.66
	18,703	46.87

(vi) **AIMS Data Centre 2**

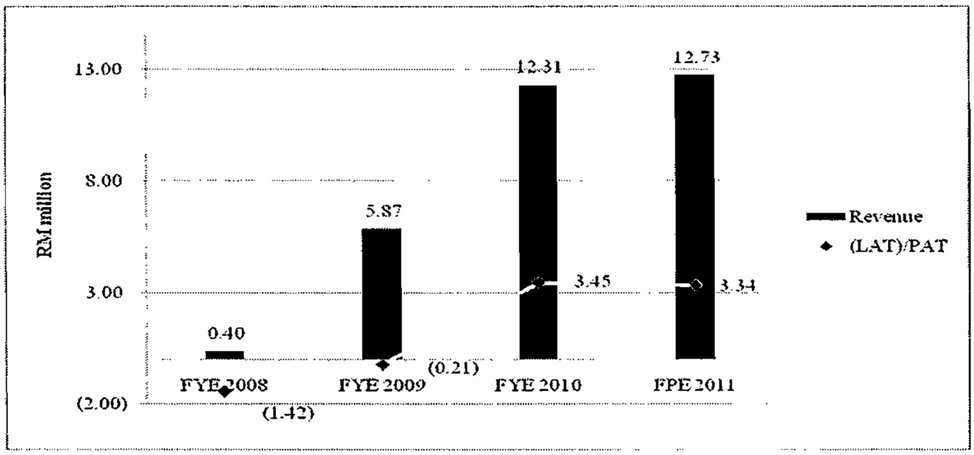
	Audited FYE 31 December 2008 RM	2009 RM	2010 RM	Unaudited nine (9) months FPE 30 September 2011 RM
Revenue	20,300	815,686	4,257,205	5,866,575
PBT	3,365	67,538	1,620,444	2,770,452
PAT	1,820	46,895	1,146,444	2,770,452
Shareholders' fund	1,822	48,717	1,395,159	4,165,611
Total borrowings	-	-	-	-



In summary, we noted that the PAT of AIMS Data Centre 2 has been growing progressively for the last three (3) financial years and the FPE 30 September 2011 from RM0.002 million in the FYE 31 December 2008 to RM1.15 million in the FYE 31 December 2010 and RM2.77 million in the FPE 30 September 2011 which was in line with the increase in revenue throughout the three (3) financial years and the FPE 30 September 2011. The significant improvement in the financial performance of AIMS Data Centre 2 was attributed mainly to large contracts secured, some of which are from content providers amounting to RM2.60 million for the FYE 31 December 2010 and new contracts secured for the FPE 30 September 2011. Further, significant and multi-year contracts have been secured in the FYE 31 December 2010 from customers such as payment gateway companies, web hosters and other corporations.

(vii) **AIMS Cyberjaya**

	Audited FYE 31 December			Unaudited nine (9) months FPE 30 September
	2008 RM	2009 RM	2010 RM	2011 RM
Revenue	404,084	5,873,786	12,313,614	12,733,301
(LBT) / PBT	(1,418,591)	(209,705)	3,449,836	3,339,827
(LAT) / PAT	(1,418,591)	(209,705)	3,449,671	3,339,827
Shareholders' fund	581,411	371,706	3,821,377	7,161,204
Total borrowings	16,896,521	18,678,261	15,924,708	11,866,256



In summary, we noted that AIMS Cyberjaya's financial performance has been improving for the last three (3) financial years and the FPE 30 September 2011. The revenue of AIMS Cyberjaya has increased from RM0.40 million in the FYE 31 December 2008 to RM12.31 million in the FYE 31 December 2010 and RM12.73 million in the FPE 30 September 2011, which represents an increase of 2,947.29% and 3,051.15% over the past three (3) financial years and the FPE 30 September 2011, respectively. AIMS Cyberjaya recorded LAT for the FYE 31 December 2008 and the FYE 31 December 2009 of RM1.42 million and RM0.21 million respectively. The improvement of the financial performance in the FYE 31 December 2010 and FPE 30 September 2011 was due to AIMS Cyberjaya being awarded new contracts locally during the FYE 31 December 2010 and the recent completion of additional data centre space, which became available for sale during the FPE 30 September 2011. The Company has managed to turnaround in the FYE 31 December 2010 and FPE 30 September 2011 to record a PAT of RM3.45 million and RM3.34 million, respectively. The better performance was attributed by new sales generated from selling of racks and space rental to major content providers.

The top five (5) customers of AIMS Cyberjaya and their respective contribution to its revenue for the FYE 31 December 2010 are set out in the table below. However, the identity of these customers has not been disclosed for confidentiality reasons, where a waiver for the non-disclosures has been approved by Bursa Securities:

Customers	Revenue contribution to AIMS Cyberjaya	
	RM'000	%
A	1,545	12.55
B	947	7.69
C	827	6.72
D	648	5.26
E	563	4.57
	4,530	36.79

Premised on the above, notwithstanding that the Acquiree Companies are mostly in the early stages of their respective business cycle, all the companies, save for GTHK, are revenue generating. As disclosed in Section 6.2, Part A of the Circular, it should be noted that for the FYE 31 December 2010, on a proforma consolidated basis, the Acquiree Companies have generated a total revenue of RM103.8 million which in turn resulted in a PAT of RM8.4 million. Furthermore, it should be noted that the foregoing was based on GTL results for one quarter only. Notwithstanding that the TAAG Group has an emphasis of matter opinion, as mentioned above, the TAAG Group has been generating increasing levels of revenue and would have been recognising consecutive profits for the past two (2) years in the absence of the impairment of its investment in unquoted bonds. Furthermore, it should be noted that its borrowings has been reducing year on year.

Nonetheless, on balance it should be noted from the above that the Acquiree Companies are actually growing at significant higher growth rates as compared to TdC but more importantly, most of the Acquiree Companies are self-sustaining. Pursuant thereto, premised on the historical growth achieved by these Acquiree Companies both in revenue and profit generated, the Proposed Acquisitions would be expected to contribute positively to the future earnings of TdC moving forward.

10. EVALUATION OF THE SALIENT TERMS OF THE SPAS

Our comments accompanying the salient terms of the SPAs as extracted from Section 3.2.6, Part A of the Circular are as follows:

(i) *subject to the terms and conditions contained in the SPAs, the Purchase Consideration to be paid by our Company for the Acquiree Companies is detailed as follows:*

	Purchase Consideration RM	***Share consideration No. of shares***	***RM***	***Cash portion RM***
GTC	*102,000,000*	*28,732,394*	*102,000,000*	*-*
GTL	*101,000,000*	*17,070,421*	*60,600,000*	*40,400,000*
Global Transit Entities	*	*-*	*-*	*
AIMS Group	*119,000,000*	*20,112,676*	*71,400,000*	*47,600,000*
	322,000,000	***65,915,491***	***234,000,000***	***88,000,000***

Note:

* *The purchase consideration payable by our Company for the Global Transit Entities is RM1.00 for each entity.*

Based on our analysis on the Purchase Consideration and mode of payment as set out in Section 9 of this IAC, we are of the opinion that this term is **reasonable** as approximately 73% of the Purchase Consideration is to be satisfied via New TdC Shares, which are issued at a premium to the vendors.

(ii) *in the event that our Company implements any capital reduction (except for the Proposed Capital Repayment and the Proposed Capital Restructuring or any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets, or in consequence of any purchase by our Company of our own shares), bonus issue, rights issue, capital repayment or stock dividend between the date of the SPAs and up to and including the Completion Date (as defined in the SPAs), then, the number of shares to be allotted and issued must be adjusted in accordance with the provisions set out in the SPAs;*

This term is **reasonable** as it serves to ensure that the number and value of the Share Consideration will not be diluted and will be maintained in the event of any implementation by TdC of the corporate exercises as mentioned in salient term (ii) above.

(iii) *subject to the terms and conditions contained in the SPAs, the shares of the Acquiree Companies will be sold to our Company free of any security interest and other third party rights, with all rights attached thereto and free from any claims, encumbrances, charges, liens, priorities or options of any nature whatsoever, and with all dividends, distribution, rights and entitlements from the Completion Date (as defined in the SPAs);*

This term is **reasonable** as it would ensure that the shares of the Acquiree Companies are acquired free from all encumbrances.

(iv) *the New TdC Shares to be issued as consideration for the Acquiree Companies must, upon allotment and issuance, rank pari passu in all respects with the existing TdC Shares as of the date of their allotment and issuance, save that they shall not be entitled to any dividend, right, allotment or other distribution where the entitlement date is before the date of allotment of the New TdC Shares to be issued;*

This term is **reasonable** as there is no preferential treatment given to the vendors of the Acquiree Companies for the New TdC Shares to be allotted and issued to them pursuant to the Proposed Acquisitions, as the New TdC Shares shall rank equally with the TdC Shares held by the then existing shareholders of TdC.

(v) *if the due diligence exercise carried out by our Company gives rise to a finding of any matter which is quantifiable in monetary terms and which;*

(a) *(for all SPAs) in respect of balance sheet items has resulted or will result in a diminution in value of more than five (5%) percent of the net tangible assets; or*

(b) *(for all SPAs, except SPA 2), in respect of profit and loss items will have an impact of more than five (5%) percent on the profit after tax,*

as disclosed in the unaudited management accounts as at 31 October 2010 of the respective Acquiree Companies (save for the AIMS Group) and consolidated management accounts as at 31 October 2010 of the AIMS Group, the parties shall mutually agree, within twenty (20) business days from the completion of the due diligence exercise, that the Purchase Consideration be reduced by an amount to be agreed between the parties in respect of the diminution in value referred to herein, and failing such mutual agreement within such time, either parties of the respective SPAs may terminate the SPAs by giving fourteen (14) business days' notice in writing to the other party.

This term is **reasonable** as it preserves the interest of TdC by allowing TdC to reduce the Purchase Consideration in the event of any due diligence findings that is quantifiable in monetary terms at the materiality threshold that was mentioned in salient term (v) above.

(vi) *the vendors are not liable to our Company for any claim unless our Company has given written notice to the vendors setting out reasonable details of the specific matter in respect of which claim is made, including an estimate of the amount of the claim, if reasonably practicable, after our Company becomes aware of such claim and in any event such claim must be made within:*

(a) *(for all SPAs except SPA 2) eighteen (18) months; or*

(b) *(for SPA 2) twelve (12) months;*

from the Completion Date (as defined in the SPAs). The periods above were arrived at as these were negotiated and agreed between the transacting parties. The difference in the periods above between SPA 2 and the other SPAs was due to the different agreements arrived at with the different vendors;

This term is **reasonable** as any time period that is within twelve (12) months or eighteen (18) months from the Completion Date would be considered sufficient for claims (if any) to be made against the vendors of the Acquiree Companies for the Proposed Acquisitions via written notice.

(vii) *(save for SPA 3), the maximum aggregate amount which our Company may recover from the vendors in respect of all claims against the vendors is an amount equivalent to twenty (20%) percent of the Purchase Consideration for each of the SPAs. The maximum aggregate amount of twenty percent (20%) was arrived at as this is a negotiated and agreed term between the vendors and our Company and for claims in excess of twenty (20%) percent, our Company may exercise the sell-back option as described in Section 3.2.6 (viii), Part A of this Circular;*

This term is **reasonable** as it serves to safeguard the interest of TdC by providing TdC with recourse to the vendors of the Acquiree Companies.

(viii) *(save for SPA 3) in the event that:*

(a) *the total value of all claims against the vendors that parties to the SPAs have agreed; or*

(b) *the total value of all claims against the vendors that have been finally adjudicated (pursuant to arbitration),*

is in excess of twenty (20%) percent of the Purchase Consideration for each of the SPAs, then:

(1) *without prejudice to our Company's right to claim and recover up to the value equal to twenty (20%) percent of the Purchase Consideration for each of the SPAs; and*

(2) *provided that, the net tangible asset values or consolidated net tangible asset values (as the case may be) of the respective Acquiree Companies as of the date of our Company's exercise of a sell-back option are not less than the respective net tangible assets as at 31 October 2010;*

our Company may (but shall not be obliged), within thirty (30) business days of such event, exercise the sell-back option referred to in Section 3.2.6(viii)(2) above to require the respective vendors to re-acquire the relevant Acquiree Company at the price of an amount equal to eighty (80%) percent of the Purchase Consideration for each of the SPAs;

This term is **reasonable** as it serves to safeguard the interest of TdC by providing TdC with recourse to the vendors of the Acquiree Companies. It would also not be less than the amount TdC has paid for these entities.

(ix) *in relation to SPA 3;*

(a) *the maximum aggregate amount which our Company may recover from the vendor in respect of all claims against the vendor under SPA 3 is an amount equivalent to HKD150,000 (in respect of GTHK) and SGD60,000 (in respect of GTS) as these limits were negotiated and agreed between the vendor for SPA 3 and our Company, in consideration that the purchase consideration for these companies are nominal;*

(b) *in the event of a breach by the vendor under SPA 3, our Company may give notice of a claim. If the claim is not agreed by the vendor within three (3) months from the date of such notice, then our Company is entitled (after such three (3) month period) to either:*

(aa) *proceed with legal proceedings against the vendor in respect of such claim; or*

(bb) *exercise a Sell-Back Option (as defined in SPA 3) within thirty (30) business days from the expiry of such three-month period;*

but our Company may not do both;

(c) *at the completion of the exercise of the Sell-Back Option (as defined in SPA 3) the vendor shall pay or procure the payment to our Company of the purchase consideration for the shares, which purchase consideration shall be an amount equal to RM2.00 in cash;*

This term is **reasonable** as it serves to safeguard the interests of TdC by providing TdC with recourse to the vendors of the Global Transit Entities. Further, it is important to note that the Global Transit Entities are purchased at only RM1.00 each.

(x) *completion of sales and purchases shall be subject to the fulfilment (or waiver in accordance with the terms of the SPAs) of certain conditions precedent within seven (7) months from the date of the SPAs, including (among others):*

   (a) *the prior approval (or confirmation of no objection) of any third party as may be required pursuant to any obligation of each of the Acquiree Companies identified during the due diligence exercise or otherwise under any instrument, agreement, contract or license by which it is bound, and agreed by the parties (acting reasonably) to be a condition precedent;*

   (b) *the completion of a financial, legal and operational due diligence exercise conducted in respect of the Acquiree Companies and the results thereof being satisfactory, which has been fulfilled;*

   (c) *completion of the Proposed Capital Repayment and the Proposed Capital Restructuring;*

   (d) *the approval of our shareholders for the Proposed Acquisitions;*

   (e) *the approval of our shareholders for Proposed Capital Repayment and the Proposed Capital Restructuring;*

   (f) *the waiver of any right of pre-emption or other rights arising on the sale of any of the equity in the Acquiree Companies;*

   (g) *the grant of the Proposed Dispensation by the SC (which was given on 19 September 2011, subject to certain disclosure requirements);*

   (h) *the grant of the exemptions by the SC from any obligation on Megawisra or the PAC Group to make mandatory take-over offers for any TdC Shares not already held by Megawisra or the PAC Group respectively, arising from or in relation to the issuance of the New TdC Shares by TdC to Megawisra due to the Proposed Acquisitions; and*

   (i) *the fulfilment of all other conditions precedent in the SPAs relating to the Proposed Acquisitions and in accordance with their respective terms.*

   This term is **reasonable** as it is equitable to impose a time period to satisfy all the conditions precedent. The conditions precedent for the Proposed Acquisitions involve obtaining approvals from various parties and authorities, as such, the seven (7) months period from the date of the SPAs to satisfy all the conditions is considered reasonable.

(xi) *The completion of the sale and purchase of the equity stake in all the Acquiree Companies are conditional upon one another.*

   This term is **reasonable** as the Proposed Acquisitions are considered as a "basket acquisition", as such the Proposed Acquisition of GTC, Proposed Acquisition of GTL, Proposed Acquisitions of Global Transit Entities and Proposed Acquisition of AIMS Group are made inter-conditional upon one another.

Premised on the foregoing, we are of the opinion that the terms contained in the SPAs are generally **reasonable** as far as the interests of TdC are concerned and that the salient terms are **not detrimental** to the non-interested shareholders of TdC.

11. **EFFECTS OF THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT, PROPOSED CAPITAL RESTRUCTURING AND PROPOSED EXEMPTIONS**

The Proposed Exemptions, on its own, will not have any effect on TdC's issued and paid-up share capital, net EPS, NA per share and gearing and substantial shareholders' shareholdings.

11.1 Issued and paid-up share capital

The implementation of the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring would have an immediate impact on the issued and paid-up share capital of TdC, as illustrated in the following table:

	No. of TdC Shares '000	Par value RM	Issued and paid-up share capital RM'000
As at 31 December 2010	2,530,775	1.00	2,530,775
Upon the Proposed Capital Repayment	-	-	-
	2,530,775	**1.00**	**2,530,775**
Upon the Proposed Capital Reduction	-	(0.90)	(2,277,698)
	2,530,775	**0.10**	**253,077**
Upon the Proposed Share Consolidation	(2,024,620)	*	-
	506,155	**0.50**	**253,077**
Upon the Proposed Acquisition of GTC	28,732	0.50	14,366
	534,887	**0.50**	**267,443**
Upon the Proposed Acquisition of GTL	17,071	0.50	8,535
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of GTS	-	-	-
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of GTHK	-	-	-
	551,958	**0.50**	**275,978**
Upon the Proposed Acquisition of AIMS Group	20,112	0.50	10,057
	572,070	**0.50**	**286,035**

Note:

* *The par value of each TdC Share increases from RM0.10 to RM0.50 pursuant to the Proposed Share Consolidation of 2,530,775,000 ordinary shares of RM0.10 (after the Proposed Capital Reduction) into 506,155,000 New TdC Shares, on the basis of five (5) ordinary shares of RM0.10 each in TdC into one (1) ordinary share of RM0.50 each in TdC.*

The Proposed Capital Repayment will not have any impact on the issued and paid-up share capital of TdC whereas the Proposed Capital Restructuring is expected to reduce the issued and paid-up share capital from RM2,530.78 million comprising of TdC Shares of RM1.00 each to RM253.08 million comprising of New TdC Shares of RM0.50 each.

Pursuant to the Proposed Capital Restructuring, the aforesaid credit arising from the Proposed Capital Reduction of RM0.90 per TdC Share would be utilised to reduce TdC's accumulated losses. The Proposed Share Consolidation is expected to reduce the fluctuation in magnitude of the market price of TdC Shares, attract sophisticated investors with longer term investment horizons and may also improve investors' perception of TdC Shares. Further details of the benefits to be derived from the Proposed Share Consolidation are set out in Section 8.1.3 of this IAC.

The Proposed Acquisitions which will result in an increase in the issued and paid-up share capital by approximately RM32.96 million to RM286.04 million, represents an increase of approximately 11.52% of its new enlarged issued and paid-up share capital. This would have a relatively minimal dilutive impact as compared to the potential growth of the Acquiree Companies which is expected to benefit TdC moving forward. The dilutive effect is partially mitigated as the Proposed Issue Price of the New TdC Shares are issued at a premium to the par value as well as reflective of the theoretical ex-all market price (adjusted for the effects of the Proposed Capital Repayment and Proposed Capital Restructuring).

11.2 Net EPS

The Proposed Acquisitions are expected to contribute positively to the future earnings of the TdC Group and the TdC Group's EPS is expected to improve as a result of improved future earnings as well as consolidation of TdC Shares pursuant to the Proposed Capital Restructuring.

For illustration purposes only, assuming that the Proposals had been completed on 1 January 2010 and based on the audited consolidated financial statements of the TdC Group for the year ended 31 December 2010, the effects of the Proposals on the TdC Group's results are set out below. TdC wishes to highlight that the EPS for the enlarged TdC Group's proforma results for the year ended 31 December 2010 as set out in column (IV) of the table below, may not be reflective of a full year of operations post the Proposed Acquisitions, as GTL only started generating revenue in Quarter 4, 2010. As such, TdC have further illustrated a potential full year impact of GTL's results based on the annualisation of its Quarter 4, 2010 results in column (V) of the table below.

The net profits and net EPS are arrived at after adjusting for the following:

(i) one-off acquisition related expenses estimated at RM3.70 million in compliance with FRS3 (revised), Business Combination comprising the following estimates:

  (a) advisory fees of RM3.40 million;

  (b) regulatory expenses of RM0.10 million; and

  (c) shareholders' meeting and printing expenses of RM0.20 million;

(ii) estimated interest expense of RM5.28 million for acquisition financing on the total cash consideration of RM88.00 million; and

(iii) elimination of inter-group transactions which mainly comprise of global bandwidth sales and other trade transactions entered into in FYE 31 December 2010.

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	(I)	(II)	(III) (A)	(B)	(C)	(IV) (D=A+B+C)	(E)	(V) (D+E)
	TdC Group's audited consolidated results for the year ended 31 December 2010 RM million	After (I) and after the Proposed Capital Repayment RM million	After (II) and after the Proposed Capital Restructuring RM million	The Acquiree Companies' proforma group results for the year ended 31 December 2010 RM million	Adjustments for inter-group transactions and expenses incurred for the Proposed Acquisitions RM million	After (III) and after the Proposed Acquisitions RM million	Incremental contribution to the Acquiree Companies' group results for the year ended 31 December 2010 assuming GTL's results are annualised[e] RM million	After (IV) and after the Proposed Acquisitions assuming GTL's results are annualised[e] RM million
Revenue	321.1	321.1	321.1	103.8[b]	(76.8)[c]	348.1[d]	38.6	386.7
Net profit	107.1	107.1	107.1	8.4[b]	(32.0)[c]	83.5[d]	14.5	98.0
Net EPS (sen)	4.23	4.23	21.15[a]	N/A	N/A	14.6[d]	N/A	17.14
No. of shares (mil)	2,530.8	2,530.8	506.2[a]	N/A	N/A	572.1	N/A	572.1

Notes:

(a) The Proposed Capital Restructuring involves a Proposed Capital Reduction which will reduce the par value of each share from RM1.00 to RM0.10 and a Proposed Share Consolidation which will increase the par value of each share from RM0.10 to RM0.50 and reduce the number of shares from 2,530.775 million shares to 506.155 million shares resulting in the increase in Net EPS from 4.23 sen to 21.15 sen.

(b) The Acquiree Companies' proforma group results were arrived at based on the aggregation of the Acquiree Companies' audited results for the year ended 31 December 2010 and adjusted for inter-company transactions in revenue and expenses of the Acquiree Companies proforma group.

(c) Adjustments for inter-group transactions between TdC and Acquiree Companies for the financial year ended 31 December 2010 comprising both revenue and expense contributions from TdC to the Acquiree Companies and vice versa. Also included are interest expense of RM5.28 million on the cash portion of the Proposed Acquisitions of RM88.00 million to be financed by borrowings and one off acquisition related expenses of RM3.70 million.

(d) The enlarged Group's proforma results were arrived at based on the aggregation of TdC's results for the year ended 31 December 2010 after the Proposed Capital Restructuring as per column III, the Acquiree Companies' proforma group results for the year ended 31 December 2010 as per Note (b) above and the Adjustments as per Note (c) above.

(e) For illustration purpose, GTL's results are annualised based on its Quarter 4, 2010 results assuming it will be consistently reflected throughout a full financial year (as GTL only started generating revenues in Quarter 4, 2010) and the incremental contribution is set out above. The enlarged Group's proforma results were arrived as per Note (d) above, save for GTL's results which was annualised based on its Quarter 4, 2010 results.

The Proposed Capital Repayment and Proposed Capital Restructuring are not expected to have any impact on the earnings of TdC save for that the Proposed Capital Restructuring which entails the Proposed Share Consolidation which would result in the increase in the EPS of TdC as five (5) shares become one (1) share.

On the other hand, the Proposed Acquisitions would result in the reduction in both the consolidated earnings and EPS, due mainly to the one-off acquisition related expenses, borrowing cost associated with the Proposed Acquisitions, coupled with the elimination of intra-group bandwidth contracts entered into in year 2010 as the Acquiree Companies are considered part of the TdC Group in deriving the proforma numbers.

Nonetheless, it should be noted that the Acquiree Companies on a consolidated basis are self-sustaining and are actually generating profits. As such, moving forward in the medium term, pursuant to the revenue generated by the Acquiree Companies, which historically accounts for approximately 25% of the proforma enlarged revenue, the Proposed Acquisitions are expected to have a positive impact on the future earnings of the enlarged TdC Group.

11.3 NA per share and gearing

For illustrative purposes, the effects of the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring on the TdC Group's NA per share and gearing as at 31 December 2010 are illustrated based on the audited financial statements for the year ended 31 December 2010 assuming the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring were completed on 31 December 2010 are shown as follows:

		(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
	Audited as at 31 December 2010 RM'000	Proposed Capital Repayment RM'000	After (I) and Proposed Capital Reduction RM'000	After (II) and Proposed Cancellation of Share Premium RM'000	After (III) and Proposed Share Consolidation RM'000	After (IV) and Proposed Acquisition of GTC RM'000	After (V) and Proposed Acquisition of GTL RM'000	After (VI) and Proposed Acquisition of GTS RM'000	After (VII) and Proposed Acquisition of GTHK RM'000	After (VIII) and Proposed Acquisition of AIMS Group RM'000
Share capital (issued and fully paid up)	2,530,775	2,530,775	253,077[d]	253,077	253,077	267,443[g]	275,978[h]	275,978	275,978	286,035[k]
Share premium	1,570,758	1,520,142[b]	1,520,142	685,827[e]	685,827	773,461[g]	825,526[h]	825,526	825,526	886,869[k]
Available-for-sale reserve	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000
Retained earnings / (accumulated losses)	(2,928,730)	(2,932,430)[c]	(654,732)[d]	-	-	-	-	125[j]	125	125
Capital reserves	-	-	-	179,583[e]	179,583	179,583	179,583	179,583	179,583	179,583
NA	1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,297,487	1,358,087	1,358,212	1,358,212	1,429,612

	Audited as at 31 December 2010 RM 000	(I) Proposed Capital Repayment RM 000	(II) After (I) and Proposed Capital Reduction RM 000	(III) After (II) and Proposed Cancellation of Share Premium RM 000	(IV) After (III) and Proposed Share Consolidation RM 000	(V) After (IV) and Proposed Acquisition of GTC RM 000	(VI) After (V) and Proposed Acquisition of GTL RM 000	(VII) After (VI) and Proposed Acquisition of GTS RM 000	(VIII) After (VII) and Proposed Acquisition of GTHK RM 000	(IX) After (VIII) and Proposed Acquisition of AIMS Group RM 000
Less: Goodwill / intangible assets[(a)]	-	-	-	-	-	93,757	158,808[(i)]	158,808	158,863	291,937
NTA	1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,203,730	1,199,279	1,199,404	1,199,349	1,137,675
Borrowings: Acquiree Companies						8,297	62,561[(h)]	62,561	62,561	103,938[(k)]
Undertaken by TdC to fund the Proposed Acquisitions						-	40,400[(h)]	40,400	40,400	88,000[(k)]
Total borrowings						8,297	102,961	102,961	102,961	191,938
Number of shares in issue ('000)	2,530,775	2,530,775	2,530,775	2,530,775	506,155[(f)]	534,887[(g)]	551,958[(h)]	551,958	551,958	572,070[(k)]
NA per share (RM)	0.49	0.47	0.47	0.47	2.36	2.43	2.46	2.46	2.46	2.50
Gearing ratio (times)[(h)]	-	-	-	-	-	0.01	0.08	0.08	0.08	0.13

Notes:

(a) *Goodwill / Intangible assets arising from the Proposed Acquisitions are subject to the purchase price allocation exercise to be undertaken by TdC. Goodwill / intangible assets breakdown is elaborated in the table below:*

	GTC *RM 000*	*GTL* *RM 000*	*GTS* *RM 000*	*GTHK* *RM 000*	*AIMS Group* *RM 000*
Purchase Consideration	*102,000*	*101,000*	-	-	*119,000*
Less: (NTA) / NTL	*(8,243)*	*(35,949)*	*(125)*	*55*	*14,074*
Goodwill / Intangible assets	*93,757*	*65,051*	-[(j)]	*55*	*133,074*

(b) *The capital repayment of RM0.02 per share is settled via the capitalisation of share premium. As such, this will result in reduction of share premium by RM50.6 million.*

(c) *In accordance with the FRS 3 (revised), Business Combinations, estimated expenses for the Proposals of RM3.7 million is incorporated.*

(d) *The Proposed Capital Reduction will reduce the par value of each TdC Share from RM1.00 to RM0.10. As such, TdC's share capital will be reduced by RM2.3 billion and TdC's accumulated losses will be reduced by the same amount. There is no change in total shareholders' funds.*

(e) *The Proposed Share Premium Reduction will reduce the share premium from RM1.52 billion to RM0.7 billion and will result in a capital reserve of RM179.6 million.*

(f) *The Proposed Share Consolidation will increase the par value of each TdC Share from RM0.10 to RM0.50 and reduce the number of issued shares. As such, the number of issued shares will be reduced to 506.16 million with a par value of RM0.50 per TdC Share.*

(g) *The Proposed Acquisition of GTC will increase TdC's share capital by RM14.4 million and the share premium by RM87.6 million and TdC will assume borrowings of GTC of RM8.3 million. As the purchase consideration of the Proposed Acquisition of GTC is to be fully settled by the issuance of New TdC Shares at an issue price of RM3.55 each, TdC's share capital will increase by 28,732,394 TdC Shares.*

(h) *The Proposed Acquisition of GTL will increase TdC's share capital by approximately RM8.5 million and the share premium by RM52.1 million. The purchase consideration of the Proposed Acquisition of GTL will be funded by RM40.4 million in cash and RM60.6 million in New TdC Shares which will result in the paid up capital of TdC increasing by 17,070,421 TdC Shares. Further, TdC will assume the borrowings of GTL of RM54.3 million and incur additional borrowings of RM40.4 million to fund the cash portion of the Proposed Acquisition of GTL.*

(i) *Irredeemable preference shares issued by GTL, which is classified as non-current liability as per GTL's audited statement of financial position, is eliminated in the proforma consolidated statement of financial position as the irredeemable preference shares will be owned by TdC subsequent to the Proposed Acquisitions. Goodwill was arrived based on the difference between the purchase consideration and GTL's NA after the elimination of the irredeemable preference shares.*

(j) *TdC will acquire GTS for a purchase consideration of RM1.00 which is below GTS' net assets value of approximately RM125,000 as at 31 December 2010 (audited), thereby creating a negative goodwill amount of approximately RM125,000. The negative goodwill amount will be immediately recognised in retained earnings.*

(k) *The Proposed Acquisition of AIMS Group will increase TdC's share capital by approximately RM10.1 million and the share premium by RM61.3 million. The purchase consideration for the Proposed Acquisition of AIMS Group, will be funded by RM47.6 million in cash and RM71.4 million in New TdC Shares which will result in the paid up share capital of TdC increasing by 20,112,676 TdC Shares. Further, TdC will assume the borrowings of AIMS Group of RM41.4 million and incur additional borrowings of RM47.6 million to fund the cash portion of the Proposed Acquisition of AIMS Group.*

(l) *The gearing ratio is arrived at based on the total borrowings against TdC's shareholders funds or NA above.*

The Proposed Capital Repayment is expected to have a one-time reducing impact on the NA of TdC and the Proposed Capital Restructuring is not expected to impact the NA of TdC save for that the NA per share is expected to increase following the Proposed Share Consolidation. Pursuant to the Proposed Acquisitions, the NA and NA per share of TdC is expected to increase whereas on the other hand, the NTA is expected to decrease. Nonetheless, moving forward, the Proposed Acquisitions are expected to contribute positively to TdC which in turn would have a positive impact on the NA and NTA of TdC.

The Proposed Capital Repayment and Proposed Capital Restructuring are not expected to have any impact on the gearing of TdC whereas the Proposed Acquisitions would result in TdC undertaking borrowings, at a relatively low gearing ratio of 0.13 times. The increase in borrowings would likely result in an increase in borrowing cost, which has minimal adverse impact as compared to the earnings potential of the Acquiree Companies. Furthermore, TdC's WACC of 21.39 (as extracted from Bloomberg) may be reduced should the borrowings increase in the future, and this in turn, on a standalone basis is expected to improve the theoretical valuation of the enlarged TdC Group moving forward as it will be perceived as a less risky investment.

11.4 Substantial shareholders' shareholdings

The effects of the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring on the shareholding of TdC's substantial shareholders' are set out below:

	As at the LPD				(I) After the Proposed Capital Repayment				(II) After (I) and the Proposed Capital Reduction and the Proposed Share Premium Reduction				(III) After (II) and the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%
PKV	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04	-	-
KWAP	186,730	7.38	-	-	186,730	7.38	-	-	186,730	7.38	-	-	37,346	7.38	-	-
KNB	-	-	1,072,669[(a)]	42.39	-	-	1,072,669[(a)]	42.39	-	-	1,072,669[(a)]	42.39	-	-	214,534[(a)]	42.39
UEMG	312,459	12.35	-	-	312,459	12.35	-	-	312,459	12.35	-	-	62,492	12.35	-	-
GTI[(c)]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04
Megawisra[(d)]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04
Megawisra Investments[(e)]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04
Afzal[(f)]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04
Te-Shen[(f)]	-	-	760,210	30.04	-	-	760,210	30.04	-	-	760,210	30.04	-	-	152,042	30.04
Continuum Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority shareholders	1,271,376	50.23	-	-	1,271,376	50.23	-	-	1,271,376	50.23	-	-	254,275	50.23	-	-

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	(IV) After (III) and the Proposed Acquisition of GTC				(V) After (IV) and the Proposed Acquisition of GTL				(VI) After (V) and the Proposed Acquisition of GTS				(VII) After (VI) and the Proposed Acquisition of GTHK			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%
PKV	180,774	33.80	-	-	180,774	32.75	-	-	180,774	32.75	-	-	180,774	32.75	-	-
KWAP	37,346	6.98	-	-	37,346	6.77	-	-	37,346	6.77	-	-	37,346	6.77	-	-
KNB	-	-	243,266[(a)]	45.48	-	-	246,073[(b)]	44.58	-	-	246,073[(b)]	44.58	-	-	246,073[(b)]	44.58
UEMG	62,492	11.68	-	-	62,492	11.32	-	-	62,492	11.32	-	-	62,492	11.32	-	-
GTI[(c)]	-	-	180,774	33.80	-	-	180,774	32.75	-	-	180,774	32.75	-	-	180,774	32.75
Megawisra[(d)]	-	-	180,774	33.80	4,719	0.85	180,774	32.75	4,719	0.85	180,774	32.75	4,719	0.85	180,774	32.75
Megawisra Investments[(e)]	-	-	180,774	33.80	-	-	185,493	33.60	-	-	185,493	33.60	-	-	185,493	33.60
Afzal[(f)]	-	-	180,774	33.80	-	-	185,493	33.60	-	-	185,493	33.60	-	-	185,493	33.60
Te-Shen[(f)]	-	-	180,774	33.80	-	-	185,493	33.60	-	-	185,493	33.60	-	-	185,493	33.60
Continuum Capital	-	-	-	-	2,807	0.51	-	-	2,807	0.51	-	-	2,807	0.51	-	-
Minority shareholders	254,275	47.54	-	-	263,820	47.80	-	-	263,820	47.80	-	-	263,820	47.80	-	-

	(VIII) After (VII) and the Proposed Acquisition of AIMS Group			
	Direct		Indirect	
	No. of TdC Shares held '000	%	No. of TdC Shares held '000	%
PKV	180,774	31.60	-	-
KWAP	37,346	6.53	-	-
KNB	-	-	246,073[(b)]	43.01
UEMG	62,492	10.92	-	-
GTI[(c)]	-	-	180,774	31.60
Megawisra[(d)]	24,831	4.34	180,774	31.60
Megawisra Investments[(e)]	-	-	205,606	35.94
Afzal[(f)]	-	-	205,606	35.94
Te-Shen[(f)]	-	-	205,606	35.94
Continuum Capital	2,807	0.49	-	-
Minority shareholders	263,820	46.12	-	-

Notes:

(a) *Deemed interest by virtue of its shareholding in PKV and UEMG.*

(b) *Deemed interest by virtue of its shareholding in PKV, UEMG and Continuum Capital.*

(c) *Deemed interest by virtue of its shareholding in PKV.*

(d) *Deemed interest by virtue of its shareholding in GTI.*

(e) *Deemed interest by virtue of its shareholding in Megawisra.*

(f) *Deemed interest by virtue of his shareholding in Megawisra Investments.*

The Proposed Capital Repayment and Proposed Capital Restructuring are not expected to have any impact on the shareholdings of the substantial shareholders of TdC whereas the Proposed Acquisitions are expected to have a marginal impact.

In essence, the direct shareholdings of PKV will increase marginally from 30.04% to 31.60% whilst Afzal's indirect shareholdings (held effectively via Megawisra Investments) will increase marginally from 30.04% to 35.94%. Nonetheless, the Proposed Acquisitions which entails the payment of RM234.00 million in New TdC Shares would not result in a change in the controlling shareholders of TdC.

For further details in relation to the effects of the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring, please refer to Section 6, Part A of the Circular.

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12. IMPLICATIONS ARISING FROM THE PROPOSED EXEMPTIONS

In addition to the qualitative and quantitative considerations set out in Sections 8 and 11 above, the non-interested shareholders of TdC should note that the possible outcomes of their votes on the Proposed Exemptions are as follows:

*(i) Assuming the non-interested shareholders of TdC vote **in favour** of the Proposed Exemptions:*

In view that the Proposed Capital Repayment, Proposed Acquisitions and Proposed Exemptions are inter-conditional, TdC will only be able to implement the Proposed Capital Repayment and Proposed Acquisitions if the non-interested shareholders vote in favour of the resolution for the Proposed Exemptions, in order for the SC to consider the applications submitted by Megawisra, individually and the PAC Group, collectively for the Proposed Exemptions under Paragraph 16.1(a) of Practice Note 9 of the Code.

Essentially, the approval of the non-interested shareholders of TdC for the Proposed Exemptions will:

(a) enable Megawisra, individually (via GTI, its wholly-owned subsidiary) to obtain control of TdC by increasing its shareholdings in TdC from 30.04% to 35.94% upon completion of the Proposed Acquisitions;

(b) allow the SC to consider the application by Megawisra, individually and the PAC Group, collectively for the Proposed Exemptions;

(c) relieve Megawisra, individually and the PAC Group, collectively from having to extend the mandatory take-over offer to acquire all the remaining TdC Shares not already owned by them upon the completion of the Proposed Acquisitions; and

(d) facilitate the approval of the Proposed Capital Repayment and Proposed Acquisitions as they are inter-conditional with each another.

Pursuant to Paragraph 16.9, Practice Note 9 of the Code, the exemption from the SC, if granted, in respect of the Proposed Exemptions will be invalidated should Megawisra, individually and / or any members of the PAC Group trigger a Disqualifying Transaction. However, the exemption granted by the SC remains valid for the period prior to the Disqualifying Transaction. In the event of the invalidation of the Proposed Exemptions, Megawisra, individually and the PAC Group, collectively will be subject to Section 9(1), Part III of the Code to undertake a mandatory take-over offer.

*(ii) Assuming the non-interested shareholders of TdC vote **against** the Proposed Exemptions:*

Should the non-interested shareholders of TdC vote against the Proposed Exemptions, the obligation to undertake the mandatory take-over offer will not arise, as it will result in the Proposed Capital Repayment and Proposed Acquisitions being aborted and any potential benefits arising from those proposals as highlighted in Sections 8.1.1 and 8.1.2 of this IAC will not materialise.

Further to the above, we are of the view that the Proposed Exemptions is **reasonable** due to the following factors:

(i) as the Proposed Capital Repayment, Proposed Acquisitions and Proposed Exemptions are inter-conditional, the approval on the Proposed Exemptions will allow the implementation of the Proposed Capital Repayment and Proposed Acquisitions and hence, the potential benefits arising from these proposals will materialise;

(ii) the rationale for the Proposed Capital Repayment and Proposed Acquisitions is **reasonable**;

(iii) the Purchase Consideration of the Proposed Acquisitions of RM322.00 million is **fair**; and

(iv) the premium of 24% to be received by TdC pursuant to the Proposed Acquisitions as set out in Section 9.1.3 of this IAC, is beneficial to TdC as the premium will be shared by all the shareholders of TdC, including non-interested shareholders of TdC.

13. RISK FACTORS

In Section 5, Part A of the Circular, your Board had identified various risk factors (which may not be exhaustive) relating to the Proposed Acquisitions which may have an impact on the TdC Group in the future. As the TdC Group is already involved in the IT and telecommunications businesses, the risk factors described below are inherent to the TdC Group. Accordingly, the Proposed Acquisitions could be viewed as an expansion or complementary of the TdC Group's businesses, accordingly, would not necessarily result in a greater degree of exposure to the risks inherent in the businesses of the Acquiree Companies. The risk factors identified and summarised together with our views are as follows:

13.1 Acquisition risk

Pursuant to our comments in respect of the rationale of the Proposed Acquisitions as set out in Section 8.1.1 of this IAC, the Proposed Acquisitions are expected to strengthen TdC's position in the telecommunications business, enhanced business growth opportunities and to facilitate its vision to be a stronger player in the regional telecommunications industry. However, there can be no assurance that the above-mentioned benefits will be realised as there is no certainty that the current financial performance of the Acquiree Companies will maintain and / or improve in the future.

It should also be noted that the following accounting adjustments may have an adverse impact on the future earnings and NA of the TdC Group:

(i) any fair value adjustments to the assets and liabilities arising from the Proposed Acquisitions (and the resulting intangible assets identified thereon) pursuant to amongst others, a purchase price allocation exercise, will affect the TdC Group's NA; and

(ii) subsequently, the effects of amortisation and impairment losses (pursuant to amongst others, an annual impairment testing), if any, in respect of the identified intangible assets will have an effect on the TdC Group's future earnings and NA.

Premised on the acquisition risks highlighted above, TdC intends to monitor the financial performance of the Acquiree Companies and implement appropriate strategies to ensure that the Acquiree Companies are able to achieve its financial targets as part of TdC's mitigating factors.

Notwithstanding the above, there can be no assurance that the expected benefits arising from the Proposed Acquisitions would be translated into tangible forms or that the Acquiree Companies will be able to generate sufficient revenue to offset the associated investment costs incurred by TdC.

13.2 Failure of physical infrastructure, services and security systems of the Acquiree Companies

The Proposed Acquisitions are subject to inherent risk factors associated with the ICT industry for which the TdC Group is already exposed to, including but not limited to risks associated with failure of physical infrastructure, services and security systems.

Hence, there can be no assurance that disruptions such as equipment failure, power loss, failure of services related to the internet and telecommunications as well as human error will not have a material impact on the business operations and financial condition of the Acquiree Companies.

Notwithstanding the above, it is important to note that failure of physical infrastructure, services and security systems is an inherent risk of the ICT industry that TdC currently operates in. As such, it is a risk that applies to all players in the industry, including the Acquiree Companies.

13.3 Technological evolution

The generally rapid rate of technological advances in the ICT industry may lead to obsolescence of services and products offered by the Acquiree Companies such as data centre services and internet-related products. There is a risk that demand for the Acquiree Companies' services and products may decline as competitors may develop and introduce newer and improved technologies in their services and products with better features and functionalities, consequently eroding profit margins and market share of the Acquiree Companies.

It should also be noted that any future development or application of new technologies may require significant changes to the Acquiree Companies' business model or necessitate new investments to facilitate growth in its business and the adoption of new technologies and services.

Hence, there can be no assurance that the technologies employed by the Acquiree Companies would not become obsolete or be subject to competition from alternative or new technologies in the future. Further, it is important to note that rapid technology changes are inherent in the ICT industry and would not only affect the Acquiree Companies, but similar industry players at large.

13.4 Ability to attract and retain key executives, officers, managers and technical personnel

It is noted that the continued success of the Acquiree Companies will depend, to a significant extent, upon the abilities, capabilities and continued efforts of its existing key executives, officers, managers and technical personnel. Accordingly, any significant or sudden loss of services of these key personnel may adversely affect the business and financial performance of the Acquiree Companies.

Pursuant thereto, the Acquiree Companies have strategies and policies in place, such as human resource strategies which include providing competitive and performance-based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programmes to upgrade its knowledge and capabilities to retain the services of these key personnel, whenever possible, and to attract new experienced personnel.

Nevertheless, there is no assurance that the above-mentioned measures will be successful in attracting and retaining these key personnel or ensuring a smooth transition should changes occur.

13.5 Environmental laws and regulations that may be imposed in the future

As mentioned in Section 5.5, Part A of the Circular, the Acquiree Companies are not aware of any onerous environmental laws and regulations, whether relating to the generation, storage, handling and disposal of hazardous wastes and technological equipment, the maintenance of physical facilities or the generation and use of electricity that the Acquiree Companies are required to comply with.

As there is no assurance that such environmental laws and regulations may not be imposed on the Acquiree Companies in the future, the on-going compliance costs that may need to be incurred by the Acquiree Companies in the future, coupled with operating restrictions may adversely affect the Acquiree Companies' expansion plans. Nonetheless, to mitigate this risk, the Acquiree Companies are currently monitoring and moving forward, upon the completion of the Proposed Acquisitions, will continue together with TdC to monitor and endeavour to ensure that they are kept abreast to the legal developments applicable in this area.

Notwithstanding the above, it is important to note that this risk would not only affect the Acquiree Companies, but similar industry players, at large.

13.6 Political, economic and legislative considerations

Like all other business entities, adverse developments in political, economic, monetary and legislative conditions in Malaysia and the other countries that the Acquiree Companies operate in, could unfavourably affect the financial position and business prospects of the Acquiree Companies. These risks include, amongst others, changes in political leadership, risk of war, changes in economic and monetary conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, import duties and tariffs.

Whilst the Acquiree Companies strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and legislative factors will not materially affect the operations, financial performance and future prospects of the Acquiree Companies.

13.7 Cancellation, revocation or non-renewal of licences

The operation of telecommunications networks and the provision of related services in Malaysia as well as the other countries that the Acquiree Companies operate in, is regulated by the respective governmental authorities. As such, alterations in laws, regulations or government policy in relation to the ICT industry in Malaysia and those countries, or changes in the licences held by the Acquiree Companies, could adversely affect the results of operations and prospects of the Acquiree Companies.

Further, any revocation or unfavourable amendment of the licences or authorisation, or any failure to remedy the breach or renew the licences or authorisation on comparable terms, could also have a material adverse effect on the Acquiree Companies' business, financial condition and prospects.

This risk factor is also inherent in the ICT industry and would not only affect the Acquiree Companies, but the rest of the market players as well. Based on historical data, the Acquiree Companies does not appear to have any unsatisfactory or adverse records with the relevant authorities.

13.8 Business risk

The Acquiree Companies is not isolated from general business risks as well as risks inherent in the ICT industry. For example, the Acquiree Companies may be affected by a general downturn in the global, regional and national economy, specifically, the Malaysian economy, entry of new players, changes in the law and tax legislation affecting the ICT industry and introduction of new technologies.

Further, contracts between GTC and the AIMS Group and their respective customers are entered into on a fixed term basis and typically for a period of one (1) year and most contracts have automatic renewal provisions. Although the current customers of the Acquiree Companies generally continue to renew their short term contracts with the Acquiree Companies, there is no certainty that they will renew their contracts when they expire as there is the possibility of customers terminating their existing contracts with the Acquiree Companies.

Although the management of the Acquiree Companies may have instituted various measures and controls to mitigate any negative effects arising from the factors mentioned above, no assurance can be given that a change in any of these factors will not have a material adverse effect on the business of the Acquiree Companies in the future.

13.9 Competition

The Acquiree Companies faces competition from existing competitors who may expand their business substantially and from new players entering the industry.

Whilst the Acquiree Companies take actions to ensure that their facilities and services are competitive in relation to other competing telecommunications companies, there can be no assurance that the Acquiree Companies will indeed be able to maintain or increase its market share in the future and that the Acquiree Companies will not be affected by the competitive strategies adopted by other players in the industry.

13.10 Integration risk

One of the rationale for the Proposed Acquisitions as mentioned in Section 2, Part A of the Circular is to create an overall one-stop solution for the customers of TdC via the integration of the TdC Group's domestic network with GTC and GTL's domestic and international networks respectively, together with the data centres operated by the AIMS Group. As such, the successful integration between the TdC Group and the Acquiree Companies is essential to ensure that TdC will be able to derive synergistic benefits from the Proposed Acquisitions.

In view of the expected benefits to be achieved via the Proposed Acquisitions, TdC has put in place proper plans of integration back-up plans to ensure that integration risks such as disruption to the network services, system becoming temporarily inoperative or any malfunctions would be resolved efficiently and promptly.

However, there can be no assurance that the integration process will be successful and this, consequently, may have an adverse impact on the TdC Group's performance and financial position in the future.

13.11 Foreign exchange risk

The movement of foreign currency exchange rate between RM and the respective foreign currencies that the Acquiree Companies trade in its business operations would have an impact on the financial position of the TdC Group as the profits of the Acquiree Companies will be translated into RM and be consolidated as part of the earnings of the TdC Group.

In addition, the governments of the foreign countries in which the Acquiree Companies operate and / or have investments have or may in the future introduce restrictive exchange rate policies that limit or restrict the convertibility of the respective foreign currencies into RM or to transfer foreign currencies out of these foreign jurisdictions. As such, there can be no assurance that the future foreign exchange fluctuations or limitations for repatriation of funds would not adversely affect the financial position of the TdC Group in the future.

In view of this, TdC intends to mitigate this risk by taking effective measures to closely monitor this risk and where necessary, the TdC Group may consider using financial instruments to hedge its foreign currency risk.

13.12 Financing risk

It should be noted that the business of the Acquiree Companies is capital intensive in nature and requires financing which may be subject to normal terms, conditions and covenants such as cross defaults and recall of borrowings at the financier's discretion.

In the event if adequate funding is not available when required, or is available only on unfavourable terms, the Acquiree Companies may not be able to take advantage of business opportunities or respond to competitive pressures. This may consequently have an adverse impact on TdC Group's performance. As such, there can be no assurance that the Acquiree Companies inability to obtain external financing to fund any of its future capital expenditure and / or future business operations would not adversely affect the financial position of the TdC Group.

However, the management of TdC together with the Acquiree Companies, will continuously monitor gearing levels and continue to practice sound financial management to prevent the occurrence of any default of borrowings.

13.13 Natural disasters

The Acquiree Companies, more so for GTL (as a submarine cable service provider), is subject to risks associated with natural disasters such as tropical storms, earthquakes and tsunamis. These natural disasters would cause service disruptions and affect internet connectivity as well as the traffic between the Japan-US Trans-Pacific route. Therefore, there can be no assurance that natural disasters would not adversely affect the business operations and financial performance of GTL.

As set out in Section 5.2, Part A of the Circular, there is no insurance taken to insure the Unity cable system as it is common practice for undersea cable system operators to rely on vendor warranties and pre-determined rates for repairs to mitigate against any possible failures.

As part of GTL's mitigating factors, the common assets at both Los Angeles, US and Chikura, Japan are insured for fire and theft risks and the Unity consortium engages cable ships to be on standby at all times to repair cable faults or cuts. In addition, GTL will be looking into network exchange arrangements or purchasing alternative routes as back-up.

Notwithstanding the above, it is important to note that this risk is inherent in the industry which GTL operates in and is unavoidable as well as not within its control. Thus, such risk would also affect the other consortium members of the Unity cable system as well as other undersea cable system operators in the marketplace.

It is important to note that the risk factors mentioned above, save for Sections 13.1, 13.9 and 13.10 above, are no different to the current risks faced by the TdC Group itself. Notwithstanding that, in evaluating the Proposed Acquisitions, non-interested shareholders of TdC are advised to carefully consider the said risk factors and to note that these risk factors are not meant to be exhaustive before voting on the resolution pertaining to the Proposed Acquisitions to be tabled at the Company's forthcoming EGM.

14. OVERVIEW AND PROSPECTS OF THE MALAYSIAN ECONOMY, THE ICT INDUSTRY AND THE TDC GROUP

14.1 Overview and prospects of the Malaysian economy

Based on the Economic Report 2011/2012, the Malaysian economy is projected to expand between 5.0% to 6.0% in 2012, driven by the strategies and programmes under the 2012 Budget to enhance the nation's potential growth as well as improve the well-being of the rakyat. The 2012 Budget is anchored on the national transformation agenda, comprising four (4) pillars to drive change, namely the New Economic Model ("**NEM**") (to be achieved through the Economic Transformation Programme ("**ETP**"), which comprises of Strategic Reform Initiatives and National Key Economic Areas ("**NKEAs**")), 1Malaysia, People First, Performance Now concept, Government Transformation Programme ("**GTP**") and the Tenth Malaysia Plan ("**10MP**").

According to the Economic Report 2011/2012, the domestic demand, particularly private consumption and investment expenditures are expected to grow 7.1% and 15.9%, respectively, while economic expansion on the supply side will be driven by improvements in technology, labour productivity and efficient use of capital. The growth in private consumption is premised on steady consumer confidence with stable employment outlook as well as higher household income. Private investment activity is expected to gain momentum supported by steady inflows of Foreign Direct Investment ("**FDIs**") and acceleration of implementation of Entry Point Projects.

Inflation, on the other hand, will remain manageable following the expansion from the supply side despite the increase in demand. All sectors in the economy are expected to contribute to growth, with the services and manufacturing sectors leading the expansion with the expected growth of 6.5% and 4.5%, respectively. The economy will also continue to operate under conditions of full employment with the unemployment rate expected to be lower than 4%.

For 2012, Gross Domestic Product growth in Malaysia will be mainly domestic driven, as a result of the uncertainties in the global economy. Notwithstanding the increasingly adverse external environment has affected the outlook for 2012, strong economic fundamentals coupled with pragmatic macroeconomics policies and implementation of the ETP will enhance domestic resources of growth. Domestic demand, in particular private sector expenditure is expected to play a more significant role in driving economic expansion in 2012. The public sector will remain supportive of growth with higher capital spending by the Non-Financial Public Enterprises. The Government will continue to provide an enabling environment to facilitate private investment by implementing key initiatives under the National Key Result Areas and NKEAs.

Premised on the above, it appears that the outlook and the prospects of the Malaysian economy is expected to be satisfactory for the next twelve (12) months, underpinned by strong domestic demand and economic activities generated by the on-going ETP and 10MP. Furthermore, the implementation of projects by the government under 10MP as well as implementation of private sector projects under the Private Finance Initiatives and NKEAs augurs well for the key industries of the country. As such, we expect the Malaysian economy to continue to achieve **reasonable growth** in the next twelve (12) months.

14.2 Overview and prospects of the ICT industry

The ensuing paragraphs outline the overview and prospects of the ICT industry in which the TdC Group will be involved in for the next twelve (12) months. The ICT industry has been one of the key economic areas of the country and will continue to add value to the economy. In the 10MP, the contribution of the ICT industry to GDP is targeted to increase to 10.2% by 2015. Greater use of ICT will not only support the growth of the sector but also boost productivity and raise the nation's overall competitiveness.

Key strategies that will be adopted by the government to propel the industry are as follows:

- MSC Malaysia will identify and support the development of niche areas in software and e-solutions, creative multimedia, shared services and outsourcing as well as e-business. FDI strategy will be to attract Multinational Companies ("**MNCs**") to anchor these selected focus areas, with clusters of knowledge-based Small and Medium Sized Enterprises ("**SMEs**") around the MNCs. A tiered benefits scheme will be established whereby financial and non-financial benefits will be provided based on the company's needs, size and stage of maturity and criteria such as the ability to catalyse the development of SMEs in priority sectors and induce high spill over effects;

- Our Government will aggressively promote the use of ICT in all industries in parallel with the development of the ICT sector. Cloud computing services will be developed to provide SMEs with critical software management, human resource management, and financial and accounting management. Niche areas for applications development include healthcare, education and financial services especially in Islamic banking.

Premised on the above, the ICT industry in Malaysia is likely to remain robust and growth outlook remains **favourable** driven by the increasing demand in ICT services. The industry is supported strongly by our Government with efforts of developing niche areas in IT services, coupled with FDI strategy to attract MNCs to secure the areas. Besides, the use of ICT is also heavily promoted by our Government to encourage a knowledge-based nation in line with the 10MP, which augurs well for the future prospects of the ICT industry and the TdC Group in the next twelve (12) months.

14.2.1 Overview and prospects of the telecommunications industry

Amongst other sectors of the ICT industry, telecommunications market is likely to boost the expenditure of the nation. As one of the key focus areas of the ETP, modern telecommunications technology can unlock additional potential in many other sectors, e.g. education and healthcare. Malaysia has made good progress here, but has historically taken a fragmented approach mostly driven by the public sector. There is a real opportunity to design holistic solutions, e.g. coordinated push on access, devices and content which incorporates public-private partnership.

Based on the ETP blueprint, moving forward, mobile services will see subscription growth in all segments: voice, data and broadband. Voice lines will grow by 2.7% CAGR driven by both the growing population and increasing tendency of subscribers to have multiple mobile accounts.

Mobile data, which includes short message services, content and services that do not require an internet connection, will grow in line with subscriber growth. Mobile broadband subscribers will grow rapidly by 10.5% annual growth rate as 3G users begin to access the internet, as more advanced devices will induce Malaysians to use their phones as their primary means of internet access and lower costs allow mobile internet access to become more widespread. This opportunity is expected to contribute RM3.6 billion in incremental Gross National Income and create 5,788 new jobs by 2020.

In conjunction with the nation's vision to be a high-income country, the ETP has implemented several strategies to further develop the telecommunications industry in Malaysia. One of them is the 1Malaysia Payments. It seeks to dramatically increase the access and usage of electronic payments, by capitalising on telecommunications companies' reach to virtually the entire population of Malaysia. Besides the convenience that electronic payment brings over traditional channels, this system is a necessary component for bolstering e-commerce.

Besides, under the Economic Partnership Programme 3 of the ETP, the programme focuses on the benefits that communication technology can bring to the public. In one of the projects to be implemented, cloud computing is used for the deployment of applications to a user's desktop or mobile device. The project will focus on software applications delivered to office workers employed by Malaysian SMEs. Telecommunications operators are best positioned to deliver this package to the SMEs, as they have already built customer relationships through providing more basic services. Furthermore, telecommunications operators can also provide and guarantee the quality of service critical to this type of application.

Premised on the above, the telecommunications industry in Malaysia is likely to remain **favourable** given the projected steady growth moving forward. As telecommunications becomes a necessity, coupled with strong competition among industry players, which would encourage "consolidation" through sharing of existing resources amongst players, for e.g. the bundling of services by the TdC Group with ASTRO All Asia Networks plc, the industry is poised to continue to grow given the increasing demand from consumers and more importantly the corporate clients for their business expansion needs.

14.2.2 Outlook of broadband services

The broadband services market is upcoming and will contribute significantly to the economy. Our Government has implemented policies and strategies to boost the broadband services sector. Based on the 10MP, among the incentives provided under the NBI include the distribution of one million netbook packages with broadband access to 650,000 students from low-income families as well as 350,000 packages to the low-income group in rural areas. In addition, 615,000 households around the existing 246 Community Broadband Centres ("**CBCs**") will be provided with wireless broadband access under the CBC-to-home project. The cost of High Speed Broadband ("**HSBB**") rollout will be complemented by the private sector whereas that of Broadband to the general population will be partly funded through Universal Services Provision Fund.

According to the Economic Report 2011/2012, as at end-June 2011, the broadband segment continued to expand with the total broadband subscriptions increased by 66.9% to reach 5.4 million, recording a household penetration rate of 60.1% (end-June 2010: 49.8%; 3.2 million; 36%). Growth was spurred by continuous improvement of network quality and expedited rollout of the HSBB project.

As at end-June 2011, the number of wireless hotspot locations increased six-fold to 16,851 locations (end-June 2010: 2,677), particularly in shopping complexes, food outlets and education institutions. These hotspots remained largely concentrated in Selangor, Kuala Lumpur, Sarawak and Pulau Pinang, accounting for 60% of the total hotspots nationwide. With the emergence of diverse internet-enabled devices such as tablet computers and smartphones, the number of wireless users is expected to continue to grow.

According to the Asia Pacific Broadband Market Report by Frost & Sullivan dated August 2010, the Malaysian broadband market is still growing, with the year on year subscriber growth rate expected to remain above 10% until 2015. The broadband revenues in the market are expected to grow from USD430 million in 2009 to USD768 million in 2015 at a CAGR of 10.16%. The steady increasing broadband penetration is well driven by several government efforts which include the HSBB project for the roll out of a high speed broadband network.

Other Government initiatives include the provision and subsidy of computers to the underprivileged as well as gradually introducing computers with broadband connections into schools.

Premised on the above, the broadband services market in Malaysia is likely to remain **favourable** given the regulatory support and incentives from our Government. Growth in the broadband segment is expected to grow with our Government's efforts to encourage computer ownership and broadband subscriptions in the nation in line with the aspiration of moving towards an inclusive information society.

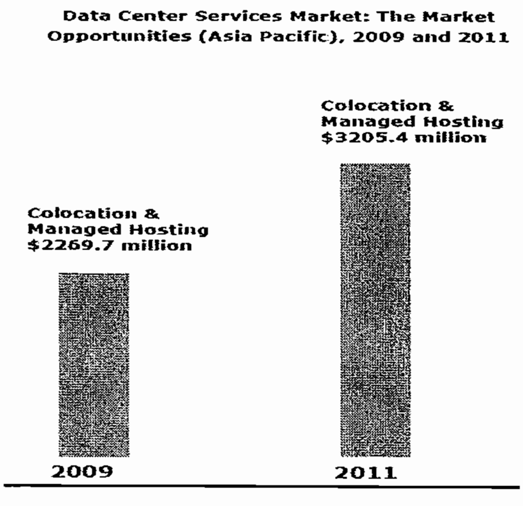
14.2.3 Outlook of data centre services

Although Malaysia can still be considered as a relatively young market for data centre operations in the Asia Pacific region, it has been developing steadily in the past few years, generating revenues of USD68.0 million and USD79.0 million in 2008 and 2009 respectively. Apart from the Government, banking, financial services and insurance ("**BFSI**") is another key sector of customers and are normally served by private operators such as the AIMS Group. With the increasing popularity of Malaysia as a data centre location, especially for business continuity and disaster recovery services, contribution from the regional BFSI is set to increase.

Currently, the traditional industries such as manufacturing and logistics are playing a less significant role in the Malaysian data centre market industry space. However, with the expected increase in foreign investments into these traditional industries, they are likely to boost the service requirements of these sectors, thereby creating demand.

Malaysia has certain unique advantages over the other data centre services markets in the region and that includes being in a centralised geographical location in Southeast Asia, highly affordable land cost and being near to the regional data centre destination. Thus, Malaysia has the strategic opportunity to develop itself as a lower cost alternative to Singapore's over-subscribed data centre market and can also leverage on its advantage in the availability of abundant land for data centre build-out.

Although our Government has not given any direct incentives to the data centre operators, according to the Asia Pacific Data Services Market 2008 by Frost & Sullivan dated November 2009, there are other initiatives aimed at assisting IT related companies in the form of tax exemption or allowance to acquire related IT equipment. Aiming to become the regional ICT destination, our Government has also been actively working to improve the overall ICT infrastructure and to train high-skilled ICT workforce in the country. With the high expectation surrounding cloud services, this is anticipated to transform the data centre services landscape, where services are moving beyond mere co-location and huge data centre build outs in anticipation of the demand for cloud services.



Source: Asia Pacific Enterprise Telecoms Outlook: Opportunities and Challenges, Frost & Sullivan dated June 2010

As depicted in the graph above, the market for co-location and managed hosting is expected to grow from USD2.27 billion to USD3.21 billion from year 2009 to year 2011 representing a CAGR of approximately 19%.

Based on the Asia Pacific Data Center Services Market Update 2010 report by Frost & Sullivan dated November 2010, as many service providers are still making investments in data centre facilities and are continuing to offer broad and deep service portfolios, the overall data centre co-location and managed hosting market is projected to grow at a CAGR of 15.2% from 2009 to 2016, generating revenues of USD219.1 million by 2016.

Furthermore, while the Government and BFSI are still the two most important contributors to the co-location and managed hosting market in Malaysia, business continuity and data recovery services are primarily driven by the regional and international clients.

The graph below depicts the forecasted revenue and expected growth rate for the data centre services market in Malaysia, as extracted from the Asia Pacific Data Center Services Market Update 2010 report by Frost & Sullivan dated November 2010.

Data Center Services Market: Revenue Forecasts by Types of Service (Malaysia), 2008-2016

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Colocation	54.4	58.6	68.8	82.1	98.1	115.2	133.5	153.2	172.9
Managed Hosting	13.6	14.8	17.9	22.8	25.8	30.3	35.7	41.0	46.2
Growth Rate (%)	--	7.9	18.1	20.1	19.0	17.4	16.3	14.8	12.8

Note: All figures are rounded; the base year is 2009. Source: Frost & Sullivan

Premised on the above, the data centre services market in Malaysia appears to be **favourable** given the advantage of being in a centralised geographical location in Southeast Asia, highly affordable land cost and being near to the regional data centre destination. Thus, Malaysia has the strategic opportunity to develop itself as a lower cost alternative to Singapore's over-subscribed data centre market and can also leverage on its advantage in the availability of abundant land for data centre build-out. Furthermore, driven by support from our Government being the largest contributor to the market, and the increasing demand and popularity of data centre services, there is prospect for the industry to expand, which bodes well for the future of the AIMS Group.

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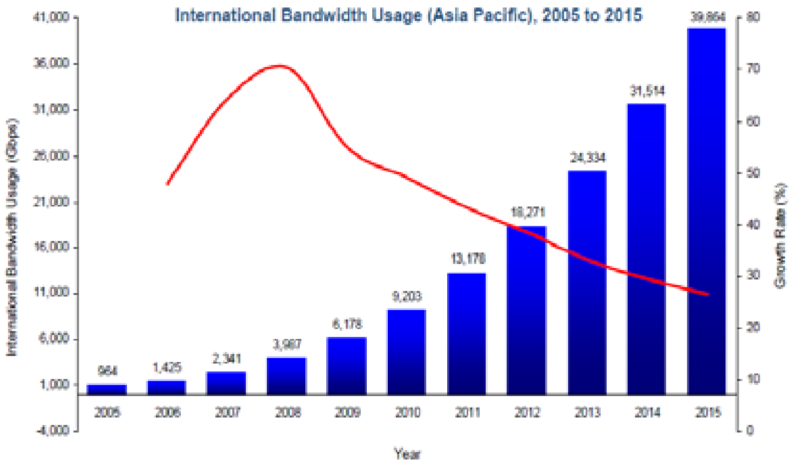
14.2.4 Outlook of submarine cable network market

Moving forward, the demand for submarine cable capacity is expected to increase across all regions in the Asia Pacific. As mentioned in the Submarine Cable Networks Outlook Report by Frost & Sullivan dated December 2010, the international bandwidth usage for the top fourteen (14) markets of the Asia Pacific region is expected to grow at a CAGR of 36.4% from 6,178 Gbps at the end of 2009 to 39,864 Gbps at the end of 2015, as illustrated in the graph below:

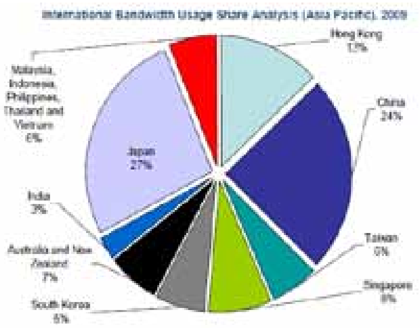


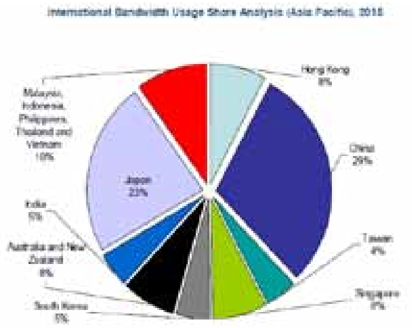
represents the international bandwidth usage (Asia Pacific) from 2005 to 2015

The bulk of the growth in international bandwidth usage will come from the increase in broadband users in China and other emerging markets. With the deployment of high speed fixed and mobile broadband technologies and offering of attractive service plans by the service providers, existing consumers are expected to accelerate their consumption of broadband and new users are expected to take up broadband service. Growth will also come from the broadband subscribers in developed markets of Asia Pacific as there is greater deployment of fiber in the local loop.

Pushed by government incentives, the last mile fiber investments in Singapore, Malaysia, Australia and New Zealand will help increase the international bandwidth consumptions in these markets. The international bandwidth consumption in Singapore is expected to near that of Hong Kong by 2015. As new subscribers take up broadband service in Malaysia, Indonesia, Vietnam, Philippines and Thailand, the combined international bandwidth usage of these five (5) markets is expected to reach 3,949 Gbps and 10% of the total Asia Pacific consumption.

The pie-charts below illustrate the international bandwidth usage analysis by countries for year 2009 and year 2015, as extracted from the Submarine Cable Networks Outlook Report by Frost & Sullivan:





The ensuing table further depicts the number of planned submarine cables in Asia Pacific from year 2010 onwards, as extracted from the Submarine Cable Networks Outlook Report by Frost & Sullivan:

Cable name	Ready for service	Investor(s)	Maximum potential capacity (Gbps)	Points of landing
IMEWE	2010	Consortium	3,840	Pakistan, India, Middle East, Europe
Honotua	2010	OPT French Polynesia	320	French Polynesia, US
Europe India Gateway	2010	Consortium	3,840	India, Middle East, Europe
South Pacific Island Network	2010	SPIN Ltd	640	Pacific Islands
Unity cable system	2010	Consortium	4,800	Japan, US
HANTRU-1	2010	Marshall Islands National Telecommunications Authority, Micronesia Telecommunications Company, US Government	N/A	Guam, Marshall Islands, Micronesia
Asia Pacific Gateway	2011	Consortium	4,000	Japan, South Korea, China, Taiwan, Hong Kong, Philippines, Vietnam, Thailand, Malaysia, Singapore
China-Taiwan	2011	Chunghwa, China Telecom	N/A	China, Taiwan
Intrepid	2011	Ochre Services	N/A	Australia, Indonesia, Singapore
Submarine Cable-Asia Network	2011	Fangbioan Iskan Corporindo, Telemedia Pacific Inc.	1,920	Indonesia, Hong Kong
Asiakomnet Cable System	2011	Asiakomnet	N/A	Indonesia, Singapore
Optikor	2011	Kordia	N/A	Australia, New Zealand
Southeast Asia Japan Cable	2012	Consortium	N/A	Guam, Hong Kong, Japan, Phillipines, Singapore, Thailand
West Asia Crossing	2012	Consortium	8,000	India, Singapore, Malaysia
FLAG NGN-Eagle	N/A	Reliance Globalcom	3,840	Japan, US
FLAG NGN-Lion	N/A	Reliance Globalcom	2,560	India, Western Africa

Cable name	Ready for service	Investor(s)	Maximum potential capacity (Gbps)	Points of landing
FLAG NGN-Peacock	N/A	Reliance Globalcom	2,560	India, Thailand, Malaysia, Singapore, Indonesia, Cambodia, Vietnam, Phillipines, Hong Kong
Trans-Pacific Express Cable System-Phase 2	N/A	Consortium	3,200	Japan, US
Millennium Telecom Cable System	N/A	MTN	N/A	Bangladesh, India, Indonesia, Myanmar, Pakistan, Singapore, Thailand, Middle East

It should be noted from the table above that there are only three (3) Trans-Pacific cables (i.e. points of landing encompassing Japan and US) planned from the Asian region in which the **Unity cable system is the first completed and ready for service in 2010**. As such, the Unity cable system, being a new cable supported by its 4,800 Gbps capacity is well positioned to capture the ever expanding new demands in the broadband market for the Asian region.

Premised on the above, the submarine cable market is expected to be **favourable** given the expected growth in the bandwidth usage around the region. As more broadband services are subscribed by users driven by fixed and mobile broadband technologies, coupled with attractive prices arising from competition in the industry, international bandwidth industry is expected to further expand to meet this increasing demand. This augurs well for the future of GTL and it can be reasonably expected that the Unity cable system will benefit from this expected growth in the future.

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14.2.5 Outlook of IP Transit network services

Internet Solution Providers ("**ISPs**") act as the connectors between customers to reach internet connectivity across borders through IP Transit Networks. IP Transit Networks enables ISPs to provide services to customers with their existing network.

According to the Asia Pacific Broadband Market, dated August 2010 by Frost & Sullivan, the corporate broadband subscriptions constituted approximately 11% of broadband subscribers in 2004 and this number has almost doubled from 2004-2009 whereby corporate broadband subscriptions in 2009 constitute approximately 21% of all broadband subscriptions. Many SMEs have begun subscribing to broadband connections and SMEs constitutes approximately 70% of all registered businesses within the country.

Premised on the above, the prospect of IP Transit Network services market is expected to be **favourable** as the usage of internet services becomes more essential. The global internet traffic growth is expected to encourage higher demand for bandwidth which augurs well for bandwidth and IP related services providers. As GTC has a foot print both in Malaysia and within the region, the promising growth prospects of this industry augurs well for GTC and is expected to further enhance the future earnings potential of GTC.

14.3 Prospects of TdC

TdC's network runs mainly on fiber optic across the country offers high availability and resiliency from the Northern Peninsular Malaysia border to the Southern Peninsular Malaysia border. TdC has progressively developed its core and backbone network into an IP-based network as part of its business refocus endeavour.

A key feature of TdC's fiber network is its unique Dense Wavelength Division Multiplexing ("**DWDM**") technology which offers better data transmission in terms of speed and quantity due to its higher capacity, while its digital nature ensures seamless route protection and data security.

TdC's flagship trunk network, the Cross Peninsular Cable System ("**CPCS**"), supports TdC's other access networks that run on Synchronous Digital Hierarchy, Metro Ethernet, Gigabit Passive Optical Network and Asymmetric Digital Subscriber Line platforms. Comprising of five (5) diverse routes of terrestrial and submarine fiber optic cables, the CPCS has landing points around the perimeter of Peninsular Malaysia with two (2) international gateway points from Thailand to Singapore. With this infrastructure in place, TdC is well positioned to meet the demands of emerging technologies and scale its service offerings.

TdC's fiber optic cables enable voice, data and video transmissions to be executed while ensuring high levels of dependability and resilience, speed and data integrity. TdC's two (2) international gateway facilities augment international telecommunications access via satellite and undersea cable routes, linking businesses and private customers to each other and the world over.

In year 2008, the current management (which was the new management then) undertook several initiatives to turnaround the businesses of the TdC Group to leverage on the existing fiber optic infrastructure. The latest audited financial statements for the FYE 31 December 2010 has reflected the positive impact of turnaround efforts undertaken by the current management since 2008. In the FYE 31 December 2010, the TdC Group recorded a PBT of RM88.91 million, a significant improvement of 168.63% as compared to the preceding financial year. The increase in revenue of RM34.27 million or 11.95%, cost cutting and de-gearing measures undertaken by the TdC Group were the key contributors to the improved performance.

Premised on the above, the prospects of the TdC Group for the next twelve (12) months will remain **favourable** given the strong and unique business service propositions as well as the readiness of its existing infrastructure to meet the demands of emerging technologies and scale its service offerings underpinned by the new areas of demand for communication services emanating from our Government's thrust to further strengthen telecommunications as one of its key industries in achieving its aspiration of being a high-income country.

14.3.1 Prospects of the AIMS Group

As set out in Section 4.3.4, Part A of the Circular, the AIMS Group as a carrier-neutral data centre operator in Malaysia currently plays neutral host to fourteen (14) foreign and eleven (11) local telecommunications carriers that have established points-of-presence in Malaysia. The AIMS Group also hosts a list of approximately two hundred (200) carriers, service providers and businesses of various sizes that stores their critical equipment with the AIMS Group.

It is also noted that, almost all of the domestic carrier community in Malaysia is hosted at the AIMS Group's hosting facilities and they are joined by several key international carriers who offer their suite of services to Malaysian customers through the AIMS Group as their principal deployment centre. In addition, the AIMS Group are used by most local ISPs and numerous regional ISPs as a peering point to connect to multiple backbones as well as a deployment point to access their customers.

Based on the above, the AIMS Group has a competitive advantage in the niche market of data centres in Malaysia, and with a large and entrenched community of service providers available to its customers, it allows the AIMS Group to offer its customers connectivity options at attractive rates.

Furthermore, co-location remains the most commonly subscribed service compared to service-oriented hosting services. However, as emerging markets becomes service-oriented, it is expected to see further increase in the adoption of managed hosting and value added services.

With its existing business operations, the AIMS Group's positioning as a carrier neutral data centre allows it to leverage on the emerging wave of outsourcing services. Further, by being one of the four (4) international founding members of the Asia Data Centre Alliance, the AIMS Group also expanded their regional presence to position and offer their client base a synergised, comprehensive suite of services of a regional data centre hub.

Based on the above, the AIMS Group is likely to experience growth in Malaysia moving forward, given that the data centre services market has been developing steadily. The increase in injections of foreign investments into traditional industries will also create demand for the data centre services, driven by the service requirements of the respective sectors.

In addition, frameworks and initiative plans by our Government in the effort to improve the overall ICT industry in Malaysia will further drive the growth of the data centre services market, in which the AIMS Group operates in.

Premised on the foregoing, the prospects of the AIMS Group for the next twelve (12) months will remain **favourable** further leveraging on its strengths for the support from the local and regional ISPs, coupled with the AIMS Group's focus to increase its regional presence as well as the initiatives by our Government to improve the overall ICT industry in Malaysia will further drive the growth, demand and popularity of the data centre services market.

14.3.2 Prospects of GTC

As stated in Section 3.2.10, Part A of the Circular, GTC holds a Network Facilities Providers (Individual) licence, which allows GTC to build and operate submarine cable landing stations in Malaysia, a Network Service Providers (Individual) licence and an Applications Service Providers (Class) license. GTC is one of thirteen (13) operators in Malaysia granted with a Network Facilities Providers (Individual) license to build and operate submarine cable landing stations as at 11 October 2011.

GTC is positioned as a network solutions provider where it integrates and aggregates requirements from smaller service providers, businesses and government agencies to provide end-to-end solutions. It works with a multitude of providers in the market and designs solutions to meet customer's requirements. By leveraging on the networks of its partners, GTC is positioned as the "one-stop-shop" solution provider in the market that provides the routes to and from the most connected IP networks in the world.

Furthermore, as mentioned in Section 4.3.1, Part A of the Circular, GTC has in recent years, expanded its international footprint with major points-of-presence in Singapore, Hong Kong, Japan and the US, and also procured access to several submarine cable systems such as the Unity cable system and the EAC-C2C cable system. GTC has also secured multiple ten (10) Gbps capacity connecting Malaysia and Singapore. With this extensive network, GTC is able to offer competitive international bandwidth services to Malaysian as well as regional service providers.

It is also noted that GTC's order book value based on contracts secured from 1 January 2011 to the LPD is approximately RM90 million, which is a growth of approximately twenty percent (20%) since 31 December 2010, with more than ninety five percent (95%) of the value comprising regional sales. The order book value excludes recurring revenues from contracts secured prior to 2011.

Based on the above, the prospects of GTC for the next twelve (12) months will remain **favourable** in view of its position as a "one-stop-shop" solution provider in the market and its ability to provide competitive international bandwidth services to Malaysian as well as regional service providers. Further, the promising growth prospects of IP Transit Network services market, coupled with the global internet traffic growth, which is expected to encourage higher demand for bandwidth and IP related services also augurs well for GTC.

14.3.3 Prospects of GTL

The Unity cable system provides a link between Japan and the US. It is a Trans-Pacific fiber optic cable system which delivers high capacity and connectivity to support digital content travelling between Asia and the US.

GTL has interest participation in 10% of the capacity in the Unity cable system, which amounts to 480Gbps, and this can be potentially increased to approximately one (1) Tbps. By its participating interest in 10% of the Unity cable system's capacity, GTL is able to provide its customers a range of services by carrying Trans-Pacific voice and data traffic through these routes. This route is strategic for Asian telecommunications companies that require these services to serve their customers. The Unity cable system becomes an avenue to facilitate the increasing demand for bandwidth and content especially between the US and Asia.

GTL's investment in the Unity cable system serves not only the Trans-Pacific capacity but allows it access to capacity on other routes and cable systems as it can participate in network exchange arrangements on other cable systems with other carriers. With the Unity cable system, GTL is able to penetrate an extensive US backhaul spanning over 650km with strategic locations at Los Angeles, San Jose and Palo Alto. This is GTL's strategic advantage in being able to offer its customers multiple options of terminating points in the US.

GTL has positioned itself strategically in the Asia Pacific region. The growth in broadband services and other ICT related services will further enhance the growth prospects of GTL.

As noted in Section 4.3.2, Part A of the Circular, the Unity cable system will be able to provide the required capacity to sustain the growth in data and internet traffic between Asia and the US. With the Unity cable system, GTL is poised to tap on increasing demand for international capacity globally.

Premised on the above, the prospects of GTL for the next twelve (12) months will remain **favourable** as the international bandwidth industry is expected to further expand as more broadband services are subscribed by users driven by fixed and mobile broadband technologies.

14.3.4 Prospects of GTS and GTHK

GTS currently has minimal operations. GTS holds a SBO licence from the Info-Communications Development Authority of Singapore. The licence allows GTS to provide international simple resale services, resale of leased circuit services and public internet access services in Singapore. In addition, GTS is expected to be a component of the business development plans of GTC and GTL focusing on South East Asia.

GTHK is also a dormant company currently. GTHK holds a SBO licence from the Office of the Telecommunications Authority, Hong Kong which allows it to provide external telecommunications service in Hong Kong.

Moving forward, GTS and GTHK, which are equipped with the required SBO licences, will be of strategic value to GTC and GTL to activate their footprint in Singapore and Hong Kong markets in the future.

14.4 Overall prospects of the enlarged TdC Group

The integration of TdC and the Acquiree Companies will enable the enlarged TdC Group to leverage itself as a regional and international player to expand the TdC Group's market segmentation to a larger playing field with increased geographic footprint. The enlarged TdC Group will transform from being a very fragmented and local centric market player to one that is consolidated with a more varied product offerings and with an international footprint and customer base. Arising from the Proposed Acquisitions, the enlarged TdC Group will be able to compete on an international level playing field with other players from the Asian region.

The TdC Group is expected to benefit from the acquisition of the Acquiree Companies by expanding its presence in the Asian market coupled with its ability to lower the cost of bandwidth and IP Transit. This in turn is expected to improve the quality of service and provide diversity in its product offerings to an emerging market.

In addition, economies of scale achieved from purchasing capacity and equipment at higher volumes will contribute to capital expenditure and operating expenditure savings. The combination of the Company's strength in its domestic network with GTC's IP Transit network and GTL's participating interest in 10% of the Unity cable system will also enable the TdC Group to leverage and negotiate for favourable bandwidth contracts. Furthermore, the Acquiree Companies' position as the network and bandwidth aggregator, allows and enable the enlarged TdC Group the leverage required to negotiate for competitive pricing on IP Transit directly in the US, which will lead to more savings and economies of scale advantages.

Based on the expected growth in the broadband market locally and internationally, the enlarged TdC Group is poised to benefit from the growth in demand for bandwidth capacity underpinned by continuous network expansion and offerings of competitive packages by service providers. In addition, given the incentives and measures implemented by our Government to stimulate demand for broadband, for e.g. amendments to make it mandatory for developers (via the existing Uniform Building By-law 1984) to provide broadband facilities, is expected to augur well for the broadband market, thus benefiting the enlarged TdC Group, moving forward.

Premised on the above, the prospects of the enlarged TdC Group for the next twelve (12) months will be **favourable** as the current management had demonstrated its abilities in its turnaround plan which would bode well for the successful integration of the TdC Group and the Acquiree Companies to achieve the desired strategic and business objectives arising from the Proposed Acquisitions.

15. FURTHER INFORMATION

We advise you to refer to the enclosed attachments contained in this IAC and Part A of the Circular as well as the enclosed appendices contained in the Circular for further information.

16. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Acquisitions, Proposed Capital Repayment, Proposed Capital Restructuring and Proposed Exemptions, we are of the opinion that:

(i) the Proposed Acquisitions and Proposed Exemptions are ***fair*** and ***reasonable*** and not detrimental to the interest of the non-interested shareholders of TdC; and

(ii) the Proposed Capital Repayment and Proposed Capital Restructuring are ***fair*** and ***reasonable*** and not detrimental to the interest of the shareholders of TdC.

Accordingly, we recommend that:

(i) the non-interested shareholders of TdC vote ***in favour*** of the resolutions pertaining to the Proposed Acquisitions and Proposed Exemptions; and

(ii) all shareholders of TdC vote ***in favour*** of the resolutions pertaining to the Proposed Capital Repayment and Proposed Capital Restructuring,

to be tabled at the forthcoming EGM of TdC.

Yours truly
For and on behalf of
PUBLIC INVESTMENT BANK BERHAD

Teoh Cheng Soon
Chief Executive Officer

Woon See Soon
Head
Corporate Finance & Advisory

INFORMATION ON TdC

1. HISTORY AND PRINCIPAL ACTIVITIES

TdC was incorporated in Malaysia under the Act as a public company on 11 December 1996 under the name of TIME Telecommunications Holdings Berhad. It assumed its present name on 17 January 2000.

TdC is principally engaged in investment holding and the provision of management and marketing / promotional services and retailing of telecommunications products whilst the principal activities of the subsidiaries are as stated in Section 5 below.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of TdC is as follows:

Type	No. of TdC Shares	Par value RM	Amount RM
Authorised	5,000,000,000	1.00	5,000,000,000
Issued and fully paid-up	2,530,775,000	1.00	2,530,775,000

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of TdC as at the LPD are as follows:

	Direct		Indirect	
Shareholders	No. of TdC Shares held	%	No. of TdC Shares held	%
PKV	760,209,826	30.04	-	-
KWAP	186,730,240	7.38	-	-
UEMG	312,458,451	12.35	-	-
KNB	-	-	1,072,668,677	42.39[(a)]
GTI	-	-	760,209,826	30.04[(b)]
Megawisra	-	-	760,209,826	30.04[(c)]
Megawisra Investments	-	-	760,209,826	30.04[(d)]
Afzal	-	-	760,209,826	30.04[(e)]
Te-Shen	-	-	760,209,826	30.04[(e)]

Notes:

[(a)] *Deemed interest through its shareholding in PKV and UEMG.*

[(b)] *Deemed interest through its shareholding in PKV.*

[(c)] *Deemed interest through its shareholding in GTI.*

[(d)] *Deemed interest through its shareholding in Megawisra.*

[(e)] *Deemed interest through his shareholding in Megawisra Investments.*

4. DIRECTORS

The particulars of the Directors and their shareholdings as at the LPD based on TdC's 2010 Annual Report and announcements to Bursa Securities are as follows:

Name	Designation	Nationality	Direct No. of TdC Shares held	%	Indirect No. of TdC Shares held	%
Abdul Kadir	Chairman / Non-Independent Non-Executive	Malaysian	-	-	-	-
Afzal	Chief Executive Officer / Non-Independent Executive	Malaysian	-	-	760,209,826	30.04[(a)]
Megat Hisham	Chief Operating Officer / Non-Independent Executive	Malaysian	-	-	-	-
Elakumari	Non-Independent Non-Executive	Malaysian	-	-	-	-
Ronnie Kok Lai Huat	Senior Independent Non-Executive	Malaysian	-	-	-	-
Balasingham A. Namasiwayam	Independent Non-Executive	Malaysian	-	-	25,000	0.001[(b)]

Notes:

(a) *Deemed interest through his shareholding in Megawisra Investments.*

(b) *Deemed interest through the shareholding of his spouse in TdC.*

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5. SUBSIDIARY COMPANIES

As at the LPD, the details of the subsidiary companies are as follows:

Company	Effective equity interest %	Principal activities
TT dotCom Sdn Bhd	100.00	Provision of voice, data, video and image communication services through its established domestic and international network
TIME Sat Sdn Bhd	100.00	Provision of telecommunication facilities and services using satellite and microwave. The company is currently dormant
TIME dotNet Berhad	100.00	Provision and marketing of internet services to customers. This includes the provision of access to the world wide web, the organisation and aggregation of content, provision of virtual private network, on-line call center, internet telephony, on-line services, on-net advertising and virtual data storage and provision of application services
Hakikat Pasti Sdn Bhd	100.00	Acquiring and holding shares, stocks debenture bonds, notes, obligations and securities and every other kind and description of movable and immovable property for investment purposes

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6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the TdC Group based on the audited consolidated financial statements for the past two (2) financial years ended 31 December 2010 and 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010	**2009**
	RM 000	**RM 000**
Operating revenue	321,083	286,811
PBT	88,906	33,096
Taxation	18,165	(10)
PAT	107,071	33,086
No. of TdC Shares in issue ('000)	2,530,775	2,530,775
NA per share (RM)[(a)]	0.49	0.42
Basic EPS (RM) [(b)]	0.04	0.01
Net dividend per share (RM) [(c)]	-	-

Notes:

(a) *NA per share is calculated by dividing NA with the number of ordinary shares in issue.*

(b) *Extracted from TdC's 2010 Annual Report.*

(c) *Declared in respect of that financial year.*

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7. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the TdC Group based on the audited consolidated financial statements as at 31 December 2010 and 31 December 2009 respectively, are as follows:

As at 31 December	**2010** **RM 000**	**2009** **RM 000** **Restated**
ASSETS		
Property, plant and equipment	28,160	31,950
Telecommunications network	349,548	314,829
Other investments	676,500	599,500
Deferred tax assets	18,504	-
Trade receivables	19,706	-
Total non-current assets	**1,092,418**	**946,279**
Trade and other receivables	142,821	98,410
Tax recoverable	833	1,230
Cash and cash equivalents	199,661	173,553
Total current assets	**343,315**	**273,193**
Total assets	**1,435,733**	**1,219,472**
EQUITY		
Share capital	2,530,775	2,530,775
Reserves	(1,280,972)	(1,465,043)
Total equity	**1,249,803**	**1,065,732**
LIABILITIES		
Trade payables	4,259	-
Total non-current liabilities	**4,259**	**-**
Trade and other payables	181,671	153,740
Total current liabilities	**181,671**	**153,740**
Total liabilities	**185,930**	**153,740**
Total equity and liabilities	**1,435,733**	**1,219,472**

INFORMATION ON MEGAWISRA

1. HISTORY AND PRINCIPAL ACTIVITIES

Megawisra was incorporated in Malaysia as a private company limited by shares under the Act on 8 September 2004.

Megawisra is principally involved in telecommunications industry.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of Megawisra are as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	5,000,000	1.00	5,000,000
Issued and fully paid-up	1,570,000	1.00	1,570,000

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders (holding 5% or more of the voting share capital) of Megawisra are as follows:

	Direct		Indirect	
Shareholders	No. of shares held	%	No. of shares held	%
Megawisra Investments	1,570,000	100.00	-	-
Afzal	-	-	1,570,000	100.00*
Te-Shen	-	-	1,570,000	100.00*

Note:

* *Deemed interest through his shareholdings in Megawisra Investments.*

4. DIRECTORS

As at the LPD, the particulars of the Directors of Megawisra and their shareholdings are as follows:

	Direct		Indirect	
Name	No. of shares held	%	No. of shares held	%
Afzal	-	-	1,570,000	100.00*
Te-Shen	-	-	1,570,000	100.00*
Ng Wymin	-	-	-	-

Note:

* *Deemed interest through his shareholdings in Megawisra Investments.*

5. CONFIRMATION BY MEGAWISRA

Pursuant to the Third Schedule of the Code, Megawisra has provided a confirmation that for the next twelve (12) months from the LPD, it does not intend to effect any of the following:

(i) any major changes to the continuation of the business of the TdC Group. Nevertheless, the current management of TdC may review the business and operations of the TdC Group and make the necessary arrangements, rationalisation and reorganisation of the TdC Group if the need arises;

(ii) any major changes to the business of the TdC Group, including any immediate plans to liquidate the TdC Group, sell its assets or re-deploy the fixed assets or effect any major changes in the shareholding structure of TdC except where necessary, the current management of TdC may rationalise the operations and / or the directions of the TdC Group; and

(iii) any major immediate changes to the continued employment of the employees of the TdC Group as a result of the Proposed Acquisitions and the Proposed Exemptions except such re-deployment of staff may be effected by the current management of TdC to rationalise and / or improve the efficiency of the operations of the TdC Group.

Premised on the above, PIVB does not forsee any major changes to the existing business operations and management of TdC in the next twelve (12) months from the LPD.

6. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of Megawisra are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary companies		
GTI	100.00	Investment holding and provision of management services
TAAG	100.00	Provision of engineering services for the telecommunication industry
AIMS Data Centre 2	100.00	Dedicated server hosting
AIMS Cyberjaya	100.00	Provision of value added network services, system integration services and the operation of data networks and network based applications for corporations
Subsidiary companies held through GTI		
GTS	100.00	Provision of wholesale of telecommunications equipment and related services
GTHK	100.00	Provision of telecommunication services
Global Transit Malaysia Sdn Bhd	100.00	Dormant
Global Interconnect Sdn Bhd	70.00	Providing telecommunication services
Next Online (M) Sdn Bhd	100.00	Dormant

6. SUBSIDIARY AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiary companies held through TAAG		
AIMS Data Centre	100.00	Provision of value added network services, system integration services and the operation of data networks and network based applications for corporations
Information Edge Sdn Bhd	100.00	Dormant
AIMS Data Centre Pte Ltd	100.00	Telecommunications related
Associated companies		
Megawisra Advisory Sdn Bhd	50.00	Dormant
Megawisra Property Management Sdn Bhd	50.00	Dormant
GTL	35.00	Telecommunications and trading of cable capacity
Associated company held through GTI		
PKV	38.80	Investment holding

7. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the Megawisra group based on the audited consolidated financial statements for the FYE 31 December 2010 and FYE 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010	**2009**
	RM	**RM**
Revenue	54,425,549	36,363,793
PBT	18,938,908	8,271,771
Taxation	2,200,839	883,603
PAT	16,738,069	7,388,168
No. of Megawisra shares in issue	1,570,000	1,570,000
NA per share (RM)	38.99	28.40
Basic EPS (sen)	10.66	4.71
Net dividend per share (sen)	-	-

8. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the Megawisra group based on the audited consolidated financial statements as at 31 December 2010 and 31 December 2009 respectively, are as follows:

As at 31 December	**2010 RM**	**2009 RM**
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	71,533,004	56,110,241
Property and equipment	29,476,900	31,658,392
Other investments	3,155,500	5,655,500
Goodwill on consolidation	12,758,896	12,758,896
	116,924,300	106,183,029
CURRENT ASSETS		
Trade receivables	13,663,121	3,522,577
Other receivables, deposit and prepayment	1,722,772	1,850,807
Amount owing by associates	155,587	105,555
Amount owing by related parties	575,037	1,105,799
Tax refundable	-	247,883
Fixed deposits with licensed bank	715,650	700,426
Cash and bank balances	1,242,021	1,379,424
	18,074,188	8,912,471
TOTAL ASSETS	**134,998,488**	**115,095,500**
EQUITY AND LIABILITIES		
Share capital	1,570,000	1,570,000
Translation reserve	25,616	138,619
Retained profits	59,621,348	42,883,279
TOTAL EQUITY	61,216,964	44,591,898
NON-CURRENT LIABILITIES		
Deferred taxation	163,284	41,549
Lease payables	129,856	883,631
Hire purchases payables	687,411	574,590
Term loans	11,364,708	38,458,261
	12,345,259	39,958,031

8. STATEMENTS OF ASSETS AND LIABILITIES *(Cont'd)*

As at 31 December	Audited 2010 RM	Audited 2009 RM
CURRENT LIABILITIES		
Trade payables	5,162,601	6,121,156
Other payables and accruals	9,648,085	6,484,908
Amount owing to directors	7,352,153	7,594,730
Amount owing to holding company	473,324	475,564
Amount owing to related parties	7,663,263	1,968,670
Lease payables	1,372,948	2,005,894
Hire purchases payables	175,681	146,320
Term loan	27,449,063	4,445,079
Bank overdraft	866,269	989,914
Provision for taxation	1,272,878	313,336
	61,436,265	30,545,571
TOTAL LIABILITIES	73,781,524	70,503,602
TOTAL EQUITY AND LIABILITIES	**134,998,488**	**115,095,500**

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INFORMATION ON PKV

1. HISTORY AND PRINCIPAL ACTIVITIES

PKV was incorporated in Malaysia under the Act on 16 May 2008 as a private company limited by shares.

PKV is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of PKV is as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	125,000,000 ordinary shares	1.00	125,000,000.00
	3,750,000,000 redeemable preference shares	0.10	375,000,000.00
Issued and fully paid-up	124,220,983 ordinary shares	1.00	124,220,983.00
	38,922,743 redeemable preference shares	0.10	3,892,274.30

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of PKV as at the LPD are as follows:

	Direct		Indirect	
Shareholders	No. of ordinary shares held	%	No. of ordinary shares held	%
KNB	76,020,983	61.20	-	-
GTI	48,200,000	38.80	-	-

4. DIRECTORS

As at the LPD, the particulars of the Directors of PKV and their shareholdings are as follows:

	Direct		Indirect	
Name	No. of ordinary shares held	%	No. of ordinary shares held	%
Ela	-	-	-	-
Afzal	-	-	48,200,000	38.80*
Megat Hisham	-	-	-	-
Hisham bin Zainal Mokhtar	-	-	-	-

Note:

* *Deemed interest through his shareholdings in GTI.*

5. CONFIRMATION BY PKV

Pursuant to the Third Schedule of the Code, PKV has provided a confirmation that for the next twelve (12) months from the LPD, it does not intend to effect any of the following:

(i) any major changes to the continuation of the business of the TdC Group. Nevertheless, the current management of TdC may review the business and operations of the TdC Group and make the necessary arrangements, rationalisation and reorganisation of the TdC Group if the need arises;

(ii) any major changes to the business of the TdC Group, including any immediate plans to liquidate the TdC Group, sell its assets or re-deploy the fixed assets or effect any major changes in the shareholding structure of TdC except where necessary, the current management of TdC may rationalise the operations and / or the directions of the TdC Group; and

(iii) any major immediate changes to the continued employment of the employees of the TdC Group as a result of the Proposed Acquisitions and the Proposed Exemptions except such re-deployment of staff may be effected by the current management of TdC to rationalise and / or improve the efficiency of the operations of the TdC Group.

Premised on the above, PIVB does not forsee any major changes to the existing business operations and management of TdC in the next twelve (12) months from the LPD.

6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of PKV are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary company		
GTC	100.00	Provision of telecommunications and related services
Associated company		
TdC	30.04	Investment holding and the provision of management and marketing / promotional services and retailing of telecommunications products

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7. PROFIT AND DIVIDEND RECORD

The profit and dividend record of PKV based on the audited consolidated financial statements for the FYE 31 December 2010 and FYE 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010 RM 000	**2009 RM 000 Restated**
Revenue	-	-
PBT from continuing operations	32,115	20,274
Taxation	-	-
PAT from continuing operations	32,115	20,274
PAT / (LAT) from discontinued operation	6,926	(510)
Total PAT	39,041	19,764
No. of PKV shares in issue ('000)	124,221	124,221
NA per share (RM)	2.49	1.99
Basic EPS (sen)	0.31	0.16
Net dividend per share (sen)	-	-

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8. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of PKV based on the audited consolidated financial statements for the FYE 31 December 2010 and FYE 31 December 2009, are as follows:

As at 31 December	2010 RM 000	2009 RM 000
ASSETS		
Property, plant and equipment	-	3,491
Intangible assets	-	46,378
Investment in an associate	254,302	199,007
Total non-current assets	**254,302**	**248,876**
Trade and other receivables	-	7,352
Tax recoverable	-	8
Cash and cash equivalents	-	3,356
	-	10,716
Assets of disposal group classified as held for sale	126,767	-
Total current assets	**126,767**	**10,716**
Total assets	**381,069**	**259,592**
EQUITY		
Share capital	124,221	124,221
Redeemable preference shares	3,892	3,892
Reserves	180,668	118,496
Total equity	**308,781**	**246,609**
LIABILITIES		
Other finance lease liabilities	-	2,641
Total non-current liabilities	**-**	**2,641**
Other finance lease liabilities	-	433
Trade and other payable	30	9,909
	30	10,342
Liabilities directly associated with disposal group classified as held for sale	72,258	-
Total current liabilities	**72,288**	**10,342**
Total liabilities	**72,288**	**12,983**
Total equity and liabilities	**381,069**	**259,592**

INFORMATION ON KNB

1. HISTORY AND PRINCIPAL ACTIVITIES

KNB was incorporated as a public limited company in Malaysia under the Act on 3 September 1993 under the name of Kumpulan Khazanah Nasional Berhad. KNB subsequently changed its name to Khazanah Holdings Berhad on 28 July 1994. KNB assumed its present name on 4 October 1994.

The principal activity of KNB is that of investment holding. KNB is the investment holding arm of the Government of Malaysia ("**Government**") entrusted to manage the commercial assets held by the Government and undertake strategic investments.

2. SHARE CAPITAL

The present authorised share capital of KNB is RM35 billion comprising 20,000,000,000 ordinary shares of RM1.00 each and 15,000,000,000 Redeemable Cumulative Convertible Preference Shares ("**RCCPS**") of RM1.00 each, of which 5,443,953,229 ordinary shares of RM1.00 each and 3,000,000,000 RCCPS of RM1.00 each have been issued and fully paid-up.

3. SUBSTANTIAL SHAREHOLDERS

Save for one (1) share owned by the Federal Lands Commissioner, a body corporate incorporated under the Federal Lands Commissioner (Incorporation) Act, 1957, all of the ordinary shares of KNB are owned by the Minister of Finance, a body corporate incorporated under the Minister of Finance, (Incorporation) Act, 1957 ("**MoF(Inc)**"). Further, all of the 3,000,000,000 RCCPS are owned by GovCo Holdings Berhad ("**GovCo**"), a public limited company incorporated under the Act. GovCo is owned by MoF(Inc).

4. DIRECTORS

As at the LPD, the directors of KNB are as follows:

(i) YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak;

(ii) YB Tan Sri Dato' Seri Nor Mohamed Yakcop;

(iii) YB Dato' Seri Ahmad Husni Mohamad Hanadzlah;

(iv) YBhg. Tan Sri Md Nor Md Yusof;

(v) YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda;

(vi) YBhg. Datuk Mohamed Azman Yahya;

(vii) YBhg. Dato' Mohammed Azlan Hashim;

(viii) YBhg. Tan Sri Andrew Sheng Len Tao; and

(ix) YBhg. Tan Sri Dato' Azman Hj Mokhtar.

As at the LPD, none of the Directors of KNB has any interest, direct or indirect in KNB.

INFORMATION ON UEMG

1. HISTORY AND PRINCIPAL ACTIVITIES

UEMG was incorporated in Malaysia under the Companies Ordinances 1940-1946 on 10 March 1966 as United Engineers (Malaysia) Limited. It changed its name to United Engineers (Malaysia) Sdn Bhd on 15 April 1966. On 3 June 1975, it was converted into a public company and changed its name to United Engineers (Malaysia) Berhad. UEMG assumed its present name on 23 January 2007.

UEMG was previously listed on the Main Board of Bursa Securities on 10 July 1975. On 15 October 2001, UEMG was taken private and de-listed from the Official List of Bursa Securities following its shareholders' acceptance of more than 90% of the voluntary take-over made by Syarikat Danasaham Sdn Bhd ("**Danasaham**"), a wholly-owned subsidiary of KNB. On 14 January 2005, Danasaham transferred its entire shareholdings in UEMG to KNB.

The principal activities of UEMG are project design, management and contracting in the field of civil, electrical and mechanical engineering, the undertaking of turnkey projects and investment holding. The principal activities of its subsidiaries and associated companies include expressway operations, manufacturing, engineering and construction, information and communications technology, environmental services, township and property development, asset and facility management and investment holding.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of UEMG are as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	1,000,000,000	0.50	500,000,000.00
Issued and fully paid-up	817,088,621	0.50	408,544,310.50

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders (holding 5% or more of the voting share capital) of UEMG are as follows:

	Direct		Indirect	
Shareholders	No. of shares held	%	No. of shares held	%
KNB	817,088,621	100.00	-	-

INFORMATION ON UEMG *(Cont'd)*

4. DIRECTORS

As at the LPD, the particulars of the Directors of UEMG and their shareholdings are as follows:

Name	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %
Tan Sri Datuk Dr Ahmad Tajuddin Ali	-	-	-	-
Dato' Mohd Izzaddin Idris	-	-	-	-
Dato' Seri Ismail Shahudin	-	-	-	-
Dato' Noorazman Abd Aziz	-	-	-	-
Abdul Kadir	-	-	-	-
Wong Shu Hsien	-	-	-	-

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5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of UEMG are as follows:

Company	Effective equity interest %	Principal activities
EXPRESSWAYS OPERATIONS		
Subsidiary		
PLUS Expressways Berhad ("**PEB**")	38.5	Investment holding and provision of expressway operation services
Associated company		
Mekar Idaman Sdn Bhd	45.0	Under compulsory winding up pursuant to Court Order
Subsidiaries of PEB		
Projek Lebuhraya Utara-Selatan Berhad	38.5	Undertake the construction, operation, maintenance and toll collection of the North-South Expressway, the New Klang Valley Expressway, a section of Federal Highway Route 2 and the Seremban-Port Dickson Highway (where relevant), total length of 846 km
Expressway Lingkaran Tengah Sdn Bhd	38.5	Undertake the construction, operation, maintenance and toll collection of the NSECL and extension of the KLIA Expressway, with three additional interchanges along the NSECL, total length of 63 km
Linkedua (Malaysia) Berhad	38.5	Undertake the construction, operation, maintenance and toll collection of the 47 km Malaysia-Singapore Second Crossing
Teras Teknologi Sdn Bhd ("**Teras**")	38.5	Principally involved in investment holding and the provision of information technology, facilities management, outsourcing, e-commerce services and internet related services
PLUS Helicopter Services Sdn Bhd	38.5	Provision of helicopter charter services
PLUS Kalyan (Mauritius) Private Limited	38.5	Investment holding
Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd	38.5	Operation, maintenance and toll collection of the 17 km Butterworth-Kulim Expressway
PLUS Plaza (Mauritius) Private Limited	38.5	Investment holding
PT Lintas Marga Sedaya	21.2	Undertake the design, construction, management, financing, operation, maintenance and toll collection of the 116 km Cikampek-Palimanan Highway in Indonesia
PLUS Jetpur (Mauritius) Pvt Ltd	38.5	Investment holding

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Associated companies of PEB		
Touch 'N Go Sdn Bhd	7.7	Primarily involved in providing contactless means of fare payment services via a prepaid e-payment card known as Touch 'n Go
Jetpur-Somnath Tollways Limited	10.0	To carry on business of design, engineering, procurement, construction, maintenance, management, operations and toll collections and to augment the existing route from km 0.000 to km 127.000 on Jetpur-Somnath section of NH-8D in the State of Gujarat by four-laning of Design, Build, Finance, Operate and Transfer basis
Subsidiary of PLUS Kalyan (Mauritius) Private Limited		
PLUS BKSP Toll Limited[##]	36.3	Four-laning and improvement, operation and maintenance and toll collection of the 22 km Bhiwandi-Kalyan-Shil Phata Highway in India
Subsidiary of PLUS Plaza (Mauritius) Private Limited		
Indu Navayuga Infra Project Private Limited	18.9	Four laning and strengthening of Padalur to Trichy section from KM285/98 to KM325/89 of NH-45 in the state of Tamil Nadu, India on Build, Operate and Transfer (BOT) Basis
Subsidiaries of Teras		
Teras Control Systems Sdn Bhd	38.5	Engaged in supply, installation and maintenance of toll systems and equipment for expressway projects
Myweb Online Sdn Bhd	38.5	Dormant
Teras Research Sdn Bhd	38.5	Dormant
Krishost.Com Sdn Bhd	38.5	Dormant
Subsidiary of Mekar Idaman Sdn Bhd		
Jami Development Sdn Bhd	31.4	Property development (In liquidation)

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
PROPERTY DEVELOPMENT AND INVESTMENT HOLDING		
Subsidiaries		
First Impact Sdn Bhd	100.0	Investment property holding, provision of maintenance and other related activities of the office building owned by the company
Hartanah Lintasan Kedua Sdn Bhd	100.0	Investment holding
Intralogic Sdn Bhd	100.0	Trading and services
UEM Capital Sdn Bhd	100.0	Investment holding
UEM Dana (L) Limited	100.0	A special purpose vehicle for the issuance of bonds and related securities
UEM International (Labuan) Limited	100.0	Investment holding
UEM International (West Asia) Sdn Bhd	100.0	Investment holding
UEM International (East Asia) Sdn Bhd	100.0	Investment holding
MAVTRAC Sdn Bhd	100.0	Trading and services
Serayin Sdn Bhd	100.0	Investment holding, trading and letting of properties
United Growth Berhad	100.0	Investment holding
Vistajati Holdings Sdn Bhd	100.0	Property development
UEM Academy Sdn Bhd	100.0	To provide training for its related companies
UEM Group Managament Sdn Bhd	100.0	Provision of corporate and administrative support services
UEM Leadership Centre Sdn Bhd	100.0	To provide training to its related companies
UEM Land Holdings Berhad (**"ULHB"**)	64.98	Investment holding and property development
Associated companies		
Faber Group Berhad (**"Faber"**)	34.29	Investment holding and provision of management services to its subsidiaries
Puncak Vista Sdn Bhd	30.0	Under compulsory liquidation
Subsidiary of UEM International (West Asia) Sdn Bhd		
UEM Al-Dauliyyah LLC^	100.0	Construction and maintenance management

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiary of First Impact Sdn Bhd		
Diversified Venue Sdn Bhd	100.0	Investment holding
Subsidiaries of ULHB		
UEM Land Berhad ("**UEM Land**")	65.0	Project procurement and management, property development and strategic investment company
Nusajaya Resort Sdn Bhd	65.0	Dormant
Nusajaya Lifestyle Sdn Bhd	35.7	Property development and investment
Sunrise Berhad	65.0	Property development and investment holding
Subsidiaries of UEM Land		
Bandar Nusajaya Development Sdn Bhd	65.0	Investment holding, property development and land trading company and an agent for its subsidiaries
Amra Resources Sdn Bhd	65.0	In members' voluntary liquidation
Finwares Sdn Bhd	65.0	Investment holding
Fleet Group Sdn Bhd	65.0	Investment holding
Cahaya Jauhar Sdn Bhd	39.0	Undertake the turnkey design and building contract for the development of the Johor State New Administrative Centre
Hatibudi Nominees (Tempatan) Sdn Bhd ("**Hatibudi**")	65.0	Investment holding
Marina Management Sdn Bhd	65.0	Marina management
Mahisa Sdn Bhd	65.0	Property development and undertaking construction contracts
Marak Unggul Sdn Bhd	32.5	Dormant
Nusajaya Development Sdn Bhd	65.0	Property development
Nusajaya Hotels Sdn Bhd	65.0	Dormant
Nusajaya Medical Park Sdn Bhd	65.0	To construct, manage, and/or operate specialised buildings for long term lease and property development

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of UEM Land (Cont'd)		
Projek Usahasama Transit Ringan Automatik Sdn Bhd	65.0	In liquidation
Renong Nusantara Sdn Bhd	65.0	Investment holding
Renong Overseas Corporation Sdn Bhd	65.0	Provision of reimbursable support services to UEM Land Group
Renong Pacific Sdn Bhd	65.0	Investment holding
Renong Ventures Sdn Bhd	65.0	Investment holding
UEML-ZRE Reit Managers Sdn Bhd	46.8	Investment holding
Nusajaya Business Park Sdn Bhd	65.0	Dormant
Subsidiaries of Sunrise Berhad		
Ascot Assets Sdn Bhd	65.0	Property development
Aston Star Sdn Bhd	65.0	Property investment, development and construction
Aurora Tower at KLCC Sdn Bhd	65.0	Property development
Cekap Kawal Sdn Bhd	65.0	Ceased business operations
Ibarat Duta Sdn Bhd	40.3	Property development
Interior Design One Sdn Bhd	65.0	General contracting, interior designing and consultancy
Laser Tower Sdn Bhd	65.0	Property development
Lembah Suria Sdn Bhd	65.0	Property development
Lucky Bright Star Sdn Bhd	65.0	Property investment and development
Milik Harta Sdn Bhd	65.0	Property development
New Planet Trading Sdn Bhd	65.0	Property investment and development
Prinsip Eramaju Sdn Bhd	65.0	Property development
Saga Centennial Sdn Bhd	65.0	Ceased business operations
SCM Property Services Sdn Bhd	65.0	Provision of property management services
Solid Performance Sdn Bhd	65.0	Property development
Summer Suites Sdn Bhd *(formerly known as Summer Lodge Sdn Bhd)*	65.0	Property developement
Sun Victory Sdn Bhd	65.0	Property investment and development

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of Sunrise Berhad (Cont'd)		
Sunrise Alliance Sdn Bhd	65.0	Property development
Sunrise Benchmark Sdn Bhd	65.0	Property development
Sunrise Century Sdn Bhd	65.0	Property development
Sunrise dotcom Sdn Bhd	65.0	Dormant
Sunrise Hospitality and Leisure Sdn Bhd	65.0	Provision of ancillary services to property related projects
Sunrise Incubation Sdn Bhd	65.0	Dormant
Sunrise Innovations Sdn Bhd	65.0	Property development
Arcoris Sdn Bhd *(formerly known as Sunrise Foster at Mon'tKiara Sdn Bhd)*	65.0	Property investment and development
Sunrise Landmark Sdn Bhd	65.0	Property development
Sunrise Mersing Sdn Bhd	65.0	Property development
Sunrise Millennium Sdn Bhd	65.0	Property development
Sunrise Oscar Sdn Bhd	65.0	Investment holding
Sunrise Overseas Corporation Sdn Bhd	65.0	Investment holding and provision of management services
Sunrise Paradigm Sdn Bhd	65.0	Property development
Sunrise Pioneer Sdn Bhd	65.0	Property investment
Sunrise Project Services Sdn Bhd	65.0	Property development and project management for property development projects
Sunrise Quality Sdn Bhd	65.0	Property development
Sunrise Region Sdn Bhd	65.0	Property development
Sunrise REIT Management Sdn Bhd	65.0	Dormant
Sunrise Sovereign Sdn Bhd	65.0	Investment holding
Sime Darby Sunrise Development Sdn Bhd	32.5	Property development
Perfect Portfolio Sdn Bhd	32.5	Investment holding
Sunrise MCL Land Sdn Bhd	32.5	Property development and property investment
Crescent Phase I Limited	65.0	Investment holding
Crescent Phase II Limited	65.0	Investment holding

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of Sunrise Berhad (Cont'd)		
Global Associates International Limited	65.0	Investment holding
Sunrise International Development Ltd	65.0	Investment holding
Sunrise Overseas (S) Pte Ltd	65.0	Promotion and management services relating to the Group's properties in Malaysia
Sunrise MS Pte Ltd	65.0	Project management and marketing
Subsidiary of Sun Victory Sdn Bhd		
Sunrise Assets Sdn Bhd	65.0	Dormant
Subsidiary of Sunrise Oscar Sdn Bhd		
Sunrise DCS Sdn Bhd	65.0	Provision of cooling plant facility services
Subsidiary of Sunrise International Development Ltd		
Sunrise Holdings S.ar.l.	65.0	Acquisition of participations in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations
Subsidiary of Sunrise Holdings S.ar.l.		
Canada Sunrise Developments Corp *(Formerly known as Phileo Development Corp)*	65.0	Acquisition and development of real estate in British Columbia, Canada, and the sale and/or lease of strata units of the development
Subsidiary of Canada Sunrise Development Corp		
Canada Sunrise Developments (Richmond) Ltd *(formerly known as Phileo Developments (Richmond) Ltd)*	65.0	To hold legal title to property for the benefit of and in trust for its shareholder
Subsidiary of Cahaya Jauhar Sdn Bhd		
CJ Capital Sdn Bhd	39.0	Specified purposes of a fund raising exercise through issuance of private debt securities and/or sukuk
Subsidiaries of Fleet Group Sdn Bhd		
Cantuman Bahagia Sdn Bhd	69.0	In members' voluntary liquidation
Fibroceil Manufacturing (Malaysia) Sdn Bhd	69.0	In creditors' voluntary liquidation
Jaguh Mutiara Sdn Bhd	69.0	In members' voluntary liquidation

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of Bandar Nusajaya Development Sdn Bhd		
Nusajaya Industrial Park Sdn Bhd	65.0	Property development
Nusajaya Gardens Sdn Bhd	65.0	Land trading and investment holding
Nusajaya Greens Sdn Bhd	65.0	Property development, land trading and investment holding
Nusajaya Group Sdn Bhd	65.0	In members' voluntary liquidation
Nusajaya Heights Sdn Bhd	65.0	Property development, land trading and investment holding
Symphony Hills Sdn Bhd	65.0	Property development, land trading and investment holding
Nusajaya Management Services Sdn Bhd	65.0	Dormant
Nusajaya Rise Sdn Bhd	65.0	Property development, land trading and investment holding
Nusajaya Seaview Sdn Bhd	65.0	Land trading and investment holding
Preferred Resources Sdn Bhd[++]	75.5	Dormant
Nusajaya Land Sdn Bhd	65.0	Property development
Subsidiary of Renong Nusantara Sdn Bhd		
P.T. Bias Permata	65.0	Trading
Subsidiary of P.T. Bias Permata		
P.T. Hardja Setia	65.0	Agriculture, plantation, trading, mining and construction
Subsidiary of Renong Overseas Corporation Sdn Bhd		
Renong Overseas Corporation (S.A.) (Proprietary) Ltd	65.0	Investment holding
Subsidiaries of Renong Overseas Corporation (S.A.) (Proprietary) Ltd		
R.O.C Management Services (Proprietary) Ltd	65.0	Representation of holding company in South Africa
Roc-Union (Proprietary) Limited	52.2	Investment holding
Subsidiary of ROC-Union (Proprietary) Limited		
Rocpoint (Proprietary) Limited	42.0	Property development and investment holding

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Associated companies of UEM Land		
Probalance Sdn Bhd[x]	73.3	In members' voluntary liquidation
OptixLab Sdn Bhd[(:)]	82.5	Ceased operations
Setia Haruman Sdn Bhd	16.2	Property development and sale of land
Associated company of Hatibudi		
BIB Insurance Brokers Sdn Bhd	19.5	Insurance brokers, insurance consultants, commission agents and investment holding
Investment in joint ventures companies of UEM Land		
Nusajaya Consolidated Sdn Bhd	32.5	Dormant
Horizon Hills Development Sdn Bhd	32.5	To transact business ot housing development
Haute Property Sdn Bhd	26.0	Property marketing
Malaysian Bio-Xcell Sdn Bhd	26.0	Development operation of a biotechnology park
Subsidiaries of Horizon Hills Development Sdn Bhd		
Horizon Hills Resort Berhad	32.5	Proprietor of club and management of golf course
Horizon Hills Property Services Sdn Bhd	32.5	Provision of management and maintenance services
Subsidiaries of Faber		
Faber Development Holdings Sdn Bhd	34.3	Investment holding
Faber Haulage Sdn Bhd	34.3	In members' liquidation
Faber Healthcare Management Sdn Bhd	34.3	Investment holding
Faber Hotels Holding Sdn Bhd	34.3	Investment holding
Faber LLC	25.7	Facilities management services in United Arab Emirates
Faber Medi-Serve Sdn Bhd	34.3	Provision of hospital support services
Merlion Credit Corporation Bhd	34.3	Investment holding
Renown Alliance Sdn Bhd	34.3	Investment holding
TC Parking Sdn Bhd	34.3	Investment holding
Faber Facilities Sdn Bhd	34.3	Facilities maintenance and investment holding
Intensive Quest Sdn Bhd	21.6	In members' liquidation
Merlino Enterprises Sdn Bhd	34.3	In members' liquidation
Sate Yaki Sdn Bhd	20.6	In members' liquidation

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Associated company of Faber		
Ekovest-Faber Sdn Bhd	13.7	Design, construction, completion and maintenance of an institution known as the National Institute for Natural Products, Vaccines and Biologicals
Subsidiaries of Faber Hotels Holdings Sdn Bhd		
Merlin Tower Hotel Sdn Bhd	34.3	In members' liquidation
Subsidiaries of Faber Development Holdings Sdn Bhd		
Country View Development Sdn Bhd	34.3	Property development
Faber Grandview Development (Sabah) Sdn Bhd	34.3	Property development
Faber Heights Management Sdn Bhd	34.3	Property development
Faber Union Sdn Bhd	34.3	Property development
Mont Hill Sdn Bhd	34.3	In members' liquidation
Mutiara Unik (M) Sdn Bhd	34.3	In members' liquidation
Rimbunan Melati Sdn Bhd	18.9	Property development
Subsidiary of Mutiara Unik (M) Sdn Bhd		
Jiwa Unik Sdn Bhd	17.5	Dormant
Subsidiary of Faber Healthcare Management Sdn Bhd		
Sehat Technologies Sdn Bhd	17.5	Dormant
Subsidiaries of Faber Medi-Serve Sdn Bhd		
Cermin Cahaya Sdn Bhd	34.3	Dormant
Healthtronics (M) Sdn Bhd	20.6	Provision of biomedical and electronic engineering maintenance services
Fresh Linen Services (Sarawak) Sdn Bhd	18.9	Provision of laundry processing activities
Fresh Linen Services (Sabah) Sdn Bhd	20.6	Provision of laundry processing activities
Subsidiary of Healthtronics (M) Sdn Bhd		
Healthtronics Inc.	20.6	Dormant
Subsidiaries of Faber Facilities Sdn Bhd		
Faber Facilities Management Sdn Bhd	34.3	Facilities maintenance
General Field Sdn Bhd	34.3	Dormant

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of Faber Facilities Sdn Bhd (Cont'd)		
Faber Star Facilities Management Limited	34.3	Facilities management in India
Faber Sindoori Management Services Private Limited	17.5	Facilities management in India
Subsidiary of Renown Alliance Sdn Bhd		
Belaire Investments (Proprietary) Ltd	34.3	Dormant
PROJECT MANAGEMENT OPERATIONS		
Subsidiary		
Opus Group Berhad ("**Opus**")	96.39	Investment holding
Subsidiaries of Opus		
Builders Credit & Leasing Sdn Bhd	96.4	Investment holding
International Business Link Inc	96.4	Investment holding
Opus International Limited	96.4	Dormant
Opus International (NZ) Limited ("**OPUSNZ**")	96.4	Investment holding
Opus International (M) Berhad ("**Opus M**")	96.4	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
PL Management International Phils, Inc.	96.4	Dormant
Subsidiaries of Opus International (M) Berhad		
Opus Management Sdn Bhd	96.4	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Pengurusan Lantas Berhad	96.4	Provision of technical management support services for the planning, design and construction of projects
Pengurusan LRT Sdn Bhd	96.4	Provision of project management services
Opus International India Private Limited**	96.4	Provision of asset development and asset management services
Subsidiary of Opus International (NZ) Limited		
Opus International Consultants Limited ("**Opus IC**")	58.8	Multidisciplinary infrastructure consultancy providing asset development and asset management solutions

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiaries of Opus IC		
Opus International Consultants (Canada) Limited	58.8	Engineering consultancy services
Opus International Consultants Sdn Bhd	58.8	Technical consultancy services
Opus International Consultants (OPC) Ltd	58.8	Consultancy services
Opus International Consultants Pty Ltd	58.8	Holding company
Opus International Consultants Pte Limited	58.8	Dormant
Opus International Consultants (PCA) Limited	58.8	Road infrastructure and other related design work, civil and building design related work
Opus International Consultants Holdings (UK) Ltd	58.8	Holding company
Opus International Consultants *(a Limited Partnership)*+	58.8	Holding company
Subsidiaries of Opus International Consultants Holdings (UK) Ltd		
Evans Grant Group Ltd	58.8	Dormant
Veryards Holdings Ltd	58.8	Dormant
The Joynes Pike Group Limited	58.8	Engineering consultancy services
Opus International Consultants (UK) Ltd	58.8	Engineering consultancy services
Opus HCL Ltd	58.8	Dormant
Opus International Consultants (Projects) Limited *(formerly known as Sub Surface Engineering Ltd)*	58.8	Engineering consultancy services
Subsidiaries of Evans Grant Group Ltd		
Evans Grant Opus Ltd	58.8	Dormant
Evans Grant (Fareham) Ltd	58.8	Dormant
Evans Grant (Alton) Ltd	58.8	Dormant
Office Network Engineering Ltd	58.8	Dormant
Subsidiaries of Opus International Consultants (Canada) Limited		
Opus International Consultants Inc	58.8	Engineering consultancy services
Opus DaytonKnight Consultants Ltd	58.8	Engineering consultancy services
Subsidiary of Opus International Consultants Sdn Bhd		
Kejuruteraan Opus Sdn Bhd	58.8	Dormant
Subsidiary of Opus International Consultants (PCA) Limited		
Opus International Consultants (NSW) Pty Ltd	58.8	Engineering consultancy services

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Subsidiary of Opus International Consultants, a Limited Partnership		
Opus International Consultants (Australia) Pty Ltd	58.8	Engineering consultancy services
Subsidiary of Opus International Consultants (Australia) Pty Ltd		
Martin Findlater & Associates Pty Ltd	58.8	Dormant
Subsidiaries of The Joynes Pike Group Ltd		
Opus Joynes Pike Ltd	58.8	Civil and building design consultancy services
Tower Surveys Limited	58.8	Survey consultancy work
Structural Surveys Direct Ltd	58.8	Civil and building design consultancy services
Subsidiary of Structural Surveys Direct Ltd		
Reach UK Ltd	58.8	Dormant
MANUFACTURING OPERATIONS		
Subsidiary		
Cement Industries of Malaysia Berhad ("CIMA")	100.0	Provision of management services and investment holding
Subsidiaries of CIMA		
Cimaco Edar Sdn Bhd	100.0	Ceased operations
Cimaco Readymix Sdn Bhd	100.0	Production and sale of ready mixed concrete and investment holding
Negeri Sembilan Cement Industries Sdn Bhd	100.0	Manufacture and sale of cement
Pemasaran Simen Negara Sdn Bhd	100.0	Distribution and sale of cement
Perlis Paper Products Sdn Bhd	100.0	Investment holding
Wealth Resources Sdn Bhd	100.0	Investment in properties
Cimaco Quarry Sdn Bhd	100.0	Quarrying of limestone and its related activities
I-Mix Concrete Industries Sdn Bhd	100.0	Production and sale of readymix concrete
Unipati Concrete Sdn Bhd	100.0	Manufacturing and sale of ready mixed concrete
Kuari Pati Sdn Bhd	100.0	Quarry operators and trading in quarry related products
Matang Pagar Sdn Bhd	80.0	Quarry operators
Profitlite Holding Sdn Bhd	100.0	Dormant
Kuad Sdn Bhd	70.0	Quarry business and its related activities

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Associated companies of CIMA		
Probalance Sdn Bhd[x]	73.3	In members' voluntary winding up
Prestige Packages (Perlis) Sdn Bhd	30.0	Manufacture and sale of cement paper bags
Subsidiaries of Kuari Pati Sdn Bhd		
Pati Bukit Perak Sdn Bhd	100.0	Ceased operation
Pati Nilai Quarry Sdn Bhd	70.0	Quarry operator
Associated company of Kuari Pati Sdn Bhd		
Semenyih Quarry Sdn Bhd	40.0	Quarry operator
Associated company of Pemasaran Simen Negara Sdn Bhd		
Buildcon Cimaco Concrete Sdn Bhd[^^]	62.0	Manufacturing and distribution of ready-mixed concrete
ENGINEERING AND CONSTRUCTION OPERATIONS		
Subsidiaries		
Danzie Contracts Sdn Bhd	51.0	Construction and building works
Hydron (M) Sdn Bhd	100.0	Ceased business operations
UEM Genisys Sdn Bhd	51.0	Under liquidation by Court Order
UEM Builders Berhad ("**UEM Builders**")	100.0	Investment holding
Associated company		
UE Construction (Phil) Inc[~]	40.0	Dormant
Subsidiaries of UEM Builders		
IBS Iconsis Sdn Bhd	100.0	In the business of industralised building system
Intria Bina Sdn Bhd	100.0	Civil engineering and construction works
Buildcast Sdn Bhd	100.0	Precast activities
Hoto Stainless Steel Industries Sdn Bhd	97.9	Manufacturing and sale of stainless steel pipes
Intria Urus Sdn Bhd	100.0	Dormant
PATI Sdn Bhd	100.0	Civil engineering works and buildings construction
Pearl Bridge Sdn Bhd	100.0	Dormant
Penang Bridge Sdn Bhd	100.0	Managing, maintaining and operating toll collection services of the Penang Bridge

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Projek Penyelenggaraan Lebuhraya Berhad ("**Propel**")	100.0	Maintenance and repair of civil, mechanical and electrical works of roads, infrastructure and expressways, and industrial cleaning services
Pati Technologies Sdn Bhd	100.0	Ceased operation
UEM Construction (B) Sdn Bhd	100.0	Construction
Soil Centralab Sdn Bhd	100.0	Geotechnical investigation, instrumentation and pavement condition assessment works
Total Trade Sdn Bhd	100.0	Distributor for building and construction materials and other related services
UEM Construction Sdn Bhd ("**UEM Construction**")	100.0	Contractors for the execution of construction and engineering works
York Place Limited ("**York**")	100.0	Investment holding
Associated company of UEM Builders		
Preferred Resources Sdn Bhd[++]	75.5	Dormant
Subsidiaries of UEM Construction		
UEM Builders (Singapore) Pte Ltd	100.0	Engineering and construction services
UEM (Mauritius) Co. Ltd ("**UEMM**")	100.0	Investment holding
Associated company of UEM Construction		
United Engineers Malaysia Construction - LLC	49.0	All kinds of building projects contracting, main roads and streets contracting and related works thereof, bridges and tunnels contracting, airports contracting, foundations drilling and piling works, electromechanical works projects contracting *(In the process of winding-up)*
Subsidiaries of UEMM		
UE Development India Pvt Ltd ("**UEDI**")	100.0	Construction works and maintenance of expressways
Pati International (India) Pvt Ltd	100.0	Construction and engineering services
UEM Builders – Ansal API Pvt Ltd[*]	60.0	Building, construction and engineering activity works for projects
Subsidiary of UEDI		
UEMC Opus Contracts Pvt Ltd[#]	50.0	Construction activities

INFORMATION ON UEMG *(Cont'd)*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Associated companies of UEDI		
GMR Tuni-Anakapalli Expressways Pvt Ltd	26.0	Undertake the design, construction, management, operations and maintenance of the Tuni-Anakapalli section of the National Highway of India
GMR Tambaran-Tindivanam Expressways Pvt Ltd	26.0	Undertake the design, construction, management, operations and maintenance of the Tambaram-Tindivanam section of the National Highway of India
Subsidiary of Pati International (India) Pvt Ltd		
Rushil Construction (India) Pvt Ltd	100.0	Dormant
Subsidiary of PATI Sdn Bhd		
Pati Pave Sdn Bhd	100.0	Ceased operation
Associated company of PATI Sdn Bhd		
Pati Philippines Inc	40.0	Dormant
Subsidiaries of Propel		
PropelMalindo Sdn Bhd	100.0	Dormant
Aquatrans Sdn Bhd	100.0	Undertaking of water projects
Subsidiary of York		
Daedalus Projects Limited ("**Daedalus**")	93.0	Investment holding
Associated company of York		
Costain Group Plc	21.38	Investment holding company with subsidiaries in civil engineering and construction
ENVIRONMENTAL SERVICES		
Subsidiary		
UEM Environment Sdn Bhd ("**UEM Environment**")	100.0	Investment holding
Subsidiaries of UEM Environment		
Kualiti Alam Sdn Bhd	100.0	Undertake the collection, transportation, treatment and disposal of scheduled waste
Kualiti Khidmat Alam Sdn Bhd	100.0	Sole marketing agent for the purpose of providing services in relation to marketing, collection and transportation of scheduled waste

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
Kualiti Kitar Alam Sdn Bhd	100.0	Provision of waste recycling and recovery services
Special Builders Sdn Bhd	100.0	Provision of end-life vehicle recycling, recovery and disposal services
Associated companies of UEM Environment		
Abu Dhabi Kualiti Alam Environmental Services LLC	49.0	Provision of environmental and waste management services
E-Idaman Sdn Bhd ("**EISB**")	50.0	Investment holding, provision of project management, consultancy and services in the field of solid waste management
Subsidiary of EISB		
Environment Idaman Sdn Bhd	50.0	Provision of solid waste collection and management and any other related business in the Northern Region of Malaysia
INFORMATION AND COMMUNICATION TECHNOLOGY OPERATIONS		
Subsidiaries		
Infrared Advanced Technologies Sdn Bhd	75.0	Research, development, design, manufacture, implementation, marketing, selling and supplying of electronic toll collection system
United Services & Automotive Industries Sdn Bhd	100.0	In members' voluntary winding up
UEM Tech Sdn Bhd	100.0	Provision of consultancy and advisory services in the area of technology and intellectual property
Forte Tech Solutions Sdn Bhd	100.0	Provision of information technology solutions and systems support services
Associated companies		
TEB	45.03	Investment holding in information technology
OptixLab Sdn Bhd[(:)]	82.5	Ceased operations
Subsidiaries of TEB		
Dagang Net Technologies Sdn Bhd ("**DNT**")	32.1	Development, management and provisions of B2B e-commerce and computerised transaction facilitation services

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES *(Cont'd)*

Company	Effective equity interest %	Principal activities
TEB Systems Integrators Sdn Bhd *(formerly known as TIME Systems Integrators Sdn Bhd)*	45.0	Provides expertise in IT project management and consultancy, supply of (ICT) hardware equipment, maintenance and asset management
TEB Quantum Technology Sdn Bhd *(formerly known as TIME Quantum Technology Sdn Bhd)* ("TQT")	45.0	Providing IT Solutions, cyber security, managed services and supply of computer hardware, software and peripherals
TIME Automation and Management Services Sdn Bhd ("TAMS")	45.0	Dormant
Toplink Advisory and Management Services Sdn Bhd	45.0	Dormant
Subsidiary of TAMS		
TIME Spectrum Communication Sdn Bhd	45.0	Dormant
Subsidiary of OptixLab		
Apanac Sdn Bhd	82.5	Dormant

Notes:

X *The UEM Group has a total 73.3% shareholdings in Probalance Sdn Bhd comprising 14.9% held via Serayin Sdn Bhd, 20% held via CIMA, 30.68% held via UEM Land, 2.4% held by Builders Credit & Leasing Sdn Bhd and 5.3% held via TC Parking Sdn Bhd*

^ *The UEM Group has a total of 100% shareholdings in UEM Al-Dauliyyah LLC, comprising 90% held by UEM International (West Asia) Sdn Bhd and 10% held directly by UEM*

++ *The UEM Group has a total of 75.5% shareholdings in Preferred Resources Sdn Bhd comprising 30% held via UEM Builders and 45.5% held via Bandar Nusajaya Development Sdn Bhd*

(:) *The UEM Group has a total of 82.5% shareholdings in OptixLab Sdn Bhd comprising 32.5% held via UEM Land and 50.0% held directly by UEM*

~ *Some of the shares in the company are held in trust by individuals*

** *The UEM Group has a total 96.4% shareholdings in Opus International India Pte Limited, comprising 95.4% held by Opus International (M) Bhd and 0.96% held by Opus Group Berhad*

+ *The UEM Group has a total of 58.8% shareholdings in Opus International Consultants, a Limited Partnership, comprising 58.2% held by Opus International Consultant Limited and 0.6% held by Opus International Consultants Pty Ltd*

^^ *The UEM Group has a total of 49.7% shareholding in Buildcon Cimaco Concrete Sdn Bhd comprising 37.31% and 12.24% held via Pemasaran Simen Negara Sdn Bhd and Cimaco Readymix Sdn Bhd respectively, both are wholly-owned subsidiaries of CIMA*

* *The UEM Group has a total of 60% shareholdings in UEM Builders – Ansal API Pvt Ltd comprising 50% held via UEM (Mauritius) Co. Ltd and 10% held via UE Development India Pvt Ltd*

The UEM Group has a total of 50% shareholdings in UEMC Opus Contracts Pvt Ltd comprising 40% held via UE Development India Pvt Ltd and 10% held via UEM Construction Sdn Bhd

The UEM Group has a total of 36.3% shareholdings in PLUS BKSP Toll Limited comprising 0.1% held by PEB and 36.2% held by PLUS Kalyan (Mauritius) Private Limited, a wholly-owned subsidiary of PEB

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the UEMG based on its audited consolidated financial statements for the past two (2) financial years ended 31 December 2010 and 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010	**2009**
	RM 000	**RM 000**
		Restated
Revenue	7,229,859	6,917,319
PBT	1,648,645	1,844,290
Taxation	(560,217)	(536,492)
PAT from continuing operations	1,088,428	i,307,798
PAT from discontinued operations	13,255	64,222
Total PAT	1,101,683	1,372,020
Basic EPS (RM)	0.30	0.76
Net dividend per share (RM)	0.56	0.44

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7. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the UEMG as at 31 December 2010 and 2009 respectively based on UEMG's audited consolidated financial statements are as follows:

As at 31 December	2010 RM 000	2009 RM 000 Restated
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,541,153	1,799,765
Concession assets	13,482,066	13,379,278
Land held for property development	1,927,758	1,976,051
Investment properties	46,016	38,960
Prepaid land lease payments	2,390	5,535
Goodwill	798,513	1,014,682
Other intangible assets	19,480	35,113
Investment in associates	518,639	349,763
Other investments	388,023	396,801
Long term receivables	68,766	142,577
Toll compensation recoverable from the Government	2,460,346	2,486,189
Deferred tax assets	36,940	52,419
Non-current cash, bank balances and deposits	41,058	36,119
	21,331,148	21,713,252
CURRENT ASSETS		
Property development costs	817,841	660,319
Inventories and work-in-progress	233,520	476,291
Receivables	2,106,297	2,593,310
Toll compensation recoverable from the Government	181,872	117,879
Amount due from the Government	15,966	23,550
Amount due from holding company	588	577
Amount due from associates	47,564	24,114
Short term investments	103,354	133,218
Cash, bank balances and deposits	5,210,704	4,662,243
	8,717,706	8,691,501
Assets held for sale and assets of disposal group held for sale	1,096,941	193,304
TOTAL ASSETS	**31,145,795**	**30,598,057**
EQUITY AND LIABILITIES		
Share capital	408,544	408,544
Share premium	1,226,193	1,226,193
Non-distributable reserves	73,179	(57,936)
Retained earnings	5,922,892	6,363,989
Shareholders' funds	7,630,808	7,940,790
Minority interest	4,669,667	4,320,119
TOTAL EQUITY	12,300,475	12,260,909

7. STATEMENTS OF ASSETS AND LIABILITIES *(Cont'd)*

As at 31 December	2010 RM 000	2009 RM 000 Restated
NON-CURRENT LIABILITIES		
Retirement benefit obligations and provision for entitlements	47,488	49,127
Government grant	5,951	10,528
Deferred liabilities	75,288	76,001
Deferred revenue	40,740	43,789
Long term borrowings	12,785,786	12,964,804
Long term amount due to the Government	38,096	38,096
Derivatives	107,018	-
Deferred tax liabilities	1,317,339	1,203,384
	14,417,705	14,385,729
CURRENT LIABILITIES		
Provisions	22,903	24,372
Retirement benefit obligations and provisions for entitlements	5,103	4,540
Deferred liabilities	7,788	6,920
Deferred revenue	5,482	3,194
Payables	1,900,385	2,396,528
Amount received from the Government for Additional	19,407	19,216
Amount due to associates	4,393	9,532
Short term borrowings	1,960,505	1,448,147
Dividend payable	100,000	-
Tax payable	37,304	26,091
	4,063,270	3,938,540
Liabilities of disposal group classified as held for sale	364,344	12,879
TOTAL LIABILITIES	18,845,320	18,337,148
TOTAL EQUITY AND LIABILITIES	**31,145,795**	**30,598,057**

INFORMATION ON PTV

1. HISTORY AND PRINCIPAL ACTIVITIES

PTV was incorporated in Malaysia under the Act on 27 July 2007 as a private limited liability company.

PTV is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of PTV is as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	30,000 ordinary shares	1.00	30,000
	70,000 redeemable preference shares	1.00	70,000
Issued and fully paid-up	2 ordinary shares	1.00	2
	70,000 redeemable preference shares	1.00	70,000

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of PTV as at the LPD are as follows:

Shareholder	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
KNB	2	100.00	-	-

4. DIRECTORS

As at the LPD, the particulars of the Directors of PTV and their shareholdings are as follows:

Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
Mohd Shahazwan bin Mohd Harris	-	-	-	-
Nik Rizal Kamil Nik Ibrahim Kamil	-	-	-	-

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of PTV are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary company		
Continuum Capital	100.00	Engages in the promotion of and investment in companies in and outside of Malaysia with the objective of achieving capital appreciation primary through disposal of such investments
Associate company		
First Floor Capital Sdn Bhd	25.00	Venture capital management

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of PTV based on the audited financial statements for the past two (2) financial years ended 31 December 2010 and 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010 RM	**2009 RM**
Revenue	-	-
LBT	(14,315)	(9,850)
Taxation	-	-
LAT	(14,315)	(9,850)
No. of PTV ordinary shares in issue	2	2
NA per share (RM)	35,307,822	Not applicable
Basic EPS (RM)	Not applicable	Not applicable
Net dividend per share (RM)	-	-

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7. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of PTV based on the audited financial statements as at 31 December 2010 and 31 December 2009 respectively, are as follows:

As at 31 December	**2010**	**2009**
	RM	**RM**
Non-current assets		
Investment in a subsidiary	70,000,002	30,000,002
Investment in an associate	625,000	625,000
	70,625,002	**30,625,002**
Current liabilities		
Amount due to holding company	-	30,633,648
Other payables	9,360	11,302
	9,360	**30,644,950**
Net current liabilities	**(9,360)**	**(30,644,950)**
	70,615,643	(19,948)
Represented by:		
Share capital	2	2
Redeemable preference shares	70,000	-
Share premium	69,930,000	-
Shareholder's advance	649,906	-
Accumulated	(34,265)	(19,950)
	70,615,643	**(19,948)**

INFORMATION ON CONTINUUM CAPITAL

1. HISTORY AND PRINCIPAL ACTIVITIES

Continuum Capital was incorporated in Malaysia under the Act on 6 May 2008 as a private limited company.

Continuum Capital is wholly-owned by PTV, which in turn is wholly-owned by KNB.

The principal activity of Continuum Capital engages in the promotion of and investment in technology and growth companies in and outside of Malaysia with the objective of achieving capital appreciation primarily through disposal of such investments.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of Continuum Capital is as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	30,000 ordinary shares	1.00	30,000
	70,000 redeemable preference shares	1.00	70,000
Issued and fully paid-up	2 ordinary shares	1.00	2
	70,000 redeemable preference shares	1.00	70,000

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of Continuum Capital as at the LPD are as follows:

	Direct		Indirect	
Shareholders	No. of ordinary shares held	%	No. of ordinary shares held	%
PTV	2	100.00	-	-
KNB	-	-	2	100.00*

Note:

* *Deemed through its shareholdings in PTV.*

4. DIRECTORS

As at the LPD, the particulars of the Directors of Continuum Capital and their shareholdings are as follows:

	Direct		Indirect	
Name	No. of ordinary shares held	%	No. of ordinary shares held	%
Mohd Shahazwan bin Mohd Harris	-	-	-	-
Nik Rizal Kamil bin Nik Ibrahim Kamil	-	-	-	-

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of Continuum Capital are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary companies		
Encipta Limited	100.00	Investment holding
QH Sdn Bhd	78.75	Investment holding
Associated company		
GTL	15.00*	Telecommunications and trading of cable capacity

Note:

* *Although Continuum Capital holds less than 20% of the voting power in GTL, Continuum Capital exercises significant influence by virtue of having board representation in GTL.*

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Continuum Capital based on the audited consolidated financial statements for the past two (2) financial years ended 31 December 2010 and 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010	**2009**
	RM	**RM**
Revenue	950,824	369,158
LBT	(1,512,946)	(904,790)
Taxation	11,417	(11,417)
LAT	(1,501,529)	(916,207)
No. of Continuum Capital ordinary shares in issue	2	2
NA per share (RM)[(a)]	32,560,326	14,221,815
Basic EPS (RM)	Not applicable	Not applicable
Net dividend per share (RM)	-	-

Note:

(a) *NA per share is calculated by dividing NA attributable to shareholders of Continuum Capital with the number of ordinary shares in issue.*

7. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of Continuum Capital based on the audited consolidated financial statements as at 31 December 2010 and 31 December 2009 respectively, are as follows:

As at 31 December	2010 RM	2009 RM
ASSETS		
Investment in associate	-	10,202,935
Other investments	-	5,835,579
Available-for-sale financial assets	18,464,406	-
Goodwill	1,657,987	1,657,987
Total non-current assets	**20,122,393**	**17,696,501**
Other receivables	978,220	-
Cash and cash equivalents	37,580,446	12,029,818
	38,558,666	12,029,818
Non-current assets classified as held for sale	9,145,284	-
Total current assets	**47,703,950**	**12,029,818**
Total assets	67,826,343	29,726,319
EQUITY		
Share capital	2	2
Redeemable preference shares	70,000	30,000
Share premium	69,930,000	29,970,000
Foreign currency translation reserve	(1,760,606)	2,515
Fair value adjustment reserve	12,010	-
Accumulated losses	(3,130,754)	(1,558,888)
	65,120,652	28,443,629
Minority interest	1,304,627	1,256,769
Total equity	**66,425,279**	**29,700,398**
LIABILITIES		
Tax payable	-	11,417
Trade and other payables	1,401,064	14,504
Total current liabilities	**1,401,064**	**25,921**
Total equity and liabilities	67,826,343	29,726,319

INFORMATION ON GTI

1. HISTORY AND PRINCIPAL ACTIVITIES

GTI was incorporated in Malaysia as a private company limited by shares under the Act on 1 April 2005.

GTI is principally involved in investment holding and the provision of management services.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of GTI is as follows:

Type	No. of shares	Par value RM	Amount RM
Authorised	5,000,000	1.00	5,000,000
Issued and fully paid-up	1,677,372	1.00	1,677,372

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of GTI as at the LPD are as follows:

	Direct		Indirect	
Shareholders	No. of shares held	%	No. of shares held	%
Megawisra	1,677,372	100.00	-	-
Megawisra Investments	-	-	1,677,372	100.00[(a)]
Afzal	-	-	1,677,372	100.00[(b)]
Te-Shen	-	-	1,677,372	100.00[(b)]

Notes:

(a) *Deemed interest through its shareholding in Megawisra.*

(b) *Deemed interest through his shareholding in Megawisra Investments.*

4. DIRECTORS

As at the LPD, the particulars of the Directors of GTI and their shareholdings are as follows:

	Direct		Indirect	
Name	No. of shares held	%	No. of shares held	%
Afzal	-	-	1,677,372	100.00[(a)]
Te-Shen	-	-	1,677,372	100.00[(a)]
Megat Hisham	-	-	-	-

Note:

(a) *Deemed interest through his shareholding in Megawisra Investments.*

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of GTI are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary companies		
GTS	100.00	Provision of wholesale of telecommunications equipment and related services
GTHK	100.00	Provision of telecommunication services
Global Transit Malaysia Sdn Bhd	100.00	Dormant
Global Interconnect Sdn Bhd	70.00	Providing telecommunication services
Next Online (M) Sdn Bhd	100.00	Dormant
Associated company		
PKV	38.80	Investment holding

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of GTI based on the audited consolidated financial statements for the FYE 31 December 2010 and FYE 31 December 2009, are as follows:

	Audited FYE 31 December	
	2010 RM	**2009 RM**
Revenue	606,869	4,349,124
PBT	14,945,377	7,181,644
Taxation	(2,854)	(11,291)
PAT	14,948,231	7,192,935
No. of GTI shares in issue	1,677,372	1,600,100
NA per share (RM)	40.56	33.12
Basic EPS (sen)	8.91	4.50
Net dividend per share (sen)	-	-

8. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of GTI based on the audited consolidated financial statements for the FYE 31 December 2010 and FYE 31 December 2009, are as follows:

As at 31 December	2010 RM	2009 RM
ASSETS		
Investment in associates	71,258,203	56,110,241
Equipment	119,534	194,690
Goodwill on consolidation	10,400	10,400
Total non-current assets	**71,388,137**	**56,315,331**
Other receivables, deposit and prepayment	6,072	10,534
Amount owing by immediate holding company	3,400	3,400
Amount owing by related companies	319,613	330,882
Amount owing by related parties	376,354	555,143
Cash and cash equivalents	155,362	41,178
Total current assets	**860,801**	**941,137**
Total assets	**72,248,938**	**57,256,468**
EQUITY		
Share capital	1,677,372	1600,100
Share premium	12,727	-
Translation reserve	21,057	17,497
Retained profits	66,319,682	51,371,451
Total equity	**68,030,838**	**52,989,048**
LIABILITIES		
Deferred taxation	284	581
Total non-current liabilities	**284**	**581**
Trade payables	110,320	11,617
Other payables and accruals	318,698	367,834
Amount owing to a director	15,062	15,062
Amount owing to immediate holding company	412,852	380,131
Amount owing to related companies	3,357,979	3,489,803
Amount owing to a related party	2,392	2,392
Provision for taxation	513	-
Total current liabilities	**4,217,816**	**4,266,839**
Total liabilities	**4,218,100**	**4,267,420**
Total equity and liabilities	**72,248,938**	**57,256,468**

INFORMATION ON MEGAWISRA INVESTMENTS

1. HISTORY AND PRINCIPAL ACTIVITIES

Megawisra Investments Limited was incorporated in British Virgin Island as a private company limited by shares under the International Business Companies Act on 10 September 2004.

Megawisra Investments is principally involved in investment holding.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of Megawisra Investments is as follows:

Type	No. of shares	Par value USD	Amount USD
Authorised	50,000	1.00	50,000
Issued and fully paid-up	4	1.00	4

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the voting share capital) of Megawisra Investments as at the LPD are as follows:

	Direct		Indirect	
Shareholders	No. of shares held	%	No. of shares held	%
Afzal	3	75.00	-	-
Te-Shen	1	25.00	-	-

4. DIRECTORS

As at the LPD, the particulars of the Directors of Megawisra Investments and their shareholdings are as follows:

	Direct		Indirect	
Name	No. of shares held	%	No. of shares held	%
Afzal	3	75.00	-	-
Te-Shen	1	25.00	-	-

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiary and associated companies of Megawisra Investments are as follows:

Company	Effective equity interest %	Principal activities
Subsidiary company		
Megawisra	100.00	Telecommunications industry
Subsidiary companies held through Megawisra		
GTI	100.00	Investment holding and provision of management services
TAAG	100.00	Provision of engineering services for the telecommunication industry
AIMS Data Centre 2	100.00	Dedicated server hosting
AIMS Cyberjaya	100.00	Provision of value added network services, system integration services and the operation of data networks and network based applications for corporations
Subsidiary companies held through GTI		
GTS	100.00	Provision of wholesale of telecommunications equipment and related services
GTHK	100.00	Provision of telecommunication services
Global Transit Malaysia Sdn Bhd	100.00	Dormant
Global Interconnect Sdn Bhd	70.00	Providing telecommunication services
Next Online (M) Sdn Bhd	100.00	Dormant
Subsidiary companies held through TAAG		
AIMS Data Centre	100.00	Provision of value added network services, system integration services and the operation of data networks and network based applications for corporations
Information Edge Sdn Bhd	100.00	Dormant
AIMS Data Centre Pte Ltd	100.00	Telecommunications related
Associated companies held through Megawisra		
Megawisra Advisory Sdn Bhd	50.00	Dormant
Megawisra Property Management Sdn Bhd	50.00	Dormant
GTL	35.00	Telecommunications and trading of cable capacity
Associated company held through GTI		
PKV	38.80	Investment holding

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Megawisra Investments is not available as the company is not required to maintain financial statements based on the International Business Companies Act on 10 September 2004.

7. STATEMENTS OF ASSETS AND LIABILITIES

The statements of assets and liabilities of Megawisra Investments is not available as the company is not required to maintain financial statements based on the International Business Companies Act on 10 September 2004.

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INFORMATION ON AFZAL

1. **FULL NAME**

   Afzal bin Abdul Rahim

2. **NRIC NO.**

   780104-71-5167

3. **NATIONALITY**

   Malaysian

4. **AGE**

   33

5. **OCCUPATION**

   Company director and the Chief Executive Officer of TdC

6. **ADDRESS**

   27, Jalan Cinta Alam, Country Heights, 43000 Kajang, Selangor Darul Ehsan

7. **EQUITY INTERESTS, DIRECTORSHIPS AND / OR SUBSTANTIAL SHAREHOLDINGS IN TdC AND / OR OTHER COMPANIES / BUSINESSES**

		Direct		Indirect	
Company	Directorship	No. of shares held	%	No. of shares held	%
TdC	Yes	-	-	760,209,826	30.04[(a)]
Megawisra Investments	Yes	3	75.00	-	-
Megawisra	Yes	-	-	1,570,000	100.00[(a)]
Megawisra Advisory Sdn Bhd	No	-	-	1	50.00[(a)]
Megawisra Property Management Sdn Bhd	No	-	-	1	50.00[(a)]
GTI	Yes	-	-	1,677,372	100.00[(a)]
PKV	Yes	-	-	48,200,000	38.80[(a)]
AIMS Data Centre 2	Yes	-	-	200,000	100.00[(a)]
AIMS Cyberjaya	Yes	-	-	2,000,002	100.00[(a)]

INFORMATION ON AFZAL *(Cont'd)*

7. EQUITY INTERESTS, DIRECTORSHIPS AND / OR SUBSTANTIAL SHAREHOLDINGS IN TDC AND / OR OTHER COMPANIES / BUSINESSES *(Cont'd)*

		Direct		Indirect	
Company	Directorship	No. of shares held	%	No. of shares held	%
TAAG	Yes	-	-	1,400,000	100.00[(a)]
Information Edge Sdn Bhd	Yes	-	-	100,000	100.00[(a)]
AIMS Data Centre	Yes	-	-	17,774,549	100.00[(a)]
AIMS Data Centre Pte Ltd	No	-	-	100,002	100.00[(a)]
Global Transit Malaysia Sdn Bhd	Yes	-	-	100	100.00[(a)]
Global Interconnect Sdn Bhd	Yes	-	-	420,000	70.00[(a)]
Next Online (M) Sdn Bhd	Yes	-	-	2	100.00[(a)]
GTS	Yes	-	-	20,000	100.00[(a)]
GTHK	Yes	-	-	1	100.00[(a)]
GTC	Yes	-	-	2,000,000	100.00[(a)]
GTL	Yes	-	-	315	35.00[(a)]
TIME dotNet Bhd	Yes	-	-	-	-
TIME Sat Sdn Bhd	Yes	-	-	-	-
Hakikat Pasti Sdn Bhd	Yes	-	-	-	-
Chow Foods Sdn Bhd	Yes	245,000	49.00	-	-
Impak Gemilang Sdn Bhd	Yes	122,500	49.00	-	-
Trilink Fidelity Sdn Bhd	Yes	1	50.00	-	-
Benua Ombak Sdn Bhd	Yes	1	50.00	-	-
Brandworks Sdn Bhd	Yes	60	60.00	-	-

Note:

(a) Deemed interest through his shareholdings in Megawisra Investments.

INFORMATION ON TE-SHEN

1. **FULL NAME**

   Gan Te-Shen

2. **NRIC NO.**

   770305-14-5085

3. **NATIONALITY**

   Malaysian

4. **AGE**

   34

5. **OCCUPATION**

   Company director

6. **ADDRESS**

   No. 21, Jalan Tanjung Sepat, Bukit Seputeh, 58000 Kuala Lumpur

7. **EQUITY INTERESTS, DIRECTORSHIPS AND / OR SUBSTANTIAL SHAREHOLDINGS IN TdC AND / OR OTHER COMPANIES / BUSINESSES**

Company	Directorship	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %
TdC	No	-	-	760,209,826	30.04[(a)]
Megawisra Investments	Yes	1	25.00	-	-
Megawisra	Yes	-	-	1,570,000	100.00[(a)]
Megawisra Advisory Sdn Bhd	Yes	1	50.00	1	50.00[(a)]
Megawisra Property Management Sdn Bhd	Yes	1	50.00	1	50.00[(a)]
GTI	Yes	-	-	1,677,372	100.00[(a)]
PKV	No	-	-	48,200,000	38.80[(a)]
AIMS Data Centre 2	Yes	-	-	200,000	100.00[(a)]
AIMS Cyberjaya	Yes	-	-	2,000,002	100.00[(a)]

7. EQUITY INTERESTS, DIRECTORSHIPS AND / OR SUBSTANTIAL SHAREHOLDINGS IN TdC AND / OR OTHER COMPANIES / BUSINESSES *(Cont'd)*

		Direct		Indirect	
Company	Directorship	No. of shares held	%	No. of shares held	%
TAAG	Yes	-	-	1,400,000	100.00[a]
Information Edge Sdn Bhd	Yes	-	-	100,000	100.00[a]
AIMS Data Centre	Yes	-	-	17,774,549	100.00[a]
AIMS Data Centre Pte Ltd	No	-	-	100,002	100.00[a]
Global Transit Malaysia Sdn Bhd	No	-	-	100	100.00[a]
Global Interconnect Sdn Bhd	No	-	-	420,000	70.00[a]
Next Online (M) Sdn Bhd	No	-	-	2	100.00[a]
GTS	No	-	-	20,000	100.00[a]
GTHK	No	-	-	1	100.00[a]
GTC	No	-	-	2,000,000	100.00 [a]
GTL	Yes	-	-	315	35.00[a]
Banjaran Angsana Sdn Bhd	Yes	99	99.00	-	-
Kraf Idaman Sdn Bhd	Yes	86,000	86.00	-	-

Note:

(a) Deemed interest through his shareholdings in Megawisra Investments.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

The Directors have seen and approved this IAC and they collectively and individually accept full responsibility for the accuracy of the information given in this IAC (save for the independent advice letter prepared by PIVB and information relating to Megawisra) and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there is no material fact the omission of which would make any information provided herein false and misleading.

The responsibility of the Directors in respect of this IAC is limited to the accuracy of the information provided by TdC and furnished to PIVB for its evaluation in respect of the TdC Group. The responsibility of the Directors in respect of the information relating to Megawisra is limited to ensuring that such information is accurately reproduced in this IAC.

2. SERVICE CONTRACTS

Save as disclosed below, none of the Directors has any service contracts with TdC and / or its subsidiary companies which are expiring or determinable by the employing company with payment of compensation within twelve (12) months from the date of this IAC. Further, no such service contract has been entered into or amended within six (6) months from the LPD:

(i) Afzal had on 5 February 2009 entered into a service agreement with TdC for a fixed term commencing from 7 October 2008 and expiring the day falling three (3) years thereafter, which may be terminated by TdC upon giving thirty (30) days notice in writing. In the event Afzal is terminated before the expiry of the service agreement as a result of certain events as described in the service agreement, Afzal is to be entitled to receive a sum equivalent to the amount of the base pay for the un-expired portion of the term. The service agreement may be terminated by Afzal without any compensation to TdC upon giving ninety (90) days notice in writing. This agreement has been since renewed for further three (3) years. There are no changes to the terms and conditions of the service contract within the last six (6) months from the LPD; and

(ii) Megat Hisham, had on 24 November 2008, entered into a service agreement with TdC for a fixed term of three (3) years commencing from 24 November 2008 until 30 November 2011. The agreement may be terminated by either party giving ninety (90) days notice in writing. In the event the Company shall give such notice to Megat Hisham, the Company will pay Megat Hisham his last drawn salary for the balance of the term of his contract as well as his car allowance for the remainder of the term. There are no changes to the terms and conditions of the service contract within the last six (6) months from the LPD.

3. DISCLOSURES OF INTEREST

3.1 By TdC

(i) As at the LPD, TdC does not hold, direct or indirectly, any voting shares or convertible securities or any other interest in Megawisra and / or PKV.

(ii) TdC has not dealt in any voting shares or convertible securities or any other interest of Megawisra and / or PKV and subsequent to the negotiation, discussion, understanding or agreement with the Directors in relation to the Proposed Acquisitions which took place on 30 September 2010 up to the LPD.

3.2 By Directors

(i) Save as disclosed in Section 4, Attachment I of this IAC, none of the Directors hold directly or indirectly, any voting shares or convertible securities or any other interest in TdC as at the LPD.

3.2 By Directors *(Cont'd)*

(ii) None of the Directors has dealt in any voting shares or convertible securities or any other interest of TdC subsequent to the negotiation, discussion, understanding or agreement with the Directors in relation to the Proposed Acquisitions which took place on 30 September 2010 up to the LPD.

(iii) Save as disclosed below, none of the Directors hold directly or indirectly, any voting shares or convertible securities or any other interest in Megawisra and / or PKV as at the LPD:

	Direct		Indirect	
Name	No. of Megawisra shares held	%	No. of Megawisra shares held	%
Afzal	-	-	1,570,000	100.00*

Note:

* *Deemed interested pursuant to Section 6A(4) of the Act by virtue of his shareholdings in Megawisra Investments.*

	Direct		Indirect	
Name	No. of PKV shares held	%	No. of PKV shares held	%
Afzal	-	-	48,200,0000	38.80*

Note:

* *Deemed interested pursuant to Section 6A(4) of the Act by virtue of his shareholdings in GTI.*

(iv) None of the Directors has dealt in any voting shares or convertible securities of Megawisra and / or PKV subsequent to the negotiation, discussion, understanding or agreement with the Directors in relation to the Proposed Acquisitions which took place on 30 September 2010 up to the LPD.

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APPENDIX I

INFORMATION ON GTC

INFORMATION ON GTC

1. HISTORY AND PRINCIPAL ACTIVITIES

GTC was incorporated in Malaysia under the Act on 9 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTC is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

GTC is principally engaged in the provision of telecommunication and related services such as bandwidth, IP Transit and managed services. For year 2010, twenty five percent (25%) of revenue was derived from foreign customers (originating from Thailand and Hong Kong) while seventy five percent (75%) of revenue was derived from local customers.

As at 31 December 2010, GTC's top five (5) customers contribute RM36.43 million representing sixty nine point nine percent (69.9%) to the revenue of GTC, out of which RM7.49 million representing fourteen point four percent (14.4%) are contributed by the TdC Group. GTC captures all its revenues under its network facilities segment.

The major customers of GTC and their respective contribution to GTC's revenue are as follows:

Major customers	Revenue contribution to GTC 2010 financials RM 000	%
A(1)	14,481	27.8
B(1)	7,832	15.0
TdC Group	7,492	14.4
C(1)	3,350	6.4
D(1)	3,279	6.3

Note:

(1) The identities of the customers which are not related to GTC are not disclosed for confidentiality reasons

The transactions entered into by GTC with the TdC Group in the past three (3) financial years were as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sale transactions to TdC Group(1)	-
	Purchase transactions from TdC Group(2)	427
31 December 2009	Sale transactions to TdC Group(1)	1,369
	Purchase transactions from TdC Group(2)	2,410
31 December 2010	Sale transactions to TdC Group(1)	7,492
	Purchase transactions from TdC Group(2)	54,924

Notes:

(1) Provision of bandwidth and IP Transit services by GTC to TdC Group

(2) Provision of bandwidth business to GTC from TdC Group

2. SUBSTANTIAL SHAREHOLDERS

GTC is a wholly owned subsidiary of PKV, which was incorporated in Malaysia.

3. DIRECTORS

The particulars of the directors of GTC as at the LPD are as follows:

			Shareholdings			
			Direct		Indirect	
Name	Designation	Nationality	No. of Shares	%	No of Shares	%
Afzal	Director	Malaysian	-	-	2,000,000[(1)]	100
Megat Hisham	Director	Malaysian	-	-	-	-

Note:

(1) Indirect shareholding via his indirect shareholding in GTI

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, GTC does not have any subsidiary or associated company.

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-A of this Circular, the audited financial statements for the year ended 31 December 2010 of GTC.

The audited financial statements of GTC have been prepared in accordance with relevant approved FRS. There are no accounting policies adopted which are peculiar to the business/industry which GTC operates and the audited financial statements of GTC for the financial years under review were not subject to any audit qualification.

5.2 Financial information

The financial information of GTC has been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of GTC.

The summarised financial information of GTC is set out below:

	Unaudited nine (9)-months period ended 30 September 2011	Audited 31 December 2010	Audited 31 December 2009	Audited 31 December 2008
	RM	RM	RM	RM
Revenue	55,524,566	52,066,243	20,780,249	10,927,719
PBT / (LBT)	8,509,725	9,133,900	(430,246)	17,387
PAT / (LAT)	6,740,860	6,926,567	(395,509)	(79,613)
Shareholders' funds	14,997,854	8,256,994	1,330,427	1,725,936
Total borrowings	7,907,688	8,296,836	3,074,231	116,271
Gross EPS / (LPS)	4.25	4.57	(0.22)	0.01
Net EPS / (LPS)	3.37	3.46	(0.20)	(0.04)
Issued and paid-up capital	2,000,000	2,000,000	2,000,000	2,000,000
NA	14,997,854	8,256,994	1,330,427	1,725,936
NA per share	7.50	4.13	0.67	0.86
Current ratio (times)	0.94	0.87	1.04	1.23
Gearing ratio (times)	0.53	1.00	2.31	0.07

Commentaries:

Financial Year Ended 31 December 2008

GTC's revenues mainly comprises of internet access and network resale revenue. As GTC has yet to reach its optimum efficiency level in its business in the year ended 31 December 2008, GTC incurred high operating expenses for business expansion.

Financial Year Ended 31 December 2009

Revenue increased to RM20.8 million for the year ended 31 December 2009, compared to revenue for the year ended 31 December 2008 of RM10.9 million. The increase in revenue and profit for the year were due to the continuous increase in customer base, higher bandwidth utilisation per customer, introduction of new services (private leased circuit) and increased penetration in new markets (regional and mobile market). However, the LBT is a result of the higher finance cost. There was also a deferred tax adjustment to reduce the overprovision made in 2008 resulting in RM97,000 reduction in deferred tax liability and corresponding to the LAT. Borrowings increased due to purchase of network equipment such as routers and switches for GTC's network expansion to Singapore. As at 31 December 2009, the borrowings of GTC arising from a finance lease from Mesiniaga Berhad amounted to RM3,074,231.

Financial Year Ended 31 December 2010

Revenue increased to RM52.1 million for the year ended 31 December 2010, compared to revenue for the year ended 31 December 2009 of RM20.8 million. The increase in revenue were due to the continuous increase in customer base, higher bandwidth utilisation per customer, strong take-up for private leased circuit services from local as well as regional service providers. Significant improvement in PBT and PAT relative to its revenue was due to management's continuous effort to secure the new contracts with better margins from regional telecommunication customers, and lower direct costs due to the expansion of the core network to globe. There is an increase in shareholders' funds as GTC has expanded its product offering to new regional markets such as Singapore, USA and Hong Kong which resulted in increased turnover and profits. Borrowings also increased due to further purchase of network equipment such as routers and switches for GTC's further network expansion to regional markets stated above.

Nine (9)-months Period Ended 30 September 2011

GTC recorded revenue of RM55.52 million for the nine (9)-months period ended 30 September 2011. The increase in revenue for this period was mainly contributed by continued growth in customer base, bandwidth utilisation per customer, take-up for private leased circuit services from both local and regional service providers. GTC recorded a PAT of RM6.74 million during this period.

6. BORROWINGS

As at 31 December 2010, all GTC's borrowings amounting to RM8.30 million in aggregate are finance leases for the supply, delivery, installation, testing, commissioning and maintenance support services of network infrastructure expansion.

7. ORIGINAL COST OF INVESTMENT

The original cost of investment by PKV in GTC was RM48,200,000 as at 6 October 2008. Pursuant to the GTC SPA, PKV had acquired 2,000,000 shares at RM1.00 each in GTC from GTI (increased from 500,000 shares due to an allotment and issuance of 1,500,000 new ordinary shares of RM1.00 each in GTC to GTI on 19 December 2008 to set-off against the sum owed by GTC to GTI) in consideration of the issuance of 48,200,000 new shares in PKV at RM1.00 each, and a deferred consideration of up to 128,000,000 new PKV shares at RM1.00 each upon PKV's investments achieving certain financial targets.

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APPENDIX II

INFORMATION ON GTL

INFORMATION ON GTL

1. HISTORY AND PRINCIPAL ACTIVITIES

GTL was incorporated in Malaysia under the Labuan Companies Act 1990 on 25 February 2008 as a private limited company. As at LPD, the authorised share capital of GTL is USD14,250,000 comprising 13,250,000 preference shares of USD1.00 each and 1,000,000 ordinary shares of USD1.00 each and its issued and paid-up share capital is USD12,000,900 comprising 12,000,000 preference shares of USD1.00 each and 900 ordinary shares of USD1.00 each. The holders of GTL's preference shares are as follows:

Name	Shareholding[(1)]	
	Class A	Class B
Accurate Gain Profits	3,000,000	-
Halfmoon Bay	5,000,000	-
Continuum Capital	3,000,000	-
Megawisra	-	1,000,000
TOTAL	**11,000,000**	**1,000,000**

Note:

(1) The preference shares divided into Class A and B have the same terms, save for differences in terms of dividends and other distributions, ranking on GTL's winding up or liquidation and capital repayment. Upon completion of the Proposed Acquisition of GTL, the terms of both classes of preference shares will no longer be applicable as our Company will hold one hundred percent (100%) of the shares in GTL.

The salient terms of GTL's preference shares (Class A and Class B) are as follows:

Norminal/Par Value	:	USD1.00 per preference share
Issue price	:	USD1.00 per preference share
Distributions	:	Dividends and other distributions are payable in the following manner: (d) the initial cumulative distribution of USD8,750,000 to Class A shareholders in accordance with their respective shareholding of Class A preference shares; (e) the next cumulative distributions of USD4,500,000 to Class A and Class B shareholders in equal proportions in accordance with their respective shareholding of Class A and Class B preference shares; (f) there after all subsequent distributions to Class A and Class B shareholders on 65:35 ratio in accordance with their respective shareholding of Class A and Class B preference shares.
Voting rights		The holder of the preference shares shall not have any voting right.
Status of the IPS		In the event of the winding up/liquidation/repayment of capital of the Company, the Class A preference shares shall rank in priority to the Class B preference shares and ordinary shares and Class B preference shares shall rank in priority to ordinary shares for the repayment of the issue price and distributions made (if any). Class A and Class B preference shares shall be collectively entitle to 65:35 ratio on the surplus assets of the Company subsequent to the distribution (if any).

GTL is principally engaged in the business of telecommunication services and it commenced operations on 29 April 2010.

GTL, together with Google Cable Bermuda Ltd, Bharti Airtel Limited, KDDI Corporation, Pacnet Limited and Singapore Telecommunications Limited had in February 2008 collaborated to build the Unity cable system. GTL's Participation Interest entitles it to ten percent (10%) of the capacity of the Unity cable system, which is an approximately 9,620km cable system across the Pacific Ocean between Chikura, Japan and Los Angeles in the US. Together with the other consortium members of the Unity cable system, it further owns 650km of terrestrial capacity in Los Angeles, San Jose and Palo Alto in the US.

For year 2010, all the revenue was derived from domestic market.

The transactions entered into by GTL with the TdC Group in the past three (3) financial years were as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sale transactions to TdC Group	-
31 December 2009	Sale transactions to TdC Group	-
31 December 2010	Sale transactions to TdC Group	10,561

The TdC Group contributed RM10.56 million representing eighty two percent (82%) to the revenue of GTL in 2010. The transactions between GTL and the TdC Group are for the provision of bandwidth business by GTL to the TdC Group, who packages the bandwidth with our own services for the purposes of on-sale to our other customers.

2. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of GTL (i.e. the GTL Vendors) are as follows:

		Direct		Indirect	
Substantial shareholder	**Nationality / Country of Incorporation**	**No. of shares held**	**%**	**No. of shares held**	**%**
Megawisra	Malaysia	315	35	-	-
Halfmoon Bay	British Virgin Islands	225	25	-	-
Accurate Gain Profits	British Virgin Islands	135	15	-	-
Continuum Capital	Malaysia	135	15	-	-
Nicholas Lim Ping	Australian	90	10	-	-
KNB	Malaysia	-	-	135	15[(1)]
Megawisra Investments	Malaysia	-	-	315	35[(2)]
Afzal	Malaysian	-	-	315	35[(3)]
Te-Shen	Malaysian	-	-	315	35[(3)]

Notes:

(1) *Deemed interested via its indirect shareholding in Continuum Capital*

(2) *Deemed interested via its wholly owned subsidiary, Megawisra*

(3) *Deemed interested via its shareholding in Megawisra Investments*

3. DIRECTORS

The particulars of the directors of GTL as at the LPD are as follows:

			Shareholdings			
			Direct		Indirect	
Name	Designation	Nationality	No. of Shares	%	No. of Shares	%
Afzal	Director	Malaysian	-	-	315[(1)]	35
Te-Shen	Director	Malaysian	-	-	315[(1)]	35
Wong Mun Keong	Director	Malaysian	-	-	-	-
Muhamad Zauqi Bin Abdullah	Director	Malaysian	-	-	-	-
Lim Li Li	Director	Malaysian	-	-	-	-
Tengku Mohd Fahmi Bin Tengku Hamzah	Director	Malaysian	-	-	-	-
Nicholas Lim Ping	Director	Australian	90	10	-	-

Note:

(1) Indirect shareholding via its indirect shareholding in Megawisra

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, GTL does not have any subsidiary or associated company

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-B of this Circular, the audited financial statements for the year ended 31 December 2010 of GTL.

The audited financial statements of GTL have been prepared in accordance with relevant approved FRS and the Labuan Companies Act 1990. There are no accounting policies adopted which are peculiar to the business/industry which GTL operates and the audited financial statements of GTL for the financial years under review were not subject to any audit qualification.

5.2 Financial information

The financial information of GTL has been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of GTL.

The summarised financial information of GTL is set out below:

	Unaudited nine (9)-months period ended 30 September 2011		Audited 31 December 2010		Audited 31 December 2009		Audited from 25 February 2008 to 31 December 2008	
	USD	RM[3]	USD	RM[4]	USD	RM[5]	USD	RM[6]
Revenue	3,310,782	10,558,084	4,172,666	12,874,761	-	-	-	-
PBT / (LBT)	319,321	1,018,315	260,062	802,421	(457,484)	(1,567,569)	(146,219)	(507,014)
PAT / (LAT)	319,321	1,018,315	253,573	782,399	(457,484)	(1,567,569)	(146,219)	(507,014)
Shareholders' funds[1]	(29,909)	(95,380)	(349,230)	(1,077,549)	(602,803)	(2,065,504)	(146,019)	(506,321)
Total borrowings	17,606,095	56,145,837	17,586,682	54,263,707	12,848,538	44,025,515	-	-
Gross EPS / (LPS)	355	1,131	289	892	(508)	(1,742)	(731)	(2,535)
Net EPS / (LPS)	355	1,131	282	869	(508)	(1,742)	(731)	(2,535)
Issued and Paid-up capital	900	2,870	900	2,777	900	3,084	200	694
Net liabilities	29,909	95,380	349,230	1,077,549	602,803	2,065,504	146,019	506,321
Net liabilities per share	33	106	388	1,197	670	2,295	730	2,532
Current ratio (times)	3.43	3.43	6.36	6.36	4.53	4.53	Not Applicable[2]	Not Applicable[2]
Gearing ratio (times)	Negative value	Negative value	Negative value	Negative value	Negative value	Negative value	-	-

Notes:

(1) Shareholders' funds does not include the irredeemable preference shares of USD12 million

(2) No current assets were recorded as at 31 December 2008

(3) Exchange rate USD1.00 : RM3.1890 (being the middle rate at 5.00 p.m. on 30 September 2011 from BNM), which is used for illustration purposes only

(4) Exchange rate USD1.00 : RM3.0855 (being the middle rate at 5.00 p.m. on 30 December 2010 from BNM), which is used for illustration purposes only

(5) Exchange rate USD1.00 : RM3.4265 (being the middle rate at 5.00 p.m. on 31 December 2009 from BNM), which used for illustration purposes only

(6) Exchange rate USD1.00 : RM3.4675 (being the middle rate at 5.00 p.m. on 31 December 2008 from BNM), which is used for illustration purposes only

Commentaries:

Financial Year Ended 31 December 2008

As the Unity cable system was only completed and put into operation in April 2010, no revenues were recorded in the year ended 31 December 2008. The expenses incurred during the year were mainly professional fees and legal fees which amounted to USD100,000.

Financial Year Ended 31 December 2009

As the Unity cable system was only completed and put into operation in April 2010, no revenues were recorded in the year ended 31 December 2009. The expenses incurred during the year were mainly on interest payments on borrowings.

Bank borrowings were obtained to finance the development costs and pre-operating expenses of the Unity cable system.

Financial Year Ended 31 December 2010

GTL started recognising revenue in November 2010. Revenue was generated from the sales of cable capacity and the operation and maintenance service provided, such as having standby cable ships, monitoring of the cable system, co-location in the US and Japan, maintenance of equipment and remote services for operation of equipment. The expenses incurred during the year were mainly on interest payments on borrowings.

Additional bank borrowings were obtained to further finance the additional development costs and pre-operating expenses of the Unity cable system.

Nine (9)-months Period Ended 30 September 2011

The revenue represents the sales of cable capacity and the operation and maintenance services provided. In the current period, the profit margins have improved when compared against the previous year as GTL had only started recognising revenue in November 2010.

6. BORROWINGS

As at 31 December 2010, the borrowings obtained by GTL in relation to the Unity cable system are as follows:

(i) a term loan of approximately USD14.1 million, with the following salient terms:

(a) GTL and Maybank International (L) Ltd. ("**Maybank**") had entered into a facility agreement dated 20 January 2009 whereby GTL had agreed to borrow and Maybank had agreed to lend, the term loan in the principal amount of approximately USD14.1 million for the purpose of financing up to sixty percent (60%) of GTL's expenses relating to the construction of the Unity cable system. The tenure of this facility is seven (7) years inclusive of two point five (2.5) years of grace period. The repayment of the loan and the interest thereon commences thirty (30) months after the first drawdown of the loan. The interest payable on the loan is at the rate per annum which is the aggregate of: (i) two point five zero percent (2.50%); and (ii) the cost of funds; and may be varied by Maybank under certain circumstances;

(b) GTL undertakes with Maybank that, from the date of the loan agreement until all indebtedness have been discharged, GTL will, among others:

(1) ensure that its liabilities under the transaction documents (relating to this loan facility) to which it is a party rank and will rank at least

equally and rateably (pari passu) in point of priority and security with all its other liabilities;

(2) obtain all necessary licences and approvals and comply with all regulations relating to the carrying on of its business and will carry on its business with due diligence and efficiency and in accordance with sound business standards and practices;

(3) promptly notify Maybank of: (i) any material event or adverse change in the condition (financial or otherwise) of GTL; (ii) any litigation or other proceedings of any nature whatsoever being threatened or initiated against GTL, which may materially affect the operations and/or financial condition of GTL; (iii) any dispute between GTL and any government or statutory body in respect of GTL's land and other assets; and (iv) any labour controversy which might result in a strike against GTL;

(4) inform Maybank in the event of any acquisition of assets of a substantial amount; and

(5) procure and ensure that all present and future loans granted to it by any of its directors, shareholders or related companies will be subordinated to the indebtedness pursuant to the loan agreement;

(c) GTL also further covenants and undertakes that from the date of the loan agreement, it will not (among others) without the prior written consent of Maybank first and had been obtained:

(1) create or permit to exist over all or any part of GTL's business or assets any security interest (unless in the manner permitted by the loan agreement);

(2) make any loans or advance or guarantee or grant any credit to any of GTL's directors, shareholders or related companies or any company or person or firm or organisation or purchase or otherwise acquire the capital stock, assets or obligation of any of these persons save and except in the ordinary course of business and on commercial terms and on the basis of arm's length transaction;

(3) allow any change in GTL's existing shareholders or their respective shareholdings and/or GTL's directors and/or its management;

(4) change the nature of GTL's present business or sell, transfer or otherwise dispose of, or in any way cease to exercise control over, whether by single transaction or a number of transactions, related or not, the whole or part of its undertaking, business or assets or undertake or permit any merger consolidation or re-organisation;

(5) make any alteration to the general purpose in its application of the facility.

(d) The following are the security documents that were executed in connection with the loan agreement:

(1) personal guarantee for approximately USD14.1 million;

(2) corporate guarantee from Megawisra for approximately USD14.1 million;

(3) fresh debenture incorporating fixed and floating charge over the entire assets of GTL for approximately USD14.1 million;

(4) memorandum of deposit of fixed deposit of USD1.2 million in a debt service reserve account (the deposit to be utilised to service the interest for the first twelve (12) months, balances (if any) will be utilised to repay the principal);

(5) assignment of present and future contract proceeds;

(6) undertaking from Megawisra to meet any cost overrun of the project in relation to the Unity cable system;

(7) letter of set-off to be executed by GTL;

(8) deed of subordination to be executed by the shareholders of GTL; and

(9) project account agreement in relation to the charge on the debt service reserve account;

(ii) a short term revolving credit Of USD3.5 million, with the following salient terms:

(a) GTL and Maybank had entered into a facility agreement dated 30 April 2010 whereby GTL had agreed to borrow and Maybank had agreed to lend, a short term revolving credit facility in the principal amount of USD3.5 million for the purpose of financing the additional development cost and pre-operating expenses of the project in relation to the Unity cable system. The tenure of this facility is a period of twelve (12) months from the date of the perfection of the security documents and has been further extended for a further period of eighteen (18) months. GTL shall, unless GTL has rolled over the relevant drawing, repay to Maybank each drawing in full on maturity date relative thereto together with the interest accrued thereon. The interest on all sums due is chargeable at the rate per annum which is the aggregate of: (i) two point five percent (2.50%); and (ii) the cost of funds; and may be varied by Maybank under certain circumstances;

(b) GTL undertakes with Maybank that, from the date of this agreement until all indebtedness have been discharged, GTL will, among others:

(1) ensure that its liabilities under the transaction documents (relating to this loan facility) to which it is a party rank and will rank at least equally and rateably (pari passu) in point of priority and security with all its other liabilities;

(2) obtain all necessary licences and approvals and comply with all regulations relating to the carrying on of its business and will carry on its business with due diligence and efficiency and in accordance with sound business standards and practices;

(3) promptly notify Maybank of: (i) any material event or adverse change in the condition (financial or otherwise) of GTL; (ii) any litigation or other proceedings of any nature whatsoever being threatened or initiated against GTL, which may materially affect the operations and/or financial condition of GTL; (iii) any dispute between GTL and any government or statutory body in respect of GTL's land and other assets; and (iv) any labour controversy which might result in a strike against GTL;

(4) inform Maybank in the event of any acquisition of assets of a substantial amount; and

(5) procure and ensure that all present and future loans granted to it by any of its directors, shareholders or related companies will be subordinated to the indebtedness pursuant to this agreement.

(c) GTL also further covenants and undertakes that from the date of this agreement, it will not (among others) without the prior written consent of Maybank first and had been obtained:

(1) create or permit to exist over all or any part of GTL's business or assets any security interest (unless in the manner permitted by this agreement);

(2) make any loans or advance or guarantee or grant any credit to any of GTL's directors, shareholders or related companies or any company or person or firm or organisation or purchase or otherwise acquire the capital stock, assets or obligation of any of these persons save and except in the ordinary course of business and on commercial terms and on the basis of arm's length transaction;

(3) allow any change in GTL's existing shareholders or their respective shareholdings and/or GTL's directors and/or its management;

(4) change the nature of GTL's present business or sell, transfer or otherwise dispose of, or in any way cease to exercise control over, whether by single transaction or a number of transactions, related or not, the whole or part of GTL's undertaking, business or assets or undertake or permit any merger consolidation or re-organisation; and

(5) make any alteration to the general purpose in GTL's application of the facility.

(d) The following are the security documents that were executed in connection with this facility:

(1) the assignment in form and substance as prescribed by Maybank to be executed by GTL in favour of Maybank;

(2) the debenture in the form and substance as prescribed by Maybank to be executed by GTL in favour of Maybank;

(3) corporate guarantee from Megawisra for USD3.5 million; and

(4) a personal guarantee of USD3.5 million in favour of Maybank.

7. ORIGINAL COST OF INVESTMENT

The original costs of investment by the respective GTL Vendors in GTL were as follows:

Name of GTL Vendor	Year of investment	Original cost of investment
		USD
Accurate Gain Profits	2008	980,000
	2009	1,970,000
	2010	50,000
		3,000,000
Halfmoon Bay	2008	1,600,000
	2009	3,300,000
	2010	100,000
		5,000,000
Continuum Capital	2008	980,000
	2009	1,970,000
	2010	50,000
		3,000,000
Megawisra	2008	600,000
	2009	-
	2010	-
		600,000
Nicholas Lim Ping	2008	400,000
	2009	-
	2010	-
		400,000
		12,000,000

In order to increase its capacity to approximately one (1) Tbps, GTL will require approximately USD7 million in light-up cost.

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APPENDIX III

INFORMATION ON GTS

INFORMATION ON GTS

1. HISTORY AND PRINCIPAL ACTIVITIES

GTS was incorporated in Singapore under the Companies Act (Cap 50) on 4 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTS is SGD20,000 comprising 20,000 ordinary shares of SGD1.00 each and its issued and paid-up share capital is SGD20,000 comprising 20,000 ordinary shares of SGD1.00 each. GTS holds a SBO (Individual) Licence from Info-Communications Development Authority of Singapore. The SBO licence allows GTS to provide international simple resale services, resale of leased circuit services, public internet access services and internet exchange services in Singapore.

The principal activity of GTS is wholesale of telecommunications equipment and related services. GTS currently has minimal operations.

There was no transaction entered into by GTS with the TdC Group in the past three (3) financial years.

2. SUBSTANTIAL SHAREHOLDERS

GTS is a wholly owned subsidiary of GTI, which is incorporated in Malaysia.

3. DIRECTORS

The particulars of the directors of GTS as at the LPD are as follows:

			Shareholdings			
			Direct		Indirect	
Name	Designation	Nationality	No. of Shares	%	No. of Shares	%
Muhammad Irfan bin Zainuddin	Director	Singaporean	-	-	-	-
Afzal	Director	Malaysian	-	-	20,000[(1)]	100
Megat Hisham	Director	Malaysian	-	-	-	-

Note:

(1) Indirect shareholding via his indirect shareholding in GTI

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, GTS does not have any subsidiary or associated company.

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-C of this Circular, the audited financial statements for the year ended 31 December 2010 of GTS.

The audited financial statements of GTS have been prepared in accordance with relevant approved FRS. There are no accounting policies adopted which are peculiar to the business/industry which GTS operates.

The audited financial statements of GTS for the financial years ended 31 December 2010 and 2009 were subject to an audit qualification on the trade and other receivables balances as at the respective years ended. The reason for the audit qualifications above was that there were no provisions for doubtful debts made on long overdue debt owed by trade and other receivables amounting to SDG103,018 and SGD182,220 for the year ended 31 December 2010 and 2009 respectively. It was further stated that the ultimate holding company has undertaken to provide additional financial support in the near future. The audited financial statements of GTS for the financial year ended 31 December 2008 was not subject to any audit qualification.

Subsequent to the date of the audit report, the said debt amounting to SGD103,018 as at 31 December 2010 has been fully repaid by the respective trade debtors.

5.2 Financial information

The financial information of GTS have been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of GTS.

The summarised financial information of GTS is set out below:

	Unaudited nine (9)-months period ended 30 September 2011		Audited 31 December 2010		Audited 31 December 2009		Audited 31 December 2008	
	SGD	RM[1]	SGD	RM[2]	SGD	RM[3]	SGD	RM[4]
Revenue	615,367	1,513,557	255,836	610,604	66,000	161,383	72,784	175,693
PBT / (LBT)	17,748	43,653	4,354	10,392	(6,420)	(15,698)	(9,024)	(21,783)
PAT / (LAT)	17,748	43,653	5,557	13,263	(2,908)	(7,111)	(7,400)	(17,863)
Shareholders' funds	70,312	172,939	52,564	125,454	47,007	114,942	49,915	120,490
Total borrowings	-	-	-	-	-	-	-	-
Gross EPS / (LPS)	0.89	2.18	0.22	0.52	(0.32)	(0.78)	(0.45)	(1.09)
Net EPS / (LPS)	0.89	2.18	0.28	0.66	(0.15)	(0.36)	(0.37)	(0.89)
Issued and paid-up capital	20,000	49,192	20,000	47,734	20,000	48,904	20,000	48,278
NA	70,312	172,939	52,564	125,454	47,007	114,942	49,915	120,490
NA per share	3.52	8.66	2.63	6.27	2.35	5.75	2.50	6.02
Current ratio (times)	2.00	2.00	1.25	1.25	1.32	1.32	1.41	1.41
Gearing ratio (times)	-	-	-	-	-	-	-	-

Notes:

(1) Exchange rate SGD1.00 : RM2.4596 (being the middle rate at 5.00 p.m. on 30 September 2011 from BNM), which is used for illustration purposes only)

(2) Exchange rate SGD1.00 : RM2.3867 (being the middle rate at 5.00 p.m. on 30 December 2010 from BNM), which is used for illustration purposes only)

(3) Exchange rate SGD1.00 : RM2.4452 (being the middle rate at 5.00 p.m. on 31 December 2009 from BNM), which is used for illustration purposes only)

(4) Exchange rate SGD1.00 : RM2.4139 (being the middle rate at 5.00 p.m. on 31 December 2008 from BNM), which is used for illustration purposes only)

Commentaries:

Financial Year Ended 31 December 2008

The revenue generated for the year ended 31 December 2008 was mainly from leased circuit link, co-location and engineering services. The expenses incurred during the year were mainly on operating expenses such as legal and professional fees and licence fees.

Financial Year Ended 31 December 2009

The revenue generated for the year ended 31 December 2009 was mainly from co-location services and engineering services and management fees charged to GTC. The expenses incurred were mainly on professional, administrative and licence related expenses. Despite lower revenues from the prior year, there was a lower loss position mainly due to initial set up costs for cabling cross-connect in 2008.

Financial Year Ended 31 December 2010

The increase in revenue in 2010 was due to the expansion of co-location business of its existing customer, GTC and the growth in business revenue assisted GTS registering profits after tax in 2010. The expenses incurred were mainly on professional, administrative and licence related expenses.

Nine (9)-months Period Ended 30 September 2011

The increase in revenue compared to the previous financial year was due to the expansion of co-location business of its existing customer, GTC. The expenses incurred were mainly due to professional, administrative and licence related expenses.

6. BORROWINGS

As at 31 December 2010, GTS has no borrowings.

7. ORIGINAL COST OF INVESTMENT IN GTS

The original cost of investment of GTI in GTS was SGD20,000 made on 4 April 2005.

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APPENDIX IV

INFORMATION ON GTHK

INFORMATION ON GTHK

1. HISTORY AND PRINCIPAL ACTIVITIES

GTHK was incorporated in Hong Kong under the Companies Ordinance (Chapter 32) on 13 April 2005 as a private company limited by shares. As at LPD, the authorised share capital of GTHK is HKD10,000 comprising 10,000 ordinary shares of HKD1.00 each and its issued and paid-up share capital is HKD1.00 comprising one (1) ordinary share of HKD1.00 each. GTHK holds a SBO Licence from the Office of the Telecommunications Authority, Hong Kong which allows GTHK to provide external telecommunications service and international value-added network services in Hong Kong.

GTHK's principal activity is provision of telecommunications service. GTHK is currently dormant.

There was no transaction entered into by GTHK with the TdC Group in the past three (3) financial years.

2. SUBSTANTIAL SHAREHOLDERS

GTHK is a wholly owned subsidiary of GTI, which is incorporated in Malaysia.

3. DIRECTORS

The particulars of the director of GTHK as at the LPD are as follows:

Name	Designation	Nationality	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Afzal	Director	Malaysian	-	-	1[(1)]	100

Note:

(1) Indirect shareholding via his indirect shareholding in GTI

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, GTHK does not have any subsidiary or associated company.

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-D of this Circular, the audited financial statements for the year ended 31 December 2010 of GTHK.

The audited financial statements of GTHK have been prepared in accordance with relevant approved FRS. There are no accounting policies adopted which are peculiar to the business/industry which GTHK operates and the audited financial statements of GTHK for the financial years under review were not subject to any audit qualification.

5.2 Financial information

The financial information of GTHK has been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of GTHK.

The summarised financial information of GTHK is set out below:

	Unaudited nine (9)-months period ended 30 September 2011		Audited 31 December 2010		Audited 31 December 2009		Audited 31 December 2008	
	HKD	RM[2]	HKD	RM[3]	HKD	RM[4]	HKD	RM[5]
Revenue[1]	-	-	-	-	56,589	25,001	121,680	54,440
PBT / (LBT)	(18,147)	(7,431)	(10,855)	(4,303)	(8,874)	(3,921)	19,800	8,859
PAT / (LAT)	(18,147)	(7,431)	(10,855)	(4,303)	(8,874)	(3,921)	19,800	8,859
Shareholders' funds	(157,411)	(64,460)	(139,264)	(55,204)	(128,409)	(56,731)	(119,535)	(53,480)
Total borrowings	-	-	-	-	-	-	-	-
Gross EPS / (LPS)	(18,147)	(7,431)	(10,855)	(4,303)	(8,874)	(3,921)	19,800	8,859
Net EPS / (LPS)	(18,147)	(7,431)	(10,855)	(4,303)	(8,874)	(3,921)	19,800	8,859
Issued and paid-up capital	1	1	1	1	1	1	1	1
Net liability	157,411	64,460	139,264	55,204	128,409	56,731	119,535	53,480
Net liability per share	157,411	64,460	139,264	55,204	128,409	56,731	119,535	53,480
Current ratio (times)	0.49	0.49	0.58	0.58	0.62	0.62	0.64	0.64
Gearing ratio (times)	-	-	-	-	-	-	-	-

Notes:

(1) *Represents invoices value of telecommunication and engineering services*

(2) *Exchange rate HKD1.00 : RM0.4095 (being the middle rate at 5.00 p.m. on 30 September 2011 from BNM), which is used for illustration purposes only*

(3) *Exchange rate HKD1.00 : RM0.3964 (being the middle rate at 5.00 p.m. on 30 December 2010 from BNM), which is used for illustration purposes only*

(4) *Exchange rate HKD1.00 : RM0.4418 (being the middle rate at 5.00 p.m. on 31 December 2009 from BNM), which is used for illustration purposes only*

(5) *Exchange rate HKD1.00 : RM0.4474 (being the middle rate at 5.00 p.m. on 31 December 2008 from BNM), which is used for illustration purposes only*

Commentaries:

Financial Year Ended 31 December 2008

The revenue generated for the year ended 31 December 2008 was mainly from co-location charges and engineering services. The expenses incurred during the year were mainly on professional, administrative and licence related expenses.

Financial Year Ended 31 December 2009

The decline in revenue from the preceding year was due to termination of co-location contract with GTHK's customer in June 2009, as the customer no longer required co-location services. The expenses incurred during the year were mainly on professional, administrative and licence related expenses.

Financial Year Ended 31 December 2010

No revenue was recorded in the year ended 31 December 2010 due to the termination of co-location contract with its customer in June 2009 and there were no new contracts secured during the year. The expenses incurred during the year were mainly on professional, administrative and licence related expenses..

Nine (9)-months Period Ended 30 September 2011

GTHK remained dormant since the termination of co-location contract with a customer in June 2009. The expenses incurred during the year were mainly on professional, administrative and licence related expenses.

6. BORROWINGS

As at 31 December 2010, GTHK has no borrowings.

7. ORIGINAL COST OF INVESTMENT IN GTHK

The original cost of investment of GTI in GTHK was only HKD1.00 which was made on 13 April 2005.

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APPENDIX V

INFORMATION ON TAAG GROUP

INFORMATION ON TAAG GROUP

1. HISTORY AND PRINCIPAL ACTIVITIES

TAAG was incorporated in Malaysia under the Act on 16 December 2005 under the name of Titian Inovatif Sdn Bhd as a private company limited by shares. It assumed its present name on 16 February 2007. As at LPD, the authorised share capital of TAAG is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM1,400,000 comprising 1,400,000 ordinary shares of RM1.00 each. TAAG had commenced its business on 17 July 2009.

Currently, TAAG is principally engaged in the business of providing engineering services for the telecommunication industry. The principal activities of the subsidiaries are providing telecommunications services and value added network services, information services, systems integration services and the operation of data networks and network based applications for corporations.

TAAG was incorporated to purchase the business of AIMS Data Centre in a management buyout in 2006. At that time, AIMS Data Centre was engaged in the internet access business and data centre business. Subsequent to the management buyout, AIMS Data Centre focused on the data centre business and later on managed services as well and these are currently its core businesses.

Another subsidiary of TAAG is Information Edge Sdn Bhd which was incorporated on 26 June 1991 as a vehicle to develop and market a financial services product. It remains a dormant company.

In 2005, AIMS Data Centre Pte Ltd was incorporated in Singapore to provide data centre and managed services to the Singapore customers of AIMS Data Centre. It now mainly provides managed services to customers in Singapore.

The details and the principal activities of TAAG's subsidiaries are set in Section 4 of this Appendix V.

In 2010, thirty seven percent (37%) of revenue was derived from foreign customers while sixty three percent (63%) of revenue was derived from local customers.

The transactions entered into by the TAAG Group with the TdC Group in the past three (3) financial years were as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sales transactions to the TdC Group[1]	80
	Purchase transactions from the TdC Group[2]	484
31 December 2009	Sales transactions to the TdC Group[1]	303
	Purchase transactions from the TdC Group[2]	2,011
31 December 2010	Sales transactions to the TdC Group[1]	568
	Purchase transactions from the TdC Group[2]	2,107

Notes:

(1) Provision of co-location and ancillary services by the TAAG Group to TdC Group

(2) Purchase of leased line services by TAAG Group from TdC Group

2. SUBSTANTIAL SHAREHOLDER

TAAG is a wholly owned subsidiary of Megawisra, which is incorporated in Malaysia.

3. DIRECTORS

The particulars of the directors of TAAG as at the LPD are as follows:

Name	Designation	Nationality	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Afzal	Director	Malaysian	-	-	1,400,000[1]	100
Te-Shen	Director	Malaysian	-	-	1,400,000[1]	100

Note:

(1) Indirect shareholding via his indirect shareholding in Megawisra

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

Name of company	Date / place of incorporation	Issued and paid-up capital	Effective equity interest %	Principal activities
Direct subsidiaries				
AIMS Data Centre Sdn Bhd[1]	27 June 1990 Malaysia	RM17,774,549	100	Provision of value added network services, systems integration services and the operation of data networks and network based application for corporations.
Information Edge Sdn Bhd	26 June 1991 Malaysia	RM100,000[3]	100	Dormant
AIMS Data Centre Pte Ltd[2]	07 July 2005 Singapore	SGD100,002	100	Telecommunications services

Notes:

(1) Held in trust by Equity Trust, a third party on behalf of TAAG due to a facility referred to in note (1) in Section 6, Appendix V of this Circular but the trust arrangement is currently in the midst of being terminated following the full and final settlement of the said facility. It is also previously known as Applied Information Management Services Sdn Bhd and assumed the present name on 6 July 2007

(2) Previously known as Aurora Telecommunications Pte Ltd and assumed the present name on 29 June 2007. Legally held by both Megawisra and TAAG holding 100,000 and 2 ordinary shares respectively. However, due to its financial and business dependency on TAAG, AIMS Data Centre Pte Ltd is consolidated into the books of TAAG

(3) The investment of RM100,000 in Information Edge Sdn Bhd was impaired in 31 December 2009 in the book of TAAG

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-E of this Circular, the consolidated audited financial statements for the year ended 31 December 2010 of TAAG.

The consolidated audited financial statements of TAAG have been prepared in accordance with relevant approved PERS. There are no accounting policies adopted which are peculiar to the business/industry which the TAAG Group operate. The consolidated audited financial statements of TAAG for the financial years under review were subject to an emphasis of matter on the going concern assumption, notwithstanding that the TAAG Group and TAAG incurred LAT and incurred losses and reported deficits in shareholders' equity. The validity of the going concern assumption depends on the continued financial support of TAAG Group and TAAG's bankers and creditors and the availability of alternative funding arrangements as and when these are required and the ability of TAAG Group and TAAG to generate profits and positive operating cash flows. The financial statements do not include any adjustment that will be necessary if such financial support and the availability of alternative funding arrangements are not available or if TAAG Group and TAAG are unable to generate profits and positive operating cash flows.

5.2 Financial information

The financial information of the TAAG Group have been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of the TAAG Group.

The summarised financial information of the TAAG Group is set out below:

	Unaudited nine (9)-months period ended 30 September 2011	Audited 31 December 2010	Audited 31 December 2009	Audited 31 December 2008
	RM	RM	RM	RM
Revenue	26,780,379	39,903,730	27,909,031	26,151,842
PBT / (LBT)	193,232	132,282	993,040	(4,054,549)
PAT / (LAT)	193,232	(1,590,243)	118,789	(4,442,353)
Shareholders' funds	(6,895,651)	(6,996,340)	(5,453,953)	(5,573,963)
Total borrowings[(1)]	24,180,660	25,452,009	28,355,137	34,060,574
Gross EPS / (LPS)	0.14	0.09	0.71	(2.90)
Net EPS / (LPS)	0.14	(1.14)	0.08	(3.17)
Issued and paid-up capital	1,400,000	1,400,000	1,400,000	1,400,000
Net liability	6,895,651	6,996,340	5,453,953	5,573,963
Net liability per share	4.93	5.00	3.90	3.98
Current ratio (times)	0.45	0.49	0.84	0.81
Gearing ratio (times)	Negative value	Negative value	Negative value	Negative value

Note:

(1) Comprises bank overdrafts, term loans, hire purchase and lease creditors

Commentaries:

Financial Year Ended 31 December 2008

TAAG Group recorded losses during the year mainly due to high operating expenses from additional staff hired by a subsidiary company and land lease expenses in Singapore in 2008. The expenses were mainly due to TAAG Group's plans to expand regionally into Singapore.

Financial Year Ended 31 December 2009

Subsequent to TAAG Group's initial plans for regional expansion into Singapore in 2008, TAAG Group re-aligned its strategies towards managed services which was less capital intensive. This resulted in lower expenses attributable to a lower head count and termination of land lease rental in Singapore. This and the increase in other operating income resulted in a profit position from a loss position.

Financial Year Ended 31 December 2010

TAAG Group recorded revenue of RM39.9 million for the year ended 31 December 2010, being an increase of RM12.0 million from RM27.9 million for the year ended 31 December 2009 as TAAG Group was able to secure a non-recurring leased line sales contract of approximately RM6.18 million. However, the impairment in investments of RM2.5 million (due to TAAG's investments in the Idaman Capital Berhad subordinate bond, which was substantially below the nominal value of RM2.5 million and therefore, TAAG was advised by Idaman Capital Berhad's portfolio manager that the investment should be provided for in full) had resulted in a lower PBT. The LAT was due to higher provision of tax as a result of non-deductable expenses relating to the impairment in investments. Excluding the one-off impairment, TAAG Group would have recorded a PAT of RM0.9 million.

Nine (9)-months Period Ended 30 September 2011

The sales revenue for the period ended 30 September 2011 amounted to RM26.78 million. During the nine (9) months period, additional one-off expenses were incurred for the refinancing of a borrowing (please refer to note (1) in Section 6, Appendix V of this Circular) and for the under-provision of certain expenses in the previous year. Excluding the abovementioned one-off expenses, PAT for the period would have been approximately RM0.62 million.

6. BORROWINGS

As at 31 December 2010, the TAAG Group's borrowings are:

(i) primary collateralised loan obligations of RM25.0 million obtained by TAAG on 27 September 2006 from Alliance Investment Bank Berhad for the management buyout of Applied Information Management Services (now known as AIMS Data Centre Sdn Bhd) for a tenure of five (5) years and at an interest rate of seven point seven five percent (7.75%) per annum. The loan amount has been paid down since 2009 and the outstanding balance as at 31 December 2010 is RM22.88 million.[(1)];

(ii) an overdraft facility of RM1.0 million obtained by AIMS Data Centre from CIMB Bank Berhad on 24 March 2008 for a tenure of five (5) years and at an interest rate of eight point two five percent (8.25%), and the outstanding balance as at 31 December 2010 is RM0.86 million [(2)];

(iii) a banking facility under Credit Enhancer Scheme of RM3.0 million obtained by AIMS Data Centre from Malayan Banking Berhad on 3 November 2010 for a tenure to be yearly reviewed and at an interest rate of seven point eight zero percent (7.80%) and the amount is undrawn as at 31 December 2010;

(iv) an operating lease in the principal amount of approximately RM64,000 obtained by AIMS Data Centre Pte Ltd from Fuji Xerox Singapore Pte Ltd on 10 July 2008 for a tenure of five (5) years and the outstanding balance as at 31 December 2010 is RM23,966.84;

(v) finance leases in the principal amount of approximately RM9,213,000 in aggregate obtained by AIMS Data Centre for purchase of equipment since 2008 for tenures of between twenty-three (23) months to sixty (60) months and at an average interest rate of approximately three point six percent (3.60%) per annum and the outstanding balance as at 31 December 2010 is RM1,502,804;

(vi) hire purchase facilities in the principal amount of approximately RM423,000 in aggregate obtained by AIMS Data Centre for purchase of vehicles since 2007 for a tenure of sixty (60) months and at an average interest rate of approximately three point eight percent (3.80%) per annum and the outstanding balance as at 31 December 2010 is RM193,873; and

(vii) trade financing facilities in the principal amount of approximately RM724,000 in aggregate obtained by AIMS Data Centre from CIMB Bank Berhad and Citibank Berhad and the outstanding balance as at 31 December 2010 is RM124,400.

Notes:

(1) This facility was fully settled on 3 October 2011 through a Business Financing-I facility of RM22,500,000.00 obtained by AIMS Data Centre from Bank Islam Malaysia Berhad on 26 September 2011 for a tenure of up to six (6) months and at the bank's effective profit rate which is cost of fund plus two point four percent (2.4%) per annum

(2) This facility has ceased and was fully settled on 22 September 2011

7. ORIGINAL COST OF INVESTMENT IN TAAG GROUP

The original cost of investment by Megawisra in TAAG Group was approximately RM1.2 million made between 2005 to 2007. The original cost of investment by Megawisra and TAAG in AIMS Data Centre Pte Ltd amounts to SGD100,000 on 17 March 2008 and SGD2.00 on 12 January 2007. A summary of the cost of investment by Megawisra in TAAG Group is as follows:

Entity	Date/Year of Investment	Amount
TAAG Group	2005 - 2007	RM1,200,000.00
AIMS Data Centre Pte Ltd (subsidiary of TAAG)	17.03.2008 12.01.2007	SGD100,000.00 SGD2.00

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APPENDIX VI

INFORMATION ON AIMS DATA CENTRE 2

INFORMATION ON AIMS DATA CENTRE 2

1. HISTORY AND PRINCIPAL ACTIVITIES

AIMS Data Centre 2 was incorporated in Malaysia under the Act on 6 November 2007 under the name of Menara Suasa Sdn Bhd as a private company limited by shares. It assumed its present name on 7 January 2008. AIMS Data Centre 2 was incorporated to provide engineering support, including managed services. As at LPD, the authorised share capital of AIMS Data Centre 2 is RM500,000 comprising 500,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

The principal activity of AIMS Data Centre 2 is dedicated server hosting. It holds an Applications Service Providers (Class) Licence issued by the MCMC on 1 December 2010 and will expire on 30 November 2011. This licence must be renewed by AIMS Data Centre 2 via an annual application to the MCMC together with payment of the requisite fee. AIMS Data Centre 2 has submitted its next annual application to the MCMC on 11 October 2011.

AIMS Data Centre 2 commenced its business on 4 December 2008.

In 2010, four percent (4%) of revenue was derived from foreign customers while ninety six percent (96%) of revenue was derived from local customers.

There was no transaction entered into by AIMS Data Centre 2 with the TdC Group in the past three (3) financial years.

2. SUBSTANTIAL SHAREHOLDER

AIMS Data Centre 2 is a wholly owned subsidiary of Megawisra, which is incorporated in Malaysia.

3. DIRECTORS

The particulars of the directors of AIMS Data Centre 2 as at the LPD are as follows:

Name	Designation	Nationality	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Afzal	Director	Malaysian	-	-	200,000(1)	100
Te-Shen	Director	Malaysian	-	-	200,000(1)	100

Note:

(1) Indirect shareholding via his indirect shareholding in Megawisra

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, AIMS Data Centre 2 does not have any subsidiary or associated company.

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-F of this Circular, the audited financial statements for the year ended 31 December 2010 of AIMS Data Centre 2.

The audited financial statements of AIMS Data Centre 2 have been prepared in accordance with relevant approved PERS. There are no accounting policies adopted which are peculiar to the business/industry which AIMS Data Centre 2 operates and the audited financial statements of AIMS Data Centre 2 for the financial years under review were not subject to any audit qualification.

5.2 Financial information

The financial information of AIMS Data Centre 2 have been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of AIMS Data Centre 2.

The summarised financial information of AIMS Data Centre 2 is set out below:

	Unaudited nine (9)-months period ended 30 September 2011	Audited 31 December 2010	Audited 31 December 2009	Audited 31 December 2008
	RM	RM	RM	RM
Revenue	5,866,575	4,257,205	815,686	20,300
PBT	2,770,452	1,620,444	67,538	3,365
PAT	2,770,452	1,146,444	46,895	1,820
Shareholders' funds	4,165,611	1,395,159	48,717	1,822
Total borrowings	-	-	-	-
Gross EPS	13.85	8.10	33,769	1,683
Net EPS	13.85	5.73	23,448	910
Issued and paid-up capital	200,000	200,000	2	2
NA	4,165,611	1,395,159	48,717	1,822
NA per share	20.83	6.98	24,359	911
Current ratio (times)	2.45	1.24	0.86	1.10
Gearing ratio (times)	-	-	-	-

Commentaries:

Financial Year Ended 31 December 2008

As AIMS Data Centre 2 was only incorporated on 6 November 2007, lower revenue was recorded for the year ended 31 December 2008 compared to its subsequent years.

Financial Year Ended 31 December 2009

AIMS Data Centre 2 recorded an increase in revenue of RM0.8 million as AIMS Data Centre 2 was able to secure new customers within the managed services business.

Financial Year Ended 31 December 2010

The increase in revenue of RM3.4 million from RM0.8 for the year ended 31 December 2009 million to RM4.3 million for the year ended 31 December 2010 was mainly due to large contracts secured, some of which were from content providers amounting to RM2.6 million. Further, significant and multi-year contracts have been secured in 2010 from customers such as payment gateway companies, web hosters and other corporations. In tandem with the increase in revenue, AIMS Data Centre 2 was able to register an improvement in its profit after tax. The increase in NA was due to substantial investments in capital expenditure on network equipments to cater for the increase in managed services sales in 2010.

Nine (9)-months Period Ended 30 September 2011

Sales revenue increased during this period due mainly to new contracts secured. Profit margins also improved during this period resulting in a PAT for the period of RM2.77 million.

6. BORROWINGS

As at 31 December 2010, AIMS Data Centre 2 has no borrowings.

7. ORIGINAL COST OF INVESTMENT IN AIMS DATA CENTRE 2

The original cost of investment by Megawisra in AIMS Data Centre 2 was RM147,004 made between 2007 to 2010. On 31 August 2010, Megawisra had subscribed to and paid for a total of 102,000 ordinary shares in AIMS Data Centre 2, and 98,000 ordinary shares AIMS Data Centre 2 were subscribed to and paid for by other parties. On 4 November 2010, the 98,000 ordinary shares AIMS Data Centre 2 were purchased by Megawisra for an aggregate purchase consideration of RM45,004. Hence, the total cost of investment by Megawisra to-date is RM147,004. Megawisra's investment in AIMS Data Centre 2 is reflected in the following table:

Date of Investment	Number of Shares	Cost of Investment (RM)
06.11.2007	2	2.00
31.08.2010	101,998	101,998.00
04.11.2010	98,000	45,004.00
TOTAL	**200,000**	**147,004.00**

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APPENDIX VII

INFORMATION ON AIMS CYBERJAYA

INFORMATION ON AIMS CYBERJAYA

1. HISTORY AND PRINCIPAL ACTIVITIES

AIMS Cyberjaya was incorporated in Malaysia under the Act on 6 November 2007 under the name of Rightscore Venture Sdn Bhd as a private company limited by shares. It assumed its present name on 11 January 2008. As at LPD, the authorised share capital of AIMS Cyberjaya is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM2,000,002 comprising 2,000,002 ordinary shares of RM1.00 each.

AIMS Cyberjaya was incorporated as part of the expansion plans of the AIMS Group and to facilitate the financing of the expansion plans. It is a MSC Malaysia status company, is principally engaged in the business of providing value added network services, information services, system integration services and the operation of data networks and network based applications for corporations.

AIMS Cyberjaya commenced its business on 22 October 2008.

In 2010, eighteen percent (18%) of revenue was derived from foreign customers while eighty two percent (82%) of revenue was derived from local customers.

The transactions entered to by AIMS Cyberjaya with the TdC Group in the past three (3) financial years were as follows:

Financial year	Transaction	Amount (RM 000)
31 December 2008	Sales transactions to the TdC Group[1]	-
31 December 2009	Sales transactions to the TdC Group[1]	250
31 December 2010	Sales transactions to the TdC Group[1]	661

Note:

(1) Provision of co-location and ancillary services by AIMS Cyberjaya to TdC Group. There are no purchase transactions entered into by AIMS Cyberjaya with TdC Group

Moving forward, AIMS Cyberjaya intends to build new data centre space to expand its data centre business.

2. SUBSTANTIAL SHAREHOLDER

AIMS Cyberjaya is a wholly owned subsidiary of Megawisra, which is incorporated in Malaysia.

3. DIRECTORS

The particulars of the directors of AIMS Cyberjaya as at the LPD are as follows:

Name	Designation	Nationality	Shareholdings			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Afzal	Director	Malaysian	-	-	2,000,002[(1)]	100
Te-Shen	Director	Malaysian	-	-	2,000,002[(1)]	100

Note:

(1) Indirect shareholding via his indirect shareholdings in Megawisra

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, AIMS Cyberjaya does not have any subsidiary or associated company.

5. HISTORICAL FINANCIAL INFORMATION

5.1 Presentation of financial information

We have enclosed in Appendix VIII-G of this Circular, the audited financial statements for the year ended 31 December 2010 of AIMS Cyberjaya.

The audited financial statements of AIMS Cyberjaya have been prepared in accordance with relevant approved PERS. There are no accounting policies adopted which are peculiar to the business/industry which AIMS Cyberjaya operates and the audited financial statements of AIMS Cyberjaya for the financial years under review were not subject to any audit qualification.

5.2 Financial information

The financial information of AIMS Cyberjaya has been prepared based on the audited financial statements for the three (3) latest financial years ended 31 December 2008, 2009 and 2010 and the unaudited nine (9)-months financial statements ended 30 September 2011 of AIMS Cyberjaya.

The summarised financial information of AIMS Cyberjaya is set out below:

	Unaudited nine (9)-months period ended 30 September 2011	Audited 31 December 2010	Audited 31 December 2009	Audited 31 December 2008
	RM	RM	RM	RM
Revenue	12,733,301	12,313,614	5,873,786	404,084
PBT / (LBT)	3,339,827	3,449,836	(209,705)	(1,418,591)
PAT / (LAT)	3,339,827	3,449,671	(209,705)	(1,418,591)
Shareholders' funds	7,161,204	3,821,377	371,706	581,411
Total borrowings	11,866,256	15,924,708	18,678,261	16,896,521
Gross EPS / (LPS)	1.67	1.72	(0.10)	(0.71)
Net EPS / (LPS)	1.67	1.72	(0.10)	(0.71)
Issued and paid-up capital	2,000,002	2,000,002	2,000,002	2,000,002
NA	7,161,204	3,821,377	371,706	581,411
NA per share	3.58	1.91	0.19	0.29
Current ratio (times)	0.66	0.43	0.18	0.24
Gearing ratio (times)	1.66	4.17	50.25	29.06

Commentaries:

Financial Year Ended 31 December 2008

Low revenue recorded as AIMS Cyberjaya was only incorporated on 6 November 2007. The expenses incurred was mainly on various operating expenses incurred during the year such as consultancy fees for building a new data centre, stamping fee incurred for bank loans, rental of office for the data centre and utility expenses.

Financial Year Ended 31 December 2009

AIMS Cyberjaya recorded an increase in revenue as AIMS Cyberjaya was awarded new contracts by a world's leading search engine, a major telecommunications player and other major web hosting companies. However, despite the increase in revenue, AIMS Cyberjaya registered a negative PBT due to sales which were insufficient to break even the finance costs. The decrease in expenses was mainly due to reclassification of rental expenses and utility expenses from operating expenses to cost of sales during the year.

Financial Year Ended 31 December 2010

AIMS Cyberjaya recorded an increase in revenue of RM6.4 million to RM12.3 million in the year ended 31 December 2010 from RM5.9 million in the preceding year due to large sales generated from selling of racks and space rental to major content providers. Currently, AIMS Cyberjaya is operating at full capacity, compared to 2009 where AIMS Cyberjaya was operating at approximately eighty eight percent (88%) capacity.

Nine (9)-months Period Ended 30 September 2011

Higher sales revenue was recorded during this period pursuant to the completion of additional data centre space, which became available for sale. PAT for the 9-months period ended 30 September 2011 amounted to RM3.33 million.

6. BORROWINGS

As at 31 December 2010, AIMS Cyberjaya's borrowings arose from a project loan in the principal amount of RM20 million obtained from Malaysia Debt Ventures Berhad to finance the building of a new data centre.

7. ORIGINAL COST OF INVESTMENT IN AIMS CYBERJAYA

The original cost of investment by Megawisra in AIMS Cyberjaya was approximately RM2.0 million made between 2007 to 2008.

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APPENDIX VIII-A

AUDITED FINANCIAL STATEMENTS OF GTC FOR THE YEAR ENDED
31 DECEMBER 2010

ERNST & YOUNG

GLOBAL TRANSIT COMMUNICATIONS SDN. BHD.

(687793-W)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 December 2010

Ernst & Young
AF : 0039

687793-W

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Contents

687793-W

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2010.

Principal activity

The Company is principally engaged in the provision of telecommunication and related services.

There has been no significant change in the nature of the principal activity during the financial year.

Results

	RM
Net profit for the year	6,926,567

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Afzal bin Abdul Rahim	
Azreen bin Abdul Latiff	
Megat Hisham bin Hassan	
Gan Te-Shen	(appointed on 26 July 2010, alternate to Azreen bin Abdul Latiff)
Roni Lihawa bin Abdul Wahab	(resigned on 26 July 2010)

687793-W

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of a related corporation) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' interests

According to the register of directors' shareholding, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statement of comprehensive income and balance sheet of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Company misleading;

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Other statutory information (cont'd.)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors,

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operation of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2011.

Afzal bin Abdul Rahim

Megat Hisham bin Hassan

Kuala Lumpur, Malaysia

687793-W

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Afzal bin Abdul Rahim and Megat Hisham bin Hassan, being two of the directors of Global Transit Communications Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 7 to 42 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2010 and of the financial performance and the cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 April 2011.

Afzal bin Abdul Rahim

Megat Hisham bin Hassan

Kuala Lumpur, Malaysia

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Saiful Husni bin Samak, being the officer primarily responsible for the financial management Global Transit Communications Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 7 to 42 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Saiful Husni bin Samak
at Kuala Lumpur in the Federal Territory
on 14 April 2011.

Saiful Husni bin Samak

Before me,

PESURUHJAYA SUMPAH
No: W 480
R. VASUGI AMMAL, PJK
MALAYSIA

No: 72, Tkt. 3,
Jalan Mega Mendung,
Bandar Kompleks,
58200 Kuala Lumpur.

ERNST & YOUNG

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Independent auditors' report to the member of Global Transit Communications Sdn. Bhd. (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Global Transit Communications Sdn. Bhd., which comprise the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 42.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements of the Company.

ERNST & YOUNG

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Independent auditors' report to the member of Global Transit Communications Sdn. Bhd. (cont'd.) (Incorporated in Malaysia)

Opinion

In our opinion, the financial statements of the Company have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2010 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("the Act") in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Abdul Rauf Rashid
No. 2305/05/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
14 April 2011

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Statement of comprehensive income
For the year ended 31 December 2010

	Note	2010 RM	2009 RM (restated)
Revenue	3	52,066,243	20,780,249
Cost of sales		(33,945,657)	(13,783,081)
Gross profit		18,120,586	6,997,168
Other income		617,611	10,523
Administrative expenses		(5,597,861)	(5,363,208)
Selling and marketing expenses		(1,338,949)	(810,005)
Other operating expenses		(2,244,964)	(985,360)
Finance costs	4	(422,523)	(279,364)
Profit/(loss) before taxation	5	9,133,900	(430,246)
Taxation	7	(2,207,333)	34,737
Net profit/(loss) for the year, representing total comprehensive income/(loss) for the year		6,926,567	(395,509)

The accompanying notes form an integral part of the financial statements.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Balance sheet as at 31 December 2010

	Note	2010 RM	2009 RM (restated)	As at 1 January 2009 RM
Non-current assets				
Property and equipment	8	8,891,824	3,490,749	1,234,530
Indefeasible right of use	9	31,376,361	-	-
Computer software	10	13,556	17,989	17,102
		40,281,741	3,508,738	1,251,632
Current assets				
Indefeasible right of use held for sale	11	7,128,098	-	-
Trade and other receivables	12	28,654,274	7,426,225	4,261,861
Tax recoverable		-	7,737	26,650
Cash and bank balances	13	4,450,968	3,356,652	434,064
		40,233,340	10,790,614	4,722,575
TOTAL ASSETS		80,515,081	14,299,352	5,974,207
Current liabilities				
Tax payable		332,596	-	-
Trade and other payables	14	27,577,097	9,894,694	3,732,486
Indefeasible right of use lease liabilities	15	16,811,000	-	-
Other finance lease liabilities	16	1,690,702	432,695	116,271
		46,411,395	10,327,389	3,848,757
Non-current liabilities				
Deferred tax liabilities	17	102,000	-	97,000
Trade and other payables	14	-	-	302,514
Indefeasible right of use lease liabilities	15	19,138,558	-	-
Other finance lease liabilities	16	6,606,134	2,641,536	-
		25,846,692	2,641,536	399,514
TOTAL LIABILITIES		72,258,087	12,968,925	4,248,271
Financed by:				
Share capital	18	2,000,000	2,000,000	2,000,000
Retained profits/(accumulated losses)		6,256,994	(669,573)	(274,064)
Total equity		8,256,994	1,330,427	1,725,936
TOTAL EQUITY AND LIABILITIES		80,515,081	14,299,352	5,974,207

The accompanying notes form an integral part of the financial statements.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 December 2010

	Note	Share capital RM	(Accumulated losses)/ retained profits RM	Retained profits Total RM
At 1 January 2009	20	2,000,000	(274,064)	1,725,936
Total comprehensive loss for the year		-	(395,509)	(395,509)
At 31 December 2009 (restated)		2,000,000	(669,573)	1,330,427
At 1 January 2010				
As previously stated		2,000,000	(43,004)	1,956,996
Prior year adjustment	20	-	(626,569)	(626,569)
At 1 January 2010 (restated)		2,000,000	(669,573)	1,330,427
Total comprehensive income for the year		-	6,926,567	6,926,567
At 31 December 2010		2,000,000	6,256,994	8,256,994

The accompanying notes form an integral part of the financial statements.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Cash flow statement
For the year ended 31 December 2010

	2010 RM	2009 RM (restated)
Cash flows from operating activities		
Profit/(loss) before taxation	9,133,900	(430,246)
Adjustments for:		
Depreciation	1,352,242	977,820
Bad debts recovered	(211,159)	(1,258)
Allowance for impairment of receivables	112,036	890,270
Amortisation of indefeasible right of use	887,039	-
Amortisation of computer software	5,684	7,541
Interest income	(51,794)	-
Interest expense	422,523	279,364
Operating profit before working capital changes	11,650,471	1,723,491
Increase in indefeasible right of use held for sale	(7,128,098)	-
Increase in trade and other receivables	(19,105,314)	(4,057,274)
Increase in trade and other payables	15,658,791	5,863,257
Cash (used in)/generated from operating activities	1,075,850	3,529,474
Interest paid	(16,849)	(3,563)
Tax paid	(1,765,000)	(43,350)
Net cash (used in)/generated from operating activities	(705,999)	3,482,561
Cash flows from investing activities		
Purchase of property and equipment	(6,754,997)	(435,274)
Purchase of indefeasible right of use	(26,963,666)	-
Purchase of intangible assets	(1,251)	(8,428)
Proceeds from disposal of equipment	1,680	-
Interest income	51,794	-
Net cash used in investing activities	(33,666,440)	(443,702)
Cash flow from financing activities		
Proceeds from finance leases	40,766,490	-
Repayment of obligations under finance leases	(5,299,735)	(116,271)
Net cash generated from/(used in) financing activities	35,466,755	(116,271)
Net increase in cash and cash equivalents	1,094,316	2,922,588
Cash and cash equivalents at beginning of year	3,356,652	434,064
Cash and cash equivalents at end of year	4,450,968	3,356,652
Cash and cash equivalents comprise:		
Cash in hand and at banks	2,932,218	2,606,652
Deposits with licensed banks	1,518,750	750,000
	4,450,968	3,356,652

The accompanying notes form an integral part of the financial statements.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the financial statements - 31 December 2010

1. Corporation information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	: Square, 17, Jalan SS7/26, Kelana Jaya, 47301, Petaling Jaya, Selangor Darul Ehsan.
Principle place of business	: Level 6, Menara Aik Hua, Changkat Raja Chulan, 50200, Kuala Lumpur

The Company is principally engaged in the provision of telecommunication and related services. There has been no significant changes in the nature of this activity during the financial year.

The holding and ultimate holding companies of the Company are Pulau Kapas Ventures Sdn. Bhd. and Khazanah Nasional Berhad, respectively. Both companies are incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 April 2011.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act,1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia.

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.2 Significant accounting estimates and judgments

The preparation of financial statements in accordance with FRSs requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the receivables is disclosed in Note 12.

2.3 Summary of significant accounting policies

(a) Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(a) Property and equipment and depreciation (cont'd.)

Subsequent to recognition, property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer hardware	20%
Office furniture, fittings and equipment	15%
Renovation	15%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is included in the profit or loss in the year the asset is derecognised.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(b) Intangible assets (cont'd.)

Intangible assets are amortised over their finite useful lives as follows:

Computer softwares	5 years

(c) Impairment of non-financial assets

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises. Impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the profit or loss.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be reliably measured. Specific income streams are recognised as follows:

(i) Sale of telecommunication products

Revenue is recognised upon transfer of significant risk and rewards of ownership of the products to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of products.

(ii) Rendering of services

Revenue derived from the provision of services is recognised upon the rendering of services to customers.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(e) Indefeasible right of use ("IRU")

The Company has entered into certain indefeasible right of use agreements with its suppliers and customers. An IRU is a right to use a specified amount of network capacity for a specific time period that cannot be revoked or voided. Such agreements are accounted for either as lease or service transactions.

Those IRU agreements intended for own use, where criteria of a finance lease is met, are accounted for in accordance to Note 2.3(j). IRU agreement that do not meet the criteria of a finance lease is accounted for as an operating lease.

Revenue from sale of IRUs is recognised upon the transfer of significant risk and rewards of ownership of the IRUs to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return or IRUs.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(e) Indefeasible right of use ("IRU") (cont'd.)

IRU is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Upon classification as held for sale, IRUs are not depreciated and measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

(f) Financial assets

Financial assets are recognised in the balance sheet when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value.

The Company determines the classification of their financial assets at initial recognition, and the categories include receivables.

(i) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, and through the amortisation process.

Receivables are classified as current assets.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and is recognised in profit or loss.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(g) Impairment of financial assets

The Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139 Financial Instruments: Recognition and Measurement, are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

(i) Other financial liabilities

The Company's other financial liabilities include trade payables and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(i) Employee benefits (cont'd.)

(ii) Defined contribution plan

Defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(j) Leases

(i) Company as the lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Company as the lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(k) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also charged or credited in other comprehensive income or directly in equity.

(l) Foreign currencies

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"), which is Ringgit Malaysia ("RM").

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(l) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency of RM are recorded in RM using the exchange rates prevailing at the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, or on the translation of monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are recognised in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(m) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.4 Changes in accounting policies

On 1 January 2010, the Company adopted the following new and amended FRSs and Issues Committee ("IC") Interpretations:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

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2. Significant accounting policies (cont'd.)

2.4 Changes in accounting policies (cont'd.)

Effective for financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 101 Presentation of Financial Statements (revised)
FRS 123 Borrowing Costs
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and
FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs "Improvements to FRSs (2009)"
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Company except for those discussed below:

(a) FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

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2. Significant accounting policies (cont'd.)

2.4 Changes in accounting policies (cont'd.)

(a) FRS 7 Financial Instruments: Disclosures (cont'd.)

The Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Company's financial statements for the period ended 31 December 2010.

(b) FRS 101 Presentation of Financial Statements (revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

In addition, a balance sheet is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital (see Note 21 (iv)).

The revised FRS 101 was adopted retrospectively by the Company.

(c) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Company has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The adoption of FRS 139 has not resulted in any opening balance adjustments as at 1 January 2010.

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2. Significant accounting policies (cont'd.)

2.5 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132 Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations (revised)
FRS 127 Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138 Intangible Assets
Amendments to FRS 139 Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 Additional Exemptions for First-time Adopters
Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7 Improving Disclosures about Financial Instruments
IC Interpretation 4 Determining Whether an Arrangement contains a Lease
IC Interpretation 18 Transfers of Assets from Customers

Effective for financial periods beginning on or after 1 July 2011:

Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

FRS 124 Related Party Disclosures
IC Interpretation 15 Agreements for the Construction of Real Estate

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements of the Company in the period of initial application.

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3. Revenue

	2010 RM	2009 RM
Internet access	24,212,528	17,246,866
Network resale	3,041,463	2,440,511
Bandwidth resale	4,272,815	521,909
Indefeasible right of use resale	17,525,867	-
Support charges	2,676,573	254,312
Others	336,997	316,651
	52,066,243	20,780,249

4. Finance costs

Finance costs relate to interest expense on finance lease liabilities in respect of property and equipment.

5. Profit/(loss) before taxation

	Note	2010 RM	2009 RM (restated)
Profit/(loss) before taxation is stated after charging/(crediting):			
Depreciation	8	1,352,242	977,820
Amortisation of indefeasible right of use	9	887,039	-
Amortisation of computer software	10	5,684	7,541
Net foreign exchange (gain)/loss			
- Realised		(174,659)	(30,032)
- Unrealised		17,772	(9,265)
Auditors' remuneration			
- Statutory audits		50,000	30,000
- Other services		36,500	3,000
Allowance for impairment of receivables	12	112,036	890,270
Bad debts recovered	12	(211,159)	(1,258)
Office rental		244,915	244,915
Management fees payable to a related company		254,400	159,866
Rental of office equipment		10,660	43,459
Interest income		(51,794)	-
Referral fees payable to third party		784,114	739,174
Staff costs	6	4,105,139	3,497,202

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6. Staff costs

	2010 RM	2009 RM
Staff costs of the Company consist of the following:		
Wages and salary	2,655,002	2,484,010
Contribution to defined contribution plan	372,074	314,199
Social security costs	26,220	26,200
Termination benefits	-	185,400
Other staff benefits	1,051,843	487,393
	4,105,139	3,497,202

Included in the staff costs are remuneration for the Chief Executive Officer who is part of key management personnel amounting to RM260,236 (2009: RM154,632). Key management personnel is defined to include the Board of Directors and the Chief Executive Officer. The directors received no remuneration from the Company during the financial year (2009: RMNil).

7. Taxation

	2010 RM	2009 RM
Current income tax		
- Malaysian income tax	2,167,596	62,263
- Overprovision in respect of previous years	(62,263)	-
	2,105,333	62,263
Deferred tax (Note 17):		
Relating to origination and reversal of temporary differences	154,437	-
Overprovision in respect of previous years	(52,437)	(97,000)
	102,000	(97,000)
Total income tax expense/(credit)	2,207,333	(34,737)

Current domestic income tax is calculated at the statutory rate of 25% (2009: 25%) of the estimated assessable profit for the year.

A reconciliation of income tax applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

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7. Taxation (cont'd.)

	2010 RM	2009 RM
Profit/(loss) before taxation	9,133,900	(430,246)
Tax at the statutory tax rate of 25% (2009: 25%)	2,283,475	49,081
Expenses not deductible for tax purposes	38,558	63,754
Utilisation of previously unrecognised deferred tax assets	-	(100,329)
Deferred tax assets not recognised during the year	-	49,757
Overprovision of deferred tax in prior year	(52,437)	(97,000)
Overprovision of income tax expense in prior years	(62,263)	-
Tax expense/(credit) for the year	2,207,333	(34,737)

8. Property and equipment

	Computer and communication equipment RM	Office furniture, fittings and equipment RM	Renovation RM	Total RM
At 31 December 2010				
Cost				
At 1 January 2010	4,478,578	54,150	371,514	4,904,242
Additions	6,728,357	26,640	-	6,754,997
Disposal	(4,800)	-	-	(4,800)
At 31 December 2010	11,202,135	80,790	371,514	11,654,439
Accumulated depreciation				
At 1 January 2010	1,330,468	9,979	73,046	1,413,493
Charge for the year	1,285,062	11,453	55,727	1,352,242
Disposal	(3,120)	-	-	(3,120)
At 31 December 2010	2,612,410	21,432	128,773	2,762,615
Net carrying amount				
At 31 December 2010	8,589,725	59,358	242,741	8,891,824

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8. Property and equipment (cont'd.)

	Computer and communication equipment RM	Office furniture, fittings and equipment RM	Renovation RM	Total RM
At 31 December 2009				
Cost				
At 1 January 2009	1,489,487	16,768	182,944	1,689,199
Additions	3,033,994	37,382	188,570	3,259,946
Disposal	(44,903)	-	-	(44,903)
At 31 December 2009	4,478,578	54,150	371,514	4,904,242
Accumulated depreciation				
At 1 January 2009	425,329	2,289	27,051	454,669
Charge for the year	924,135	7,690	45,995	977,820
Disposal	(18,996)	-	-	(18,996)
At 31 December 2009	1,330,468	9,979	73,046	1,413,493
Net carrying amount				
At 31 December 2009	3,148,110	44,171	298,468	3,490,749

The net carrying amount of property and equipment held under finance lease for the Company as at 31 December 2010 are RM6,378,761 (2009: RM2,351,745).

9. Indefeasible right of use

	2010 RM	2009 RM
Cost		
At 1 January	-	-
Additions	32,263,400	-
At 31 December	32,263,400	-
Accumulated amortisation		
At 1 January	-	-
Charge for the year	887,039	-
At 31 December	887,039	-

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9. Indefeasible right of use (cont'd.)

	2010 RM	2009 RM
Net carrying amount		
At 31 December	31,376,361	-

The entire net carrying amount of indefeasible right of use is held under finance lease as at 31 December 2010.

10. Computer software

	2010 RM	2009 RM
Cost		
At 1 January	33,071	24,643
Additions	1,251	8,428
At 31 December	34,322	33,071
Accumulated amortisation		
At 1 January	15,082	7,541
Charge for the year	5,684	7,541
At 31 December	20,766	15,082
Net carrying amount		
At 31 December	13,556	17,989

11. Indefeasible right of use held for sale

	2010 RM	2009 RM
At cost:		
Indefeasible right of use	7,128,098	-

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12. Trade and other receivables

	Note	2010 RM	2009 RM
Trade receivables			
Trade receivables		28,076,912	7,933,218
Less: Allowance for impairment		(913,812)	(1,019,479)
	(a)	27,163,100	6,913,739
Other receivables			
Amount due from holding company	(b)	108,141	74,085
Other receivables and prepayments			
Prepayments		872,856	192,661
Deposits		234,279	103,655
Other receivables		275,898	142,085
		1,491,174	512,486
		28,654,274	7,426,225

(a) Trade receivables

The Company's trading terms with its customers are mainly on credit. The credit period is generally for a period of one to two months. Included in the gross amount of trade receivables is an amount due from five debtors amounting to RM23,950,407. Apart from these significant debtors, the Company has no other significant concentration of credit risk.

The total outstanding balances as at 31 December 2010 arising from related party transactions is RM9,715,553 (2009: RM1,812,949).

Ageing analysis of trade receivables

The ageing analysis of the Company's trade receivables is as follows:

	2010 RM
Neither past due nor impaired	13,692,100
1 to 30 days past due not impaired	380,137
31 to 60 days past due not impaired	305,177
61 to 90 days past due not impaired	11,172,494
91 to 120 days past due not impaired	233,002
More than 121 days past due not impaired	1,277,450
	13,368,260
Impaired	1,016,552
	28,076,912

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12. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company.

None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM13,471,000 that are past due at the reporting date but not impaired are unsecured in nature.

The Company's trade receivables that are past due whose terms have been renegotiated during the year amounted to RM2,169,279. The trade receivables would have been past due or impaired as at the reporting date if the terms had not been renegotiated during the financial year.

Receivables that are impaired

The Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired 2010 RM
Trade receivables	1,016,552
Less: Allowance for impairment	(913,812)
	102,740

Movement in allowance accounts:

	2010 RM
At 1 January	1,019,479
Charge for the year (Note 5)	112,036
Bad debts recovered (Note 5)	(211,159)
Written off	(6,544)
At 31 December	913,812

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12. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount due from holding company

Amount due from holding company is non-trade in nature, non-interest bearing, unsecured and repayable on demand.

13. Cash and bank balances

	2010 RM	2009 RM
Cash in hand and at banks	2,932,218	2,606,652
Deposits with a licensed bank	1,518,750	750,000
	4,450,968	3,356,652

The deposits with a licensed bank amounting to RM1,518,750 (2009: RM750,000) are pledged as securities for a performance bank guarantee facility.

The weighted average effective interest rate ("WAEIR") per annum and the remaining maturity of deposits as at the balance sheet date were as follows:

	2010		2009	
	WAEIR %	Maturity Days	WAEIR %	Maturity Days
Licensed bank	2.70	334	2.50	213

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14. Trade and other payables

	Note	2010 RM	2009 RM (restated)	As at 1 January 2009 RM
Current				
Trade payables				
Trade payables	(a)	15,833,930	5,123,268	1,653,249
Other payables				
Amount due to related companies	(b)	96,964	406,169	649,411
Other payables and accruals:	(c)			
Refundable deposits		659,570	396,983	366,299
Deferred income		6,418,401	995,441	375,301
Provisions		2,582,408	2,321,894	460,279
Accruals		127,000	109,000	60,520
Other payables		1,858,824	541,939	167,427
		11,743,167	4,771,426	2,079,237
		27,577,097	9,894,694	3,732,486
Non-current				
Other payables				
Amount due to related companies	(b)	-	-	302,514

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Company range from one month to three months.

The total outstanding balances as at 31 December 2010 arising from related party transactions is RM4,647,538 (2009: RM1,384,131).

(b) Amount due to related companies

Amount due to related companies are non-trade in nature, non-interest bearing, unsecured and repayable on demand.

(c) Other payables

These amounts are non-interest bearing and normally settled on an average term of three months.

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15. Indefeasible right of use lease liabilities

	2010 RM	2009 RM
Future minimum lease payments:		
Not later than 1 year	16,811,000	-
Later than 1 year and not later than 2 years	12,011,000	-
Later than 2 years and not later than 5 years	7,127,558	-
Total future minimum lease payments	35,949,558	-
Present value of finance lease liabilities		
Not later than 1 year	16,811,000	-
Later than 1 year and not later than 2 years	12,011,000	-
Later than 2 years and not later than 5 years	7,127,558	-
	35,949,558	-
Less: Amount due within 12 months	(16,811,000)	-
Amount due after 12 months	19,138,558	-
Analysed as:		
Due within 12 months	16,811,000	-
Due after 12 months	19,138,558	-
	35,949,558	-

The indefeasible right of use lease liabilities are non interest bearing and the arrangement above were entered with related parties.

16. Other finance lease liabilities

	2010 RM	2009 RM
Future minimum lease payments:		
Not later than 1 year	2,245,521	560,466
Later than 1 year and not later than 2 years	2,245,521	560,466
Later than 2 years and not later than 5 years	5,125,224	2,592,153
Total future minimum lease payments	9,616,266	3,713,085
Less: Future finance charges	(1,319,430)	(638,854)
Present value of finance lease liabilities	8,296,836	3,074,231

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16. Other finance lease liabilities (cont'd.)

	2010 RM	2009 RM
Present value of finance lease liabilities		
Not later than 1 year	1,690,702	432,695
Later than 1 year and not later than 2 years	1,847,844	432,695
Later than 2 years and not later than 5 years	4,758,290	2,208,841
	8,296,836	3,074,231
Less: Amount due within 12 months	(1,690,702)	(432,695)
Amount due after 12 months	6,606,134	2,641,536
Analysed as:		
Due within 12 months	1,690,702	432,695
Due after 12 months	6,606,134	2,641,536
	8,296,836	3,074,231

The other finance lease liabilities bear interest of 5.70%-8.46% (2009: 8.46%) per annum.

17. Deferred tax liabilities

	2010 RM	2009 RM
At 1 January	-	97,000
Recognised in profit or loss (Note 7)	102,000	(97,000)
At 31 December	102,000	-
Presented prior to appropriate offsetting as follows:		
Deferred tax assets	(20,595)	(76,814)
Deferred tax liabilities	122,595	76,814
	102,000	-

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17. Deferred tax liabilities (cont'd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Company:

	Property and equipment RM
At 1 January 2010	76,814
Recognised in profit or loss	45,781
At 31 December 2010	122,595
At 1 January 2009	126,206
Recognised in profit or loss	(49,392)
At 31 December 2009	76,814

Deferred tax assets of the Company:

	Provisions RM	Unutilised tax losses and unabsorbed capital allowances RM	Total RM
At 1 January 2010	76,814	-	76,814
Recognised in profit or loss	(56,219)	-	(56,219)
At 31 December 2010	20,595	-	20,595
At 1 January 2009	-	(29,206)	(29,206)
Recognised in profit or loss	76,814	29,206	106,020
At 31 December 2009	76,814	-	76,814

Deferred tax assets have not been recognised in respect of the following item:

	2010 RM	2009 RM
Other deductible temporary differences	-	199,029

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18. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2010	**2009**	**2010 RM**	**2009 RM**
Authorised:				
At 1 January/31 December	5,000,000	5,000,000	5,000,000	5,000,000
Issued and fully paid up:				
At 1 January/31 December	2,000,000	2,000,000	2,000,000	2,000,000

19. Significant related company transactions

	2010 RM	2009 RM
Sale of services to a company related to a director #	17,074,466	5,004,342
Purchase of services from a company related to a director #	52,482,491	4,324,108
Management fees payable to related companies *	240,000	36,950

\# The Company had entered into contracts for the purchase and supply of products and services with AIMS Data Centre Sdn Bhd, AIMS Cyberjaya Sdn Bhd, Global Transit Limited, Global Transit Singapore Pte. Limited., TT dotCom Sdn Bhd, and AIMS Asia Group Sdn Bhd, entities of which a director of the Company is either a director or a shareholder of the respective entities.

* Related companies comprise of Global Transit International Sdn Bhd ("GTI"), which is a significant shareholder of the Company, and Megawisra Sdn Bhd, which is the ultimate holding company of GTI.

Information regarding outstanding balances arising from related party transactions as at the financial year end are disclosed in Note 12(a), Note 14(a) and Note 15.

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20. Prior year adjustment and restatement of comparatives

In prior year, the Company had under recognised the referral fees payable to a third party amounting to RM626,569. Accordingly, a prior year adjustment has been made to recognise the correct payable amount. The effects of the adjustment are as follows:

	As previously stated RM	Adjustments RM	As restated RM
Balance sheet			
31 December 2009			
Accumulated losses	(43,004)	(626,569)	(669,573)
Trade and other payables	9,268,125	626,569	9,894,694
1 January 2009			
Accumulated losses	(274,064)	-	(274,064)
Trade and other payables	3,732,486	-	3,732,486
Statement of comprehensive income			
31 December 2009			
Cost of sales	(13,147,247)	(635,834)	(13,783,081)
Foreign exchange	1,258	9,265	10,523
Profit/(loss) before taxation	196,323	(626,569)	(430,246)
Profit/(loss) for the year	231,060	(626,569)	(395,509)

21. Financial risk management objectives and policies

The Company's activities expose it mainly to foreign currency, liquidity and credit risks. The Company has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Company's overall financial risk management objective is to enhance shareholder's value through effective management of the Company's risks.

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21. Financial risk management objectives and policies (cont'd.)

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposures arising from sales or purchases that are denominated in United States Dollar ("USD") and Singapore Dollar ("SGD").

The Company's financial assets and liabilities which are denominated in foreign currency at the reporting date are as follows:

	2010 RM	2009 RM
Trade receivable	10,316,898	701,775
Trade payable	(7,979,867)	(997,517)
Cash and bank balance	14,400	-

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD and SGD exchange rate against the functional currency of the Company, with other variables held constant.

	2010 RM *Profit net of tax*
USD/RM - strengthened 10%	40,000
USD/RM - weakened 10%	(40,000)
SGD/RM - strengthened 2%	5,500
SGD/RM - weakened 2%	(5,500)

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21. Financial risk management objectives and policies (cont'd.)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility.

At the reporting date, approximately 42% of the Company's indefeasible right of use lease liabilities and other finance lease liabilities (Note 15 and Note 16) will mature in less than one year based on the carrying amount reflected in the financial statements as at 31 December 2010.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2010			
	On demand or within 1 RM	**One to two years RM**	**Over two years RM**	**Total RM**
Financial liabilities:				
Trade and other payables	27,577,097	-	-	27,577,097
Indefeasible right of use lease liabilities	16,811,000	12,011,000	7,127,558	35,949,558
Other finance leases	1,690,702	1,847,844	4,758,290	8,296,836
Total undiscounted	46,078,799	13,858,844	11,885,848	71,823,491

(iii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets i.e. cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

21. Financial risk management objectives and policies (cont'd.)

(iii) Credit risk (cont'd.)

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in Malaysia, the Company does not offer credit terms more than 30 days without the approval of the Chief Executive Officer.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk as disclosed in Note 12(a).

(iv) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, finance leases, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

	2010 RM
Indefeasible right of use lease liabilities	35,949,558
Other finance lease	8,296,836
Trade and other payables	27,577,097
Less: Cash and bank balances	(4,450,968)
Net debt	67,372,523
Equity attributable to the shareholder representing total capital	8,256,994
Capital and net debt	75,629,517
Gearing ratio	89%

687793-W

Global Transit Communications Sdn. Bhd.
(Incorporated in Malaysia)

22. Fair values of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Other finance lease liabilities	8,296,836	8,163,146	3,074,231	3,438,044

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, amount due from holding company and amount due to related companies are reasonable approximation of fair values, either due to their short-term nature or near the reporting date.

Other finance lease liabilities

The fair values of other finance lease liabilities are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

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APPENDIX VIII-B

AUDITED FINANCIAL STATEMENTS OF GTL FOR THE YEAR ENDED
31 DECEMBER 2010

Crowe Horwath™

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

REPORT AND FINANCIAL STATEMENTS
for the financial year ended 31 December 2010

HORWATH TH LIEW TONG
Chartered Accountants
Member of Crowe Horwath International

Offices in Malaysia:
Bintulu • Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Miri • Melaka • Muar • Penang • Sibu

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

FINANCIAL REPORT
for the financial year ended 31 December 2010

CONTENTS

SG081/DW/KLANG/aj/110210

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

STATEMENT BY DIRECTOR

I, Afzal Bin Abdul Rahim, a director of Global Transit Limited, state that, in the opinion of the directors, the financial statements set out on pages 4 to 32 are drawn up so as to exhibit a true and fair view of the state of affairs of the Company at 31 December 2010 and of the results of its operations, the changes in equity and the cash flows of the Company for the financial year then ended.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 31 JAN 2011

Afzal Bin Abdul Rahim

Crowe Horwath™

Horwath TH Liew Tong
Labuan Office
Chartered Accountants AAL 0029
Member Crowe Horwath International

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88811 Kota Kinabalu, Sabah.
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Making the Extra, Ordinary™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

Report on the Financial Statements

We have audited the financial statements of Global Transit Limited, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 32.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Labuan Companies Act 1990 in Malaysia and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices in Malaysia:
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GLOBAL TRANSIT LIMITED (CONT'D)
(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Labuan Companies Act 1990 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and cash flows for the financial year then ended.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 117(1) of the Labuan Companies Act 1990 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HORWATH TH LIEW TONG
Chartered Accountants
AAL0029

MICHAEL K.S. TONG, JP
CA(M) FCCA FCPA FCTIM CFP
596/03/11/(J/PH)

Dated 31 JAN 2011

Kota Kinabalu

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2010

	NOTE	2010 USD	2009 USD
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	5	2,356,231	1,737,152
Prepaid cost	6	367,808	-
		2,724,039	1,737,152
CURRENT ASSETS			
Inventories	7	25,221,345	20,475,469
Other receivables and prepayments		136,222	919,760
Amount owing by a related party	8	524,223	461
Cash and bank balances	9	1,128,685	1,021,293
		27,010,475	22,416,983
TOTAL ASSETS		29,734,514	24,154,135
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	900	900
Accumulated losses		(350,130)	(603,703)
TOTAL DEFICIT		(349,230)	(602,803)
NON-CURRENT LIABILITIES			
Irredeemable preference shares	11	12,000,000	6,956,000
Term loan	12	13,836,682	12,848,538
		25,836,682	19,804,538
CURRENT LIABILITIES			
Trade payables	13	54,818	-
Other payables and accruals		392,443	84,706
Amount owing to related parties	8	5,242	378
Amount owing to a shareholder/shareholders	14	38,070	4,867,316
Revolving credits	15	3,500,000	-
Term loan	12	250,000	-
Provision for taxation		6,489	-
		4,247,062	4,952,400
TOTAL LIABILITIES		30,083,744	24,756,938
TOTAL EQUITY AND LIABILITIES		29,734,514	24,154,135

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 USD	2009 USD
REVENUE	16	4,172,666	-
COST OF SALES		(2,905,250)	-
GROSS PROFIT		1,267,416	-
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(454,202)	(243,251)
FINANCE COSTS		(553,152)	(214,233)
PROFIT/(LOSS) BEFORE TAXATION	17	260,062	(457,484)
INCOME TAX EXPENSE	18	(6,489)	-
PROFIT/(LOSS) AFTER TAXATION		253,573	(457,484)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		253,573	(457,484)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-			
Owners of the Company		253,573	(457,484)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-			
Owners of the Company		253,573	(457,484)

The annexed notes form an integral part of these financial statements.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	SHARE CAPITAL USD	ACCUMULATED LOSSES USD	TOTAL DEFICIT USD
Balance at 1.1.2009	200	(146,219)	(146,019)
Allotment during the financial year	700	-	700
Total comprehensive loss for the financial year	-	(457,484)	(457,484)
Balance at 31.12.2009/1.1.2010	900	(603,703)	(602,803)
Total comprehensive income for the financial year	-	253,573	253,573
Balance at 31.12.2010	900	(350,130)	(349,230)

The annexed notes form an integral part of these financial statements.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 USD	2009 USD
CASH FLOWS FOR/(FROM) OPERATING ACTIVITIES		
Profit/(Loss) before taxation	38,787	(457,484)
Adjustments for:-		
Depreciation of plant and equipment	110,218	-
Interest expenses	546,263	209,613
Operating profit/(loss) before working capital changes	695,268	(247,871)
Increase in inventories	(5,274,601)	(14,846,394)
Decrease/(Increase) in other receivables	415,730	(919,760)
Increase/(Decrease) in trade and other payables	1,112,555	(40,051)
Increase in amount owing by related party	(525,000)	-
CASH FOR OPERATIONS	(3,576,048)	(16,054,076)
Interest paid	(546,263)	(209,613)
NET CASH FOR OPERATING ACTIVITIES	(4,122,311)	(16,263,689)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of plant and equipment	(729,297)	(1,451,570)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of term loan	1,238,144	12,848,538
Drawdown of revolving credits	3,500,000	-
Advances from/(Repayment to) a related party	6,102	(83)
(Repayment to)/Advances from shareholders	(4,829,246)	1,285,619
Repayment to holding company	-	(1,354,222)
Proceeds from issuance of shares	-	700
Proceeds from issuance of preference ordinary shares	5,044,000	5,956,000
NET CASH FROM FINANCING ACTIVITIES	4,959,000	18,736,552
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,392	1,021,293
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,021,293	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,128,685	1,021,293

Cash and cash equivalents consist only cash and bank balances.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Labuan Companies Act 1990. The domicile of the Company is Malaysia. The registered office which is also the principal place of business is at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87007 Labuan F.T., Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 January 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of telecommunication services and trading of cable capacity. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Labuan Companies Act 1990 in Malaysia.

(a) During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. BASIS OF PREPARATION (CONT'D)

(a) FRSs and IC Interpretations (including the Consequential Amendments)

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Company's financial statements, other than the following:

(i) FRS 7 requires additional disclosures about the financial instruments of the Company. Prior to 1 January 2010, information about financial statements was disclosed in accordance with the requirements of FRS 132 – Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. BASIS OF PREPARATION (CONT'D)

(a) (i) The Company has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the Company's financial statements for the current financial year.

(ii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

(iii) The adoption of FRS 139 (including the consequential amendments) has resulted in several changes to accounting policies relating to recognition and measurements of financial instruments. The adoption is expected to have no material impact on the financial statements of the Company upon its initial application.

(b) The Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010

GLOBAL TRANSIT LIMITED
(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. BASIS OF PREPARATION (CONT'D)

(b)

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
Amendments to IC Interpretation 14: Prepayment of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2011

GLOBAL TRANSIT LIMITED
(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

3. BASIS OF PREPARATION (CONT'D)

(b)

FRSs and IC Interpretations (including the Consequential Amendments)	**Effective date**
IC Interpretation 16 Hedges of a Net Investment in a foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Company's operations.

(c) Going Concern

The financial statements are prepared on the basis of accounting principles applicable to a going concern as the shareholders have indicated their willingness to provide financial support to the Company to enable it to operate as a going concern in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(i) Depreciation of Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Company anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(b) Financial Instruments

Financial instruments are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

  As at the end of the reporting period, there were no financial assets classified under this category.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(c) Functional and Foreign Currency

(i) Functional and Presentation Currency

The functional currency of the Company is the currency of the primary economic environment in which the Company operates.

As mentioned above, the financial statements comply with applicable Financial Reporting Standards, except for FRS 121 The Effect of Changes in Foreign Exchange Rates which requires the presentation currency for the financial statements presented in Malaysia to be in Ringgit Malaysia. This requirement was for the purpose of harmonisation with local law. As the Labuan Companies Act 1990 does not require or specify any particular currency for the preparation of financial statements, the requirement for the presentation currency to be in Ringgit Malaysia would not serve any regulatory purpose. In this respect, the presentation currency of these financial statements is in United States Dollar.

GLOBAL TRANSIT LIMITED
(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency (Cont'd)

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(d) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer equipment	20%
Terminal and Landing Station	15 years

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow. An impairment loss is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(g) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalised as part of the cost of those assets, until such time the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
Company No : LL 06360

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Irredeemable Preference Shares ("IPS")

The IPS are classified as long-term liabilities as a consequence of their salient terms which are disclosed in Note 11 to the financial statements. Dividends from IPS, when declared, are recognised in profit or loss as a finance cost.

(i) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined Contribution Plans

The Company's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

(l) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

(i) Sales are recognised upon delivery of goods and customers' acceptance, and where applicable, net of returns and trade discounts.

(ii) Revenue from services rendered is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transactions cannot be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

5. PLANT AND EQUIPMENT

	NET CARRYING AMOUNT AT 1.1.2010 USD	ADDITIONS USD	RECLASSIFICATION USD	DEPRECIATION CHARGE USD	NET CARRYING AMOUNT AT 31.12.2010 USD
Computer equipment	-	5,243	-	(822)	4,421
Terminal and landing station	-	724,054	1,737,152	(109,396)	2,351,810
Work-in-progress	1,737,152	-	(1,737,152)	-	-
Total	1,737,152	729,297	-	(110,218)	2,356,231

	NET CARRYING AMOUNT AT 1.1.2009 USD	ADDITION USD	NET CARRYING AMOUNT AT 31.12.2009 USD
Work-in-progress	285,582	1,451,570	1,737,152

AT 31.12.2010	COST USD	ACCUMULATED DEPRECIATION USD	NET CARRYING AMOUNT USD
Computer equipment	5,243	(822)	4,421
Terminal and landing station	2,461,206	(109,396)	2,351,810
Total	2,466,449	(110,218)	2,356,231

AT 31.12.2009	COST USD	ACCUMULATED DEPRECIATION USD	NET CARRYING AMOUNT USD
Work-in-progress	1,737,152	-	1,737,152

All plant and equipment have been pledged as security under fixed and floating charges for banking facilities granted to the Company.

6. PREPAID COST

	2010 USD	2009 USD
Prepaid cost	411,508	-
Transfer to current asset for those within twelve months	(43,700)	-
At 31 December	367,808	-

GLOBAL TRANSIT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. PREPAID COST (CONT'D)

Prepaid cost is in respect of prepaid indefeasible right of use (IRU) fee of dark fibre leased for 10 years.

7. INVENTORIES

	2010 USD	2009 USD
Unity cables	24,321,345	-
Work-in-progress	900,000	20,475,469
	25,221,345	20,475,469

No inventories were valued at net realisable value at the end of the reporting period.

8. AMOUNT OWING BY A RELATED PARTY/(TO) RELATED PARTIES

	2010 USD	2009 USD
Amount owing by a related party:		
- trade	525,000	-
- non-trade	(777)	461
	524,223	461
Amount owing to related parties:		
- non-trade	(5,242)	(378)

The amounts owing are unsecured, interest-free and repayable upon demand. The amounts owing are to be settled in cash.

GLOBAL TRANSIT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

9. CASH AND BANK BALANCES

The foreign currency profile of the bank balances is as follows:-

	2010 USD	2009 USD
Ringgit Malaysia	5,207	1,788

10. SHARE CAPITAL

	2010 NUMBER OF SHARES	2009 NUMBER OF SHARES	2010 USD	2009 USD
Authorised				
Ordinary shares of USD1 each	1,000,000	1,000,000	1,000,000	1,000,000

	2010 NUMBER OF SHARES	2009 NUMBER OF SHARES	2010 USD	2009 USD
Issued And Fully Paid:				
Ordinary shares of USD1 each:-				
At 1 January	900	200	900	200
Increase during the financial year	-	700	-	700
At 31 December	900	900	900	900

11. IRREDEEMABLE PREFERENCE SHARES ("IPS")

	2010 NUMBER OF SHARES	2009 NUMBER OF SHARES	2010 USD	2009 USD
Authorised				
IPS A of USD1.00 each	11,000,000	11,000,000	11,000,000	11,000,000
Authorised				
IPS B of USD1.00 each	2,250,000	2,250,000	2,250,000	2,250,000

GLOBAL TRANSIT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. IRREDEEMABLE PREFERENCE SHARES ("IPS") (CONT'D)

	2010	2009	2010	2009
	NUMBER OF SHARES		USD	USD
Issued And Fully Paid:				
IPS A of USD1.00 each:-				
At 1.1.2010/2009	5,956,000	5,956,000	-	-
Allotment during the financial year	5,044,000	5,044,000	5,956,000	5,956,000
At 31.12.2010/2009	11,000,000	11,000,000	5,956,000	5,956,000

	2010	2009	2010	2009
	NUMBER OF SHARES		USD	USD
IPS B of USD1.00 each	1,000,000	1,000,000	1,000,000	1,000,000
Total IPS	12,000,000	12,000,000	6,956,000	6,956,000

The salient terms of the IPS are as follow:-

Nominal/Par Value	USD1.00 per IPS.
Issue Price	USD1.00 per IPS.
Distributions	Dividends and other distributions are payable in the followings manners:- (a) the initial cumulative distribution of USD8,750,000 to IPS A shareholders in accordance with their respective shareholding of IPS A. (b) the next cumulative distributions of USD4,500,000 to IPS A and IPS B shareholders in equal proportions in accordance with their respective shareholding of IPS A and IPS B. (c) thereafter all subsequent distributions to IPS A and IPS B shareholders on 65:35 ratio in accordance with their respective shareholding in IPS A and IPS B.

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NOTES TO THE FINANCIAL STATEMENTS
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11. IRREDEEMABLE PREFERENCE SHARES ("IPS") (CONT'D)

Voting Rights	The holder of the IPS shall not have any voting right.
Status of the IPS	In the event of the winding-up/liquidation/repayment of capital of the Company, the IPS A shall rank prior to the IPS B and ordinary shares and IPS B shall rank prior to ordinary shares for the repayment of the issue price and distributions made (if any). IPS A and IPS B shall be collectively entitle to 65:35 ratio on the surplus assets of the Company subsequent to the distribution (if any).

12. TERM LOAN

	2010 USD	2009 USD
Term loans	14,086,682	12,848,538
Repayable within twelve months	(250,000)	-
Repayable after twelve months	13,836,682	12,848,538

Details of the term loan terms is as follows:-

	2010 USD	2009 USD
Within one year	250,000	-
Between one to two years	1,375,000	250,000
Between two to five years	11,179,750	7,750,000
After five years	1,031,932	4,848,538
	13,836,682	12,848,538

12. TERM LOAN (CONT'D)

Details of the term loan terms at the balance sheet date is as follows:-

Number of Quarterly Instalment	Quarterly Instalment USD	Date of Commencement of Repayment
2	250,000	30 November 2011
4	375,000	31 May 2012
4	750,000	31 May 2013
4	1,000,000	31 May 2014
4	1,268,250	31 May 2015

The effective interest rate of the term loan at the end of the reporting period was 3.5% (2009 - 3.2%) per annum.

The term loan is secured by:-

(i) a personal guarantee by a director of the Company;

(ii) a corporate guarantee by a shareholder;

(iii) a legal charged over all the assets of the Company; and

(iv) an assignment over the Company's present and future sales proceed.

13. TRADE PAYABLES

The normal trade credit terms granted to the Company range from 30 days to 45 days. Other credit terms are assessed and approved on a case-by-case basis.

14. AMOUNT OWING TO A SHAREHOLDER

The amount owing is unsecured, interest-free and repayable upon demand. The amount owing is to be settled in cash.

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

15. REVOLVING CREDITS

	2010 USD	2009 USD
Revolving credits	3,500,000	-

The effective interest rate of the revolving credits at the balance sheet date was 3.78% (2009 - Nil) per annum.

The revolving credits are secured by:-

(ii) a personal guarantee by a director of the Company;

(ii) a corporate guarantee by a shareholder;

(iii) an assignment over the Company's present and future sales proceed.; and

(iv) a second debenture incorporating fixed and floating charges over the entire assets of the Company.

16. REVENUE

	2010 USD	2009 USD
Sales of cables	4,150,000	-
Operation and maintenance services provided	22,666	-
	4,172,666	-

17. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at after charging/(crediting):-

	2010 USD	2009 USD
Audit fee		
- current financial year	4,000	3,000
- overprovision in previous financial year	(1,000)	-
Depreciation of plant and equipment	110,218	-
Interest expenses:		
- revolving credits	64,736	-
- term loan	481,527	209,613
Realised loss on foreign exchange	9,017	12,514
Staff costs	117,113	42,931

GLOBAL TRANSIT LIMITED

(Incorporated in Malaysia under the Labuan Companies Act 1990)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. INCOME TAX EXPENSE

As the principal activities of the Company are considered as Labuan business activities under the Labuan Business Activity Act 1990, the tax charge for the financial period is based on 3% of profit from ordinary activities before tax or at a fixed rate of RM20,000 upon election.

The Company has elected tax charge at a fixed rate of RM20,000.

19. RELATED PARTY DISCLOSURES

(a) A related party is considered related to the Company if directly or indirectly, the party controls, is controlled by or is under common control with the Company.

(b) In addition to the information disclosed elsewhere in the financial statements, the Company carried out the following transactions with the related parties during the financial year:

	2010 USD	2009 USD
Related Party		
Management fee paid to a related party	60,000	-
Sales of cables received from a related party	750,000	-

Information regarding outstanding balances arising from related party transactions as at 31 December 2010 is disclosed in Notes 8 and 14 to the financial statements.

The outstanding amounts of the related parties will be settled in cash. No guarantees have been given or received. No expenses have been recognised during the financial year as bad and doubtful debts in respect of the amounts owing by the related parties.

20. FINANCIAL INSTRUMENTS

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its market (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

20. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Company is exposed to foreign exchange risk on transactions and balances that are denominated in currencies other than United States Dollar. The currencies giving rise to this risk are disclosed in the respective notes to the financial statements.

In respect of other monetary assets and liabilities held in foreign currencies, the Company carries out reviews periodically to ensure that the net exposure is kept at an acceptable level.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from its interest-bearing borrowing. The Company's policy is to obtain the most favourable interest rate available.

Information relating to the Company's exposure to the interest rate risk of the financial liabilities is disclosed in respective notes to the financial statements.

<u>Interest rate risk sensitivity analysis</u>

A 10 basis points strengthening in the interest rate as at the end of the reporting period would have decreased profit after taxation by USD 15,471. A 10 basis points weakening would have had an equal but opposite effect on the profit after taxation. This assumes that all other variables remain constant.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risks.

20. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the statement of financial position reduced by the effects of any netting arrangements with counterparties.

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

None of the Company's trade receivables has past due.

(iii) Liquidity Risk

The liquidity risk of the Company are minimal as the shareholders have undertaken to provide continue financial support to meet the Company obligations as and when fall due. Information relating to the maturity profile of the Company is disclosed in the respective notes to the financial statements.

(b) Capital Risk Management

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio. As the Company has significant borrowings but a relatively small equity base, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

20. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	2010 USD
Financial Assets	
Loans and receivables financial assets	
Other receivables and prepayments	136,222
Amount owing by a related party	524,223
Cash and bank balances	1,128,685
	1,789,130
Financial Liabilities	
Other financial liabilities	
Trade payables	54,818
Other payables and accruals	392,443
Amount owing to related parties	5,242
Amount owing to shareholders	38,070
Revolving credits	3,500,000
Term loan	14,086,682
Irredeemable preference shares	12,000,000
	30,077,255

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used in determining the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The carrying amount of the term loan approximated its fair value as it is a floating rate instrument that is repriced to the market interest rate on or near the end of the reporting period.

GLOBAL TRANSIT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

21. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rate used (exposed on the basis of one unit of foreign currency to USD equivalent) for the translation of the foreign currency. One Ringgit Malaysia is converted to 0.3245 USD.

22. COMPARATIVE FIGURES

The following comparative figures have been restated to conform with the current financial year's presentation:-

	As restated USD	As previously reported USD
Statement of financial position (Extract):-		
Non-Current Assets		
Plant and equipment	1,737,152	22,212,621
Current Assets		
Inventories	20,475,469	-
Statement of Comprehensive Income (Extract):-		
Administrative and other operating expenses	(243,251)	(247,871)
Finance costs	(214,233)	(209,613)
Statement of Cash Flows (Extract):-		
Operating loss before working capital changes		
Increase in inventories	(14,846,394)	-
Cash flows for investing activities		
Advances to a related party	-	(461)
Purchase of plant and equipment	(1,451,570)	(16,297,964)
Cash flows for financing activities		
Advances to related party	(83)	378

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APPENDIX VIII-C

AUDITED FINANCIAL STATEMENTS OF GTS FOR THE YEAR ENDED 31 DECEMBER 2010

GLOBAL TRANSIT SINGAPORE PTE. LTD.
Company Registration No : 200504384K
(Incorporated in Singapore)

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31 DECEMBER 2010

CONTENTS

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' REPORT TO THE MEMBERS

The directors present their report to the members together with the audited financial statements of the Company for the year ended 31 December 2010.

DIRECTORS

1. The directors of the Company in office at the date of this report are:-

Muhammad Irfan Bin Zainuddin
Afzal Bin Abdul Rahim
Megat Hisham Bin Hassan

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

2. The directors of the Company holding office at the end of the financial year and their interest in the share capital of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50 were as follows:

Name of director	At beginning of year	At end of year
Muhammad Irfan Bin Zainuddin	-	-
Afzal Bin Abdul Rahim	-	-
Megat Hisham Bin Hassan	-	-

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

3. Neither at the end of the financial year nor at any time during the financial year, did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

4. Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a Company in which he has a substantial financial interest.

OPTIONS

5. **(a) Options To Take Up Unissued Shares**

During the financial year, no option to take up unissued shares of the Company has been granted.

(b) Options Exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued Shares Under Option

At the end of the financial year, there were no option to take up unissued shares of the Company.

AUDITORS

6. The auditors, Messrs. Kung Seah Lim & Co. have expressed their willingness to accept re-appointment.

On behalf of the directors

Megat Hisham Bin Hassan

Afzal Bin Abdul Rahim

Singapore, 24 January 2011
LD/

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GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and of the results, changes in equity and cash flow of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Megat Hisham Bin Hassan

Afzal Bin Abdul Rahim

Singapore, 24 January 2011
LD/

江錫霖會計公司
KUNG SEAH LIM & CO.
CERTIFIED PUBLIC ACCOUNTANTS

336 SMITH STREET #05-310
NEW BRIDGE CENTRE, SINGAPORE 050336
TEL: 6225 1123 FAX: 6223 8188
EMAIL: davkung@singnet.com.sg

Kung Seah Lim CPA, FCCA
Yuan Yuan CPA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singapore)

We have audited the accompanying financial statements of Global Transit Singapore Pte. Ltd., which comprise the statement of financial position as at 31 December 2010, and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) Devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) Selecting and applying appropriate accounting policies; and

(c) Making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualify Audit Opinion

Trade and other receivables

No provision for doubtful debts amounting to $103,018/- was made on long overdue debt owed by trade and other receivables, it resulting in an additional loss of $103,018/- for the year and accumulated losses $70,454. In addition, the ultimate holding company has undertaken to provide additional financial support in the near future.

Except for the above, in our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and of the results, changes in equity and cash flow of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

KUNG SEAH LIM & CO.
Certified Public Accountants

Singapore, 24 January 2011
LD/

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singpaore)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Notes	2010 $	2009 $
NON-CURRENT ASSET			
Plant and equipment	4	700	1,400
CURRENT ASSETS			
Trade and other receivables	5	241,022	183,888
Cash and cash equivalents	7	17,298	3,405
		258,320	187,293
Less :			
CURRENT LIABILITIES			
Trade and other payables	8	206,122	141,448
Provision for taxation		215	-
		206,337	141,448
NET CURRENT ASSETS		51,983	45,845
		52,683	47,245
Less :			
NON-CURRENT LIABILITY			
Deferred taxation	12	(119)	(238)
TOTAL NET ASSETS		52,564	47,007
CAPITAL AND RESERVES			
Share capital	10	20,000	20,000
Retained earnings		32,564	27,007
SHAREHOLDERS' EQUITIES		52,564	47,007

The annexed notes form an integral part of these financial statements.
Singapore, 24 January 2011
LD/

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singpaore)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	2010 $	2009 $
Revenue	11	255,836	66,000
OPERATING EXPENSES :			
Cabling cross connect		21,558	28,997
Colo and engineering		31,814	-
HVAC		104,081	-
Internet access		7,804	-
Setup fee		70,170	-
Support charges		2,397	-
Depreciation of plant and equipment	4	700	701
Other operating expenses		12,958	42,722
		251,482	72,420
Net profit/(loss) before taxation		4,354	(6,420)
Taxation	13	1,203	3,512
Net profit/(loss) after taxation	14	5,557	(2,908)
Other comprehensive income		-	-
Total comprehensive income for the year		5,557	(2,908)

The annexed notes form an integral part of these financial statements.
Singapore, 24 January 2011
LD/

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singpaore)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Share capital $	Retained earnings $	Total $
Balance at 1 January 2009	20,000	29,915	49,915
Total comprehensive income for the year - 2009	-	(2,908)	(2,908)
Balance at 31 December 2009	20,000	27,007	47,007
Total comprehensive income for the year - 2010	-	5,557	5,557
Balance at 31 December 2010	20,000	32,564	52,564

The annexed notes form an integral part of these financial statements.
Singapore, 24 January 2011
LD/

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singpaore)

STATEMENT OF CASH FLOW
for the year ended 31 December 2010

	Notes	2010 $	2009 $
Cash Flow from Operating Activities:			
Net profit/(loss) before taxation		4,354	(6,420)
Adjustment for :			
Depreciation of plant and equipment	4	700	701
		5,054	(5,719)
Add/(Deduct) changes in working capital			
Trade and other receivables		(57,134)	(24,502)
Trade and other payables		64,674	37,471
Cash generated from operations		12,594	7,250
Tax (paid)/refund		1,299	(3,969)
Net Cash Flow from Operating Activities		**13,893**	**3,281**
Net increase in cash and cash equivalents		13,893	3,281
Cash and cash equivalents at beginning of year		3,405	124
Cash and cash equivalents at end of year	7	**17,298**	**3,405**

The annexed notes form an integral part of these financial statements.
Singapore, 24 January 2011
LD/

GLOBAL TRANSIT SINGAPORE PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company (Company Registration No.200504384K) is a private limited Company domiciled and incorporated in Singapore. The Company's registered office is 336 Smith Street #05-310 New Bridge Centre Singapore 050336.

The principal place of business of the Company is at 60 Albert Street #12-07 OG Albert Complex Singapore 189969.

The principal activities of the Company have been those wholesale of telecommunications equipment and related services.

There have been no significant changes in the nature of these activities during the year.

The ultimate holding Company is Megawira Sdn. Bhd. and the immediate holding Company is the Global Transit International Sdn Bhd Incorporated in the Malaysia.

Certain comparative figures have been reclassified to conform with current year's presentation.

The Board of Directors hereby authorised the issuing of the financial statements, on the date stated in the Statement by Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in Singapore dollars, which is the functional currency of the Company are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year.. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in note 3.

(b) Plant and equipment

i. **Measurement**

Plant and equipment including significant betterments to existing facilities are recorded at cost less accumulated depreciation and impairment loss. Expenditure for maintenance and repairs are charged to operations in the year incurred.

ii. **Component of cost**

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

iii. **Depreciation**

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computer	5 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date.

iv **Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(c) Impairment of assets

Plant and equipment

Plant and equipment are reviewed for the impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(d) <u>Financial assets</u>

Initial recognition and measurement and derecognition of financial assets:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through statement of comprehensive income includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issues of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in the following categories under FRS 39 is as follows:

a. **Loans and receivables:**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flow of the financial asset or group of financial assets that can be reliably estimated.

The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

(e) Related Parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(f) Cash and cash equivalent

Cash and cash equivalents include deposit with financial institutions.

(g) Financial liabilities

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through statement of comprehensive income includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issues of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in the following categories under FRS 39 is as follows:

a. Liabilities at fair value through profit and loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit and loss are charged to the statement of comprehensive income as incurred.

b. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Liabilities and equity financial instruments:

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. The equity and the liability elements of compound instruments are classified separately as equity and as a liability. Equity instruments are recorded at the proceeds net of direct issue costs.

(h) Equity

Equity instruments are contracts that give a residual interest in the net assets of the Company.

Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction.

(i) Revenue recognition

Revenue for the Company comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

i. **Rendering of services**

Revenues from rendering of services are recognised only to the extent of expenses recognised that are recoverable when the outcome of the transaction involving the rendering of services cannot be estimated reliably.

(j) Income taxes

Income tax in the statement of statement of comprehensive income for the year comprises prior, current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

The charge for current tax is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Company is subject to income taxes in Singapore jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

If the actual final outcome (on the judgement areas) differs from management's estimates, the Company would need to:

- increase the income tax liability and the deferred income tax liability, if unfavourable; or

- decrease the income tax liability and the deferred income tax liability if favourable.

(ii) Depreciation

Depreciation has been provided on plant and equipment basing on their depreciable amount over their estimated useful lives in accordance with the accounting policy stated in Note 2. The depreciable amount is the difference between their cost and their residual value. The useful lives and the residual value are estimated. Where the final outcome of these matters is different from the period and amount that were initially recorded, such differences will impact the depreciation expense in the period in which such determination is made.

(iii) Useful lives plant and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its plant and equipment. The estimate could change significantly as a result of technical innovations. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

(iv) Value in use of plant and equipment

The value in use plant and equipment is determined by using valuation techniques. The Company's management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. The Company has used discounted cash flow analysis for computation of the value in use.

(v) Fair value of plant and equipment

Where up-to-date professional valuation of plant and equipment is not available, the Company's management determines the estimated fair value basing on non-written quote, past sale transactions, broker's indication and price index. The estimate may differ significantly from the actual valuation due to dissimilarity in location, condition, time period and macro economic environment.

4. **PLANT AND EQUIPMENT**

	Computer $
Cost	
At 31.12.2010	3,503
At 31.12.2009	3,503
Accumulated depreciation	
At 01.01.2010	2,103
Depreciation for the year	700
At 31.12.2010	2,803
Depreciation for 2009	701
Carrying amount	
At 31.12.2010	700
At 31.12.2009	1,400

5. TRADE AND OTHER RECEIVABLES

	Note	2010 $	2009 $
Trade receivable		228,269	171,135
Other receivable	6	12,753	12,753
		241,022	183,888

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90 days (2009: 90 days).

Other receivables are normally with no fixed terms and therefore there is no maturity.

Included in trade receivables are the followings:-

	2010 $	2009 $
Amount receivables from related Companies	228,269	171,135

6. OTHER RECEIVABLES

	2010 $	2009 $
Amount owed by a related Company	11,086	11,086
Prepayment	1,667	1,667
	12,753	12,753

Amount owed by a related Company represents an unsecured interest free loan and there is no fixed term of repayment.

7. CASH AND CASH EQUIVALENT

Cash and cash equivalent comprise:

	2010 $	2009 $
Cash at bank	17,298	3,405

The carrying amounts of cash and cash equivalent approximate their fair value.

8. **TRADE AND OTHER PAYABLES**

	Note	2010 $	2009 $
Trade payables		46,223	4,761
Other payables	9	159,899	136,687
		206,122	141,448

The carrying amounts of current trade and other payables approximate their fair value.

The average credit period taken to settle trade payables is about 30 days (2009: 30 days). The other payables are with short-term durations.

9. **OTHER PAYABLES**

	2010 $	2009 $
Accrued expenses	1,410	3,607
Amount owing to an immediate holding Company	125,208	107,708
Amount owing to an ultimate holding Company	5,200	5,200
Amount owing to a related Company	28,081	20,075
Others	-	97
	159,899	136,687

Amount owing to a related, immediate and ultimate holding Companies represent unsecured interest free loans and there is no fixed term repayment.

The carrying amounts of accrued expenses approximate their fair value.

10. **SHARE CAPITAL**

	2010 $	2009 $
Ordinary shares of no par value:-		
Balance at beginning of the year	20,000	20,000
Balance at end of the year	20,000	20,000

The ordinary shares of no par value which are fully paid carry no right to fixed income. The Company is not subject to any externally imposed capital requirements.

The objectives when managing capital are: to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk. There were no changes in the approach to capital management during the year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

11. **REVENUE**

	2010 $	2009 $
Services rendered	255,836	66,000

12. **DEFERRED TAXATION**

The net deferred tax amount in the statement of financial position is as follows:

	2010 $	2009 $
Deferred tax liability:		
Excess of carrying value of plant and equipment over tax written down value	700	1,400
Deferred tax liability carried forward in the statement of financial position of 17%	119	238

13. **TAXATION**

	2010 $	2009 $
Taxation - current year	215	-
- prior year	(1,299)	(4,870)
Deferred taxation	(119)	1,358
	(1,203)	(3,512)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit/(loss) before income tax as a result of the following differences:

	2010 $	2009 $
Net profit/(loss) for the year	4,354	(6,420)
Tax income at statutory tax rate of 17%	740	(1,091)
Movements in temporary differences	-	1,477
Over provision for income tax in prior year	(1,299)	(4,870)
Loss carried back	-	972
Tax exempt revenue	(644)	-
	(1,203)	(3,512)

14. **NET PROFIT/(LOSS) FOR THE YEAR**

This was determined after the following:

	2010	2009
	$	$
Depreciation of plant and equipment	700	701
Auditors' remuneration	2,600	1,500

15. **RELATED PARTIES TRANSACTIONS**

During the financial year, the Company has significant related party transactions with related parties on terms agreed between the parties as follows:

Related party	Nature of transaction	Amount of transaction	Outstanding balance:
		$	$
Global Transit Communications Sdn Bhd	- Services rendered	255,836	136,336

16. **FINANCIAL INSTRUMENT**

The Company's activities expose it to variety of financial risks, in particular the effects of changes in interest rates. The Company manages its exposure to financial risk using a variety of techniques and instruments to provide a degree of certainty about costs.

i) **Liquidity risk**

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

The maturity for the Company's financial liabilities based on the information provided to key management is as follows:

	Within 12 months
	$
At 31 December 2010	
Trade payables	46,223
Other payables	159,899
At 31 December 2009	
Trade payables	4,761
Other payables	136,687

ii) Credit risk

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Company resulting in financial loss to the Company. The Company manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections.

The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	2010	2009
	$	$
Past due 0 to 3 months	136,336	143,986
Past due 3 to 6 months	-	5,600
Past due over 6 months	91,933	21,549
	228,269	171,135

17. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure the ability of the Company to continue as a going concern and maximise shareholder value through the optimisation of the capital structure.

In the process of maintaining or achieving an optimal capital structure, the Company may issue new shares, return capital to shareholders, adjust the dividend payment to shareholders, obtain new borrowings or sell assets to reduce borrowings.

Adjusted capital comprises all components of equity (i.e. share capital, retained earnings, and reserves) other than amounts recognised in equity relating to cash flow hedges.

There were no changes to the Company's strategy to capital management during the financial year.

Singapore, 24 January 2011
LD/

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APPENDIX VIII-D

AUDITED FINANCIAL STATEMENTS OF GTHK FOR THE YEAR ENDED 31 DECEMBER 2010

Peter Y.C Lau & CO.

Certified Public Accountants (Practising)

GLOBAL TRANSIT (HONG KONG) LIMITED

FINANCIAL STATEMENTS

ACCOUNTS FOR THE YEAR ENDED

DECEMBER 31 2010

劉玉珠會計師事務所

Peter Y. C. Lau & Co.
Certified Public Accountants
劉玉珠會計師事務所

GLOBAL TRANSIT (HONG KONG) LIMITED

FINANCIAL STATEMENTS

ACCOUNTS FOR THE YEAR ENDED

DECEMBER 31 2010

香港九龍佐敦南京街28號益美大廈10樓C室
Rm. 10C, 10/F., ACME Building, 28 Nanking Street, Jordan, Kowloon, Hong Kong.
Tel : 2508 6481 Fax : 2508 6450

GLOBAL TRANSIT (HONG KONG) LIMITED
REPORT OF THE DIRECTOR

The director presents the report and the audited accounts for the year December 31 2010.

ACTIVITY
During the year, the principal activity of the company is telecommunication service.

ACCOUNTS
The financial result of the company for the year ended December 31 2010 and its state of affairs at that date are set out in the accounts.

DIVIDEND
No dividend is recommended by the director for the year.

DIRECTOR
The following director held office during the year;
AFZAL Bin Abdul Rahim

In accordance with article 7 of the Company's articles of association, AFZAL Bin Abdul Rahim retires from office and being eligible, offers himself for re-election.

DIRECTOR'S INTEREST
a. During the year, the company provided no services (year 2009, HK$ NIL) to AIMS Data Centre Pte Ltd.

b. During the year, the company provided no services (year 2009, HK$56,589) to Global Transit Communications Sdn Bhd.

DIRECTOR'S INTEREST IN CONTRACTS AND RIGHTS TO ACQUIRES SHARES OR DEBENTURES
At no time during the year was the Company a party to any arrangement to enable the director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER MATTER
At the date of this report, the director is not aware of any circumstances not otherwise dealt with in this report or the annexed financial statements which would render any amount stated in the financial statements misleading.

AUDITORS
The auditors, Messr **Peter Y C Lau & Co.**, certified public accountants, retire at the annual general meeting and being eligible, offer themselves for re-appointment.

Director

Hong Kong 07 JAN 2011

Peter Y. C. Lau & Co. 2

Certified Public Accountants 劉玉珠會計師事務所

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
GLOBAL TRANSIT (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the financial statements on page 4 to 8 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to PN 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Cont'd...

香港九龍佐敦南京街28號益美大廈10樓C室
Rm. 10C, 10/F., ACME Building, 28 Nanking Street, Jordan, Kowloon, Hong Kong.
Tel : 2508 6481 Fax : 2508 6450

Peter Y. C. Lau & Co.

Certified Public Accountants

劉玉珠會計師事務所

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
GLOBAL TRANSIT (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

Cont'd...

FUNDAMENTAL UNCERTAINTY

In forming our opinion, we have considered the financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain such funding. Details of the circumstances relating to this fundamental uncertainty are described in note 5. We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in this respect.

OPINION

In our opinion, the financial statements give a true and fair view in all material respects, of the state of affairs of the company as at December 31 2010 and of its results for the year then ended and have been prepared in accordance with the Hong Kong Companies Ordinance.

Peter Y C Lau & Co.
Certified Public Accountants (practising)

Date 07 JAN 2011

Hong Kong

香港九龍佐敦南京街28號益美大廈10樓C室
Rm. 10C, 10/F., ACME Building, 28 Nanking Street, Jordan, Kowloon, Hong Kong.
Tel : 2508 6481 Fax : 2508 6450

GLOBAL TRANSIT (HONG KONG) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31 2010
(expressed in Hong Kong dollars)

	Notes	2010	2009
TURNOVER	2b	0.00	56,589.00
COST OF SALES		0.00	40,047.00
GROSS PROFIT		0.00	16,542.00
ADMINISTRATIVE EXPENSES		10,854.78	25,415.92
(LOSS) BEFORE TAXATION	3	(10,854.78)	(8,873.92)
TAXATION	4	0.00	0.00
LOSS AFTER TAXATION B/F		(128,410.38)	(119,536.46)
LOSS AFTER TAXATION C/F		(139,265.16)	(128,410.38)

The accompanying notes form part of the accounts.

GLOBAL TRANSIT (HONG KONG) LIMITED
BALANCE SHEET AS AT DECEMBER 31 2010
(expressed in Hong Kong dollars)

	Notes	2010	2009
CURRENT ASSETS			
Bank balance		27,135.05	41,739.05
Trade debtors	2d, 7, 8	163,439.24	163,439.24
		190,574.29	205,178.29
CURRENT LIABILITIES			
Accrual and deposit		7,371.02	11,571.02
Advance from related companies	2d, 7	322,467.43	322,016.65
		329,838.45	333,587.67
NET CURRENT LIABILITIES	5	(139,264.16)	(128,409.38)
NET LIABILITIES	5	(139,264.16)	(128,409.38)
FINANCED BY :			
SHARE CAPITAL			
Authorised share capital 10,000 shares of $ 1 @		10,000.00	10,000.00
Issued & fully paid share capital 1 share of $ 1 @		1.00	1.00
PROFIT AND LOSS ACCOUNT		(139,265.16)	(128,410.38)
SHAREHOLDERS' DEFICIT	5	(139,264.16)	(128,409.38)

The accompanying notes form part of the accounts.

Approved by the director on 07 JAN 2011

Director

GLOBAL TRANSIT (HONG KONG) LIMITED
NOTES TO THE ACCOUNTS
FOR THÉ YEAR ENDED DECEMBER 31 2010
(expressed in Hong Kong dollars)

1. GENERAL INFORMATION

The company is principally engaged in telecommunication service. Its registered office is located at Room 1301, 13/F., Blissful Building, 243-247 Des Voeux Road Central, Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING
The financial statements have been prepared in Hong Kong dollars using the historical cost basis of accounting.

b. TURNOVER
Turnover represents invoices value of telecommunication and engineering services.

c. DEFERRED TAXATION
Deferred taxation is provided, using the liabilities method, on all significant timing difference other than those which are not expected to crystallise in the foreseeable future.

d. RELATED PARTIES
Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

3. (LOSS) FOR THE YEAR BEFORE TAXATION

(loss) before taxation for the year is arrived at after charging;

	2010	2009
Audit fee	5,800.00	10,000.00
Bank charges	350.00	370.00
Director's remuneration	0.00	0.00

GLOBAL TRANSIT (HONG KONG) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31 2010
(expressed in Hong Kong dollars)

4. TAXATION

No provision for Hong Kong profits tax has been provided for as there is no tax gain and no tax loss for the year.

No provision for deferred taxation is made for there is no deferred tax.

5. FUNDAMENTAL UNCERTAINTY

The company has a deficit in shareholders' fund of $139,264. The related companies provide financial support to the company by means of loans which have no fixed terms of repayment. This continue financial support of the related companies is necessary for the company to meet its liabilities as and when they fall due and to enable the company to continue trading for the foreseeable future. Consequently, the board believes that the company will continue as a going concern and has prepared the accounts on a going concern basis.

6. LITIGATION

The management has reviewed and confirmed there is no outstanding litigation cases pending or sustaining at the balance sheet date.

7. TRADE DEBTORS / (ADVANCE FROM) RELATED COMPANIES

	Note	2010	2009
AIMS Data Centre Pte. Ltd.	8	137,807.98	137,807.98
Global Transit Communication Sdn. Bhd.	8	25,631.26	25,631.26
AIMS Data Centre Sdn. Bhd.		(1,280.43)	(829.65)
Global Transit Singapore Pte. Ltd.		(60,000.00)	(60,000.00)
Global Transit International Sdn. Bhd.		(261,187.00)	(261,187.00)
		(159,028.19)	(158,577.41)

GLOBAL TRANSIT (HONG KONG) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31 2010
(expressed in Hong Kong dollars)

8. RELATED PARTY TRANSACTIONS

During the financial year, the company carried the following related parties balances:-

	Name of related party	Nature of transaction		Amount due from the company at 12/31/2010
a.	AIMS Data Centre Pte Ltd. "ADCPL" (incorporated in Singapore)	The company provide no service for "ADCPL" during the financial year ended December 31st 2010.	b/f Jan 01 2010	137,807.98
			c/f Dec 31 2010	137,807.98
b.	Global Transit Communication Sdn Bhd "GTC" (incorporated in Malaysia)	The company provide no service for "GTC" during the financial year ended December 31st 2010.	b/f Jan 01 2010	26,169.00
			Offset credit balance in current a/c	(537.74)
			c/f Dec 31 2010	25,631.26

AFZAL Bin Abdul Rahim who is the director of the company, is also the director of "ADCPL" and "GTC" for the financial year.

9. ULTIMATE HOLDING COMPANY

The director regards that the ultimate holding company is Global Transit International Sdn. Bhd., incorporated in Malaysia.

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APPENDIX VIII-E

AUDITED FINANCIAL STATEMENTS OF THE TAAG GROUP FOR THE YEAR ENDED 31 DECEMBER 2010

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

FINANCIAL REPORT
for the financial year ended 31 December 2010

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THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing engineering services for the telecommunication industry. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Loss after taxation for the financial year	(1,590,243)	(3,387,087)

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group and of the Company are prepared on the basis of accounting principles applicable to a going concern. This basis presumes that the Group and the Company will continue to receive financial support from its bankers, directors or creditors, and that the future operating results of the Group and of the Company will improve.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The financial statements of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the financial statements of the Group and of the Company for the financial year.

HOLDING COMPANIES

The ultimate and immediate holding companies are Megawisra Investments Ltd. and Megawisra Sdn. Bhd., respectively. The ultimate holding company is incorporated in The British Virgin Islands whilst the immediate holding company is incorporated in Malaysia.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

AFZAL BIN ABDUL RAHIM
GAN TE-SHEN

DIRECTORS' INTERESTS

None of the directors holding office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 2 7 JAN 2011

Afzal Bin Abdul Rahim

Gan Te-Shen

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

STATEMENT BY DIRECTORS

We, Afzal Bin Abdul Rahim and Gan Te-Shen, being the two directors of The AIMS Asia Group Sdn. Bhd., state that, in our opinion, the financial statements set out on pages 10 to 46 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 December 2010 and of its results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 27 JAN 2011

Afzal Bin Abdul Rahim **Gan Te-Shen**

STATUTORY DECLARATION

I, Gan Te-Shen, being the director primarily responsible for the financial management of The AIMS Asia Group Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 46 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Gan Te-Shen, at Klang in the state of
Selangor Darul Ehsan on this
27 JAN 2011

Gan Te-Shen

Before Me

PESURUHJAYA SUMPAH
No.: B 204
Nama: GOH CHENG TEAK
MALAYSIA

No. 2, Mezzanine Floor,
Leboh Gopeng, 41400 Klang,
Selangor Darul Ehsan.

Crowe Horwath™

Crowe Horwath *AF 1018*
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

Report on the Financial Statements

We have audited the financial statements of The AIMS Asia Group Sdn. Bhd., which comprise the balance sheets as at 31 December 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices in Malaysia:
Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE AIMS ASIA GROUP SDN. BHD. (CONT'D)
(Incorporated in Malaysia)
Company No : 718415 - U

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 5(b) to the financial statements which discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group and the Company incurred losses after taxation of RM1,590,243 and RM3,387,087 respectively during the financial year ended 31 December 2010, and as of that date, the Group and the Company reported deficits in shareholders' equity amounting to RM6,996,340 and RM7,243,263 respectively. The validity of the going concern assumption depends on the continued financial support of the Group and the Company's bankers and creditors and the availability of alternative funding arrangements as and when these are required and the ability of the Group and of the Company to generate profits and positive operating cash flows. The financial statements do not include any adjustments that would be necessary if such financial support and the availability of alternative funding arrangements are not available or if the Group and the Company are unable to generate profits and positive operating cash flows.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 7 to the financial statements.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE AIMS ASIA GROUP SDN. BHD. (CONT'D)
(Incorporated in Malaysia)
Company No : 718415 - U

Report on Other Legal and Regulatory Requirements (Cont'd)

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

Lee Kok Wai
Approval No : 2760/06/12 (J)
Chartered Accountant

Kuala Lumpur
2 7 JAN 2011

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

BALANCE SHEETS AT 31 DECEMBER 2010

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
NON-CURRENT ASSETS					
Investment in subsidiaries	7	-	-	23,677,830	23,677,830
Property and equipment	8	4,946,502	6,257,952	532,948	135,174
Other investment	9	-	2,500,000	-	2,500,000
Goodwill on consolidation	10	12,293,882	12,293,882	-	-
		17,240,384	21,051,834	24,210,778	26,313,004
CURRENT ASSETS					
Trade receivables	11	11,145,177	2,703,977	147,970	255,504
Other receivables		1,071,658	966,148	-	4,846
Amount owing by immediate holding company	12	6,037,539	5,867,037	-	-
Amount owing by a subsidiary	13	-	-	72,210	72,210
Amounts owing by related companies	14	3,635,766	4,094,949	168,115	110,005
Tax refundable		-	247,883	-	247,883
Deposits with licensed banks	15	715,650	679,062	-	-
Cash and bank balances	16	336,136	955,211	27,899	27,693
		22,941,926	15,514,267	416,194	718,141

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

BALANCE SHEETS AT 31 DECEMBER 2010 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2010 RM	2009 RM	2010 RM	2009 RM
CURRENT LIABILITIES					
Trade payables	17	4,565,310	5,501,818	294,828	356,952
Other payables and accruals		5,217,238	4,806,736	204,020	39,679
Amount owing to immediate holding company	12	726,727	728,005	646,096	646,096
Amount owing to a subsidiary	13	-	-	7,733,092	5,599,547
Amounts owing to related companies	14	10,174,230	2,294,951	-	-
Amount owing to directors		-	103	-	-
Lease payables	18	1,372,948	2,005,894	-	-
Hire purchase payables	19	72,207	72,207	-	-
Term loan	20	22,889,063	1,725,079	22,889,063	1,725,079
Bank overdrafts	21	866,269	989,914	-	-
Provision for taxation		1,022,136	313,336	82,136	-
		46,906,128	18,438,043	31,849,235	8,367,353
NET CURRENT LIABILITIES		(23,964,202)	(2,923,776)	(31,433,041)	(7,649,212)
		(6,723,818)	18,128,058	7,222,263	18,663,792
REPRESENTED BY:-					
Share capital	22	1,400,000	1,400,000	1,400,000	1,400,000
Share premium	23	1,450,000	1,450,000	1,450,000	1,450,000
Foreign currency translation reserve		4,676	(43,180)	-	-
Accumulated losses		(9,851,016)	(8,260,773)	(10,093,263)	(6,706,176)
SHAREHOLDERS' DEFICIT		(6,996,340)	(5,453,953)	(7,243,263)	(3,856,176)
NON-CURRENT LIABILITIES					
Lease payables	18	129,856	883,631	-	-
Hire purchase payables	19	121,666	178,412	-	-
Term loan	20	-	22,500,000	-	22,500,000
Deferred tax liabilities	24	21,000	19,968	21,000	19,968
		(6,723,818)	18,128,058	7,222,263	18,663,792

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		THE GROUP		THE COMPANY	
	NOTE	2010 RM	2009 RM	2010 RM	2009 RM
REVENUE	25	39,903,730	27,909,031	2,429,738	2,446,579
COST OF SALES		(25,102,748)	(17,097,075)	(1,036,106)	(651,527)
GROSS PROFIT		14,800,982	10,811,956	1,393,632	1,795,052
OTHER INCOME		27,595	1,216,647	-	-
		14,828,577	12,028,603	1,393,632	1,795,052
ADMINISTRATIVE EXPENSES		(9,826,235)	(5,673,798)	-	(1,387,713)
SELLING AND DISTRIBUTION EXPENSES		(566,063)	363,531	-	(4,332)
OTHER OPERATING EXPENSES		(2,308,651)	(3,198,736)	(2,603,496)	(103,085)
		(12,700,949)	(8,509,003)	(2,603,496)	(1,495,130)
PROFIT/(LOSS) FROM OPERATIONS		2,127,628	3,519,600	(1,209,864)	299,922
FINANCE COSTS		(1,995,346)	(2,526,560)	(1,750,172)	(1,937,684)
PROFIT/(LOSS) BEFORE TAXATION	26	132,282	993,040	(2,960,036)	(1,637,762)
TAXATION	27	(1,722,525)	(874,251)	(427,051)	(106,222)
(LOSS)/PROFIT AFTER TAXATION		(1,590,243)	118,789	(3,387,087)	(1,743,984)

The annexed notes form an integral part of these financial statements.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	SHARE CAPITAL RM	SHARE PREMIUM RM	FOREIGN CURRENCY TRANSLATION RESERVE RM	ACCUMULATED LOSSES RM	TOTAL RM
THE GROUP					
Balance at 1.1.2009	1,400,000	1,450,000	(44,401)	(8,379,562)	(5,573,963)
Profit after taxation for the financial year	-	-	-	118,789	118,789
Currency translation difference	-	-	1,221	-	1,221
Balance at 31.12.2009/ 1.1.2010	1,400,000	1,450,000	(43,180)	(8,260,773)	(5,453,953)
Loss after taxation for the financial year	-	-	-	(1,590,243)	(1,590,243)
Currency translation difference	-	-	47,856	-	47,856
Balance at 31.12.2010	1,400,000	1,450,000	4,676	(9,851,016)	(6,996,340)
THE COMPANY					
Balance at 1.1.2009	1,400,000	1,450,000	-	(4,962,192)	(2,112,192)
Loss after taxation for the financial year	-	-	-	(1,743,984)	(1,743,984)
Balance at 31.12.2009/ 1.1.2010	1,400,000	1,450,000	-	(6,706,176)	(3,856,176)
Loss after taxation for the financial year	-	-	-	(3,387,087)	(3,387,087)
Balance at 31.12.2010	1,400,000	1,450,000	-	(10,093,263)	(7,243,263)

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		THE GROUP		THE COMPANY	
	NOTE	2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		132,282	993,040	(2,960,036)	(1,637,762)
Adjustments for:-					
Allowance for doubtful debts		12,847	20,087	-	-
Bad debts written off		22,138	714,864	-	-
Depreciation of property and equipment		2,158,107	2,190,334	49,777	3,085
Equipment written off		4,530	12,100	-	-
Impairment loss on goodwill		-	202,491	-	-
Impairment loss on investment in a subsidiary		-	-	-	100,000
Impairment loss on other investment		2,500,000	-	2,500,000	-
Interest expense		1,986,640	2,510,910	1,749,559	1,937,500
Loss on disposal of equipment		-	14,581	-	-
Unrealised loss on foreign exchange		14,830	-	494	242
Bad debts recovered		(1,000)	-	-	-
Gain on disposal of quoted investment		-	(87,962)	-	-
Gain on disposal of a subsidiary		-	(299,524)	-	-
Interest income		(16,779)	(14,710)	-	-
Writeback of allowance for doubtful debts		-	(740,819)	-	-
Operating profit before working capital changes		6,813,595	5,515,392	1,339,794	403,065
(Increase)/Decrease in trade and other receivables		(8,595,525)	1,427,233	111,886	(260,592)
(Decrease)/Increase in trade and other payables		(525,366)	(4,120,131)	102,217	383,297
Increase/(Decrease) in amount owing by related companies		9,079,275	1,430,442	(58,110)	(110,005)
CASH FROM OPERATIONS		6,771,979	4,252,936	1,495,787	415,765
Interest paid		(1,986,640)	(2,510,910)	(1,749,559)	(1,937,500)
Income tax paid		(764,810)	(947,463)	(96,000)	(112,137)
NET CASH FROM/(FOR) OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD		4,020,529	794,563	(349,772)	(1,633,872)

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
Company No : 718415 - U

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2010 RM	2009 RM	2010 RM	2009 RM
BALANCE BROUGHT FORWARD		4,020,529	794,563	(349,772)	(1,633,872)
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES					
Interest received		16,779	14,710	-	-
Purchase of equipment	28	(799,795)	(533,022)	(447,551)	(138,259)
Net cash inflow on disposal of a subsidiary		-	1,133,047	-	-
Proceeds from disposal of equipment		-	109,207	-	-
Proceeds from disposal of quoted investment		-	195,282	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(783,016)	919,224	(447,551)	(138,259)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net advances from subsidiary		-	-	2,133,545	2,634,668
Repayment to directors		(103)	(1,225)	-	-
(Repayment to)/Advances from immediate holding company		(171,780)	2,091,798	-	418,266
(Repayment to)/Advances from related companies		(740,813)	266,322	-	(39)
Repayment of term loan		(1,336,016)	(1,378,052)	(1,336,016)	(1,260,623)
Repayment of lease and hire purchase obligations		(1,495,499)	(1,964,492)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(3,744,211)	(985,649)	797,529	1,792,272
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(506,698)	728,138	206	20,141

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CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

		THE GROUP		THE COMPANY	
		2010	2009	2010	2009
	NOTE	RM	RM	RM	RM
FOREIGN EXCHANGE TRANSLATION DIFFERENCES		47,856	705	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		644,359	(84,484)	27,693	7,552
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	29	185,517	644,359	27,899	27,693

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NOTES TO THE FINANCIAL STATEMENTS
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1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	D117, Block D, First Floor Kelana Square, 17, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	Ground Floor, Menara Aik Hua, Changkat Raja Chulan, 50200 Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 January 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing engineering services for the telecommunication industry. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANIES

The ultimate and immediate holding companies are Megawisra Investments Ltd. and Megawisra Sdn. Bhd., respectively. The ultimate holding company is incorporated in The British Virgin Islands whilst the immediate holding company is incorporated in Malaysia.

4. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its foreign currency, interest rate, market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

4. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Foreign Currency Risk

Currency Risk

The Group is exposed to foreign exchange risk on transactions, balances and investments that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are disclosed in the respective notes to the financial statements.

In respect of other monetary assets and liabilities held in foreign currencies, the Company carries out reviews periodically to ensure that the net exposure is kept at an acceptable level.

(b) Interest Rate Risk

The Group obtains financing through bank borrowings and leasing and hire purchase arrangements. Its policy is to obtain the most favourable interest rates available.

Information relating to the interest rate exposure of the Group is disclosed in the respective notes to the financial statements.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(c) Market Risk

The Group does not have any quoted investments and hence is not exposed to market risks.

(d) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risks relates to the amounts owing by three major customers which make up 70% of its total trade receivables.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

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4. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(e) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash and bank balances and the availability of funding through certain committed credit facilities and subject to the matters disclosed in Note 5(b) to the financial statements.

5. BASIS OF ACCOUNTING

(a) Basis of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies and in compliance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia.

(b) Going Concern

At the balance sheet date, the Group and the Company had deficits in shareholders' equity amounting to RM6,996,340 and RM7,243,263 respectively.

The Group and the Company incurred losses after taxation of RM1,590,243 and RM3,387,087 respectively for the financial year ended 31 December 2010.

The financial statements of the Group and of the Company are prepared on a going concern basis. The validity of this basis is dependent upon the continued financial support of the Group and the Company's bankers and creditors and the availability of alternative funding arrangements when these are required and the ability of the Group and the Company to generate profits and positive operating cash flows in the future. In the event that the basis of preparing the financial statements of the Group and the Company on a going concern is rendered inappropriate, adjustments would have to be made to restate the carrying value of the assets to their recoverable amounts.

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5. BASIS OF ACCOUNTING (CONT'D)

(b) Going Concern (Cont'd)

The Board of Directors is of the opinion that the Group and the Company will continue to receive financial support from its bankers and creditors and any alternative funding arrangements made by the Group and the Company can be concluded successfully and future operations will be able to generate profits to enable the Group and the Company to operate as a going concern. Accordingly, the Board of Directors considers it is appropriate for the financial statements to be prepared on a going concern basis.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2010.

A subsidiary is defined as an enterprise in which the Company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

All subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of during the period are included in the consolidated income statements from the effective date of acquisition or up to the effective date of disposal as appropriate. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(c) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of subsidiaries at the date of acquisition. Negative goodwill represents the excess of the Group's share of the fair values of the identifiable net assets of subsidiaries at the date of acquisition over the fair value of the purchase consideration.

Goodwill is retained in the consolidated balance sheet. The carrying amount of goodwill is reviewed annually and is written down for impairment where it is considered necessary. The impairment value of goodwill is taken to the consolidated income statement. Negative goodwill, if any, is recognised in the consolidated income statement immediately.

(d) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investments (Cont'd)

(i) Investments in Subsidiaries (Cont'd)

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Other Investments

Other investments are held on a long-term basis and are stated at cost unless, in the opinion of the directors, there is a decline other than temporary in the value of such investments. Such decline is recognised as an expense in the period in which the decline is identified.

(e) Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used for this purpose are:-

Computer hardware and software	20%
Electrical and mechanical equipment	15%
Floorworks	15%
Furniture, fittings and office equipment	15%
Motor vehicles	20%

Fully depreciated equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

(f) Impairment of Assets

The carrying values of assets, other than those to which MASB 23 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Assets (Cont'd)

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognized revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(g) Assets under Finance Lease and Hire Purchase

Leases of equipment where substantially all the benefits and risks of ownership are transferred to the Group are classified as finance leases.

Equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

Equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(i) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(j) Interest-bearing Borrowings

The interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(k) Equity Instruments

Ordinary shares are classified as equity.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Employee Benefits (Cont'd)

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(n) Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the rates ruling as of that date. All exchange differences are taken to the income statement.

The financial statements of the foreign subsidiaries are translated into Ringgit Malaysia using the current rate method for the balance sheet whilst the average rate is used for the translation of the income statement for consolidation purposes. All exchange differences arising are taken directly to equity as a movement in the foreign exchange translation reserve. Foreign exchange differences relating to a foreign subsidiary are recognised as income or expense on the disposal of that subsidiary.

(o) Taxation

Taxation for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Taxation (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(p) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party, to the extent that it prevents the other party from pursuing its own separate interests in making financial and operating decisions.

(q) Revenue Recognition

(i) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(ii) Sale of Software Packages and Computer Programmes

Revenue is recognised on the gross invoiced value less discounts upon delivery and customers' acceptances.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Revenue Recognition (Cont'd)

(iii) Maintenance and Software Support Contracts

Revenue is allocated evenly throughout the period of the contracts.

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

7. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2010	2009
	RM	RM
At cost:-		
At 1 January	23,677,830	23,777,830
Impairment loss	-	(100,000)
At 31 December	23,677,830	23,677,830
Impairment loss:		
At 1 January	(100,000)	-
Addition during the financial year	-	(100,000)
At 31 December	(100,000)	(100,000)

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7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Company	Country of incorporation	Effective Equity Interest		Principal Activities
		2010 %	2009 %	
AIMS Data Centre Sdn. Bhd.	Malaysia	100	100	Provision of value added network services, information services, systems integration services and the operation of data networks and network based application for corporations.
Information Edge Sdn. Bhd.	Malaysia	100	100	Dormant.
AIMS Data Centre Pte. Ltd. *	The Republic of Singapore	100	100	Telecommunication services.

* *Audited by auditors other than Messrs. Crowe Horwath.*

The investment in AIMS Data Centre Sdn. Bhd. is held in trust by a third party on behalf of the Company.

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8. EQUIPMENT

THE GROUP	AT 1.1.2010 RM	ADDITIONS RM	WRITTEN OFF RM	DEPRECIATION CHARGE RM	EXCHANGE FLUCTUATION RM	AT 31.12.2010 RM
NET BOOK VALUE						
Computer hardware and software	1,975,569	163,753	(4,530)	(714,951)	(95)	1,419,746
Electrical and mechanical equipment	-	4,215		(580)	-	3,635
Floorworks	3,861,847	594,304	-	(1,292,862)	(455)	3,162,834
Furniture, fittings and office equipment	163,882	89,555	-	(68,887)	(90)	184,460
Motor vehicles	256,654	-	-	(80,827)	-	175,827
	6,257,952	851,827	(4,530)	(2,158,107)	(640)	4,946,502

NET BOOK VALUE	AT 1.1.2009 RM	ADDITIONS RM	DISPOSALS RM	WRITTEN OFF RM	DISPOSAL OF SUBSIDIARY RM	DEPRECIATION CHARGE RM	EXCHANGE FLUCTUATION RM	AT 31.12.2009 RM
Freehold land	4,644,190	-	-	-	(4,644,190)	-	-	-
Computer hardware and software	2,508,807	265,833	(33,307)	(12,100)	-	(754,048)	384	1,975,569
Floorworks	4,833,366	322,102	-	-	-	(1,294,061)	440	3,861,847
Furniture, fittings and office equipment	147,509	78,766	(148)	-	-	(62,331)	86	163,882
Motor vehicles	236,881	190,000	(90,333)	-	-	(79,894)	-	256,654
	12,370,753	856,701	(123,788)	(12,100)	(4,644,190)	(2,190,334)	910	6,257,952

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NOTES TO THE FINANCIAL STATEMENTS
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8. EQUIPMENT (CONT'D)

	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
THE GROUP			
AT 31.12.2010			
Computer hardware and software	5,510,112	(4,090,366)	1,419,746
Floorworks	10,494,998	(7,332,164)	3,162,834
Furniture, fittings and office equipment	1,057,727	(873,267)	184,460
Motor vehicles	408,351	(228,889)	179,462
	17,471,188	(12,524,686)	4,946,502
AT 31.12.2009			
Computer hardware and software	14,951,729	(12,976,160)	1,975,569
Floorworks	9,901,270	(6,039,423)	3,861,847
Furniture, fittings and office equipment	968,286	(804,404)	163,882
Motor vehicles	404,136	(147,482)	256,654
	26,225,421	(19,967,469)	6,257,952

	AT 1.1.2010 RM	ADDITIONS RM	DEPRECIATION CHARGE RM	AT 31.12.2010 RM
THE COMPANY				
NET BOOK VALUE				
Electrical and mechanical equipment	-	4,215	(580)	3,635
Floorworks	135,174	443,336	(49,197)	529,313
	135,174	447,551	(49,777)	532,948

	AT 1.1.2009 RM	ADDITION RM	DEPRECIATION CHARGE RM	AT 31.12.2009 RM
NET BOOK VALUE				
Floorworks	-	138,259	(3,085)	135,174

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8. EQUIPMENT (CONT'D)

THE COMPANY	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
AT 31.12.2010			
Electrical and mechanical equipment	4,215	(580)	3,635
Floorworks	581,595	(52,282)	529,313
	585,810	(52,862)	532,948
AT 31.12.2009			
Floorworks	138,259	(3,085)	135,174

Included in equipment of the Group are the following assets acquired under lease and hire purchase terms with net book values as follows:-

	THE GROUP	
	2010 RM	2009 RM
Computer hardware and software	1,004,792	1,360,138
Floorworks	1,435,144	2,099,428
Motor vehicles	175,827	256,654
	2,615,763	3,716,220

9. OTHER INVESTMENT

	THE GROUP/THE COMPANY	
	2010 RM	2009 RM
At cost:-		
Investment in bond	2,500,000	2,500,000
Less : Impairment loss	(2,500,000)	-
	-	2,500,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

10. GOODWILL ON CONSOLIDATION

	THE GROUP 2010 RM	THE GROUP 2009 RM
At 1 January	12,496,373	12,496,373
Impairment loss	(202,491)	(202,491)
At 31 December	12,293,882	12,293,882
Impairment loss:-		
At 1 January	(202,491)	-
Addition during the financial year	-	(202,491)
At 31 December	(202,491)	(202,491)

11. TRADE RECEIVABLES

	THE GROUP 2010 RM	THE GROUP 2009 RM	THE COMPANY 2010 RM	THE COMPANY 2009 RM
Trade receivables	11,594,243	3,481,948	147,970	255,504
Allowance for doubtful debts:-				
At 1 January	(777,971)	(1,788,703)	-	-
Addition during the financial year	(12,847)	(20,087)	-	-
Write-back during the financial year	-	740,819	-	-
Write-off during the financial year	341,752	290,000	-	-
At 31 December	(449,066)	(777,971)	-	-
	11,145,177	2,703,977	147,970	255,504

The Group's normal credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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11. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of the trade receivables is as follows:-

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Singapore Dollar	511,396	484,685	29,281	2,570
United States Dollar	486,652	481,957	4,695	-

12. AMOUNTS OWING BY/(TO) IMMEDIATE HOLDING COMPANY

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

13. AMOUNTS OWING BY/(TO) A SUBSIDIARY

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

14. AMOUNTS OWING BY/(TO) RELATED COMPANIES

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Amount owing by related companies:				
- Trade	158,565	448,144	168,115	110,005
- Non-trade	3,477,201	3,646,805	-	-
	3,635,766	4,094,949	168,115	110,005
Amount owing to related companies:				
- Trade	(10,600,105)	(92,008)	-	-
- Non-trade	425,875	(2,202,943)	-	-
	(10,174,230)	(2,294,951)	-	-

The non-trade amounts owing are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

15. DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group have been pledged as security for credit facilities granted to a subsidiary.

The effective interest rates of the deposits of the Group at the balance sheet date ranged from 2.50% and 2.80% (2009 - 2.00% and 2.50%) per annum. The deposits of the Group have maturity periods ranging from 30 days to 365 days (2009 - 30 days to 365 days) respectively.

16. CASH AND BANK BALANCES

The foreign currency exposure profile of the cash and bank balances is as follows:-

	THE GROUP	
	2010 RM	2009 RM
United States Dollar	16,374	22,585

17. TRADE PAYABLES

The credit term granted to the Group is 30 days.

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
Company No : 718415 - U

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. LEASE PAYABLES

	THE GROUP	
	2010	2009
	RM	RM
Minimum lease payments:		
- not later than one year	1,419,354	2,142,638
- later than one year and not later than five years	136,580	904,527
	1,555,934	3,047,165
Future finance charges	(53,130)	(157,640)
Present value of lease payables	1,502,804	2,889,525
Current:		
- not later than one year	1,372,948	2,005,894
Non-current:		
- later than one year and not later than five years	129,856	883,631
	1,502,804	2,889,525

The lease payables at the balance sheet date bore effective interest rates ranging from 4.48% to 8.23% (2009 - 5.45% to 8.86%) per annum.

THE AIMS ASIA GROUP SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. HIRE PURCHASE PAYABLES

	THE GROUP 2010 RM	THE GROUP 2009 RM
Minimum hire purchase payments:		
- not later than one year	84,586	84,587
- later than one year and not later than five years	128,602	209,877
	213,188	294,464
Less: Future finance charges	(19,315)	(43,845)
Present value of hire purchase payables	193,873	250,619
Current:		
- not later than one year	72,207	72,207
Non-current:		
- later than one year and not later than five years	121,666	178,412
	193,873	250,619

The hire purchase payables at the balance sheet date bore effective interest rates ranging from 5.90% to 5.99% (2009 - 6.28% to 6.54%) per annum.

20. TERM LOAN

	THE GROUP 2010 RM	THE GROUP 2009 RM	THE COMPANY 2010 RM	THE COMPANY 2009 RM
Term loan	22,889,063	24,225,079	22,889,063	24,225,079

Details of the term loan outstanding are as follows:-

	THE GROUP 2010 RM	THE GROUP 2009 RM	THE COMPANY 2010 RM	THE COMPANY 2009 RM
Current:				
- repayable within one year	22,889,063	1,725,079	22,889,063	1,725,079
Non-current:				
- repayable between one to two years	-	22,500,000	-	22,500,000
	22,889,063	24,225,079	22,889,063	24,225,079

THE AIMS ASIA GROUP SDN. BHD.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. TERM LOAN (CONT'D)

The term loan balance is repayable on 10 October 2011.

The term loan of the Group and the Company at the balance sheet date bore an interest rate of 7.75% (2009 - 7.65%) per annum and is secured by:-

(i) a charge on the issued and paid-up capital of the Company and that of a subsidiary first party charge of the Company shares; and

(ii) a corporate guarantee issued by the immediate holding company and a subsidiary.

21. BANK OVERDRAFTS

The bank overdrafts are secured by:-

(i) a joint and several guarantee of certain directors of the Company; and

(ii) the pledge of fixed deposits of a subsidiary as disclosed in Note 15 to the financial statements.

The bank overdrafts bore an effective interest of 8.0% (2009 - 8.0%) per annum at the balance sheet date.

22. SHARE CAPITAL

	THE COMPANY			
	2010	2009	2010	2009
	NUMBER OF SHARES		RM	RM
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	5,000,000	5,000,000	5,000,000	5,000,000
ISSUED AND FULLY PAID-UP	1,400,000	1,400,000	1,400,000	1,400,000

The share capital is pledged to a licensed bank to secure banking facilities granted to the Company.

THE AIMS ASIA GROUP SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

23. SHARE PREMIUM

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

24. DEFERRED TAX LIABILITIES

	THE GROUP/THE COMPANY	
	2010 RM	2009 RM
At 1 January	19,968	-
Recognised in the income statements (Note 27)	1,032	19,968
At 31 December	21,000	19,968

25. REVENUE

	THE GROUP		THE COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Application Service Provider Licensable activities:				
- Malaysia Online Internet Access	1,374,782	736,460	-	-
- Mobile Transit	49,084	56,632	-	-
Network Service Provider Licensable activities:				
- Premium Internet Protocol Transit	440,154	647,585	-	-
- Leased Line Circuits	16,666,022	8,275,300	-	-
Other maintenance and support services	21,322,059	18,097,862	2,381,848	1,080,271
Sale of hardware and software packages	51,629	95,192	47,890	28,074
Management fee	-	-	-	1,338,234
	39,903,730	27,909,031	2,429,738	2,446,579

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

26. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for doubtful debts	12,847	20,087	-	-
Audit fee				
- for the financial year	31,124	20,368	9,000	5,000
- underprovision in the previous financial year	2,350	3,800	2,350	3,800
Bad debts written off	22,138	714,864	-	-
Depreciation of property and equipment	2,158,107	2,190,334	49,777	3,085
Directors' non-fee emoluments	-	138,423	-	-
Directors' fee	66,000	90,000	-	-
Equipment written off	4,530	12,100	-	-
Loss on disposal of equipment	-	14,581	-	-
Impairment loss on goodwill	-	202,491	-	-
Impairment loss on investment in a subsidiary	-	-	-	100,000
Impairment loss on other investment	2,500,000	-	2,500,000	-
Interest expense:				
- bank overdrafts	68,002	70,219	-	-
- lease	144,567	482,472	-	-
- hire purchase	24,512	20,719	-	-
- term loan	1,749,559	1,937,500	1,749,559	1,937,500
Rental of office equipment	12,955	23,469	-	-
Rental of premises	61,954	944,478	-	-
Staff costs	4,765,915	3,040,911	-	903,232
Bad debts recovered	(1,000)	-	-	-
Fixed deposit interest income	(16,779)	(14,710)	-	-
Gain on disposal of quoted investment	-	(87,962)	-	-
Gain on disposal of a subsidiary	-	(299,524)	-	-
(Gain)/Loss on foreign exchange				
- realised	84,061	(22,112)	866	259
- unrealised	14,830	-	494	242
Writeback of allowance for doubtful debts	-	(740,819)	-	-

THE AIMS ASIA GROUP SDN. BHD.

(Incorporated in Malaysia)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

27. TAXATION

	THE GROUP		THE COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Current taxation:				
- for the financial year	1,742,000	936,254	322,000	86,254
- (over)/underprovision in the previous financial year	(20,507)	(81,971)	104,019	-
	1,721,493	854,283	426,019	86,254
Deferred tax expenses (Note 24)				
- for the financial year	1,032	19,968	1,032	19,968
	1,722,525	874,251	427,051	106,222

THE AIMS ASIA GROUP SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

27. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(Loss) before taxation	132,282	993,040	(2,960,036)	(1,637,762)
Tax at the statutory tax rate of 25%	33,071	248,259	(740,009)	(409,441)
Tax effects:-				
Non taxable income	-	(264,401)	-	-
Non-deductible expenses	1,709,961	1,197,388	1,063,041	515,663
Utilisation of deferred tax assets not recognised in the previous financial year	-	(293,351)	-	-
(Over)/Underprovision of current tax in the previous financial year	(20,507)	(81,971)	104,019	-
Differential in tax rates	-	68,327	-	-
Tax for the financial year	1,722,525	874,251	427,051	106,222

The corporate tax rate on the first RM500,000 of chargeable income of the Company is 20%. The rate applicable to the balance of the chargeable income is 25%.

THE AIMS ASIA GROUP SDN. BHD.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

28. PURCHASE OF EQUIPMENT

	THE GROUP 2010 RM	THE GROUP 2009 RM	THE COMPANY 2010 RM	THE COMPANY 2009 RM
Cost of equipment purchased	851,827	856,701	447,551	138,259
Amount financed through lease and hire purchase	(52,032)	(323,679)	-	-
Cash disbursed for purchase of equipment	799,795	533,022	447,551	138,259

29. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP 2010 RM	THE GROUP 2009 RM	THE COMPANY 2010 RM	THE COMPANY 2009 RM
Deposits with licensed banks (Note 15)	715,650	679,062	-	-
Cash and bank balances	336,136	955,211	27,899	27,693
Bank overdrafts	(866,269)	(989,914)	-	-
	185,517	644,359	27,899	27,693

THE AIMS ASIA GROUP SDN. BHD.
(Incorporated in Malaysia)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

30. NON-CANCELLABLE OPERATING LEASES

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	THE GROUP	
	2010	2009
	RM	RM
Not later than one year	1,040,885	697,733
Later than one year and not later than five years	-	557,116
	1,040,885	1,254,849

31. NUMBER OF EMPLOYEES

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
Number of employees at the balance sheet date	64	69	-	26

32. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	THE GROUP	
	2010	2009
	RM	RM
Singapore Dollar	2.40	2.44
United States Dollar	3.08	3.42

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

33. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
Sales to related companies	-	-	863,490	-
Management fee payable to the immediate holding company	-	635,252	-	410,252

34. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Unquoted Investments

For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined.

(b) Cash And Bank Balances And Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(c) Lease Obligations

The carrying amounts approximated the fair values of these instruments. The fair value of the lease obligations is determined by discounting the relevant cash flow using current interest rates for similar instruments at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

34. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(d) Long-Term Borrowings

The carrying amounts approximated the fair values of these instruments. The fair values of the long-term borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the balance sheet date.

(e) Amounts Owing By/(To) Holding Company/Related Companies/Subsidiaries

The carrying amounts approximated their fair values at the balance sheet date.

The carrying values of all other financial assets and liabilities are not materially different from their fair values.

35. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the presentation of the current financial year:

	As Restated RM	As Previously Reported RM
THE GROUP:		
Balance Sheets (extract):-		
Current Assets		
Amount owing by related companies	4,094,949	3,619,484
Amount owing by related parties	-	475,465
Amount owing to related companies	2,294,951	552,277
Amount owing to a related party	-	1,742,674
Cash Flow Statements (extract):-		
Cash flows for operating activities		
Increase in amount owing by related companies	1,430,442	101,036
Increase in amount owing by related parties	-	1,329,406
Cash flows for financing activities		
Repayment to related companies	(455,573)	(393,376)
Repayment to related parties	-	(62,197)

THE AIMS ASIA GROUP SDN. BHD.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. COMPARATIVE FIGURES (CONT'D)

	As Restated RM	Previously Reported RM
THE COMPANY:		
Balance Sheets (extract):-		
Current Assets		
Amount owing by related companies	110,005	34,326
Amount owing by related parties	-	75,679
Cash Flow Statements (extract):-		
Cash flows for operating activities		
Increase in amount owing by related companies	(110,005)	(34,326)
Decrease in amount owing by related parties	-	(75,679)

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APPENDIX VIII-F

AUDITED FINANCIAL STATEMENTS OF AIMS DATA CENTRE 2 FOR THE YEAR ENDED 31 DECEMBER 2010

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated In Malaysia)
Company No : 794704 - V

FINANCIAL REPORT
for the financial year ended 31 December 2010

CONTENTS

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated in Malaysia)
Company No : 794704 - V

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing value added network services, information services, system integration services and the operation of data networks and network based applications for corporations. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit for the financial year	1,146,444

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM2 to RM200,000 comprising 200,000 ordinary shares of RM1 by the allotment of 199,998 new ordinary shares of RM1 each at par for the purpose of working capital. The shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) there were no issues of debentures by the Company.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
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DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that no allowance for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
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DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The financial statements of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the financial statements of the Company for the financial year.

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated in Malaysia)
Company No : 794704 - V

DIRECTORS' REPORT

HOLDING COMPANIES

The ultimate and immediate holding companies are Megawisra Investments Ltd. and Megawisra Sdn. Bhd., respectively. The ultimate holding company is incorporated in The British Virgin Islands whilst the immediate holding company is incorporated in Malaysia.

DIRECTORS

The directors who served since the date of the last report are as follows:-

GAN TE-SHEN
AFZAL BIN ABDUL RAHIM

DIRECTORS' INTERESTS

None of the directors holding office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 21 JAN 2011

Afzal Bin Abdul Rahim

Gan Te-Shen

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated in Malaysia)
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STATEMENT BY DIRECTORS

We, Afzal Bin Abdul Rahim and Gan Te-Shen, being the two directors of AIMS Data Centre 2 Sdn. Bhd., state that, in our opinion, the financial statements set out on pages 9 to 24 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 December 2010 and of its results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 21 JAN 2011

Afzal Bin Abdul Rahim **Gan Te-Shen**

STATUTORY DECLARATION

I, Gan Te-Shen, being the director primarily responsible for the financial management of AIMS Data Centre 2 Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 9 to 24 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Gan Te-Shen, at Klang in the state of
Selangor Darul Ehsan on this
21 JAN 2011

Gan Te-Shen

Before Me

PESURUHJAYA SUMPAH
No: B 204
Nama: GOH CHENG TEAK
MALAYSIA

No. 2, Mezzanine Floor,
Lebuh Copeng, 41400 Klang,
Selangor Darul Ehsan.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

Report on the Financial Statements

We have audited the financial statements of AIMS Data Centre 2 Sdn. Bhd., which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 24.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices in Malaysia:
Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIMS DATA CENTRE 2 SDN. BHD. (CONT'D)
(Incorporated in Malaysia)
Company No : 794704 - V

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants
21 JAN 2011

Lee Kok Wai
Approval No : 2760/06/12 (J)
Chartered Accountant

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated in Malaysia)
Company No : 794704 - V

BALANCE SHEET AT 31 DECEMBER 2010

	NOTE	2010 RM	2009 RM
NON-CURRENT ASSET			
Equipment	7	1,062,756	162,200
CURRENT ASSETS			
Trade receivables	8	978,772	149,992
Other receivables and deposits		19,761	152,083
Amount owing by related companies	9	1,419,985	57,634
Cash and bank balances		6,411	191,582
		2,424,929	551,291
CURRENT LIABILITIES			
Trade payables	10	83,348	24,840
Other payables and accruals	11	779,447	266,133
Amount owing to immediate holding company	12	11,409	66,376
Amount owing to related companies	9	826,093	286,425
Provision for taxation		250,229	-
		1,950,526	643,774
NET CURRENT ASSETS/(LIABILITIES)		474,403	(92,483)
		1,537,159	69,717
FINANCED BY:			
SHARE CAPITAL	13	200,000	2
RETAINED PROFITS	14	1,195,159	48,715
SHAREHOLDERS' EQUITY		1,395,159	48,717
NON-CURRENT LIABILITY			
Deferred taxation	15	142,000	21,000
		1,537,159	69,717

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 RM	2009 RM
REVENUE	16	4,257,205	815,686
COST OF SALES		(1,633,133)	(657,938)
GROSS PROFIT		2,624,072	157,748
OTHER OPERATING INCOME		-	662
		2,624,072	158,410
SELLING AND DISTRIBUTION EXPENSES		(247,466)	(6,515)
ADMINISTRATIVE EXPENSES		(588,364)	(75,827)
OTHER OPERATING EXPENSES		(167,798)	(8,530)
PROFIT BEFORE TAXATION	17	1,620,444	67,538
TAXATION	18	(474,000)	(20,643)
PROFIT FOR THE FINANCIAL YEAR		1,146,444	46,895

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated In Malaysia)
Company No : 794704 - V

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	SHARE CAPITAL RM	RETAINED PROFITS RM	TOTAL EQUITY RM
Balance at 1.1.2009	2	1,820	1,822
Profit for the financial year	-	46,895	46,895
Balance at 31.12.2009/1.1.2010	2	48,715	48,717
Allotment during the financial year	199,998	-	199,998
Profit for the financial year	-	1,146,444	1,146,444
Balance at 31.12.2010	200,000	1,195,159	1,395,159

The annexed notes form an integral part of these financial statements.

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated In Malaysia)
Company No : 794704 - V

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010.

	2010 RM	2009 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	1,620,444	67,538
Adjustments for:-		
Depreciation of equipment	167,798	8,530
Unrealised loss on foreign exchange	1,992	-
Operating profit before working capital changes	1,790,234	76,068
Increase in trade and other receivables	(696,458)	(281,775)
Increase in trade and other payables	569,830	289,613
(Decrease)/Increase in amount owing to related companies	(1,111,813)	233,540
NET CASH FROM OPERATIONS	551,793	317,446
Tax paid	(102,771)	(1,188)
NET CASH FROM OPERATING ACTIVITIES	449,022	316,258
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Advances to a related company	-	(57,634)
Purchase of equipment	(1,068,354)	(170,730)
NET CASH FOR INVESTING ACITIVITIES	(1,068,354)	(228,364)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
(Repayment)/Advances from immediate holding company	(54,967)	62,309
Advances from related companies	289,130	41,379
Proceeds from issuance of shares	199,998	-
NET CASH FROM FINANCING ACTIVITIES	434,161	103,688
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(185,171)	191,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	191,582	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6,411	191,582

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	D117, Block D, First Floor Kelana Square, 17, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	18th Floor, Menara Aik Hua, Cangkat Raja Chulan, 50200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 January 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing value added network services, information services, system integration services and the operation of data networks and network based applications for corporations. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANIES

The ultimate and immediate holding companies are Megawisra Investments Ltd. and Megawisra Sdn. Bhd., respectively. The ultimate holding company is incorporated in The British Virgin Islands whilst the immediate holding company is incorporated in Malaysia.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its currency, interest rate, market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Foreign Currency Risk

The Company is exposed to foreign exchange risk on sales and purchases that are denominated in foreign currencies.

The Company's foreign currency transactions and balances are substantially denominated in United States Dollar and Singapore Dollar.

Foreign currency risk is managed to an acceptable level.

(b) Interest Rate Risk

The Company does not have borrowings and hence is not exposed to interest rate risk.

(c) Market Risk

The Company does not have any quoted investments and hence is not exposed to market risk.

(d) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Company does not have any major concentration of credit risk related to any individual customers.

4. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(e) Liquidity and Cash Flow Risks

The Company's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances.

5. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Equipment

The equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rate used for this purpose is 20% per annum.

(c) Impairment of Assets

The carrying amounts of assets, other than those to which MASB 23 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings and treated as a separate component of equity. Upon the approval of the dividend, it will be accounted for as a liability.

(g) Taxation

Taxation for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the rates ruling as of that date. All exchange differences are taken to the income statement.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined Contribution Plans

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

(k) Revenue Recognition

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

7. EQUIPMENT

	Net Book Value At 1.1.2010 RM	Addition RM	Depreciation Charge RM	Net Book Value At 31.12.2010 RM
Equipment	162,200	1,068,354	(167,798)	1,062,756

	Net Book Value At 1.1.2009 RM	Addition RM	Depreciation Charge RM	Net Book Value At 31.12.2009 RM
Equipment	-	170,730	(8,530)	162,200

As At 31.12.2010	Cost RM	Accumulated Depreciation RM	Net Book Value RM
Equipment	1,239,084	(176,328)	1,062,756
As At 31.12.2009			
Equipment	170,730	(8,530)	162,200

8. TRADE RECEIVABLES

The Company's normal trade credit term is 30 days. Other credit terms are assessed and approved on a case-by-case basis.

9. AMOUNT OWING BY/(TO) RELATED COMPANIES

	2010 RM	2009 RM
Amount owing by related companies:		
- trade	1,419,985	57,634

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

9. AMOUNT OWING BY/(TO) RELATED COMPANIES (CONT'D)

	2010 RM	2009 RM
Amount owing to related companies:		
- trade	(484,078)	(233,540)
- non-trade	(342,015)	(52,885)
	(826,093)	(286,425)

The foreign currency exposure profile of the amount owing by/(to) related companies are as follows:-

	2010 RM	2009 RM
Singapore Dollar	105,684	47,320

The amounts owing are unsecured, interest-free and repayable upon demand. The amounts owing are to be settled in cash.

10. TRADE PAYABLES

The normal trade credit terms granted to the Company range from 30 days to 60 days.

The foreign currency exposure profile of the trade payables is as follows:-

	2010 RM	2009 RM
Singapore Dollar	34,656	-
United States Dollar	24,612	-

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated In Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. OTHER PAYABLES AND ACCRUALS

The foreign currency exposure profile of other payables and accruals is as follows:-

	2010 RM	2009 RM
United States Dollar	33,000	64,538

12. AMOUNT OWING TO IMMEDIATE HOLDING COMPANY

The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

13. SHARE CAPITAL

	2010 NUMBER OF SHARES	2009	2010 RM	2009 RM
Authorised:				
Ordinary shares of RM1 each:-				
At 1 January	500,000	100,000	500,000	100,000
Increase during the financial year	-	400,000	-	400,000
At 31 December	500,000	500,000	500,000	500,000
Issued And Fully Paid:				
Ordinary shares of RM1 each:-				
At 1 January	2	2	2	2
Increase during the financial year	199,998	-	199,998	-
At 31 December	200,000	2	200,000	2

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

14. RETAINED PROFITS

Based on estimated Section 108 tax credits available and subject to agreement with the tax authorities, the retained profits are wholly distributable by way of dividends without the Company incurring further tax liabilities.

At the balance sheet date, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profit is a final tax, and dividends distributed to the shareholders will be exempted from tax.

15. DEFERRED TAXATION

	2010 RM	2009 RM
At 1 January	21,000	21,000
Transfer from income statement (Note 18)	121,000	-
At 31 December	142,000	21,000

16. REVENUE

Revenue of the Company represents the invoiced value of dedicated server hosting.

17. PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting):-

	2010 RM	2009 RM
Audit fee	6,000	3,000
Depreciation of equipment	167,798	8,530
Management fee	300,000	-
Staff costs	184,337	47,320
Loss/(gain) on foreign exchange:		
- realised	-	(662)
- unrealised	1,992	-

AIMS DATA CENTRE 2 SDN. BHD.
(Incorporated in Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. TAXATION

	2010 RM	2009 RM
Current tax:		
- for the financial year	353,000	-
- overprovision in the previous financial year	-	(357)
	353,000	(357)
Deferred tax (Note 15):		
- for the financial year	119,000	21,000
- underprovision in the previous financial year	2,000	-
	121,000	21,000
	474,000	20,643

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	2010 RM	2009 RM
Profit before taxation	1,620,444	67,538
Tax at the statutory tax rate of 25%	405,111	16,885
Tax effects of:-		
Non-deductible expenses	66,889	4,115
(Over)/Underprovision in the previous financial year:		
- current tax	-	(357)
- deferred taxation	2,000	-
Tax expense for the financial year	474,000	20,643

During the financial year, the statutory tax rate was 25%.

AIMS DATA CENTRE 2 SDN. BHD.

(Incorporated In Malaysia)
Company No : 794704 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	2010 RM	2009 RM
Sales to related companies	1,921,600	62,782
Purchases from related companies	1,472,617	298,096
Management fee payable to immediate holding company	300,000	-

20. FOREIGN EXCHANGE RATES

The applicable foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency transactions during the financial year are as follows:-

	2010 RM	2009 RM
Singapore Dollar	2.40	2.44
United States Dollar	3.08	3.42

21. NUMBER OF EMPLOYEES

The number of employees of the Company at the balance sheet date was 1 (2009 - 2).

22. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the financial assets and liabilities of the Company at the balance sheet date approximated their fair values.

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APPENDIX VIII-G

AUDITED FINANCIAL STATEMENTS OF AIMS CYBERJAYA FOR THE YEAR ENDED 31 DECEMBER 2010

AIMS CYBERJAYA SDN. BHD.

(Incorporated In Malaysia)
Company No : 794695 - X

FINANCIAL REPORT
for the financial year ended 31 December 2010

CONTENTS

AIMS CYBERJAYA SDN. BHD.
(Incorporated In Malaysia)
Company No : 794695 - X

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing value added network services, information services, system integration services and the operation of data networks and network based applications for corporations. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit for the financial year	3,449,671

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

AIMS CYBERJAYA SDN. BHD.
(Incorporated in Malaysia)
Company No : 794695 - X

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that no allowance for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

AIMS CYBERJAYA SDN. BHD.
(Incorporated in Malaysia)
Company No : 794695 - X

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The financial statements of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the financial statements of the Company for the financial year.

HOLDING COMPANIES

The immediate and ultimate holding companies are Megawisra Sdn. Bhd. and Megawisra Investments Ltd., respectively. The immediate holding company is incorporated in Malaysia whilst the ultimate holding company is incorporated in The British Virgin Islands.

AIMS CYBERJAYA SDN. BHD.

(Incorporated in Malaysia)
Company No : 794695 - X

DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

GAN TE-SHEN
AFZAL BIN ABDUL RAHIM

DIRECTORS' INTERESTS

None of the directors holding office at the end of the financial year had any interest in shares in the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AIMS CYBERJAYA SDN. BHD.
(Incorporated in Malaysia)
Company No : 794695 - X

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 2 1 JAN 2011

Gan Te-Shen

Afzal Bin Abdul Rahim

AIMS CYBERJAYA SDN. BHD.

(Incorporated in Malaysia)
Company No : 794695 - X

STATEMENT BY DIRECTORS

We, Gan Te-Shen and Afzal Bin Abdul Rahim, being the two directors of AIMS Cyberjaya Sdn. Bhd., state that, in our opinion, the financial statements set out on pages 9 to 26 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 December 2010 and of its results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 21 JAN 2011

Gan Te-Shen **Afzal Bin Abdul Rahim**

STATUTORY DECLARATION

I, Gan Te-Shen, being the director primarily responsible for the financial management of AIMS Cyberjaya Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 9 to 26 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Gan Te-Shen, at Klang in the state of
Selangor Darul Ehsan on this 21 JAN 2011

Gan Te-Shen

Before Me

PESURUHJAYA SUMPAH
No: B 204
Nama: GOH CHENG TEAK
MALAYSIA

No. 2, Mezzanine Floor,
Leboh Gopeng, 41400 Klang,
Selangor Darul Ehsan.

Crowe Horwath™

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIMS CYBERJAYA SDN. BHD.

(Incorporated in Malaysia)
Company No : 794695 - X

Report on the Financial Statements

We have audited the financial statements of AIMS Cyberjaya Sdn. Bhd., which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 26.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices in Malaysia:
Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIMS CYBERJAYA SDN. BHD. (CONT'D)
(Incorporated in Malaysia)
Company No : 794695 - X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

21 JAN 2011

Lee Kok Wai
Approval No : 2760/06/12 (J)
Chartered Accountant

AIMS CYBERJAYA SDN. BHD.

(Incorporated in Malaysia)
Company No : 794695 - X

BALANCE SHEET AT 31 DECEMBER 2010

	NOTE	2010 RM	2009 RM
NON-CURRENT ASSET			
Equipment	7	22,294,763	23,974,218
CURRENT ASSETS			
Trade receivables	8	1,539,172	668,608
Other receivables and deposits		605,332	706,981
Amount owing by related companies	9	2,477,192	190,246
Fixed deposits with a licensed bank		-	21,364
Cash and bank balances		672,926	133,250
		5,294,622	1,720,449
CURRENT LIABILITIES			
Trade payables	10	397,733	576,991
Other payables and accruals		1,694,727	991,096
Amount owing to immediate holding company	11	454,719	454,719
Amount owing to directors	12	4,152,000	4,572,000
Amount owing to related companies	9	1,144,121	49,894
Revolving loan	13	4,560,000	2,720,000
		12,403,300	9,364,700
NET CURRENT LIABILITIES		(7,108,678)	(7,644,251)
		15,186,085	16,329,967
FINANCED BY:			
SHARE CAPITAL	14	2,000,002	2,000,002
RETAINED PROFITS/ (ACCUMULATED LOSSES)	15	1,821,375	(1,628,296)
SHAREHOLDERS' EQUITY		3,821,377	371,706
NON-CURRENT LIABILITY			
Revolving loan	13	11,364,708	15,958,261
		15,186,085	16,329,967

AIMS CYBERJAYA SDN. BHD.
(Incorporated in Malaysia)
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INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 RM	2009 RM
REVENUE	16	12,313,614	5,873,786
COST OF SALES		(4,908,782)	(2,355,544)
GROSS PROFIT		7,404,832	3,518,242
OTHER OPERATING INCOME		6,800	1,891
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(2,541,213)	(2,244,503)
PROFIT FROM OPERATIONS		4,870,419	1,275,630
FINANCE EXPENSES		(1,420,583)	(1,485,335)
PROFIT/(LOSS) BEFORE TAXATION	17	3,449,836	(209,705)
TAXATION	18	(165)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,449,671	(209,705)

AIMS CYBERJAYA SDN. BHD.

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	SHARE CAPITAL RM	(ACCUMULATED LOSSES)/RETAINED PROFITS RM	TOTAL EQUITY RM
Balance at 1.1.2009	2,000,002	(1,418,591)	581,411
Loss for the financial year	-	(209,705)	(209,705)
Balance at 31.12.2009/1.1.2010	2,000,002	(1,628,296)	371,706
Profit for the financial year	-	3,449,671	3,449,671
Balance at 31.12.2010	2,000,002	1,821,375	3,821,377

AIMS CYBERJAYA SDN. BHD.
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CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 RM	2009 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit/(Loss) before taxation	3,449,836	(209,705)
Adjustments for:-		
Depreciation of plant and equipment	1,921,892	1,777,091
Interest expense	1,420,583	1,485,335
Interest income	-	(662)
Unrealised loss/(gain) on foreign exchange	385	(1,229)
Operating profit before working capital changes	6,792,696	3,050,830
(Increase)/Decrease in trade and other receivables	(768,915)	150,909
Decrease in trade and other payables	523,988	330,037
(Increase)/Decrease in amount owing by related companies	(1,744,960)	21,894
NET CASH FROM OPERATIONS	4,802,809	3,553,670
Interest paid	(1,420,583)	(1,485,335)
Tax paid	(165)	-
NET CASH FROM OPERATING ACTIVITIES	3,382,061	2,068,335
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	-	662
Purchase of equipment	(242,437)	(4,020,857)
NET CASH FOR INVESTING ACTIVITIES	(242,437)	(4,020,195)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Drawdown of revolving loan	-	1,781,740
Repayment of revolving loan	(2,753,553)	-
(Repayment to)/Advances from directors	(420,000)	685,800
Advances from immediate holding company	-	225,346
Advances from/(Repayment to) related companies	552,241	(673,770)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(2,621,312)	2,019,116
NET INCREASE IN CASH AND CASH EQUIVALENTS	518,312	67,256
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	154,614	87,358
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	672,926	154,614

The annexed notes form an integral part of these financial statements.

AIMS CYBERJAYA SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	D117, Block D, First Floor Kelana Square, 17, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	18th Floor, Menara Aik Hua, Cangkat Raja Chulan, 50200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 January 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing value added network services, information services, system integration services and the operation of data networks and network based applications for corporations. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANIES

The immediate and ultimate holding companies are Megawisra Sdn. Bhd. and Megawisra Investments Ltd., respectively. The immediate holding company is incorporated in Malaysia whilst the ultimate holding company is incorporated in The British Virgin Islands.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its currency, interest rate, market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Currency Risk

The Company is exposed to foreign exchange risk on sales and purchases that are denominated in foreign currencies.

The Company's foreign currency transactions and balances are substantially denominated in Singapore Dollar.

Foreign currency risk is managed to an acceptable level.

(b) Interest Rate Risk

The Company obtains financing through bank borrowings. Its policy is to obtain the most favourable interest rates available.

Information relating to the interest rate exposure of the Company is disclosed in Note 13 to the financial statements.

(c) Market Risk

The Company does not have any quoted investments and hence is not exposed to market risk.

(d) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Company does not have any major concentration of credit risk related to any individual customers.

AIMS CYBERJAYA SDN. BHD.

(Incorporated in Malaysia)
Company No : 794695 - X

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(e) Liquidity and Cash Flow Risks

The Company's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

5. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

AIMS CYBERJAYA SDN. BHD.
(Incorporated in Malaysia)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used for this purpose are:-

Communication equipment	20%
Electrical and mechanical equipment	15%
Furniture and fittings	20%
Renovation	7% to 15%

(c) Impairment of Assets

The carrying amounts of assets, other than those to which MASB 23 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(e) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Interest-bearing Borrowings

The interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

All the borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(g) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings and treated as a separate component of equity. Upon the approval of the dividend, it will be accounted for as a liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Taxation

Taxation for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

(i) Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the rates ruling as of that date. All exchange differences are taken to the income statement.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined Contribution Plans

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

(l) Revenue Recognition

(i) Services Rendered

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the even the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(ii) Maintenance and Software Support Contracts

Revenue is allocated evenly throughout the period of the contract and is recognised on an accrual basis.

(iii) Interest Income

Interest income is recognised on an accrual basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

7. EQUIPMENT

	NET BOOK VALUE AT 1.1.2010 RM	ADDITIONS RM	DEPRECIATION CHARGE RM	NET BOOK VALUE AT 31.12.2010 RM
Communication equipment	312,243	225,550	(99,858)	437,935
Electrical and mechanical equipment	205,747	-	(34,769)	170,978
Furniture and fittings	-	4,830	(189)	4,641
Renovation	23,456,228	12,057	(1,787,076)	21,681,209
Total	23,974,218	242,437	(1,921,892)	22,294,763

	NET BOOK VALUE AT 1.1.2009 RM	ADDITIONS RM	DEPRECIATION CHARGE RM	NET BOOK VALUE AT 31.12.2009 RM
Communication equipment	80,832	265,120	(33,709)	312,243
Electrical and mechanical equipment	59,500	161,791	(15,544)	205,747
Renovation	21,590,120	3,593,946	(1,727,838)	23,456,228
Total	21,730,452	4,020,857	(1,777,091)	23,974,218

AS AT 31.12.2010	COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Communication equipment	591,710	(153,775)	437,935
Electrical and mechanical equipment	231,792	(60,814)	170,978
Furniture and fittings	4,830	(189)	4,641
Renovation	25,598,359	(3,917,150)	21,681,209
Total	26,426,691	(4,131,928)	22,294,763
AS AT 31.12.2009			
Communication equipment	366,160	(53,917)	312,243
Electrical and mechanical equipment	231,791	(26,044)	205,747
Renovation	25,586,302	(2,130,074)	23,456,228
Total	26,184,253	(2,210,035)	23,974,218

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

8. TRADE RECEIVABLES

The Company's normal trade credit terms range from 30 days to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

9. AMOUNT OWING BY/(TO) RELATED COMPANIES

	2010 RM	2009 RM
Amount owing by related companies:		
- trade	2,373,508	28,000
- non-trade	103,684	162,246
	2,477,192	190,246
Amount owing to related companies:		
- trade	(650,442)	(49,894)
- non-trade	(493,679)	-
	(1,144,121)	(49,894)

The non-trade amount owing is unsecured, interest-free and repayable upon demand. The amount owing is to be settled in cash.

The foreign currency exposure profile of the amount owing by related companies is as follows:-

	2010 RM	2009 RM
Singapore Dollar	102,484	102,484

10. TRADE PAYABLES

The normal trade credit terms granted to the Company range from 30 days to 60 days.

AIMS CYBERJAYA SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. AMOUNT OWING TO IMMEDIATE HOLDING COMPANY

The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

12. AMOUNT OWING TO DIRECTORS

The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

13. REVOLVING LOAN

The revolving loan is repayable as follows:-

(i) RM150,000 per month from month 10 to month 25 from the date of the first disbursement;

(ii) RM380,000 per month from month 26 to month 69; and

(iii) RM880,000 for month 70.

The revolving loan bore interest rate of 8.0% (2009 - 8.0%) per annum and is secured by:-

(i) a joint and several guarantee executed by the directors of the Company;

(ii) a debenture incorporating a fixed and floating charge over all the present and future assets of the Company; and

(iii) a corporate guarantee of the immediate holding company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. REVOLVING LOAN (CONT'D)

	2010 RM	2009 RM
The revolving loan is repayable as follows:-		
Current portion:-		
- repayable within 1 year	4,560,000	2,720,000
Non-current portion:-		
- repayable between 1 and 2 years	4,560,000	4,560,000
- repayable between 2 and 5 years	6,804,708	11,398,261
	11,364,708	15,958,261
Total non-current portion	15,924,708	18,678,261

14. SHARE CAPITAL

	2010 NUMBER OF SHARES	2009	2010 RM	2009 RM
Authorised				
Ordinary shares of RM1 each	5,000,000	5,000,000	5,000,000	5,000,000
Issued And Fully Paid				
Ordinary shares of RM1 each	2,000,002	2,000,002	2,000,002	2,000,002

15. RETAINED PROFITS

Based on estimated Section 108 tax credits and tax-exempt income account available and subject to agreement with the tax authorities, the retained profits are wholly distributable by way of dividends without the Company incurring further tax liabilities.

At the balance sheet date, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profit is a final tax, and dividends distributed to the shareholders will be exempted from tax.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

16. REVENUE

Revenue of the Company represents value added network services, information services, system integration services and the operation of data networks and network based applications for corporations.

17. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at after charging/(crediting):-

	2010 RM	2009 RM
Audit fee	10,000	6,000
Depreciation of plant and equipment	1,921,892	1,777,091
Directors' non-fee emoluments	-	71,500
Office rental	524,044	473,526
Term loan interest	1,420,583	1,485,335
Staff costs	13,935	59,061
Fixed deposit interest income	-	(662)
Other income	(6,800)	-
Loss/(Gain) on foreign exchange		
- unrealised	385	(1,229)
- realised	420	-

18. TAXATION

Current tax:-		
- underprovision in the prior financial year	165	-

AIMS CYBERJAYA SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	2010 RM	2009 RM
Profit/(Loss) before taxation	3,449,836	(209,705)
Tax at the statutory tax rate of 25%	862,459	(52,400)
Tax effects of:-		
Non-deductible expenses	59,945	21,100
Non-taxable income	-	(300)
Underprovision in the prior financial year	165	-
Deferred tax assets not recognised during the financial year	-	31,600
Utilisation of deferred tax assets previously not recognised	(922,404)	-
Tax expense for the financial year	165	-

During the financial year, the statutory tax rate was 25%.

No deferred tax assets have been recognised in respect of the following items:-

	2010 RM	2009 RM
Unutilised tax losses	96,500	96,500
Unabsorbed capital allowances	2,604,000	2,748,000

19. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	2010 RM	2009 RM
Sales to related companies	4,500,289	2,236,454
Purchases from related companies	1,603,838	35,274
Management fee payable to immediate holding company	300,000	225,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. FOREIGN EXCHANGE RATE

The applicable foreign exchange rate used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency transactions during the financial year is as follows:-

	2010 RM	2009 RM
Singapore Dollar	2.40	2.44

21. NUMBER OF EMPLOYEES

The number of employees of the Company at the balance sheet date was 1 (2009 - 2).

22. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the financial assets and liabilities of the Company at the balance sheet date approximated their fair values.

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APPENDIX IX

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2010 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

KPMG (Firm No. AF 0758)
Chartered Accountants
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47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Internet www.kpmg.com.my

The Board of Directors
TIME dotCom Berhad
No. 14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

Date: 24 October 2011

TIME dotCom Berhad
Reporting accountants' letter on the proforma consolidated statements of financial position as at 31 December 2010

We report on the the proforma consolidated statements of financial position of TIME dotCom Berhad ("TdC") and its subsidiaries (collectively known as "TdC Group"), together with the notes thereon, for which the Directors of TdC are solely responsible, as set out in the accompanying statement (which we have stamped for the purpose of identification).

The proforma consolidated statements of financial position have been prepared for illustrative purposes only for inclusion in the Circular to shareholders of TdC in connection with the proposed corporate exercise ("Proposal"). The Proposal will entail the following:

i. Proposed acquisitions below (collectively referred as "Target Companies") comprising of:

(a) 100% equity stakes in Global Transit Communications Sdn. Bhd. ("GTC") from Pulau Kapas Ventures Sdn. Bhd. for a purchase consideration of RM102,000,000 to be fully settled via the issuance of approximately 28.73 million new TdC Shares at an issue price of RM3.55 each;

(b) 100% equity stakes in Global Transit Limited ("GTL") from Megawisra Sdn. Bhd., Halfmoon Bay Capital Limited, Accurate Gain Profits Limited, Continuum Capital Sdn. Bhd. and Nicholas Lim Ping for a purchase consideration of RM101,000,000 to be fully settled via the issuance of approximately 17.07 million new TdC Shares at issue price of RM3.55 each and a cash payment of RM40,400,000;

(c) 100% equity stakes in Global Transit (Hong Kong) Limited ("GTHK") and Global Transit Singapore Pte Ltd ("GTS") respectively, for a cash consideration of RM1.00 each;

(d) 100% equity stakes in AIMS Group comprising:

- 100% equity stake in AIMS Data Centre 2 Sdn. Bhd.;
- 100% equity stake in The AIMS Asia Group Sdn. Bhd. and its subsidiaries; and
- 100% equity stake in AIMS Cyberjaya Sdn. Bhd.

from Megawisra Sdn. Bhd. for a total purchase consideration of RM119,000,000 to be settled through the issuance of approximately 20.11 million New TdC Shares at an issue price of RM3.55 each and a cash payment of RM47,600,000;

ii. Proposed capital repayment of RM50,615,500 representing RM0.02 per existing TdC Share to entitled shareholders of TdC;

iii. Proposed capital restructuring comprising:

(a) proposed capital reduction of TdC's existing issued and paid-up share capital of RM2,530,775,000 comprising of 2,530,775,000 TdC Shares of RM1.00 each via a cancellation of RM0.90 of the nominal value of each TdC Share;

(b) proposed set-off of TdC's share premium account against the accumulated losses of TdC; and

(c) proposed share consolidation of 2,530,775,000 TdC Shares of nominal value of RM0.10 each (after the Proposed Capital Reduction) into 506,155,000 TdC Shares, on the basis of five (5) TdC Shares of nominal value of RM0.10 each into one (1) TdC Share of nominal value of RM0.50 each;

iv. Proposed exemption for Megawisra Sdn. Bhd. ("Megawisra") and the persons acting in concert with Megawisra from the obligation to undertake a mandatory general offer for the remaining TdC Shares which are not already held by them arising upon completion of the proposed acquisitions;

v. Proposed exemption for Megawisra from the obligation to undertake a mandatory general offer for the remaining TdC Shares which are not already held by it arising from the completion of the proposed acquisitions; and

vi. Proposed amendment to TdC's Memorandum of Association to facilitate the proposed acquisitions, proposed capital repayment and proposed capital restructuring.

Directors' Responsibilities

It is the responsibility solely of the Board of Directors of the Company to prepare the proforma consolidated statements of financial position in accordance with the requirement of the Bursa Malaysia's Listing Requirement for Main Market in respect of the Proposal.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as to the proper compilation of the proforma consolidated statements of financial position and our report is given to you solely for inclusion in the Circular to shareholders of TdC in connection with the Proposal and for no other purpose.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated statements of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information (including the adjustments to the TdC's accounting policies, nor of the proforma assumptions stated in the notes to the proforma consolidated statements of financial position), consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the proforma adjustments and discussing the proforma consolidated statements of financial position with the Directors and management of TdC.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated statements of financial position have been properly compiled on the basis stated in Note 1 to the proforma consolidated statements of financial position as at 31 December 2010 and that such bases are consistent with the accounting policies adopted by TdC Group and materially in compliance with Financial Reporting Standards in Malaysia.

The proforma consolidated statements of financial position are prepared for illustrative purposes only. Such information, because of their nature, do not give a true picture of the effects of the Proposal on the financial position of TdC Group had the transactions or events occurred at the balance sheet date. Further, such financial information from the proforma consolidated statements of financial position does not purport to predict TdC Group's future financial position.

Opinion

As indicated in Note 1.1 to the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, the proforma statements of financial position of the TdC Group are based on:

(a) audited consolidated statements of financial position of TdC Group as at 31 December 2010; and

(b) audited statements of financial position of the Target Companies as at 31 December 2010.

As mentioned in Note 1.2 to the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, the identifiable assets and liabilities of Target Companies to be acquired by TdC Group in relation to the Proposal were measured and accounted for based on the proforma consolidated statements of financial position of Target Companies as at 31 December 2010 and not at their fair values.

The Directors of TdC will be ascertaining the fair values of the assets, liabilities and contingent liabilities of the Target Companies as at the date of acquisition following the completion of the acquisition. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of the Target Companies will have a corresponding effect on the goodwill and net assets of TdC Group.

As indicated in Note 1.3 to the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, the proforma consolidated statements of financial position of the Target Companies as at 31 December 2010 have not been restated to comply with the accounting policies of TdC Group in the preparation of the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, other than as disclosed in Note 5 to the proforma consolidated statements of financial position of TdC as at 31 December 2010. No other adjustments have been made to reflect the financial effects, if any, which may arise from the restatement of the proforma consolidated statements of financial position of the Target Companies in accordance with the accounting policies of TdC Group and the tax consequences of these adjustments.

Except for the matters set out in the preceeding paragraphs, in our opinion,

- the proforma consolidated statements of financial position have been properly compiled in accordance with the bases stated in Note 1 to the proforma consolidated statements of financial position and such bases are consistent with the accounting policies adopted by TdC Group and materially in compliance with the Financial Reporting Standards in Malaysia; and

- each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purpose of preparing the proforma consolidated statements of financial position.

Yours faithfully,

KPMG
Firm No. AF 0758
Chartered Accountants

Petaling Jaya, Malaysia

TIME dotCom Berhad and its subsidiaries

Proforma Consolidated Statements of Financial Position as at 31 December 2010

The proforma consolidated statements of financial position of TIME dotCom Berhad and its subsidiaries ("TdC Group") have been prepared for illustrative purposes only to show the effects of the Proposal on the assumptions that these transactions were completed on 31 December 2010 and should be read in conjunction with the notes thereon.

	Note	Audited as at 31 December 2010 RM 000	*(i)* Proposed Capital Repayment RM 000	*(ii)* After (i) and Proposed Capital Reduction RM 000	*(iii)* After (ii) and Proposed Cancellation of Share Premium RM 000	*(iv)* After (iii) and Proposed Share Consolidation RM 000	*(v)* After (iv) and Proposed Acquisition of GTC RM 000	*(vi)* After (v) and Proposed Acquisition of GTL RM 000	*(vii)* After (vi) and Proposed Acquisition of GTS RM 000	*(viii)* After (vii) and Proposed Acquisition of GTHK RM 000	After (viii) and Proposed Acquisition of AIMS Group RM 000
Assets											
Intangible assets	3	-	-	-	-	-	93,757	158,808	158,808	158,863	291,937
Property, plant and equipment	4	28,160	28,160	28,160	28,160	28,160	37,052	44,322	44,323	44,323	72,628
Telecommunication network	5	349,548	349,548	349,548	349,548	349,548	380,924	458,745	458,745	458,745	458,745
Other investments		676,500	676,500	676,500	676,500	676,500	676,500	676,500	676,500	676,500	676,500
Deferred tax assets		18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504	18,504
Trade receivables	6	19,706	19,706	19,706	19,706	19,706	-	1,135	1,135	1,135	1,135
Total non-current assets		1,092,418	1,092,418	1,092,418	1,092,418	1,092,418	1,206,737	1,358,014	1,358,015	1,358,070	1,519,449
Inventories	7	-	-	-	-	-	7,128	7,128	7,128	7,128	7,128
Trade and other receivables	8	142,821	142,821	142,821	142,821	142,821	143,356	143,776	144,041	144,095	161,279
Cash and cash equivalents	9	199,661	145,345	145,345	145,345	145,345	149,796	153,279	153,320	153,331	155,062
Current tax assets		833	833	833	833	833	833	833	833	833	833
Current assets		343,315	288,999	288,999	288,999	288,999	301,113	305,016	305,322	305,387	324,302
Total assets		1,435,733	1,381,417	1,381,417	1,381,417	1,381,417	1,507,850	1,663,030	1,663,337	1,663,457	1,843,751
Equity											
Share capital	10	2,530,775	2,530,775	253,077	253,077	253,077	267,443	275,978	275,978	275,978	286,035
Share premium	11	1,570,758	1,520,142	1,520,142	685,827	685,827	773,461	825,526	825,526	825,526	886,869
(Accumulated losses)/retained earnings	12	(2,928,730)	(2,932,430)	(654,732)	-	-	-	-	125	125	125
Available-for-sale reserve		77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000
Capital reserve	13	-	-	-	179,583	179,583	179,583	179,583	179,583	179,583	179,583
Total equity		1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,297,487	1,358,087	1,358,212	1,358,212	1,429,612

Proforma Consolidated Statements of Financial Position as at 31 December 2010 (continued)

	Note	Audited as at 31 December 2010 RM 000	*(i)* Proposed Capital Repayment RM 000	*(ii)* After (i) and Proposed Capital Reduction RM 000	*(iii)* After (ii) and Proposed Cancellation of Share Premium RM 000	*(iv)* After (iii) and Proposed Share Consolidation RM 000	*(v)* After (iv) and Proposed Acquisition of GTC RM 000	*(vi)* After (v) and Proposed Acquisition of GTL RM 000	*(vii)* After (vi) and Proposed Acquisition of GTS RM 000	*(viii)* After (vii) and Proposed Acquisition of GTHK RM 000	After (viii) and Proposed Acquisition of AIMS Group RM 000
Liabilities											
Lease payables	14	-	-	-	-	-	6,606	6,606	6,606	6,606	6,736
Hire purchase payables	15	-	-	-	-	-	-	-	-	-	122
Borrowings	16	-	-	-	-	-	-	83,093	83,093	83,093	142,058
Trade payables		4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
Deferrred tax liabilities	17	-	-	-	-	-	102	102	102	102	265
Non current liabilities		4,259	4,259	4,259	4,259	4,259	10,967	94,060	94,060	94,060	153,440
Lease payables	14	-	-	-	-	-	1,691	1,691	1,691	1,691	3,064
Hire purchase payables	15	-	-	-	-	-	-	-	-	-	72
Borrowings	16	-	-	-	-	-	-	11,571	11,571	11,571	39,886
Current tax liabilities	18	-	-	-	-	-	332	352	353	353	1,625
Trade and other payables	19	181,671	181,671	181,671	181,671	181,671	197,373	197,269	197,450	197,570	216,052
Current liabilities		181,671	181,671	181,671	181,671	181,671	199,396	210,883	211,065	211,185	260,699
Total Liabilities		185,930	185,930	185,930	185,930	185,930	210,363	304,943	305,125	305,245	414,139
Total Equity and Liabilities		1,435,733	1,381,417	1,381,417	1,381,417	1,381,417	1,507,850	1,663,030	1,663,337	1,663,457	1,843,751
Number of shares in issue ('000)	20	2,530,775	2,530,775	2,530,775	2,530,775	506,155	534,887	551,958	551,958	551,958	572,070
Net assets (RM'000)		1,249,803	1,195,487	1,195,487	1,195,487	1,195,487	1,297,487	1,358,087	1,358,212	1,358,212	1,429,612
Net assets per share (RM)		0.49	0.47	0.47	0.47	2.36	2.43	2.46	2.46	2.46	2.50

Note: *Inventories amounting to RM77.8 million in GTL as at 31 December 2010 have been reclassified to Telecommunication network in respect of the Unity cable to reflect the Group's ownership interest in this backbone infrastructure and to be consistent with the Group's current accounting practice.*

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TIME dotCom Berhad and its subsidiaries

Proforma Consolidated Statements of Financial Position as at 31 December 2010

Notes to the proforma consolidated statements of financial position

1. Basis of preparation

1.1 The proforma consolidated statements of financial position of the TdC Group are based on:

(a) Audited consolidated statements of financial position of TdC Group as at 31 December 2010; and

(b) Audited statements of financial position of Global Transit Communications Sdn Bhd ("GTC"), Global Transit Limited ("GTL"), Global Transit Singapore Pte Ltd ("GTS"), Global Transit (Hong Kong) Limited ("GTHK"), AIMS Data Centre 2 Sdn Bhd, The AIMS Asia Group Sdn Bhd and its subsidiaries and AIMS Cyberjaya Sdn Bhd (together referred as "Target Companies") as at 31 December 2010, which were reported on without modification, except for GTS which was reported on 'except for' qualified opinion and the audit report of AIMS Asia Group Sdn Bhd which included an emphasis of matter on the basis of preparation of the financial statements on a going concern assumption.

In respect of GTS, the 'except for' opinion relates to the inadequate provision for doubtful debts amounting to Singapore Dollar ("SGD") 103,018 that was made on long overdue debt owed by trade and other receivables that would result in an additional loss of SGD103,018 for the year and accumulated losses SGD70,454. Subsequent to the date of the audit report, the said debt of SGD103,018 has been fully repaid by the respective trade and other receivables. Therefore, no adjustment was made in the proforma consolidated statements of financial position of TdC Group to reflect the 'except for' qualified opinion reported for GTS.

The financial statements of The AIMS Asia Group Sdn Bhd discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, nothwithstanding that the Group and the Company incurred losses after taxation of RM1,590,243 and RM3,387,087 respectively during the financial year ended 31 December 2010, and as of that date, the Group and the Company reported deficits in shareholders' equity amounting to RM6,996,340 and RM7,243,263 respectively. The validity of the going concern assumption depends on the continued financial support of the Group and the Company's bankers and creditors and the availability of alternative funding arrangements as and when these are required and the ability of the Group and of the Company to generate profits and positive operating cash flows. The financial statements do not include any adjustments that would be necessary if such financial support and the availability of alternative funding arrangements are not available or if the Group and the Company are unable to generate profits and positive operating cash flows.

* Group as stated in the preceeding paragraph refer to The AIMS Asia Group Sdn Bhd and its subsidiaries and Company as stated in the preceeding paragraph refer to The AIMS Asia Group Sdn Bhd.

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1. Basis of preparation (continued)

1.2 In respect of the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, the identifiable assets and liabilities of Target Companies to be acquired by TdC Group in relation to the Proposed Acquisition were measured and accounted for based on the proforma consolidated statements of financial position of Target Companies as at 31 December 2010 and not at their fair values as required under FRS 3, *Business Combinations*.

The Directors will carry out purchase price allocation exercise to ascertain the fair values of the assets, liabilities and contingent liabilities (including impact of litigations, if any) of Target Companies, within a period of 12 months from the completion of the Proposed Acquision date pursuant to FRS 3, *Business Combinations*. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of Target Companies will have a corresponding effect on the goodwill and net assets of TdC Group.

1.3 The proforma consolidated statements of financial position of Target Companies as at 31 December 2010 have not been restated to comply with the accounting policies of TdC Group in the preparation of the proforma consolidated statements of financial position of TdC Group as at 31 December 2010, other than as disclosed in Note 5 to the proforma consolidated statements of financial position of TdC as at 31 December 2010. No other adjustments have been made to reflect the financial effects, if any, which may arise from the restatement of the proforma consolidated statements of financial position of the Target Companies in accordance with the accounting policies of TdC Group and the tax consequences of these adjustments.

2. Proforma consolidated statements of financial position

The proforma consolidated statements of financial position are for illustrative purposes only to incorporate the following transactions as though there were effected on 31 December 2010:

2.1 Proposed Capital Repayment

The proposed capital repayment of RM0.02 per share is settled via the capitalisation of share premium. As such, this will result in reduction of share premium by RM50.6 million.

2.2 Proposed Capital Reduction

The proposed capital reduction will reduce the par value of existing issued and paid-up TdC's share from RM1.00 to RM0.10. As such, TdC's share capital will be reduced by RM2.3 billion and its accumulated losses will be reduced by the same amount. There is no change in total shareholders' funds.

2.3 Proposed Share Premium Reduction

The proposed share premium reduction will reduce the share premium from RM1,520 million to RM686 million. In corresponding effect, capital reserve of RM834 million is created and will be utilised to set off against accumulated losses of RM655 million resulting in a remaining share reserve of RM179 million.

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2. Proforma consolidated statements of financial position (continued)

2.4 Proposed Share Consolidation

The proposed share consolidation will increase the par value of each TdC Share from RM0.10 to RM0.50 and reduce the number of issued shares. As such, the number of issued shares will reduce from 2,531 million to 506 million with a par value of RM0.50 per TdC Share.

2.5 Proposed Acquisition of GTC

The purchase consideration of the proposed acquisition of 100% equity interest in GTC amounted to RM102 million will be fully settled by the issuance of new TdC Shares of 28,732,394 at issue price of RM3.55 per share. As such, TdC's share capital and share premium will be increased by RM14.4 million and RM87.6 million respectively.

Based on audited statements of financial position of GTC as at 31 December 2010, net assets of GTC amounted to RM8.3 million. Accordingly, goodwill amounting to RM93.7 million is created.

2.6 Proposed Acquisition of GTL

The proposed acquisition of 100% equity interest in GTL with consideration price of RM101 million will be satisfied 40% via bank borrowings and remaining part of 60% will be settled through issuance of new TdC shares of 17.1 million at issue price of RM3.55 per share. As a result, share capital and share premium will be increase by approximately by RM8.5 million and RM52.1 million respectively.

As at 31 December 2010, GTL reported net assets of RM35.9 million (excluding its irredeemable preference shares which are eliminated in the proforma consolidated statement of financial position as these be owned by TdC subsequent to the proposed acquisitions). Accordingly, an additional goodwill amounting to RM65.1 million is created.

The foreign currency exchange rate for United States Dollar ("USD") to Ringgit Malaysia ("RM") used for the purpose of translating the statements of financial position is approximately USD1.00: RM3.086.

2.7 Proposed Acquisition of GTS

TdC will acquire GTS for a purchase consideration of RM1.00 which is below GTS' net assets value of RM0.1 million as at 31 December 2010, thereby creating a negative goodwill amount of RM0.1 million. The negative goodwill is recognised to the retained earnings immediately.

The foreign currency exchange rate for Singapore Dollar ("SGD") to RM used for the purpose of translating the statements of financial position is approximately SGD1.00: RM2.387.

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2. Proforma consolidated statements of financial position (continued)

2.8 Proposed Acquisition of GTHK

The proposed acquisition of 100% equity in GTHK is satisfied via cash consideration of RM1, exceeding its net assets as at 31 December 2010 by RM55,000. Goodwill of RM54,999 is recognised accordingly.

The foreign currency exchange rate for Hong Kong Dollar ("HKD") to RM used for the purpose of translating the statements of financial position is approximately HKD1.00: RM0.396.

2.9 Proposed Acquisition of AIMS Group

AIMS Group comprises of AIMS Data Centre 2, AIMS Asia Group and its subsidiaries and AIMS Cyberjaya. Total purchase consideration for the proposed acquisition for AIMS Group amounted to RM119 million to be satisfied via issuance of 20,112,676 number of TdC shares at issue price of RM3.55 per share amounted to RM71.4 million and bank borrowings of RM47.6 million.

The proposed acquisition of AIMS Group will increase TdC's share capital by approximately RM10.1 million and the share premium by RM61.3 million. The acquisition of AIMS Group resulted goodwill of RM120.8 million based on purchase consideration over its net liabilities as at 31 December 2010 of RM1.8 million.

3. Movement in intangible assets

		RM'000
Audited balance as at 31 December 2010		-
Add:	Proposed acquisition of GTC	93,757
	Proposed acquisition of GTL	65,051
	Proposed acquisition of GTHK	55
	Proposed acquisition of AIMS Group	133,074
		291,937

4. Movement in property, plant and equipment

		RM'000
Audited balance as at 31 December 2010		28,160
Add:	Proposed acquisition of GTC	8,892
	Proposed acquisition of GTL	7,270
	Proposed acquisition of GTS	1
	Proposed acquisition of AIMS Group	28,305
		72,628

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5. Movement in telecommunication network

		RM'000
Audited balance as at 31 December 2010		349,548
Add:	Proposed acquisition of GTC	31,376
	Proposed acquisition of GTL*	77,821
		458,745

* This relates to inventories which have been reclassified to Telecommunication network in respect of the Unity cable to reflect the Group's ownership interest in this backbone infrastructure and to be consistent with the Group's current accounting practice.

6. Movement in non-current trade receivables

		RM'000
Audited balance as at 31 December 2010		19,706
Less:	Proposed acquisition of GTC	(19,706)
Add:	Proposed acquisition of GTL	1,135
		1,135

7. Movement in inventories

		RM'000
Audited balance as at 31 December 2010		-
Add:	Proposed acquisition of GTC	7,128
		7,128

8. Movement in current trade and other receivables

		RM'000
Audited balance as at 31 December 2010		142,821
Add:	Proposed acquisition of GTC	535
	Proposed acquisition of GTL	420
	Proposed acquisition of GTS	265
	Proposed acquisition of GTHK	54
	Proposed acquisition of AIMS Group	17,184
		161,279

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9. Movement in cash and cash balances

		RM'000
Audited balance as at 31 December 2010		199,661
Less:	Proposed capital repayment	(54,316)
Add:	Proposed acquisition of GTC	4,451
	Proposed acquisition of GTL	3,483
	Proposed acquisition of GTS	41
	Proposed acquisition of GTHK	11
	Proposed acquisition of AIMS Group	1,731
		155,062

10. Movement in share capital

		RM'000
Audited balance as at 31 December 2010		2,530,775
Less:	Proposed capital reduction	(2,277,698)
Add:	Proposed acquisition of GTC	14,366
	Proposed acquisition of GTL	8,535
	Proposed acquisition of AIMS Group	10,057
		286,035

11. Movement in share premium

		RM'000
Audited balance as at 31 December 2010		1,570,758
Less:	Proposed capital repayment	(50,616)
	Proposed share premium reduction	(834,315)
Add:	Proposed acquisition of GTC	87,634
	Proposed acquisition of GTL	52,065
	Proposed acquisition of AIMS Group	61,343
		886,869

12. Movement in (accumulated losses)/retained earnings

		RM'000
Audited balance as at 31 December 2010		(2,928,730)
Less:	Proposed capital repayment*	(3,700)
Add:	Proposed capital reduction	2,277,698
	Proposed share premium reduction	654,732
	Proposed acquisition of GTS	125
		125

* This relates to one off acquisition related cost, which shall be expensed off in the period that they are incurred assuming the Group early adopted FRS 3 (revised), Business Combination (which will be applicable to TdC and effective for the annual period beginning on and after 1 January 2011).

13. Movement in capital reserve

	RM'000
Audited balance as at 31 December 2010	-
Add: Proposed share premium reduction	179,583
	179,583

14. Movement in lease payable

	Non-current RM'000	Current RM'000
Audited balance as at 31 December 2010	-	-
Add: Proposed acquisition of GTC	6,606	1,691
Proposed acquisition of AIMS Group	130	1,373
	6,736	3,064

15. Movement in hire purchase payables

	Non-current RM'000	Current RM'000
Audited balance as at 31 December 2010	-	-
Add: Proposed acquisition of AIMS Group	122	72
	122	72

16. Movement in borrowings

	Non-current RM'000	Current RM'000
Audited balance as at 31 December 2010	-	-
Add: Proposed acquisition of GTL	83,093	11,571
Proposed acquisition of AIMS Group	58,965	28,315
	142,058	39,886

17. Movement in deferred tax liabilities

	RM'000
Audited balance as at 31 December 2010	-
Add: Proposed acquisition of GTC	102
Proposed acquisition of AIMS Group	163
	265

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18. Movement in current tax liabilities

		RM'000
Audited balance as at 31 December 2010		-
Add:	Proposed acquisition of GTC	332
	Proposed acquisition of GTL	20
	Proposed acquisition of GTS	1
	Proposed acquisition of AIMS Group	1,272
		1,625

19. Movement in trade and other payables

		RM'000
Audited balance as at 31 December 2010		181,671
Add:	Proposed acquisition of GTC	15,702
Less:	Proposed acquisition of GTL	(104)
Add:	Proposed acquisition of GTS	181
	Proposed acquisition of GTHK	120
	Proposed acquisition of AIMS Group	18,482
		216,052

20. Number of shares

		'000
Audited balance as at 31 December 2010		2,530,775
Less:	Proposed share consolidation	(2,024,620)
Add:	Proposed acquisition of GTC	28,732
	Proposed acquisition of GTL	17,071
	Proposed acquisition of AIMS Group	20,112
		572,070

Approved by Board of Directors

Approved and adopted by the Board of Directors of TdC in accordance with a resolution dated 24 October 2011.

On behalf of the Board of Directors:

TIME dotCom Berhad

Ronnie Kok Lai Huat
Director

Balasingham A. Namasiwayam
Director

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APPENDIX X

LETTER BY PwC CAPITAL ON THE VALUATION OF THE EQUITY VALUE OF THE ACQUIREE COMPANIES DATED 21 OCTOBER 2011

pwc

TIME dotCom Berhad
No.14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor, Malaysia

Attention: The Non-Interested Members of the Board of Directors

21 October 2011

Dear Sirs

Independent valuation letter prepared by PricewaterhouseCoopers Capital Sdn Bhd ("PwC Capital") in connection with the proposed acquisitions by TIME dotCom Berhad ("TdC" or the "Company") of 100% equity interests in Global Transit Communications Sdn Bhd ("GTC"), Global Transit Limited ("GTL"), Global Transit Entities, The AIMS Asia Group Sdn Bhd ("AIMS Asia Group"), AIMS Cyberjaya Sdn Bhd ("AIMS Cyberjaya") and AIMS Data Centre 2 Sdn Bhd ("AIMS Data Centre 2") (AIMS Asia Group, AIMS Cyberjaya and AIMS Data Centre 2 are collectively referred to as "AIMS Group") ("Proposed Acquisitions")

1. Introduction

Pursuant to our letter of engagement, you, the non-interested members of the Board of Directors ("Non-interested Directors") of TdC have requested PwC Capital to perform an independent valuation of GTC, GTL, Global Transit Entities and AIMS Group (collectively referred to as "Acquiree Companies") in connection with the Proposed Acquisitions.

The independent valuation is an estimate of the Fair Market Values of 100% equity interests in the Acquiree Companies as at 30 November 2010 ("Valuation Date"). PwC Capital has since reviewed the material assumptions used for the valuation and there is no material changes on the valuations of the Acquiree Companies as at the date of this letter.

Our engagement, analyses, opinions and overall contents in this letter are provided solely for the information and assistance of the Non-Interested Directors of TdC in connection with their consideration of the Proposed Acquisitions and such analyses and opinions rendered in this letter do not constitute a recommendation as to how any shareholder of TdC should vote with respect to the Proposed Acquisitions, nor used by any other party for any purpose whatsoever.

This letter has been prepared for inclusion in the Circular to TdC shareholders in relation to the Proposed Acquisitions.

2. Basis of Valuation

The basis of value that we have adopted in arriving at our valuation is the Fair Market Value. Fair Market Value is defined as "the approximate price at which an asset or a business would change hands between a willing buyer and a willing seller in the open market under a fully competitive bid situation, neither under any compulsion to buy or to sell, and both having reasonable knowledge of the relevant facts".

PricewaterhouseCoopers Capital Sdn Bhd (676054-V),
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

pwc

3. Sources of Information and Limitations

In arriving at the indicative valuation we have relied on, inter-alia, the following:

(i) Historical financial and other information concerning the Acquiree Companies and the industry in which the Acquiree Companies operate in;

(ii) Financial projections and the underlying bases and assumptions provided by and on behalf of management of Acquiree Companies ("Management");

(iii) Various documents and information made available to us during the course of our discussions with Management; and

(iv) Certain publicly available data and information we deemed appropriate for the purpose of the valuation.

The valuation is primarily based upon financial and other information provided by Management. We have also had separate discussions with Management in relation to the key assumptions used in the financial projections.

Our valuation is conducted on the premise that the Acquiree Companies will continue their current businesses as a going concern under present key management on an "as-is-where-is" basis. The indicative valuation represents only our best estimate and may not necessarily reflect the value obtained in any particular transaction and is not intended to be binding on any parties.

We have not performed an audit nor verification of any of the historical and prospective financial information pertaining to the existing businesses provided to us for the valuation and accordingly do not express an opinion with regard to the information in this letter. The responsibility for the accuracy of all the information provided to us, including the bases and assumptions used in the financial projections, rests solely with TdC and Management.

This letter is addressed to the Non-Interested Directors of TdC and is to be used for the purposes stated herein. It should not be relied upon for any other purposes or by any other parties. PwC Capital will not accept any responsibility or liability to any other parties for any decision they make in relation to the Proposed Acquisitions and for which they should use their own professional advisers.

4. Valuation Methodologies

In estimating the Fair Market Values of the Acquiree Companies, we have primarily relied on the discounted cash flow ("DCF") method.

In estimating the DCF valuation of the Acquiree Companies we have also considered, inter-alia, the following factors in computing the appropriate discount rates:

- Achievability of Management's assumptions;
- Current stage of development and complexity of the Acquiree Companies' businesses;
- Marketability of the shares of the Acquiree Companies which are unquoted and less liquid; and
- Size of the Acquiree Companies' operations which are deemed smaller and less diversified compared to the selected peer companies.

In deriving the estimated total value of the Acquiree Companies, we have aggregated the values of GTC, GTL, Global Transit Entities and AIMS Group based on sum-of-parts approach using individual valuation of Acquiree Companies derived based on DCF method.

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5. Key Bases and Assumptions

Set out below are the key bases and assumptions adopted by management of the Acquiree Companies, after taking into consideration many factors including other qualitative factors as set out in Section 6 of this letter.

5.1 GTC

GTC is principally engaged in the provision of Internet Protocol ("IP") transit services and international bandwidth capacity.

Set out below are the key bases and assumptions prepared and adopted by management of GTC in the financial projections of GTC:

(i) GTC's revenue is based on the projected growth in total bandwidth usage in Malaysia and Asia of approximately 58% and 42% respectively in compound annual growth rate ("CAGR") for financial year ("FY") 2011-FY2015, as well as the average price of bandwidth per Mbps as set out in the TeleGeography Report. The projected GTC's market share in Malaysia and Asia will be approximately 3% and 0.2% respectively between FY2011 and FY2015.

(ii) The achievement of GTC's revenue is primarily dependent on the achievement of 3 revenue sources, i.e. IP services, bandwidth resale and managed services.

- Revenue from IP services is projected to grow at a CAGR of 30% throughout the projection period.
- Revenue from bandwidth is projected to decline steadily from RM30 million in FY2010 to RM27 million in FY2015, representing an average decline of 2% per year.
- Revenue from managed services is projected to increase at a CAGR of 70% throughout the projection period.

(iii) For all existing contracts, an average of 10% churn rate is assumed by management of GTC, where the churn rate is a percentage of subscribers that discontinued or downgraded their subscriptions.

(iv) GTC is able to obtain additional debt financing for its capital expenditures ("capex") to expand and adapt its network.

(v) Capex is estimated to be approximately RM10 million to RM18 million per annum throughout the projection period.

(vi) Tax charges are based on the Malaysian statutory tax rate of 25% per annum for FY2011-FY2015 and the terminal year.

(vii) For terminal year, the following assumptions have been adopted:

- Capex of RM15.5 million is assumed at terminal year for ongoing enhancement on network capability both in terms of capacity as well as resilience in the future.
- Perpetual growth rate of 5% per annum at terminal year has taken into account a number of factors including but not limited to GDP growth, long term inflation rate and future outlook of the relevant industry and market such the Malaysia IP traffic growth.

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5.2 GTL

GTL owns 10% of Unity Cable System which provides high quality connectivity for the Japan – US Trans-Pacific capacity.

Set out below are the key bases and assumptions adopted by management of GTL in the financial projections of GTL:

(i) The achievement of GTL's revenue is primarily dependent on its ability to win new Indefeasible Right of Use ("IRU") contracts which are the outright sales based on 10 Gbps as well as the ability to increase of its lit capacity (i.e., activation of available for use dark fiber). GTL is projecting to convert an average of 100 lit capacities into upfront cash inflow per year and is projected to reach 820 Gbps lit capacity by FY2016/2017.

(ii) Approximately 20% price erosion per annum has been applied to the IRU price per 10 Gbps from FY2012 to FY2013, followed by 5% per annum in FY2014 and no erosion was projected for FY2014 onwards.

(iii) Management of GTL estimates that the economic useful life of the Unity Cable System is 20 years and has prepared 20 years cash flow projections.

(iv) Generally GTL will enter into long term contracts with its customers for a period of 15 years. In addition there is a monthly revenue stream (Operation & Maintenance Agreement) throughout the contract period of 15 years.

(v) Operating expenses including Unity Cable maintenance expenses and co-location expenses. The annual Unity Cable maintenance expenses are assumed at 5% of the cost of the Unity Cable System and it is projecting to increase to 15% by 2016 and thereafter.

(vi) General and administration costs are expected to increase at 2% per annum, which consist of professional fees, staff costs, general and administrative costs. This has taken into account business model of GTL and long term inflation rate.

(vii) For terminal year, the following assumptions have been adopted:

- Zero terminal value as we have assumed a 20-year cash flow based on the economic useful life of the cable.
- Tax charges for FY2011-FY2030 are based on the prevailing tax rate under Section 5 of Labuan Business Activity Act 1990.

5.3 AIMS Group

The 3 key operating companies of AIMS Group are as follows:

- The AIMS Asia Group – The AIMS Asia Group is principally engaged in the business of providing data centre services such as co-location, space rental and provision of engineering support services.
- AIMS Cyberjaya - AIMS Cyberjaya is principally engaged in the business of providing data centre services such as co-location, space rental and provision of value added network services.
- AIMS Data Centre 2 – AIMS Date Centre 2 provides managed services, which include managed hosting, managed security, dedicated servers and internet access services. AIMS Data Centre 2 holds an Applications Service Providers Class Licence from the Malaysian Communications and Multimedia Commission.

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Currently, AIMS Group occupies approximately 23,000 square feet of net floor space in Kuala Lumpur.

(i) The AIMS Asia Group

Set out below are the key bases and assumptions adopted by management of AIMS Group in the financial projections of The AIMS Asia Group:

- Key revenue streams include rental of data centre, network resale and internet access.
- For data centre, rental rates including ancillary services for existing floor space.
- Management of AIMS Group has projected new floor space with a CAGR of 25% for FY2011-FY2015. All new floor space is projected to be fully taken up within the year of completion.
- Total revenue generated by AIMS Group (including other revenue streams such as network resale and internet access) is assumed to grow at a CAGR of 7% during FY2011-FY2015.
- Total operating expenses are assumed to grow at a CAGR of 5% during FY2011-FY2015, out of which heating, ventilation and air conditioning ("HVAC") cost is assumed to grow at a CAGR of 13% during FY2011 and FY2015.
- Tax charges are based on the Malaysian statutory tax rate of 25% per annum for FY2011-FY2015 and the terminal year.
- For terminal year, the following assumptions have been adopted:
  - Capex of RM1.5 million is assumed at terminal year for ongoing maintenance and replacement of existing equipment beyond the projection period.
- Perpetual growth rate of 5% per annum at terminal year has taken into account a number of factors including but not limited to GDP growth, long term inflation rate and future outlook of the relevant industry and market such as the Malaysia's data centre market.

(ii) AIMS Cyberjaya

Set out below are the key bases and assumptions adopted by management of AIMS Group in the financial projections:

- Key revenue streams include rental of data centre, network resale and internet access.
- For data centre, rental rates including ancillary services for existing floor space.
- Management of AIMS Group has projected new floor space with a CAGR of 50% for FY2011-FY2015. All new floor space is projected to be fully taken up within the year of completion.
- Total revenue generated by AIMS Cyberjaya (including other revenue streams such as network resale and internet access) is assumed to grow at a CAGR of 34% during FY2011-FY2015.

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- Total operating expenses are assumed to grow at a CAGR of 35% during FY2011-FY2015, of which HVAC cost is assumed to grow at CAGR of 8% during FY2011-FY2015. Higher growth in operating expenses compared to AIMS Asia Group is due to expansion of floor space and increase in number of customers. Also higher growth in HVAC cost for AIM Cyberjaya is due to sales of rack space as opposed to floor space.

- Capex for the expansion of new floor space is expected to be around RM1,350 per square feet. Total capex for new floor space is assumed at RM97.2 million for FY2011-FY2015.

- No tax is assumed for FY2011 to FY2015 as management of AIMS Group assumes AIMS Cyberjaya would be able to enjoy capital allowances on the new capex and the benefits to be derived from MSC status by FY2012.

- For terminal year, the following assumptions have been adopted:

  - Capex of RM6.1 million is assumed at terminal year for ongoing maintenance and replacement of existing equipment beyond the projection period.

  - A corporate tax rate of 25% at terminal year.

  - Perpetual growth rate of 5% per annum at terminal year has taken into account a number of factors including but not limited to GDP growth, long term inflation rate and future outlook of the relevant industry and market.

(iii) AIMS Data Centre 2

Set out below are the key bases and assumptions adopted by management of AIMS Group in the financial projections of AIMS Data Centre 2:

- Key revenue streams include managed services and internet access.

- Total revenue generated by AIMS Data Centre 2 is assumed to grow at a CAGR of 28% during FY2011-FY2015.

- Total operating expenses are assumed to grow at a CAGR of 21% during FY2011-FY2015.

- All equipment purchased by AIMS Data Centre 2 in the course of providing managed services such as dedicated server services, is assumed to be fully recovered from customers.

- Tax charges are based on the Malaysian statutory tax rate of 25% per annum for FY2011-FY2015 and the terminal year.

- For terminal year, the following assumptions have been adopted:

  - Capex of RM2.6 million is assumed at terminal year for ongoing maintenance and replacement of existing equipment beyond the projection period.

  - Perpetual growth rate of 5% per annum at terminal year has taken into account a number of factors including but not limited to GDP growth, long term inflation rate and future outlook of the relevant industry and market.

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5.4 Global Transit Entities

We have not assigned any value to Global Transit Entities (i.e. Global Transit Singapore Pte Ltd ("GTS") and Global Transit (Hong Kong) Limited ("GTHK")) due to the following:

- GTS has minimal operations while GTHK is currently dormant.
- GTS has minimal profits while GTHK is in a loss-making position. GTHK is at a net shareholder deficit position as at Valuation Date.
- Both GTS and GTHK have been primarily utilised for its licenses to procure bandwidth in Singapore and Hong Kong.

6. Other Key Considerations

In addition to our quantitative assessment, we have also considered the following qualitative factors:

(i) GTC has two major business segments, namely IP transit and international bandwidth business. GTC was set up in April 2005. For the financial years from FY2007 to FY2009, GTC's revenue increased by more than 100%.

(ii) AIMS Group revenue and EBITDA grew between FY2007 and FY2009 at a CAGR of 10.7% and 40.6%, respectively. The increase in revenue was mainly due to additional contracts secured with major international telecommunications companies within the space rental segment, internet access segment and managed services segment.

AIMS Group's business is capital intensive in nature and the continued growth of the group relies on the acquisition and development of new data centres, purchase of new equipment and ongoing maintenance of existing equipment. The ability to develop the new data centres hinges on the ability to secure funding from banks or other external sources as the AIMS Group has limited internally generated funds.

(iii) GTL is a newly established company and has no operational track record. Relative to GTC and AIMS Group, GTL's operational business plan requires upfront capital investment which has been substantially incurred as at the end of 2010.

(iv) The Malaysian telecommunications sector as a whole has been enjoying good growth. The main factors that fuel the growth of telecommunications sector include:

- Increase in broadband penetration for fixed as well as wireless/mobile broadband in key markets such as Indonesia, Malaysia and Thailand driven by the respective government initiatives.
- The relocation of major media and content giants into Asia like Google, Yahoo and Facebook.
- Introduction of new devices beyond smart phones and computers such as iPhone which require higher bandwidth.
- New Intra-Asia cables like Southeast Asia – Japan Cable and Asia Pacific Gateway being built, creating further Trans-Pacific capacity shortage.
- Over 80% of major data centres in Asia Pacific are running close to 90% capacity. Malaysia has only captured 3.5% of the Asia Pacific data centre revenue.
- Malaysia's positioning and commitment to be the global content hub through its policies and projects such as Multimedia Development Corporation's MSC Integrated Content Development Program.

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(v) Based on our discussion with the management team of the Acquiree Companies, we believe that the management team has good knowledge and understanding of the respective businesses as well as the industry dynamics. Management has also developed strategic plans to implement the strategic objectives of the companies. In addition, the management team has established good relationships with customers and suppliers both in Malaysia and overseas.

7. Discount Rates

In arriving at our valuation, we have applied a range of discount rates (i.e. Weighted Average Cost of Capital ("WACC")) from 13.5% to 17.0%. In estimating the discount rates, we have considered, amongst others:

(a) Risk free rates of approximately 4.0% based on Malaysian Government bond yields, US Government bond yields extracted from Bloomberg and PwC Capital's analysis;

(b) Equity risk premium of 7.2% based on an average Malaysia risk premium extracted from publicly available sources, such as Bloomberg and other empirical studies;

(c) Average beta of 1.0 for GTC, 0.7 for GTL and 1.2 for AIMS Group based on selected peer companies for each of the Acquiree Companies;

(d) Tax rate of 25.0% based on Malaysian statutory tax rate; and

(e) Cost of debt of approximately 6.0% and debt/equity ratio of 1.2 for GTC, 0.7 for GTL and 0.4 for AIMS Group based on selected peer companies and PwC Capital's analysis.

In addition, we have also considered loading factors on the discount rates in order to address the following:

(a) Achievability of management's projections;

(b) Current stage of development and complexity of the Acquiree Companies' businesses; and

(c) Size and marketability of the Acquiree Companies compared to the selected peer companies.

Please note that there are generally many approaches in computing discount rates. The estimation of discount rates is a subjective matter as there are many assumptions involved and it is subject to professional judgement. Given such complexity, the outcome could vary as it involves careful consideration and interpretations of these factors and judgements applied. For the purpose of this letter, we have been requested to provide detailed parameters used in computing the discount rates. We caution however that discount rates should not be considered in isolation as it forms only one aspect of valuation.

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8. Conclusion

On the basis of and subject to the foregoing, PwC Capital considers the Fair Market Values of 100% equity interests in the Acquiree Companies as at Valuation Date to be approximately **RM284 million to RM347 million**.

The valuation is summarised below:

Acquiree Companies – Fair Market Values	Implied WACC Adopted %	RM million
GTC	14.0	92 – 113
GTL	15.0	86 – 105
AIMS Group	13.5 – 17.0	106 – 129
Global Transit Entities	-	*
Total		**284 – 347**

Note:

* *For Global Transit Entities, the purchase consideration is at a nominal value of RM1.00 each.*

Yours faithfully
PricewaterhouseCoopers Capital Sdn Bhd

Uthaya Kumar

Uthaya Kumar
Senior Executive Director

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APPENDIX XI

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any information herein misleading.

Where information has been extracted from publicly available sources and/or provided by the management of the Acquiree Companies and/or Megawisra (including all information relating to the Acquiree Companies), the only responsibility of our Directors is to ensure that such information is accurately reproduced in this Circular.

2. WRITTEN CONSENTS AND CONFLICT OF INTEREST

2.1 CIMB

CIMB has given and has not subsequently withdrawn its written consent to include its name and all reference thereto in this Circular in the form and context in which they appear.

CIMB has been appointed as the Main Adviser advising our Company on the compliance with the relevant guidelines, laws and regulations of Malaysia (together with the legal adviser appointed by our Company) in relation to the Proposals.

CIMB has also been appointed by Megawisra as adviser for the Proposed Dispensation and the Proposed Exemptions.

CIMB is of the view that its roles as adviser to Megawisra in relation to the Proposed Dispensation and Proposed Exemptions do not result in conflict of interest situations as the roles as advisers are in the ordinary course of business of the CIMB Group.

Save for as disclosed below, CIMB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Main Adviser for the Proposals.

CIMB, its related and associated companies (the "**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in future, engage in transactions with and perform services for our Company and/or its subsidiaries, in addition to the roles involved in the Proposals. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Company and/or its subsidiaries, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities of TdC and/or its subsidiaries. This is a result of the businesses of CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

The CIMB Group, has in the ordinary course of their banking business granted credit facilities of up to RM331.5 million to our Group, for which may fund part of the purchase consideration pursuant to the Proposed Acquisitions.

CIMB is of the view that the aforementioned extension of credit facilities does not result in conflict of interest situation as the total credit facilities are not material when compared to the audited total assets of CIMB Group as at 31 December 2010. Furthermore, the extension of credit facilities arose in the ordinary course of business of the CIMB Group in view of CIMB Group's extensive participation in the Malaysian capital market and banking industry.

2.2 PIVB

PIVB has given and has not subsequently withdrawn its written consent to include its name, letter and all reference thereto in this Circular in the form and context in which they appear.

PIVB has been appointed as the independent adviser to our Company for the Proposals (save for the Proposed Amendment). PIVB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the independent adviser for the Proposals.

2.3 KPMG

Messrs KPMG, being the reporting accountants for the Proposals, has given and has not subsequently withdrawn its written consent to include its name and letter, and all reference thereto in this Circular in the form and context in which they appear.

Messrs KPMG is not aware of any possible conflict of interest situation which exists or is likely to exist in its capacity as the reporting accountants for the Proposals.

2.4 PwC Capital

PwC Capital has given and has not subsequently withdrawn its written consent to include its name, letter and all reference thereto in this Circular in the form and context in which they appear.

PwC Capital has been appointed to provide an independent valuation to and only to our non-interested Directors in connection with the Proposed Acquisitions. PwC Capital is not aware of any conflict of interest which exists or is likely to exist and which, in its view, would affect its ability to provide the valuation referred to above in connection with the Proposed Acquisitions. Please refer to PwC Capital's valuation letter (set out in Appendix X of this Circular) for details of the valuation.

3. MATERIAL CONTRACTS

Based on information provided to us by the management of the Acquiree Companies and our due diligence findings, the Acquiree Companies have not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Acquiree Companies respectively) during the past 2 years preceding the date of this Circular.

4. MATERIAL LITIGATION

Based on information provided to us by the management of the Acquiree Companies and our due diligence findings as at the LPD, save as disclosed below, the Acquiree Companies have not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of the respective Acquiree Companies and our Board is not aware of any proceedings pending or threatened or any facts likely to give rise to any proceedings which may materially and adversely affect the Acquiree Companies' respective financial position or business.

On 12 October 2011, a winding-up petition was filed by AIMS Data Centre against CGY Holdings Sdn. Bhd. ("**CGY**") vide Kuala Lumpur High Court Winding-up No. 28NCC-590-10/2011. This winding-up proceeding was commenced following AIMS Data Centre's claim for the sum of RM206,749.98 which remains due and unpaid by CGY. AIMS Data Centre is in the midst of serving the winding-up petition on CGY. AIMS Data Centre's solicitors are of the view that AIMS Data Centre has a fifty percent (50%) chance of obtaining the winding-up order as this proceeding was commenced without any court judgment or express written admission of debt by CGY.

5. MATERIAL COMMITMENTS

5.1 Our Group

As at the LPD, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group which may, upon becoming enforceable, have a material impact on our Group's profits or NA:

	RM 000
Authorised property, plant and equipment expenditure not provided for in the financial statements	
Contracted	113,235
Not contracted	17,887
Total commitments	**131,122**

5.2 The Acquiree Companies

Based on information provided to us by the management of the respective Acquiree Companies and our due diligence findings as at the LPD, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by the Acquiree Companies, which may, upon becoming enforceable, have a material impact on the respective Acquiree Companies' profits or NA:

	RM 000
Authorised property, plant and equipment expenditure not provided for in the financial statements	
Contracted	11,309
Not contracted	14,700
Total commitments	**26,009**

6. CONTINGENT LIABILITIES

6.1 Our Group

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which may, upon becoming enforceable, have a material impact on our Group's profits or NA.

6.2 The Acquiree Companies

Based on information provided to us by the management of the Acquiree Companies and our due diligence findings, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by any of the Acquiree Companies which may, upon becoming enforceable, have a material impact on such Acquiree Companies' profits or NA.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection by our shareholders during normal business hours at our registered office at Level 4, No. 14, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of the EGM:

(i) the MoAs;

(ii) the SPAs;

(iii) the Memoranda and Articles of Association of our Company and each of the Acquiree Companies;

(iv) the audited financial statements for the two (2) financial years ended 31 December 2010 and the nine (9)-months unaudited financial statements for the period ended 30 September 2011 of each of the Acquiree Companies;

(v) the audited financial statements for the two (2) financial years ended 31 December 2010 of our Company;

(vi) the relevant cause papers in respect of the material litigation referred to in Section 4 of this Appendix XI;

(vii) the documents in relation to borrowings by the Acquiree Companies referred to in Section 6 of Appendices I, II, V and VII respectively and Section 1 of Appendix II;

(viii) valuation letter prepared by PwC Capital for and only for the non-interested Directors of our Company dated 21 October 2011 in relation to the valuation referred to in Sections 3.2.1, 3.2.7 and 10 of Part A, and Appendix X of this Circular;

(ix) the proforma consolidated statements of financial position of TdC as at 31 December 2010 together with the reporting accountants' letter dated 24 October 2011 referred to in Appendix IX of this Circular;

(x) the independent advice circular dated 25 October 2011 issued by PIVB to our non-interested shareholders in relation to the Proposed Acquisitions as referred to in Part B of this Circular; and

(xi) the letters of consent referred to in Section 2 of this Appendix XI.

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APPENDIX XII

GUARANTEES THAT MAY BE ASSUMED BY TdC UPON COMPLETION OF THE PROPOSED ACQUISITIONS

GUARANTEES THAT MAY BE ASSUMED BY TdC UPON COMPLETION OF THE PROPOSED ACQUISITIONS

Guarantees that may be assumed by TdC are the following existing guarantees as at LPD provided pursuant to:

(i) GTL

(a) a term loan of USD14.1 million; and

(b) a short term revolving credit facility of USD3.5 million;

(ii) TAAG

(a) a Business Financing-I facility from Bank Islam Malaysia Berhad amounting to RM22.5 million;

(b) the following transactions entered into by AIMS Data Centre, a wholly owned subsidiary of TAAG:

(1) a Credit Enhancer Scheme facility of RM3.0 million from Malayan Banking Berhad;

(2) leases of equipment amounting to a total of approximately RM0.3 million; and

(3) tenancy and licence agreements totalling approximately RM0.1 million per month; and

(4) a lease amounting to approximately RM0.06 million entered into by AIMS Data Centre Pte. Ltd., a wholly owned subsidiary of TAAG.

(iii) AIMS CYBERJAYA

(a) a project revolving loan from Malaysia Debt Ventures Berhad amounting to RM20.0 million; and

(b) a tenancy agreement at the rental of approximately RM0.02 million per month.

These guarantees may or may not be assumed by our Company depending on the requirements of the respective creditors.

TIME dotCom Berhad

(413292-P)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting ("**EGM**") of TIME dotCom Berhad ("**TdC**" or "**Company**") will be held at Ballroom 1 and 2, Grand Dorsett Subang Hotel (formerly Sheraton Subang Hotel & Towers), Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 22 November 2011 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED CAPITAL REPAYMENT OF RM50,615,500 REPRESENTING RM0.02 PER EXISTING TdC SHARE TO ENTITLED SHAREHOLDERS OF TdC PURSUANT TO SECTIONS 60 AND 64 OF THE COMPANIES ACT, 1965 ("PROPOSED CAPITAL REPAYMENT")

"That, subject to the passing of Ordinary Resolution 1, Special Resolution 2, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, the confirmation by the High Court of Malaya ("**Court**") pursuant to sections 60 and 64 of the Companies Act 1965 ("**Act**"), and the approvals and consents of the relevant regulatory authorities and/or third parties being obtained (where required), approval be and is given for the amount standing to the credit of the share premium account of the Company to be reduced, and for the Company to undertake a repayment of capital, in the following manner:

(a) the share premium account of the Company be reduced by the cancellation of the amount of RM50,615,500 standing to the credit thereof; and

(b) forthwith and contingent upon the capital reduction referred to in Special Resolution 1(a) becoming effective, the credit arising therefrom shall be repaid and distributed in cash to the members of the Company on the basis of RM0.02 for each then existing ordinary share in the Company prior to the Proposed Share Consolidation (as referred to in Special Resolution 2), based on shares that are held as of a date to be determined later by the directors of the Company, and;

   (i) in the event there is any balance of such credit thereafter, such balance shall be placed in a distributable reserve and may be utilised in any manner in which profits of the Company may be utilized; and

   (ii) provided that fractions of a sen (if any) arising from the foregoing shall be dealt with by the directors of the Company at their sole discretion as they deem fit and expedient, and in the best interests of the Company.

And that the directors of the Company be and are authorised to do all things, and to execute and deliver all such documents and instruments, for and on behalf of the Company as they may consider necessary or expedient to give effect to this Special Resolution 1, with full power to assent to any condition, modification, variation and/or amendment deemed by them to be necessary, fit or expedient and in the best interest of the Company, or as may be required by any relevant regulatory authority or by the Court."

ORDINARY RESOLUTION 1

PROPOSED ACQUISITIONS BY TdC OF:

(A) 100% EQUITY STAKES IN GLOBAL TRANSIT COMMUNICATIONS SDN BHD ("GTC") FROM PULAU KAPAS VENTURES SDN BHD FOR A PURCHASE CONSIDERATION OF RM102,000,000, TO BE FULLY SETTLED VIA THE ISSUANCE OF 28,732,394 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH;

(B) 100% EQUITY STAKES IN GLOBAL TRANSIT LIMITED ("GTL") FROM MEGAWISRA SDN BHD, HALFMOON BAY CAPITAL LIMITED, ACCURATE GAIN PROFITS LIMITED, CONTINUUM CAPITAL SDN BHD AND NICHOLAS LIM PING FOR A PURCHASE CONSIDERATION OF RM101,000,000, TO BE FULLY SETTLED VIA THE ISSUANCE OF 17,070,421 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH AND A CASH PAYMENT OF RM40,400,000;

(C) 100% EQUITY STAKES IN GLOBAL TRANSIT ENTITIES FROM GLOBAL TRANSIT INTERNATIONAL SDN BHD FOR A CASH CONSIDERATION OF RM1.00 EACH; AND

(D) 100% EQUITY STAKES IN AIMS GROUP FROM MEGAWISRA SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM119,000,000 TO BE FULLY SETTLED VIA THE ISSUANCE OF 20,112,676 NEW TdC SHARES AT AN ISSUE PRICE OF RM3.55 EACH AND A CASH PAYMENT OF RM47,600,000,

(COLLECTIVELY, "PROPOSED ACQUISITIONS")

"That, subject to the approvals of the relevant regulatory authorities being obtained and the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 4:

(a) approval be and is given for the Company to acquire:

(i) the entire issued and paid-up share capital of GTC from Pulau Kapas Ventures Sdn. Bhd. ("**PKV**") for a purchase consideration of RM102,000,000, to be satisfied by the issuance of 28,732,394 new ordinary shares of nominal value RM0.50 each in the Company at an issue price of RM3.55 each which are to be issued after the Proposed Capital Restructuring, Proposed Capital Repayment and Proposed Amendment, all as defined in the Circular to Shareholders dated 25 October 2011 ("**Circular**");

(ii) the entire issued and paid-up share capital of GTL from the shareholders of GTL for a purchase consideration of RM101,000,000, to be satisfied by the issuance of 17,070,421 new ordinary shares of nominal value RM0.50 each in the Company at an issue price of RM3.55 each which are to be issued after the Proposed Capital Restructuring, Proposed Capital Repayment and Proposed Amendment and a cash payment of RM40,400,000;

(iii) the entire issued and paid-up share capital of GTS and GTHK respectively from Global Transit International Sdn. Bhd. ("**GTI**") for a total purchase consideration of RM2.00, to be satisfied in cash; and

(iv) the entire issued and paid-up share capital of The AIMS Asia Group Sdn. Bhd., AIMS Data Center 2 Sdn. Bhd., AIMS Cyberjaya Sdn. Bhd. and AIMS Data Centre Pte Ltd from Megawisra Sdn Bhd ("**Megawisra**") for a total purchase consideration of RM119,000,000, to be satisfied by the issuance of 20,112,676 new ordinary shares of nominal value RM0.50 each in the Company at an issue price of RM3.55 each which are to be issued after the Proposed Capital Restructuring, Proposed Capital Repayment and Proposed Amendment and a cash payment of RM47,600,000;

all respectively in accordance with the terms and conditions of the respective sale and purchase agreements (collectively, "**SPAs**") as explained in section 3.2.6, Part A of the Circular;

(b) pursuant to section 132D of the Act, approval be and is given for the Company to allot and issue a total of 65,915,491 new ordinary shares of nominal value RM0.50 each in the Company which are to be issued for the purposes ("**New TdC Shares**") of the Proposed Acquisitions in accordance with the terms of the SPAs respectively; and

(c) the execution by the Company of, and the performance of all of its obligations pursuant to, the respective SPAs be and are ratified and approved;

And that the directors of the Company be and are authorised to do all such acts and things, and to enter into or execute, on behalf of the Company, all such transactions, arrangements and agreements as may be necessary or expedient, in order to give full effect to the Proposed Acquisitions, including (without limitation) issuing the New TdC Shares as consideration shares, with full power to assent to any condition, modification, variations and/or amendment (if any) as may be required or imposed by any relevant regulatory authority; as may be consequent to the implementation of the said condition, modification, variation and/or amendment; or as the directors of the Company may deem fit, necessary and/or expedient in order to implement the Proposed Acquisitions."

SPECIAL RESOLUTION 2

PROPOSED CAPITAL RESTRUCTURING COMPRISING:

(A) PROPOSED CAPITAL REDUCTION OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF TdC VIA THE CANCELLATION OF RM0.90 OF THE NOMINAL VALUE OF EACH ORDINARY SHARE PURSUANT TO SECTION 64 OF THE ACT;

(B) PROPOSED SET-OFF OF TdC'S SHARE PREMIUM ACCOUNT AGAINST THE ACCUMULATED LOSSES OF TdC; AND

(C) PROPOSED SHARE CONSOLIDATION OF 2,530,775,000 ORDINARY SHARES OF NOMINAL VALUE OF RM0.10 EACH (AFTER THE PROPOSED CAPITAL REDUCTION) INTO 506,155,000 ORDINARY SHARES OF NOMINAL VALUE OF RM0.50 EACH IN TdC, ON THE BASIS OF FIVE (5) ORDINARY SHARES OF NOMINAL VALUE OF RM0.10 EACH INTO ONE (1) ORDINARY SHARE OF RM0.50 EACH

"That, subject to the passing of Ordinary Resolution 4, the confirmation of the Court pursuant to sections 60 and 64 of the Act and the approvals and consents of the relevant regulatory authorities and/or third parties being obtained (where required), approval be and is given for the issued and paid-up share capital and the amount standing to the credit of the share premium account of the Company to be reduced in the following manner:

(a) (i) the issued and paid-up share capital of the Company be reduced from RM2,530,775,000.00 to RM253,077,500.00 by the cancellation of paid-up share capital of RM0.90 upon each ordinary share of nominal value RM1.00 and reducing the paid-up capital and nominal value to RM0.10 each ordinary share ("**Proposed Capital Reduction**"); and

(ii) the share premium account of the Company be reduced by the cancellation of the amount of RM834,315,000.00 standing to the credit thereof ("**Proposed Share Premium Reduction**");

(b) forthwith and contingent upon the reduction of capital referred to in Special Resolution 2(a), the authorised share capital of the Company of RM5,000,000,000.00 be divided into 5,000,000,000 ordinary shares of nominal value RM1.00 each be split into 50,000,000,000 ordinary shares of nominal value RM0.10 each having a total nominal value of RM500,000,000.00;

(c) forthwith and contingent upon the reduction of capital referred to in Special Resolutions 2(a) and the share split referred to in Special Resolution 2(b) (but, if Special Resolution 1 is passed, after the completion of the Proposed Capital Repayment):

(i) all ordinary shares of nominal value RM0.10 each in the authorised share capital of the Company shall be consolidated in such manner so as to become ordinary shares of nominal value RM0.50 each; and

(ii) all ordinary shares of nominal value RM0.10 in the issued and paid-up capital of the Company (after the Proposed Capital Reduction) shall be consolidated in such manner so as to become ordinary shares of nominal value RM0.50 each (collectively, "**Consolidated TdC Shares**") upon which the sum of RM0.50 shall be credited as having been fully paid up;

("**Proposed Share Consolidation**"), provided that fractions of an ordinary share (if any) arising from the Proposed Share Consolidation shall be dealt with by the directors of the Company at their sole discretion as they deem fit and expedient in order to minimise the incidence of odd lots and to be in the best interests of the Company; and on the basis that the Consolidated Shares shall rank pari passu in all respects as among themselves;

(d) forthwith and contingent upon the reduction of capital referred to in Special Resolution 2(a), the aggregate credit arising from the Proposed Capital Reduction and the Proposed Share Premium Reduction shall be set-off against the accumulated losses of the Company as of a date to be determined by the directors of the Company, and in the event there is any balance of such credit thereafter, such balance shall be placed in a distributable reserve and may be utilised in any manner in which profits of the Company may be utilised.

And that the directors of the Company be and are authorised to do all things, and to execute and deliver all such documents and instruments, for and on behalf of the Company as they may consider necessary or expedient to give effect to this Special Resolution 2, with full power to assent to any condition, modification, variation and/or amendment deemed by them to be necessary, fit or expedient and in the best interest of the Company, or as may be required by any relevant regulatory authority or by the Court."

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION FOR MEGAWISRA SDN BHD ("MEGAWISRA") AND THE PERSONS ACTING IN CONCERT WITH MEGAWISRA ("PAC GROUP") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY GENERAL OFFER FOR THE REMAINING TdC SHARES WHICH ARE NOT ALREADY HELD BY THEM ARISING UPON COMPLETION OF THE PROPOSED ACQUISITIONS PURSUANT TO PARAGRAPH 16 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("PROPOSED PAC GROUP EXEMPTION")

"**THAT**, subject to the passing of Special Resolution 1, Ordinary Resolution 1, Special Resolution 2, Ordinary Resolution 4 and any conditions that may be imposed by the Securities Commission under Practice Note 9 of the Malaysian Code of Take-overs and Mergers, 2010, consent be and is hereby unconditionally given to waive any obligations of the PAC Group to extend a mandatory general offer for all the remaining shares of the Company not already held by them arising as a result of the acquisition by the PAC Group of more than 2% voting shares in the Company upon completion of the Proposed Acquisitions.

AND THAT, the Directors be and is hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements, and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalize and give effect to this Ordinary Resolution 2 with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by the relevant regulatory authorities or as a consequence of any such requirement or as may be deemed necessary and/or expedient in the interest of the Company."

ORDINARY RESOLUTION 3

PROPOSED EXEMPTION FOR MEGAWISRA SDN BHD ("MEGAWISRA") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY GENERAL OFFER FOR THE REMAINING TdC SHARES WHICH ARE NOT ALREADY HELD BY IT ARISING UPON COMPLETION OF THE PROPOSED ACQUISITIONS PURSUANT TO PARAGRAPH 16 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("PROPOSED MEGAWISRA EXEMPTION")

"**THAT**, subject to the passing of Special Resolution 1, Ordinary Resolution 1, Special Resolution 2, Ordinary Resolution 4 and any conditions that may be imposed by the Securities Commission under Practice Note 9 of the Malaysian Code of Take-overs and Mergers, 2010, consent be and is hereby unconditionally given to waive any obligations of Megawisra to extend a mandatory general offer for all the remaining shares of the Company not already held by it arising as a result of an increase of voting shares held in our Company by Megawisra from 30.04% to 35.94% upon completion of the Proposed Acquisitions.

AND THAT, the Directors be and is hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements, and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalize and give effect to this Ordinary Resolution 3 with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by the relevant regulatory authorities or as a consequence of any such requirement or as may be deemed necessary and/or expedient in the interest of the Company."

ORDINARY RESOLUTION 4

PROPOSED AMENDMENT TO TdC'S MEMORANDUM OF ASSOCIATION TO FACILITATE THE PROPOSED ACQUISITIONS, PROPOSED CAPITAL REPAYMENT AND PROPOSED CAPITAL RESTRUCTURING ("PROPOSED AMENDMENT")

"That, subject to the passing of Special Resolution 2, approval be and is given for the memorandum of association of the Company to be amended by substituting for the existing clause 5 the following new clause 5:

> "5. The share capital of the Company is RM5,000,000,000.00 divided into 10,000,000,000 Ordinary shares of RM0.50 each with power for the Company to increase or reduce such capital, and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege, or subject to any postponement of rights, or to any conditions or restrictions, and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained."

And that the directors of the Company be and are authorised to do all things, and to execute and deliver all such documents and instruments, for and on behalf of the Company as they may consider necessary or expedient to give effect to this Ordinary Resolution 4, with full power to assent to any condition, modification, variation and/or amendment deemed by them to be necessary, fit or expedient and in the best interest of the Company, or as may be required by any relevant regulatory authority."

BY ORDER OF THE BOARD
MISNI ARYANI MUHAMAD (LS 0009413)
Secretary
Selangor Darul Ehsan
25 October 2011

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
2. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.
3. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Security Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.
5. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, Mega Corporate Services Sdn Bhd at Level 15-2, Sheraton Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

TIME dotCom Berhad

(413292-P)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

No. of shares	CDS Account No.

I/We ______________________________ Identification /Company No.: ________________
(Name in block letters)

of ____
(Full address)

being a member/members of **TIME dotCom Berhad** hereby appoint

____

of ____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Ballroom 1 and 2, Grand Dorsett Subang Hotel (formerly Sheraton Subang Hotel & Towers), Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 22 November 2011 at 10.00 a.m. and at any adjournment thereof.

You may indicate which an "X" or "√" in the boxes provided below how you wish your votes to be cast. Please note that the filing of this form is for indicative purposes only and shall not bind the Company or in any way oblige or require the Company to ensure that your proxy shall vote in the manner as indicated by you.

Please take further note that the Company shall accept the vote cast by your proxy as a valid note whether or not your proxy has acted in accordance with your instructions.

	For	Against
Special Resolution 1 : PROPOSED CAPITAL REPAYMENT		
Ordinary Resolution 1 : PROPOSED ACQUISITIONS		
Special Resolution 2 : PROPOSED CAPITAL RESTRUCTURING		
Ordinary Resolution 2 : PROPOSED PAC GROUP EXEMPTION		
Ordinary Resolution 3 : PROPOSED MEGAWISRA EXEMPTION		
Ordinary Resolution 4 : PROPOSED AMENDMENT		

Signed this _____ day of ______________________2011.

____
Signature/Common Seal of Appointer

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
2. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.
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4. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.
5. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, Mega Corporate Services Sdn Bhd at Level 15-2, Sheraton Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

MEGA CORPORATE SERVICES SDN BHD
Level 15-2, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

1st fold here