

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

5.1 PROMOTERS

5.1.1 Particulars and Shareholdings

The details of the promoters of the Group and their shareholdings in KeyWest after the IPO are as follows:-

Name	Place of Incorporation/ Nationality	No. of Ordinary Shares Held After Bonus Issue				No. of Ordinary Shares Held Assuming Full Exercise of ESOS ⁽²⁾			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Alfred Yong Kah Soon ⁽³⁾	Malaysian	^50,834,100	22.6	⁽¹⁾ 50,974,731	22.7	^53,084,100	21.5	⁽¹⁾ 50,974,731	20.6
B-Network Co. Ltd.	British Virgin Islands	50,974,731	22.7	-	-	50,974,731	20.6	-	-
Benjamin Wong ⁽⁴⁾	Canadian	^19,051,851	8.5	-	-	^21,301,851	8.6	-	-

Notes:-

^ Including their respective entitlement for the pink form share allocation pursuant to the IPO

(1) By virtue of his substantial shareholding in B-Network Co. Ltd., which in turn has a substantial shareholding in KeyWest

(2) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

(3) Persons/Entities connected to Alfred Yong Kah Soon namely Doris Tan Lian Fah, Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Alan Yong Kah Kee, Alice Yong, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 25,490,031 Shares after Bonus Issue and 34,940,031 Shares assuming full exercise of ESOS

(4) Persons/Entities connected to Benjamin Wong namely Rich Paradise Ltd. and Pat Wong Tsan For collectively hold 5,926,664 Shares after Bonus Issue and 8,176,664 Shares assuming full exercise of ESOS

5.1.2 Profiles of Promoters

Alfred Yong Kah Soon, aged 42, is a founder of the KeyWest Group and is the Chairman of the Board of Directors and the Managing Director of KeyWest. Mr. Yong is responsible for the strategic planning and investment in KeyWest.

Mr. Yong brings to the KeyWest Group his expertise in electronics, computer hardware and software, telecommunications, system integration, start-ups and management. He started out as a computer programmer for EPU (Economic Planning Unit), Ministry of Finance, Brunei Government and was part of the team of computer consultants in charge of the computerisation of the Brunei Government. In 1991, he founded Dalplus Technologies ("Dalplus"), a firm involved in systems integration, software development, supply of computer hardware, software and network securities systems to major banking and government institutions in Brunei such as Baiduri Bank, and many others. Through Dalplus, he also developed customised software that is currently being used in several hotels and banks. He is also the founder and owner of a top Internet portal in Brunei (www.bruclass.com), a free online advertising website. In 1993, Mr Yong went to Canada and worked as an officer (Group Vice President) of Seacorp Group of Companies whose operations are in Canada, China and Singapore. The Seacorp Group was involved in the distribution of computer accessories, manufacturing of pagers, paging network operations, and real estate development. Mr. Yong was involved in the computer accessories and paging

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

division. In 1996, Mr. Yong returned to Brunei. In 2002, Mr Yong founded KeyWest and has since been active with KeyWest.

Mr. Yong graduated from Simon Fraser University, Burnaby, British Columbia, Canada in 1983 with a Bachelor of Science degree in computer science. He also obtained a diploma in radio electronics in 1976.

B-Network Co. Ltd. (430448), was incorporated on 2 February 2001 in the British Virgin Islands under the International Business Company Act (Cap 291) 1984 as an International Business Company under its present name. B-Network Co. Ltd. is principally an investment holding company.

The particulars of the sole director and his shareholding in the company as at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus) is set out below:-

Name	Designation	No. of Common Shares held in B-Network Co. Ltd.			
		Direct	%	Indirect	%
Director					
Alfred Yong Kah Soon	Director	100	100.0	-	-

The profile of Alfred Yong Kah Soon, being the sole shareholder of B-Network Co. Ltd is as set out earlier.

Benjamin Wong, aged 38, is the co-founder, Chief Operating Officer and Director of KeyWest and is responsible for the overall operations of the Company, sales and marketing and strategic planning.

Mr. Wong brings to the KeyWest Group his experience in financial statements preparation, internal control systems, financial analysis, management information systems, public company administration matters, public company filings and general accounting matters gained at several international corporations such as Namtai Electronics (Canada) Inc., Annova Business Group and Starnet Communications International Inc. Mr. Wong has worked for private companies as well as those listed on Nasdaq and the Canadian Stock Exchange such as STD Computer (Vancouver) Inc. – a computer manufacturer (as a Financial Controller), Starnet Communications International Inc. – an Internet Gaming Software Developer and Operator (as Vice President, Finance), Namtai Electronics (Canada) Inc. – an electronics manufacturer (as an internal auditor), Annova Business Group – a manufacturer and retailer of computers as well as NorthVoice Communications Inc. – telecommunications service provider (as a Financial Controller).

Mr. Wong holds a Bachelor's Degree in Business Administration from the Chinese University of Hong Kong and is a Certified General Accountant in Canada and a Certified Public Accountant in the USA.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.1.3 Directorships and Substantial Shareholdings of Promoters in All Other Public Corporations for the Past Two Years Preceding the Date Hereof

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the promoters have any directorships or substantial shareholdings in other public corporations for the past two years.

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings

The details of the substantial shareholders of the Group and their shareholdings in KeyWest after the IPO are as follows:-

Name	Place of Incorporation/ Nationality	No. of Ordinary Shares Held After Bonus Issue				No. of Ordinary Shares Held Assuming Full Exercise of ESOS ⁽²⁾			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Alfred Yong Kah Soon ⁽³⁾	Malaysian	^50,834,100	22.6	⁽¹⁾ 50,974,731	22.7	^53,084,100	21.5	⁽¹⁾ 50,974,731	20.6
B-Network Co. Ltd.	British Virgin Islands	50,974,731	22.7	-	-	50,974,731	20.6	-	-
Benjamin Wong ⁽⁴⁾	Canadian	^19,051,851	8.5	-	-	^21,301,851	8.6	-	-

Notes:-

^ Including their respective entitlement for the pink form share allocation pursuant to the IPO

(1) By virtue of his substantial shareholding in B-Network Co. Ltd., which in turn has a substantial shareholding in KeyWest

(2) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

(3) Persons/Entities connected to Alfred Yong Kah Soon namely Doris Tan Lian Fah, Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Alan Yong Kah Kee, Alice Yong, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 25,490,031 Shares after Bonus Issue and 34,940,031 Shares assuming full exercise of ESOS

(4) Persons/Entities connected to Benjamin Wong namely Rich Paradise Ltd. and Pat Wong Tsan For collectively hold 5,926,664 Shares after Bonus Issue and 8,176,664 Shares assuming full exercise of ESOS

5.2.2 Profiles of Substantial Shareholders

The profiles of Alfred Yong Kah Soon, B-Network Co. Ltd. and Benjamin Wong are set out in Section 5.1.2.

5.2.3 Directorships and Substantial Shareholdings of Substantial Shareholders in All Other Public Corporations for the Past Two Years Preceding the Date Hereof

The directorships or substantial shareholdings of the substantial shareholders in other public corporations for the past two years are set out in Section 5.1.3.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings

The details of the directors of the Group and their shareholdings in KeyWest after the IPO are as follows:-

	Designation / Functions	No. of Ordinary Shares Held After Bonus Issue				No. of Ordinary Shares Held Assuming Full Exercise of ESOS ⁽²⁾			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Alfred Yong Kah Soon ⁽³⁾	Chairman and Managing Director	^50,834,100	22.6	⁽¹⁾ 50,974,731	22.7	^53,084,100	21.5	⁽¹⁾ 50,974,731	20.6
Benjamin Wong ⁽⁴⁾	Director and Chief Operating Officer	^19,051,851	8.5	-	-	^21,301,851	8.6	-	-
Yong Chon Yew @ Yong Chon Yu ⁽⁵⁾	Non-Independent Non-Executive Director	^8,325,372	3.7	-	-	^10,575,372	4.3	-	-
Yong Chon Yee ⁽⁶⁾	Non-Independent Non-Executive Director	^375,000	0.2	-	-	^375,000	0.2	-	-
Datuk Haji Mohamad Amin bin Haji Satem	Independent Non-Executive Director	^375,000	0.2	-	-	^375,000	0.2	-	-
Alexander Wong Shoon Choy	Independent Non-Executive Director	^931,358	0.4	-	-	^1,156,358	0.5	-	-

Notes:-

- ^ Including their respective entitlement for the pink form share allocation pursuant to the IPO
- (1) By virtue of his substantial shareholding in B-Network Co. Ltd., which in turn has a substantial shareholding in KeyWest
- (2) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing
- (3) Persons/Entities connected to Alfred Yong Kah Soon namely Doris Tan Lian Fah, Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Alan Yong Kah Kee, Alice Yong, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 25,490,031 Shares after Bonus Issue and 34,940,031 Shares assuming full exercise of ESOS.
- (4) Persons/Entities connected to Benjamin Wong namely Rich Paradise Ltd. and Pat Wong Tsan For collectively hold 5,926,664 Shares after Bonus Issue and 8,176,664 Shares assuming full exercise of ESOS.
- (5) Persons/Entities connected to Yong Chon Yew @ Yong Chon Yu namely Liaw Yueh Hwa @ Liau Yueh Hwa, Alfred Yong Kah Soon, Doris Tan Lian Fah, Alan Yong Kah Kee, Alice Yong, Yong Chon Yee, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 68,373,760 Shares after Bonus Issue and 77,823,760 Shares assuming full exercise of ESOS.
- (6) Persons/Entities connected to Yong Chon Yee namely Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 23,492,740 Shares after Bonus Issue and 27,992,740 Shares assuming full exercise of ESOS.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**5.3.2 Profiles of Directors**

The profiles of Alfred Yong Kah Soon and Benjamin Wong are set out in Section 5.1.2 while the profiles of Yong Chon Yew @ Yong Chon Yu, Yong Chon Yee, Datuk Haji Mohamad Amin bin Haji Satem and Alexander Wong Shoon Choy are set out below.

Yong Chon Yew @ Yong Chon Yu, aged 74, has been appointed as a Non-Independent Non-Executive Director of KeyWest in April 2005.

Mr Yong has more than 50 years of experience in various businesses in Canada, Brunei and Malaysia. He began his career at Borneo Company in Kuala Belait, Brunei, in 1955 as a technician. In 1964, he founded Borneo Air Conditioning and Engineering Co Ltd. ("BAC"), a mechanical and electrical contracting company as well as a distributor of household appliances including well-known brands such as Daikin, Chrysler, and ACMA. BAC became a major contractor in Brunei, accounting for more than 30% of the major mechanical and electrical projects in Brunei including such prestigious projects as the Brunei Istana, Parliament Buildings, Brunei Mini Istana, Istana Darul Hana, Brunei International Airport, International Convention Center and many more. In Malaysia, BAC was involved in the mechanical and electrical contracting of Shaw Center, Prai Power Station, Sabah Foundation, Berjaya Headquarters and many more. Mr. Yong sold off his interest in 1990. He also founded several other corporations involved in lumber harvesting, sawmill operations, and property development, which have been sold off or have become inactive.

Mr Yong completed his middle school education in St. Thomas School in Kuching and holds a Certificate of training from Airtemp Institute of USA for centrifugal and reciprocating units (awarded on November 25, 1974). He is also a member of the following professional bodies: American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. since 1967, Refrigeration Service Engineers Society since 1967 and The Association of Supervisory and Executive Engineers since 1969.

Yong Chon Yee, aged 71, has been appointed as a Non-Independent Non-Executive Director of KeyWest in April 2005.

Mr Yong brings with him 18 years of experience in the marketing and sales of heavy construction equipment to the timber/logging industries in Sarawak as United Engineers (S) Ltd's area manager for Sarawak and Brunei from 1964 to 1982. From 1983 to 2000, Mr Yong ran his own company YCY Sdn Bhd specialising in the supply of power generation and distribution equipment and general electrical supply to the Malaysian government departments and the private sector such as SESCO. Among others, his company has supplied, installed and commissioned 3 micro hydro power stations' mechanical and electrical equipment and many medium speed diesel generating sets, switchgears and transformers to the Sarawak Electricity Supply Corporation and the Jabatan Kerja Raya Sarawak. YCY is currently inactive. From 2001, Mr Yong moved on to set up another company called EZ Bistari Sdn Bhd which specialises in corporate gifts and assumed the role of managing director.

Mr Yong obtained his Cambridge School Certificate in 1957 and was an associate member of the Chartered Institute of Marketing, UK and an associate member of the Chartered Institute of Road Transporting Engineers, UK. He has since resigned as members of these institutes.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Datuk Haji Mohamad Amin bin Haji Satem, ("Datuk Amin"), aged 70, has been appointed as an Independent Non-Executive Director of KeyWest in April 2005.

Datuk Amin began his career in the civil sector as an Administration Officer in the Sarawak Civil Service in 1964. In 1969, he was appointed the Deputy General Manager of Sarawak Development Finance Corporation (SDFC), a State Corporation of the General State Government. In 1972, SDFC was established as the Sarawak Economic Development Corporation (SEDC) and Datuk Amin was appointed Executive Chairman of SEDC. He actively promoted the economy of Sarawak during his tenure there. Datuk Amin then joined Cement Manufacturers Sarawak Berhad in 1978 (now known as Cahya Mata Sarawak Berhad (CMS)) as Managing Director until his retirement in December 1992. He was also a Non-Executive Chairman for Sarawak Oil Palm Berhad, a public-listed company engaging in plantation from 1991 to 1995. Since his departure from the civil service in 1978, Datuk Amin continues to be actively involved in the local business scene through his position as Chairman of the Sarawak Chamber of Commerce and Industry (SCCI), a position he held since 1977. The New Zealand Government appointed Datuk Amin as New Zealand's Honorary Consul for Sarawak on March 1997. He is also one of the founders of B.I.G. Industries Berhad's subsidiaries, B.I.G. Industrial Gas Sdn Bhd (formerly known as Bintulu Industrial Gas Sdn Bhd) and Uni-Mix Sdn Bhd. He retired as the Executive Chairman of B.I.G. Industries Berhad in November 1998.

Besides being on the Board of KeyWest, Datuk Amin is also a director of Progressive Insurance Bhd since April 1991 and a director of Permodalan Sarawak Bhd.

Datuk Amin is a Malaysian and was conferred the P.G.D.K. by the state government of Sabah in 1981 and the P.B.S. and P.G.B.K. by the state government of Sarawak in 1989.

Datuk Amin graduated with a degree in Bachelor of Arts from Victoria University of Wellington, New Zealand.

Alexander Wong Shoon Choy, aged 43, has been appointed as an Independent Non-Executive Director of Key West in April 2005.

Mr Wong was the General Manager of Global Minerals (Sarawak) Sdn. Bhd. (a coal-mining company) from 1987 to 1994. Subsequently, Mr Wong was appointed as a director of PanGlobal Berhad ("PanGlobal") in July 1996. PanGlobal is principally an investment holding company. The principal activities of its subsidiaries include underwriting all classes of general insurance business, extraction of logs, sawmilling and manufacturing of veneer, coal mining, property investment and development, rental of office and commercial premises and operator of hotel apartments. He was appointed as Executive Director in August 1996 and as Group Chief Executive Officer in June 1998. His present position of Executive Deputy Chairman is effected from July 2004. Mr Wong was a member of the Audit Committee of PanGlobal from January 2000 to August 2004.

Mr Wong is a Malaysian and was awarded the Darjah Kebesaran Pegawai Bintang Kenyalang in September 1995, an honour conferred by the Yang DiPertua Negeri of Sarawak, Malaysia.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Mr. Wong completed his tertiary education in the United Kingdom with a Bachelor's Degree in Science majoring in Business Administration.

5.3.3 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the directors of KeyWest for services rendered in all capacities to the Group for the financial year ended 31 January 2005 and the current financial year ending 31 January 2006 are as follows:-

Remuneration Band	Financial Year Ended 31 January 2005		Financial Year Ending 31 January 2006	
	Aggregate Remuneration RM	Number of Directors	Aggregate Remuneration RM	Number of Directors
0 to 50,000	-	-	80,000	4
50,001 – 200,000	-	-	-	-
200,001 – 300,000	-	-	250,000	1
300,001 – 400,000	-	-	342,000	1
Above 400,000	-	-	-	-
Total	-	-	672,000	6

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL
(Cont'd)

5.3.4 Directorships and Substantial Shareholdings of Directors in All Other Public Corporations for the Past Two Years Preceding the Date Hereof

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the Directors have any directorships or substantial shareholdings in other public corporations for the past two years save for the following:-

Name of Director	Name of Corporation Involved	Principal Activities	Designation	Year of Appointment to the Board	Shareholdings (No. of Shares)
Datuk Haji Amin bin Haji Satem	Progressive Insurance Berhad	Insurance, risk management underwriting all classes of insurance including motor, fire, bond, marine, liability, engineering, aviation and accident.	Non-Executive Director	1991	392,000
Alexander Wong Shoon Choy	Permodalan Sarawak Berhad PanGlobal Berhad	Property investment development and investment holding company, underwriting all classes of general insurance business, extraction of logs, sawmilling and manufacturing of veneer, coal mining, property investment and development, rental of office and commercial premises and operator of hotel apartments	Non-Executive Director Executive Deputy Chairman	1997 1996	60,000 -

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and income statement, and nomination of the auditors. The Audit Committee comprises the following individuals:-

Name	Designation	Directorship
Datuk Haji Mohamad Amin bin Haji Satem	Chairman of Audit Committee	Independent Non-Executive Director
Benjamin Wong	Member of Audit Committee	Director and Chief Operating Officer
Alexander Wong Shoon Choy	Member of Audit Committee	Independent Non-Executive Director

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.5 KEY MANAGEMENT

5.5.1 Particulars and Shareholdings of the Key Management Team

The details of the key management of the Group and their shareholdings in KeyWest after the IPO are as follows:-

Name	Designation / Functions	No. of Ordinary Shares Held After Bonus Issue				No. of Ordinary Shares Held Assuming Full Exercise of ESOS ⁽²⁾			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Alfred Yong Kah Soon ⁽³⁾	Managing Director	^50,834,100	22.6	⁽¹⁾ 50,974,731	22.7	^53,084,100	21.5	⁽¹⁾ 50,974,731	20.6
Alan Yong Kah Kee ⁽⁵⁾	Group President	^337,500	0.2	-	-	^2,587,500	1.1	-	-
Benjamin Wong ⁽⁴⁾	Chief Operating Officer	^19,051,851	8.5	-	-	^21,301,851	8.6	-	-
Eric Chan Kwok Yin ⁽⁶⁾	Chief Technical Officer	^375,000	0.1	-	-	^1,612,500	0.7	-	-
Herman Ho Chi Sum	President, Retail	^300,000	0.1	-	-	^525,000	0.2	-	-
David Mew	Vice President, Finance	^337,500	0.2	-	-	^1,575,000	0.6	-	-

Notes:-

- ^ Including their respective entitlement for the pink form share allocation pursuant to the IPO
- (1) By virtue of his substantial shareholding in B-Network Co. Ltd., which in turn has a substantial shareholding in KeyWest
 - (2) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing
 - (3) Persons/Entities connected to Alfred Yong Kah Soon namely Doris Tan Lian Fah, Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Alan Yong Kah Kee, Alice Yong, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 25,490,031 Shares after Bonus Issue and 34,940,031 Shares assuming full exercise of ESOS.
 - (4) Persons/Entities connected to Benjamin Wong namely Rich Paradise Ltd. and Pat Wong Tsan For collectively hold 5,926,664 Shares after Bonus Issue and 8,176,664 Shares assuming full exercise of ESOS.
 - (5) Persons/Entities connected to Alan Yong Kah Kee namely Yong Chon Yew @ Yong Chon Yu, Liaw Yueh Hwa @ Liau Yueh Hwa, Alfred Yong Kah Soon, Doris Tan Lian Fah, Alice Yong, Select Factor Sdn Bhd and Lyrics Mystic Sdn Bhd collectively hold 75,986,631 Shares after Bonus Issue and 85,436,631 Shares assuming full exercise of ESOS.
 - (6) Person connected to Eric Chan namely Ip Siu Kwan holds 2,225,436 Shares after Bonus Issue and 2,225,436 Shares assuming full exercise of ESOS.

5.5.2 Profiles of the Key Management

The respective profiles of Alfred Yong Kah Soon and Benjamin Wong are disclosed in Section 5.1.2.

Alan Yong Kah Kee, aged 45, is the Group President of the KeyWest Group. He has been with the Company since inception. As President, Mr. Yong is responsible for the day-to-day operations of the Group from strategic planning to overall management and direction.

Mr. Yong brings to the KeyWest Group his experience in start-ups, overall management, public company administration and filings, sales and marketing, corporate planning, strategic planning, negotiation skills and finance. He also has experience managing several companies in Malaysia, Brunei, Taiwan, and Hong Kong involved in telecommunications, computer

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

hardware, software and accessories, construction, real estate development and the distribution of household appliances. In 1988, he founded Seacorp Technology Corporation, a company involved in computer accessories distribution and was responsible for building products and a distribution network that spans across Canada. He also co-founded Seacorp Communications Inc. in 1990 and oversaw the building of a paging network in China and a pager manufacturing facility in Singapore. In 1998 he co-founded NorthVoice Communications Inc. ("NorthVoice") and pioneered the first unlimited long distance service, which allows a subscriber to call as much long distance calls within Canada and USA as he/she wants for a monthly fee. In the same year, at NorthVoice, he embarked on building a telephony network that spanned 12 countries and 60 POPs and accomplished it within 6 months.

Mr. Yong graduated from Simon Fraser University, Burnaby, British Columbia, Canada in 1983 with a Bachelor's of General Studies degree with a concentration in economics.

Eric Chan Kwok Yin, aged 46, serves as the Group's Chief Technical Officer. He has been with the Company since inception, and oversees all technical, engineering and R&D activities of the Company.

Mr. Chan brings to the KeyWest Group his vast experience in the implementation of communication projects. His expertise includes design, engineering and integration of system products in mobile communications telecommunications. He has held senior positions at several multi-national telecommunication corporations including Roger AT&T, and MDI (now part of Motorola). His track record includes hands-on experience in building a nationwide mobile data network, a national air-to-ground network, as well as cellular, paging, and PCN networks in Canada, China, and Singapore. He was Vice President of Seacorp Communications Inc. from 1992 - 1995 and was in charge of business development and overall management of their paging manufacturing division in Singapore and their paging network in China. Most recently, he served as Telecom Architect of Infospace Inc., a publicly listed mobile ASP.

Mr. Chan is a graduate of the British Columbia Institute of Technology with a diploma in Electrical and Electronics in 1980.

Herman Ho Chi Sum, aged 46, is the President of TTI and its subsidiaries. He has been with the Group since 2003 and oversees the day-to-day operations of TTI Group.

Mr. Ho began his career in telecommunications in 1977 at Cable and Wireless as an engineer and later in account management. He joined TMI Tele Media (an international arm of Telecom Italia) in 1994, as Senior Sales Manager for Western Canada and was responsible for its regional business development and sales. In 1998, he returned to Hong Kong and joined Global One (Hong Kong) Ltd. (a joint venture between France Telecom, Sprint and Deutsche Telecom) as a corporate sales manager in charge of both international voice and data services. Mr. Ho was formerly General Manager of North America for Far East Gateway Telecom Inc., a global telecommunications network provider.

Mr. Ho graduated from the Hong Kong Polytechnic in 1977 with a diploma in Electrical Engineering,

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

David Mew, aged 43, is the Vice President, Finance of the KeyWest Group. He joined the Company in 2003 and manages all accounting and finance functions of the Company.

Mr. Mew was formerly Corporate Controller of Norsat International Inc. ("Norsat"), a public listed Company in the satellite communications industry. He has had more than 10 years experience in public company finance, filings and administration; audit; internal controls; financial analysis; and management information systems. At Norsat, Mr. Mew was also Controller of its USD100 million USA subsidiary. Prior to joining Norsat in 1997, he was Chief Financial Controller at Seacorp Communications Inc, and Seacorp Properties Inc., both public listed companies involved in computers, paging manufacturing and operations, and real estate from 1990-1997.

He is a graduate of the University of British Columbia in 1984 with a Bachelor of Commerce degree and is a Certified General Accountant in Canada.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

Alfred Yong Kah Soon, Benjamin Wong and Alan Yong Kah Kee principally spend their time and effort on activities relating to the Group. They are also involved in the following businesses/corporations:-

Name	Country	Principal Activities
<u>Alfred Yong Kah Soon</u> Dalplus Technologies	Brunei	Supply of information and communication technology equipment and services
Richmond Inn Sdn Bhd	Malaysia	Hospitality
B-Network Co. Ltd.	British Virgin Islands	Investment holding
Multichannel Co. Ltd.	British Virgin Islands	Investment holding
<u>Benjamin Wong</u> Wisenet Networks Inc.	British Columbia, Canada	Inactive
S13 Technology Inc.	Nevada, USA	Surveillance system installation, website design and marketing
<u>Alan Yong Kah Kee</u> Marguerite Properties Inc.	Canada	Property holding
705191 B.C. Ltd.	Canada	Inactive
702281 B.C. Ltd.	Canada	Inactive
NetBreed Entertainment Inc.	Canada	Chat Line and Web Advertising

Save for the above, none of the Executive Directors / key management is involved in other businesses or corporations.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM/TECHNICAL PERSONNEL

No director, key personnel or person nominated to become a director or key personnel is or has been involved in any of the following events (whether within or outside Malaysia):-

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5.8 FAMILY RELATIONSHIPS

Alfred Yong Kah Soon is a brother of Alan Yong Kah Kee and they are also related to the following:-

Name	Business Interest / Designation in KeyWest	Relationship
Yong Chon Yew @ Yong Chon Yu	Shareholder/Non-Independent Non-Executive Director	Father
Yong Chon Yee	Shareholder [^] /Non-Independent Non-Executive Director	Uncle

[^] Arising from his entitlement for the pink form share allocation pursuant to the IPO.

Yong Chon Yee is also a brother of Yong Chon Yew @ Yong Chon Yu.

Save as disclosed above, there is no family relationship (as defined in Section 122A of the Act) or association between the substantial shareholders, promoters, directors, and key management.

5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), there is no existing or proposed service agreement between the Group and its directors and key management.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

5.10 CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS

The Company was incorporated on 20 February 2004. The significant changes of the promoters' and substantial shareholders' shareholdings in the Company preceding the date hereof are as follows: -

Name	Balance as at 20 February 2004		From 20 February 2004 to 22 July 2005			
	Direct	Indirect	Acquisition		Disposal	
			Direct	Indirect	Direct	Indirect
Promoters Alfred Yong Kah Soon B-Network Co. Ltd. Benjamin Wong	- - -	- - -	33,639,400 33,983,154 12,451,234	^33,983,154 - -	- - -	- - -
Substantial Shareholders Alfred Yong Kah Soon B-Network Co. Ltd. Benjamin Wong	- - -	- - -	33,639,400 33,983,154 12,451,234	^33,983,154 - -	- - -	- - -

^ By virtue of his substantial shareholding in B-Network Co. Ltd., which in turn has a substantial shareholding in KeyWest

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6. APPROVALS AND CONDITIONS**6.1 APPROVALS AND CONDITIONS**

The SC (and under the Foreign Investment Committee's Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests) has approved the proposed Listing of KeyWest on 7 February 2005. The conditions imposed by the SC and their respective statuses of compliance are as follows:-

No	Conditions imposed by SC	Status of Compliance
(i)	KeyWest to obtain the relevant licence, if any, to operate the business activity	Noted.
(ii)	KeyWest to confirm that the independent directors meet the qualifying requirement under the Listing Requirements of Bursa Securities for the MESDAQ Market	Complied via letter dated 13 May 2005 to the SC sent by AmMerchant Bank on behalf of KeyWest.
(iii)	KeyWest to confirm that the members of audit committee meet the qualifying criteria under the Listing Requirements of Bursa Securities for the MESDAQ Market	Complied via letter dated 13 May 2005 to the SC sent by AmMerchant Bank on behalf of KeyWest.
(iv)	KeyWest to ensure that more than 50% of the NTA will be situated in Malaysia within five years of listing and that the research and development activities to be undertaken in Malaysia and the transfer of technology to Malaysia are substantial relative to those in other locations within two years of listing	To be complied.
(v)	KeyWest to ensure that Malaysians are appointed to key positions in accordance with the requirement under the Listing Requirements of Bursa Securities for the MESDAQ Market	To be complied.
(vi)	KeyWest to disclose the status of utilisation of proceeds in its periodic and annual reports until the proceeds are fully utilised	To be complied.
(vii)	KeyWest to ensure that all provisions under the Listing Requirements of Bursa Securities for the MESDAQ Market are complied with	To be complied.
(viii)	KeyWest to meet the 30% Bumiputera equity requirement within one year after the Company has achieved the profit record required for listing on the Second Board of Bursa Malaysia or five years after being listed on MESDAQ market, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the Ministry of International Trade and Industry	To be complied.
(ix)	KeyWest to submit a preliminary proposal to SC on how the Company proposes to meet the Bumiputera equity condition, 6 months before the expiry date of the compliance	To be complied.
(x)	KeyWest to inform the SC when the proposed flotation on MESDAQ market is completed	To be complied.
(xi)	Approvals obtained from other relevant authorities, if any.	Complied.

6. APPROVALS AND CONDITIONS (Cont'd)

No	Conditions imposed by SC	Status of Compliance
(xii)	KeyWest to make detailed disclosure in its prospectus of the following:-	
a.	Definite plan of the KeyWest Group to transfer its operation to Malaysia	Met. Please refer Section 4.8.
b.	The status of the KeyWest Group's application for application service providers license and how the business of the Group would be affected without the license	Met. Please refer Section 1.3 and 4.2.5.
c.	Impact on the KeyWest Group's future financial performance in the event that the Group fails to secure future contract	Noted. Please refer Section 3(f).
d.	The ageing analysis based on the KeyWest Group's latest audited trade receivables including measures taken to recover the overdue balances and other credit control measure undertaken to mitigate the risk of bad and doubtful debts	Met. Please refer Section 8.8.
e.	KeyWest Group to make full provision for trade receivables outstanding that has exceeded the normal credit period granted, unless it can be justified that the outstanding amount can be collected. The said justification must be disclosed in the prospectus supported by an independent opinion from the Reporting Accountants	Met. Please refer Section 8.10.

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6. APPROVALS AND CONDITIONS (Cont'd)

The SC also noted the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings of KeyWest that will be changed following the implementation of the Public Issue are as follows:-

	Before Proposal^ (%)	After Proposal^ (%)
Bumiputera	50.00	0.00
Non-Bumiputera	50.00	80.81
Foreign	-	16.90
Employees & Associates	-	2.29
TOTAL	100.00	100.00

^ Proposal refers to Proposal for the proposed Listing.

Bank Negara Malaysia had on 22 October 2004 approved the acquisition of KCI. The conditions imposed by Bank Negara Malaysia are as follows:-

No	Conditions imposed by BNM	Status of Compliance
(i)	KeyWest is to repatriate all dividend, profit or interest and revenue from the disposal of investment received as soon as the said dividend, profit or interest is paid or whenever investment in the share capital of the companies abroad is sold and to inform the Jabatan Pentadbiran Pertukaran Asing ("JPPA")	To be complied.
(ii)	KeyWest is to repatriate repayments from KCI of the credit facilities' principal sum and interest and to inform JPPA	To be complied.
(iii)	KeyWest is to submit to the JPPA, a quarterly report on the following:- a) Total foreign investment in equity (ECM9/OIR); and b) Credit facilities to KCI (ECM6/LER)	To be complied.
	The said report is to be submitted within 1 month after the end of every quarter	
(iv)	KeyWest is to submit copies of annual financial statements of KeyWest and KCI as soon as they are available	To be complied.

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6. APPROVALS AND CONDITIONS (Cont'd)**6.2 MORATORIUM ON SHARES**

In accordance with the Listing Requirements of Bursa Securities for the MESDAQ Market, certain shareholders of KeyWest will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up capital of KeyWest for one (1) year from the date of admission of KeyWest to the Official List of the MESDAQ Market.

The existing shareholders of KeyWest whose shares are subjected to the moratorium are as follows:-

Name of shareholders	Under Moratorium after Bonus Issue ⁽¹⁾		Under Moratorium assuming Full Exercise of ESOS ^{(2) (3)}	
	No. of shares held under moratorium	% of enlarged issued and paid-up capital	No. of shares held under moratorium	% of enlarged issued and paid-up capital
Alfred Yong Kah Soon	47,155,503	20.9	47,155,503	19.1
Benjamin Wong	16,582,066	7.4	16,582,066	6.7
B-Network Co. Ltd.	47,637,431	21.2	47,637,431	19.2
Total	111,375,000	49.5	111,375,000	45.0

Notes:-

- (1) Computed based on enlarged issued and paid up share capital of 225,000,000 Shares
- (2) Computed based on enlarged issued and paid up share capital of 247,500,000 Shares
- (3) The ESOS is 10% of the enlarged issued and paid-up share capital upon listing

The restriction, which is fully accepted by the shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the shareholders, which are under moratorium to ensure that KeyWest's registrars do not register any transfer not in compliance with the restriction imposed by Rule 2.10 of the Listing Requirements. The shareholders have provided an undertaking that they shall not sell, transfer or assign their respective shareholdings under moratorium in accordance with the Listing Requirements.

The sole shareholder of B-Network Co. Ltd., namely Alfred Yong Kah Soon, has also provided an undertaking that he shall not sell, transfer or assign his shareholding in B-Network Co. Ltd. during the moratorium period.

The endorsement affixed on the share certificates of KeyWest is as follows:-

*"The shares comprised herein are not capable of being sold, transferred or assigned for the period as determined by the Securities Commission ("**moratorium period**"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificates will be issued to replace this certificate during the moratorium period unless the same shall be endorsed with this restriction".*

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7. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

7.1 EXISTING AND POTENTIAL RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Save as disclosed in Sections 7.6 and Section 7.7, as at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the promoters, directors, substantial shareholders and key management and key technical personnel, and/or persons connected with them, are engaged in any existing and potential related party transaction, and there is no conflict of interest in relation to the KeyWest Group and its related parties.

7.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which KeyWest or any of its parent or subsidiaries was a party in respect of the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of the Prospectus.

7.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

There is no other outstanding loans (including guarantees of any kind) made by KeyWest or any of its parent or subsidiaries to/for the benefit of the related parties in respect of the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of the prospectus.

KNI has given Crystal Hill Management Inc. (a company owned solely by Liaw Yueh Hwa @ Liau Yueh Hwa, mother of Alfred Yong Kah Soon) a temporary loan for CAD40,000.00 between June 2003 and August 2003. As of 15 July 2004, the loan has been fully repaid and there has been no further loan since.

TTI has given Crystal Hill Management Inc. (a company owned solely by Liaw Yueh Hwa @ Liau Yueh Hwa, mother of Alfred Yong Kah Soon) a temporary loan for CAD20,000.00 in January 2003 and June 2003, respectively, both of which, were secured by way of Promissory Notes dated 28 January 2003 and 23 June 2003. As of 15 July 2004, both loans have been fully repaid and there has been no further loan since.

7.4 INTEREST IN SIMILAR BUSINESS

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the directors or substantial shareholders and/or key management of KeyWest are interested, directly or indirectly in any business carrying on a similar trade as the Company and its subsidiary companies.

The promoters, directors and/or substantial shareholders will ensure that they will not be involved in any new business in the future, which will give rise to competition/conflict with the current business of the Group.

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7. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

7.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO YEARS PRECEDING THE DATE OF THIS PROSPECTUS

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiary and associated companies within the two (2) years preceding the date of this Prospectus.

7.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS IS INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), none of the directors and/or substantial shareholders of KeyWest has interest in any contract or arrangement, which is significant in relation to the business of the Group save for the following:-

- (i) KCI has received a shareholder's advance amounting to USD1,269,421 (as stated in the audited financial statements for the financial year ended 31 January 2004) from B-Network Co. Ltd., a corporation owned by Alfred Yong Kah Soon. The advance is unsecured, bears no interest and has no fixed terms of repayment. Pursuant to the acquisition of KCI by KeyWest, the shareholder's advance has also been acquired.
- (ii) KCI obtained an unsecured and non-interest bearing loan of up to USD95,000 from Wisenet Ltd (equally owned by Rich Paradise Ltd (a company owned solely by Lawrence Chan Wing Wong, the brother of Benjamin Wong) and B-Network Co. Ltd.) for the purposes of financing KCI's project with Vietnam Telecommunications International Ltd for international telecommunication services. Until such time the loan is paid in full, KCI will pay Wisenet a commission based on a percentage of the telecommunication traffic through the Saigon Post Telecommunications network. Under the agreement, the total commission to be paid to Wisenet is not to exceed USD335,000. The commissions accrued for the years ended 31 January 2003 and 2004 were USD280,718 and USD54,282 respectively. As of 31 January 2005, the net outstanding commission payable to Wisenet is USD93,888 and the outstanding loan was USD95,000. Wisenet has also provided KCI and its subsidiaries net advances of USD130,652 as of 31 January 2005. The outstanding commission payable and the loan are unsecured, bear no interest and have no fixed terms of repayment.

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7. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

7.7 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

Save as disclosed below, there are no other recurrent related party transactions of revenue or trading in nature involving the directors and/or substantial shareholders of KeyWest:-

- (i) KCHK has a consulting agreement with B-Network Co. Ltd. (a company owned solely by Alfred Yong Kah Soon, the Promoter and Managing Director of KeyWest). The initial monthly consulting fee was USD5,000 and was subsequently increased to USD7,500.
- (ii) KCI has a consulting agreement with Rich Paradise Limited (a company owned solely by Lawrence Chan Wing Wong, the brother of Benjamin Wong). The initial monthly consulting fee was USD5,000 and was subsequently increased to USD7,500.
- (iii) Crystal Hill Management Inc. (a company owned solely by Liaw Yueh Hwa @ Liau Yueh Hwa, mother of Alfred Yong Kah Soon, the Promoter and Managing Director of KeyWest and spouse of Yong Chon Yew @ Yong Chon Yu, a director of KeyWest) entered into a consulting agreement with TTI for a monthly consulting fee of CAD5,400 and was subsequently increased to CAD6,700 on 1 September 2004.

The above consulting agreements are for, inter alia, the provision of business development.

7.8 DECLARATION BY THE ADVISERS

AmMerchant Bank hereby confirm that there is no conflict of interest with respect of their capacity as Adviser to the Group for the IPO.

Messrs. Zaid Ibrahim & Co hereby confirm that there is no conflict of interest with respect of their capacity as Solicitors to the Group for the IPO.

Messrs. Harneys Westwood & Riegels, Bruce Bragagnolo Law Corporation, Cheok Sankaran Halim, Preston Gates & Ellis LLP, Preston Gates & Ellis and Gordon & Johnstone confirm that there is no conflict of interest with respect of their capacity as the sources of experts' reports to the Group for the IPO.

Messrs. Harneys Westwood & Riegels, Bruce Bragagnolo Law Corporation, Cheok Sankaran Halim, Preston Gates & Ellis LLP and Preston Gates & Ellis confirm that there is no conflict of interest with respect of their capacity as the sources of legal opinions to the Group for the IPO.

Messrs. Ernst and Young hereby confirm that there is no conflict of interest with respect of their capacity as Reporting Accountants to the Group for the IPO.

IDC hereby confirm that there is no conflict of interest with respect of their capacity as Independent Market Researcher to the Group for the IPO.

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8. FINANCIAL INFORMATION**8.1 HISTORICAL FINANCIAL INFORMATION**

This proforma consolidated results has been extracted from the Accountants' Report set out in Section 9 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The following table sets out a summary of the proforma consolidated results of the Group for the past four (4) financial period/ years ended 31 January 2002, 2003, 2004 and 2005 (proforma) presented for illustrative purposes only and on the assumption that the Group has been in existence throughout the period under review.

Financial period/years ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
Revenue	25,070	103,655	108,067	115,174
Cost of sales	(23,695)	(98,274)	(94,523)	(100,476)
Gross Profit	1,375	5,381	13,544	14,698
Foreign exchange gain	81	46	24	116
Other income	-	-	-	34
R & D expenses	-	(182)	(492)	(544)
Other operating expenses	(1,255)	(3,963)	(10,545)	(10,459)
Profit before depreciation, amortisation, interest and taxation	201	1,282	2,531	3,845
Depreciation	(484)	(1,077)	(1,166)	(1,152)
Amortisation	-	(26)	(71)	(75)
Finance income	1	14	115	104
Finance expense	-	#	-	(7)
(Loss)/profit before taxation and before exceptional item	(282)	193	1,409	2,715
Exceptional item	-	-	-	(190)
(Loss)/profit before taxation and after exceptional item	(282)	193	1,409	2,525
Taxation	-	(179)	(417)	(915)
(Loss)/profit after taxation	(282)	14	992	1,610
No. of ordinary shares of RM0.10 each assumed in issue throughout the period ('000) ^	110,000	110,000	110,000	110,000
Gross (loss)/earnings per share (sen)	(0.26)	0.18	1.28	2.30
Net (loss)/earnings per share (sen)	(0.26)	0.01	0.90	1.46

Less than RM1,000 (Actual amount = RM339)

^ Based on the issued and paid-up share capital of KeyWest after the Acquisitions and Rights Issue but before Public Issue

The analysis on historical financial information and the detailed commentaries on the historical performance of the Group are set out in Section 8.2 and in the Accountants' Report included in Section 9 of this Prospectus respectively.

The financial statements of the KeyWest Group for the years under review were not subjected to any audit qualification.

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8. FINANCIAL INFORMATION (Cont'd)**8.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION****8.2.1 Segmental Analysis of Revenue and Operating Profit****Analysis of Revenue by Corporations:-**

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
KCI Group	24,999	101,483	98,793	106,017
KNI Group	2,707	8,180	12,167	13,575
TTI Group	-	4,429	15,760	17,649
KCB	-	-	-	-
KCSB	-	-	-	-
VSCB	-	-	-	174
Consolidated adjustments	(2,636)	(10,437)	(18,653)	(22,241)
Proforma Consolidated Revenue	25,070	103,655	108,067	115,174

Analysis of Revenue by Segment:-

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
Wholesale	25,070	99,226	92,307	97,525
Retail	-	4,429	15,760	17,649
Proforma Consolidated Revenue	25,070	103,655	108,067	115,174

Analysis of Revenue by Geographical Location:-

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
United States of America	22,570	95,310	90,063	91,509
Canada	2,498	8,346	17,294	18,043
Hong Kong	2	(1)	677	5,349
Australia	-	-	33	273
Malaysia	-	-	-	-
Proforma Consolidated Revenue	25,070	103,655	108,067	115,174

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8. FINANCIAL INFORMATION (Cont'd)**Analysis of Operating (Loss) / Profits by Corporations:-**

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
KCI Group	(48)	(1)	1,301	1,526
KNI Group	(234)	(98)	384	452
TTI Group	-	295	(280)	557
KCB	-	-	-	(12)
KCSB	-	(3)	(1)	(3)
VSCB	-	-	5	8
KGTB	-	-	-	(3)
Operating (loss)/profit	(282)	193	1,409	2,525

Analysis of Operating (Loss) / Profits by Geographical Location:-

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
United States of America	(10)	(2)	721	1,742
Canada	(234)	197	209	1,143
Hong Kong	(38)	1	611	(206)
Australia	-	-	(136)	(144)
Malaysia	-	(3)	4	2
Brunei	-	-	-	(12)
Operating (loss)/profit	(282)	193	1,409	2,525

Analysis of Operating (Loss) / Profits by Segment:-

Period/Financial year ended 31 January	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)	2005 (RM'000)
Wholesale	(282)	(102)	1,684	1,961
Retail	-	295	(275)	564
Operating (loss)/profit	(282)	193	1,409	2,525

8.2.2 Overview of Revenue and Operating Profit

- (i) Revenue of the Group is mainly derived from the wholesale and retail sales of telecommunications services. The wholesale segment essentially involves the supply of telecommunications traffic minutes and other value-added services to telecommunications carriers, providers and resellers for resale to their own subscriber base. The wholesale segment covers the KCI group, KNI group, KCB and KCSB whose customers include SingTel, DiGi, France Telecom and MCI. The bulk of the Group's revenue is generated from the wholesale segment and accounts for approximately 85% of the Group's total revenue.

8. FINANCIAL INFORMATION (Cont'd)

On the other hand, the retail business segment involves the provision of domestic and international telecommunications and internet services, targets both corporate and individual/ residential end-users. The companies under the retail segment are TTI group and VCSB. VCSB has no retail sales and only provides support services for telecommunication companies in the retail sector.

- (ii) The USA represents the largest market for the Group as most major telecommunications companies have network presence there. Meanwhile, revenue derived from Canada represents the main market of the Group's revenue generated from the retail segment.
- (iii) During the financial period ended 31 January 2002, only six (6) companies within the Group were incorporated (namely, KCI, KCUSA, KCHK, KNI, KCC and KCSB), with KCI commencing operations in March 2001 and KCUSA, KCHK and KNI commencing operations in April 2001. Hence, the financial results of the Group were generated by the wholesale segment and covered a ten – (10) month period only. In addition, the Group recorded modest revenue during the period as a substantial amount of time and resources were dedicated to establishing the necessary networks infrastructure during this start-up phase, building credibility and reputation with customers and strategic alliances with vendors.
- (iv) The significant increase in revenue during the financial year ended 31 January 2003 were mainly attributable to the expanding customer base as a result of improved credibility and reputation, consolidation of network and management's aggressive pricing policy. Furthermore, revenues and profits from the retail segment, which commenced operations in the fourth quarter of 2003 were booked in during the year.
- (v) The Group continued to exhibit growth during the financial year ended 31 January 2004 as the Group built on its reputation and credibility and broaden the coverage of destinations offered.
- (vi) During the financial year ended 31 January 2005, revenue continued to grow in the wholesale and retail sectors while cost controls allowed Group selling and administration costs to remain consistent with the prior year. Revenue growth was mainly attributed to the sourcing of new vendors with favourable routes.

8.2.3 Impact of Foreign Exchange / Interest Rates / Commodity Prices on Operating Profits

Given that the Group consists of companies in various countries comprising Malaysia, USA, Canada, the British Virgin Islands, Hong Kong, Australia and Brunei, the Group's operating profits are therefore exposed to risk of foreign currency fluctuations. However, during the financial period/years under review, the impact of foreign currency transactions denominated in USD is limited as the RM is pegged to USD at USD1.00 to RM3.80.

Save as disclosed in Sections 1.10 and 8.4 of this Prospectus, during the financial period/years under review, the Group does not have any borrowing from any financial institutions, loan capital outstanding or created but unissued, mortgages or charges outstanding, convertible debt outstanding or any other borrowings and is therefore, not exposed to the risk of interest rate fluctuations.

8. FINANCIAL INFORMATION (Cont'd)

8.2.4 Taxation

The Group's taxation represents the consolidation of the taxation expense of the various companies within the Group and is computed vis-à-vis the respective tax jurisdiction and legislation of the various countries of operation.

8.2.5 Exceptional and Extraordinary Items

Based on the audited financial statements of the companies within the KeyWest Group, there were no exceptional and extraordinary items for the period ended 31 January 2005 save for the exceptional item relating to the write-down of the carrying value of investment in VTIL amounting to HKD390,000 (approximately RM190,000) by KCHK in 2005 as the operations of VTIL no longer exists and it has been struck off the registry in the British Virgin Islands.

8.3 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS

Save as disclosed in Sections 3 and 8.2 of this Prospectus, as at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), the Directors are of the view that the financial performance, position and operations of the Group are not affected by any of the following:-

- (i) Known trends, demands, commitments, events or uncertainties that have had, or that the Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) Material capital commitments;
- (iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group;
- (iv) Substantial increase in revenue due to prices, volume of goods/services sold, introduction of new products/services and other factors; and
- (v) Known events, circumstances, trends, uncertainties and commitments that are likely to make the historical financial statements not indicative of future financial performance and position.

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8. FINANCIAL INFORMATION (Cont'd)**8.4 WORKING CAPITAL, MATERIAL LITIGATION, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENT****(i) Working Capital**

The directors of KeyWest are of the opinion that, after taking into consideration the cashflow position and the net proceeds from the Rights Issue and the Public Issue, the KeyWest Group will have adequate working capital for a period of not less than twelve (12) months.

(ii) Material Litigation

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of KeyWest or its subsidiaries.

(iii) Borrowings

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), the Group has no borrowings in the form of term loans, trust receipts, letters of credit, banker's acceptance and hire-purchase financing save for the following:-

- a) KCSB having a Bank Guarantee Facility of up to USD70,000 to be used as security for the International Telecommunications Services Agreement between Maxis International Sdn Bhd and KCHK. As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), KCSB has utilised USD30,000 of this Bank Guarantee Facility.
- b) On 21 January 2005, KCUSA borrowed USD130,000 from one of its customers, Total Call International Inc. The loan was repayable in full on 15 April 2005 and bears interest at 6% per annum. Total Call International Inc. has agreed to repayment of the loan by way of offsetting receivables amounting to USD10,000 (RM38,000) a week, commencing 15 April 2005, payable weekly for 13 weeks until the loan is fully repaid. As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), only USD10,000 (out of the total amount of USD130,000 borrowed) remain outstanding.

(iv) Contingent Liabilities

There is no contingent liabilities incurred by the KeyWest Group as at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus).

(v) Material Commitments

As at 30 June 2005 (being the latest practicable date prior to the issuance of this Prospectus), there are no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.

8. FINANCIAL INFORMATION (Cont'd)**8.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF KEYWEST AS AT 31 JANUARY 2005**

The Proforma Consolidated Balance Sheets as at 31 January 2005 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of KeyWest Group, had the Listing Scheme been effected on that date.

Proforma Balance Sheet as at 31 January 2005		⁽¹⁾ Proforma I	⁽²⁾ Proforma II	⁽³⁾ Proforma III	⁽⁴⁾ Proforma IV	⁽⁵⁾ Proforma V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS						
Plant and equipment	-	5,091	5,091	5,091	15,091	15,091
Research and development costs	-	-	-	-	2,700	2,700
Goodwill	-	988	988	988	988	988
	-	6,079	6,079	6,079	18,779	18,779
CURRENT ASSETS						
Expenses carried forward	956	956	956	956	-	-
Amount due from related parties	-	365	365	365	365	365
Other receivables	-	732	732	732	732	732
Trade receivables	-	9,715	9,715	9,715	9,715	9,715
Cash and bank balances	*	1,147	6,543	21,343	7,366	12,991
	956	12,915	18,311	33,111	18,178	23,803
CURRENT LIABILITIES						
Provision for liabilities	-	693	693	693	693	693
Deferred tax liability	-	64	64	64	64	64
Amount due to related companies	956	-	-	-	-	-
Amount due to related parties	-	1,417	1,417	1,417	1,417	1,417
Other payables and accruals	3	1,729	1,729	1,729	1,729	1,729
Trade payables	-	5,862	5,862	5,862	5,629	5,629
Loan payable	-	494	494	494	494	494
Tax payable	-	1,381	1,381	1,381	1,381	1,381
	959	11,640	11,640	11,640	11,407	11,407
NET CURRENT ASSETS	(3)	1,275	6,671	21,471	6,771	12,396
	(3)	7,354	12,750	27,550	25,550	31,175
FINANCED BY:						
Share capital	*	5,604	11,000	15,000	22,500	24,750
Share premium	-	-	-	10,800	1,300	4,675
Reserve on consolidation	-	1,754	1,754	1,754	1,754	1,754
(Accumulated losses)	(3)	(4)	(4)	(4)	(4)	(4)
	(3)	7,354	12,750	27,550	25,550	31,175
Net tangible (liabilities)/assets per ordinary share (RM)	(1,500)	0.11	0.11	0.18	0.11	0.12

* The paid-up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each. On 21 February 2005 KeyWest subdivided the paid-up share capital into 20 ordinary shares of RM0.10 each.

- Notes:-
- (1) Proforma I – Incorporates the Subdivision of shares and Acquisitions.
 - (2) Proforma II – Incorporates Proforma I and the Rights Issue of 53,964,884 Shares at an issue price of RM0.10 per share on a pro-rata basis to its shareholders after the Acquisitions
 - (3) Proforma III – Incorporates Proforma II and the Public Issue of 40,000,000 Shares at an Issue Price of RM0.37 per share.
 - (4) Proforma IV – Incorporates Proforma III, the Bonus Issue of 75,000,000 Shares via the capitalisation of the share premium account arising from the Public Issue and utilisation of proceeds arising from the Rights Issue and Public Issue. The listing expenses of RM2 million are set off against the share premium account.
 - (5) Proforma V – Incorporates Proforma IV and assumes that the ESOS of 22,500,000 Shares is fully exercised at an exercise price equivalent to the Issue Price of RM0.25 per Share.

8. FINANCIAL INFORMATION (Cont'd)

Detailed Proforma Consolidated Balance Sheets and the Reporting Accountants' Report thereon are set out in Sections 8.5 and 8.9, respectively.

8.6 MOVEMENTS IN THE SHARE CAPITAL, SHARE PREMIUM AND RESERVES

The movements in the share capital and share premium account of the Company are as follows:-

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Accumulated Losses RM'000	Total RM'000	Accumulated Total RM'000
As at 31 January 2005	-	-	-	(3)	(3)	(3)
Proforma I: Subdivision and Acquisitions	5,604	-	1,754	(1)	7,357	7,354
Proforma II: Rights Issue	5,396	-	-	-	5,396	12,750
Proforma III: Public Issue	4,000	10,800	-	-	14,800	27,550
Proforma IV: Bonus Issue #	7,500	(9,500)	-	-	(2,000)	25,550
Proforma V: ESOS	2,250	3,375	-	-	5,625	31,175

* The paid-up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each. On 21 February 2005, KeyWest subdivided the paid-up share capital into 20 ordinary shares of RM0.10 each.

Incorporates utilisation of proceeds arising from the Rights Issue and Public Issue. The listing expenses of RM2 million are set off against the share premium account.

8.7 DIVIDEND POLICY

No dividend has been declared or paid by KeyWest and/or its subsidiary companies during the relevant period/years under review. However, it will be the policy of the Group to recommend dividends to allow shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Group. The dividends to be declared or paid will be dependent upon the performance of its subsidiary companies as well as its subsidiary companies' capital requirements.

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8. FINANCIAL INFORMATION (Cont'd)**8.8 AGING ANALYSIS**

For the financial year ended 31 January 2005, the trade receivables (excluding revenue yet to be invoiced and provision for doubtful debts) of the KeyWest Group is RM5 million.

The aging analysis of the KeyWest Group's trade receivables are set out below.

	Within Credit period	Exceeding credit period			Total
	Current RM'000	1 – 30 days RM'000	31 – 60 days RM'000	> 60 days RM'000	
Trade receivables	2,259	1,174	333	1,661	5,427
Provision for doubtful debts	-	-	(1)	(423)	(424)
Net receivables	2,259	1,174	332	1,238	5,003
	45%	23%	7%	25%	100%

The credit terms granted to the Telco customers ranges between 2 to 90 days. Apart from a few large customers who are on longer credit terms, the majority of debtors in the Group is on less than 15 days net term. As at 10 May 2005, out of the above amount of around RM3.2 million exceeding the credit period, approximately RM2.8 million has been collected.

The Group has put in place control measures such as credit check on new customers and prompt follow-up on overdue accounts. The Group also makes adequate provisions for doubtful accounts and reviews the provisions on a regular basis.

The Group has made sufficient provision for trade receivables outstanding that has exceeded the normal credit period granted as at 31 January 2005. Please refer to the Independent Opinion on Provision for Trade Receivables from the Reporting Accountants in Section 8.10.

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8. FINANCIAL INFORMATION (Cont'd)

8.9 REPORTING ACCOUNTANTS' REPORT ON PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 JANUARY 2005



AF: 0039

■ Chartered Accountants
4th Floor, Kompleks Antarabangsa
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50704 Kuala Lumpur, Malaysia

REPORTING ACCOUNTANTS' REPORT ON PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 JANUARY 2005

(Prepared for inclusion in this Prospectus)

22 July 2005

The Board of Directors
Key West Global Telecommunications Berhad
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur

Dear Sirs,

**KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD ("KeyWest")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 JANUARY 2005**

We report on the proforma consolidated balance sheet set out in the accompanying statement (which is included in this Prospectus to be dated 29 July 2005, which have been prepared for illustrative purposes only, to provide information about how the consolidated balance sheet of Key West Global Telecommunications Berhad ("KeyWest") and its subsidiaries ("the Group") as at 31 January 2005 that has been presented might have been affected by the following proposals had the proposals been completed on that date:-

- (a) Subdivision of the par value of the existing ordinary shares in KeyWest from RM1.00 each to RM0.10 each ("Subdivision of Shares");
- (b) Acquisitions of Keywest Communications Inc. ("KCI"), KeyWest Networks (Canada) Inc. ("KNI"), Times Telecom Inc. ("TTI"), Keywest Communications Sdn Bhd (Brunei) ("KCB"), Key West Communications Sdn Bhd (Malaysia) ("KCSB") and Voicestar Communications Sdn Bhd ("VCSB") ("Acquisitions");
- (c) Rights issue of 53,964,884 new ordinary shares in KeyWest at an issue price of RM0.10 per share on a pro-rata basis to its shareholders after the Acquisitions ("Rights Issue");
- (d) Public issue of 40,000,000 new ordinary shares of RM0.10 each in KeyWest at an issue price of RM0.37 per ordinary share ("Public Issue");
- (e) Bonus issue of 75,000,000 new ordinary shares of RM0.10 each in KeyWest to be issued to all shareholders of KeyWest after the Rights Issue and Public Issue on the basis of one (1) new ordinary share of RM0.10 each for every two (2) ordinary shares of RM0.10 each held in KeyWest ("Bonus Issue");

8. FINANCIAL INFORMATION (Cont'd)



AF: 0039

- (f) Admission to the Official List of the Bursa Malaysia Securities Berhad and the listing of and quotation for the entire enlarged issued and paid-up share capital of RM22,500,000 comprising 225,000,000 ordinary shares of RM0.10 each in KeyWest on the MESDAQ Market ("Listing"); and
- (g) Employee Share Option Scheme ("ESOS") of up to 10% of the issued and paid-up share capital of KeyWest at any time during the existence of the ESOS, to the directors and eligible employees of the Group at the exercise price of RM0.25 per ordinary share.

It is the responsibility solely of the directors of KeyWest to prepare the proforma consolidated balance sheets in accordance with the requirements of the Securities Commission Prospectus Guidelines in respect of Public Offerings ("the Guidelines").

It is our responsibility to form an opinion, as required by the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the proforma consolidated balance sheets with the responsible officers of the Group. Our work involved no independent examination of any of the underlying financial information other than our audit of the financial statements of KeyWest, KCSB and VCSB as at 31 January 2005, on which we reported to the members of the respective companies as of the date of our report.

In our opinion:-

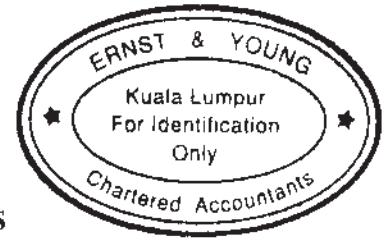
- (a) the proforma consolidated balance sheets have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the above proposals:-
 - (i) such bases are consistent with the accounting policies of KeyWest; and
 - (ii) the adjustments set out are appropriate for the purposes of the proforma consolidated balance sheets pursuant to the Guidelines.

The accompanying proforma balance sheets and this letter have been prepared for inclusion in the prospectus in connection with the above proposals. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

ERNST & YOUNG
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia

Yeo Eng Seng
1212/12/06(J)
Partner



**KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS**

The proforma consolidated balance sheets have been prepared for illustrative purposes only by consolidating the financial statements of KeyWest as at 31 January 2005, the audited consolidated financial statements of Keywest Communications Inc. ("KCI"), KeyWest Networks (Canada) Inc. ("KNI") and Times Telecom Inc. ("TTI") and audited financial statements of Key West Communications Sdn Bhd ("KCSB"), Voicestar Communications Sdn Bhd ("VCSB") and Keywest Communications Sdn Bhd (Brunei) ("KCB") as at 31 January 2005. The proforma consolidated balance sheets have been prepared based on accounting policies of KeyWest as disclosed in the audited financial statements for the financial period ended 31 January 2005.

The proforma consolidated balance sheets of KeyWest should be read in conjunction with the notes thereto:

1) **Proforma I**

Proforma I is stated after incorporating the effects of the following:

- (a) Subdivision of the par value of the existing ordinary shares in KeyWest from RM1.00 each into RM0.10 each.
- (b) Acquisitions of the following companies:-
 - (i) KCI

Acquisition by KeyWest of the entire issued and paid-up share capital of KCI comprising 10,000 common shares of USD1.00 each and a shareholder's advance from its existing shareholders for a purchase consideration of RM5,603,509.60. The purchase consideration of the shares and shareholder's advance was satisfied by the issuance of 56,035,096 new shares in KeyWest.

The acquisition of KCI was completed on 28 February 2005.

- (ii) KNI

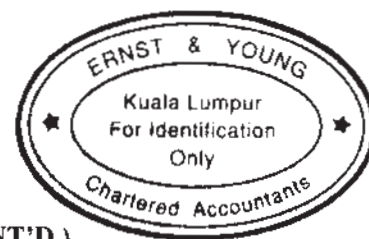
Acquisition by KeyWest of the entire issued and paid-up share capital of KNI comprising 100 common shares without par value from its existing shareholder for a purchase consideration of RM2.00. The purchase consideration was satisfied by way of cash payment.

The acquisition of KNI was completed on 28 February 2005.

- (iii) TTI

Acquisition by KeyWest of the entire issued and paid-up share capital of TTI comprising 100,000 common shares without par value from its existing shareholders for a purchase consideration of RM2.00. The purchase consideration was satisfied by way of cash payment.

The acquisition of TTI was completed on 28 February 2005.

8. FINANCIAL INFORMATION (Cont'd)
KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D.)

(iv) KCSB

Acquisition by KeyWest of the entire issued and paid-up share capital of KCSB comprising 2 ordinary shares of RM1.00 each from its existing shareholders for a purchase consideration of RM2.00. The purchase consideration was satisfied by way of cash payment.

The acquisition of KCSB was completed on 28 February 2005.

(v) VCSB

Acquisition by KeyWest of the entire issued and paid-up share capital of VCSB comprising 2 ordinary shares of RM1.00 each from its existing shareholders for a purchase consideration of RM4,783. The purchase consideration was satisfied by way of cash payment.

The acquisition of VCSB was completed on 28 February 2005.

(vi) KCB

Acquisition by KeyWest of 99% of the issued and paid-up share capital of KCB, comprising 99 ordinary shares of BND1.00 each from its existing shareholders for a purchase consideration of RM2.00. The purchase consideration was satisfied by way of cash payment.

The acquisition of KCB was completed on 28 February 2005.

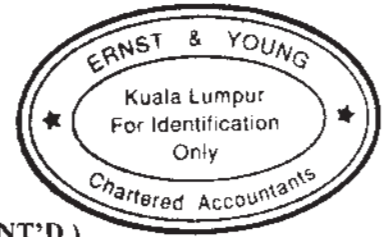
(collectively referred to as "Acquisitions")

The above Acquisitions can be illustrated as below:-

Name of companies to be acquired	Effective % of equity interest acquired	Settlement of shareholders advance RM	Purchase consideration RM	No. of KeyWest shares issued	Share of net assets/ liabilities RM	Goodwill/ reserve on acquisition RM
KCI	100	4,823,800	779,710	56,035,096	1,837,094*	(1,057,384)**
KN1	100	-	2	-	239,779	(239,777)
TT1	100	-	2	-	469,034	(469,032)
KCSB	100	-	2	-	(7,788)	7,790
VCSB	100	-	4,783	-	12,688	(7,905)
KCB	99	-	2	-	(12,406)	12,408
Total		4,823,800	784,501	56,035,096	2,538,401	(1,753,900)

* Before capitalisation of shareholder's advance

** After capitalisation of shareholder's advance

8. FINANCIAL INFORMATION (Cont'd)
KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D.)
2) Proforma II

Proforma II is stated after incorporating the effects of Proforma I and the effects of rights issue of 53,964,884 new ordinary shares in KeyWest at an issue price of RM0.10 per share on a pro-rata basis to its shareholders after the Acquisitions ("Rights Issue").

3) Proforma III

Proforma III is stated after incorporating the effects of Proforma II and the effects of a public issue of 40,000,000 new ordinary shares of RM0.10 each in KeyWest at an issue price of RM0.37 per ordinary share ("Public Issue").

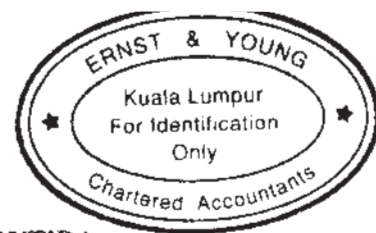
4) Proforma IV

Proforma IV is stated after incorporating the effects of Proforma III and the effects of the following:-

- (a) Bonus issue of 75,000,000 new ordinary shares of RM0.10 each to be issued to all shareholders of KeyWest after the Rights Issue and Public Issue on the basis of one (1) new ordinary share of RM0.10 each for every two (2) ordinary shares of RM0.10 each held in KeyWest ("Bonus Issue"). The Bonus Issue will be capitalised from the share premium account.
- (b) Utilisation of the proceeds expected from the Rights Issue and Public Issue amounting to approximately RM20.196 million in the following manner:

	RM'000
Capital expenditure	10,000
Research and development expenditure	2,700
Working capital	5,496
Estimated listing expenditure	2,000
	20,196

Out of the estimated listing expenditure of RM2 million, an amount of RM955,776 has been incurred as at 31 January 2005 in which a balance of approximately RM233,000 has been accrued and remains unpaid as at 31 January 2005. The balance of RM1,277,490 will be settled vide the proceeds above. The estimated listing expenditure of RM2 million will be set off against the share premium account and the expenses carried forward of RM955,776 will be credited against this share premium account.

8. FINANCIAL INFORMATION (Cont'd)
KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D.)
5) **Proforma V**

Proforma V is stated after incorporating the effects of Proforma IV and the effects of an Employee Share Option Scheme ("ESOS") of up to 10% of the issued and paid-up share capital of KeyWest at any time during the existence of the ESOS, to the directors and eligible employees of the Group.

When enforced, the directors of KeyWest will grant up to 22,500,000 options to directors and eligible employees of the Group ("Initial Grant") at an exercise price of RM0.25 per ordinary share.

6) **Share Capital, Share Premium and Reserve on Consolidation**

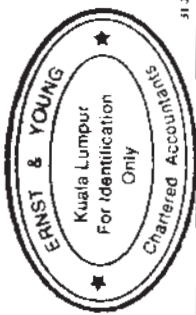
The movements in the proforma share capital, share premium and reserve on consolidation accounts are as follows:-

	←-----Proforma-----→		
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000
As at 31 January 2005	*	-	-
Proforma I			
Arising from Acquisitions	5,604	-	1,754
	5,604	-	1,754
Proforma II			
Arising from Rights Issue	5,396	-	-
	11,000	-	1,754
Proforma III			
Arising from Public Issue	4,000	10,800	-
	15,000	10,800	1,754
Proforma IV			
Arising from Bonus Issue and Utilisation of Proceeds	7,500	(9,500)	-
	22,500	1,300	1,754
Proforma V			
Arising from ESOS	2,250	3,375	-
	24,750	4,675	1,754

* RM2

8. FINANCIAL INFORMATION (Cont'd)

KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD
 PROFIT/LOSS CONSOLIDATED BALANCE SHEETS AS AT 31 JANUARY 2005



	As at 31 January 2005	Adjustment I	Adjustment II	Adjustment III	Adjustment III	Adjustment IV	Adjustment V	Adjustment V	Adjustment V
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS									
Plant and equipment	5,091	5,091		5,091	10,000	15,091		15,091	
Research and development costs	-	-	-	-	2,700	2,700		2,700	
Goodwill	988	988	988	988	988	988		988	
		6,079		6,079		18,779		18,779	
CURRENT ASSETS									
Expenses carried forward	956	956		956	19,504				
Amount due from related parties	465	465		465		365		365	
Other receivables	732	732		732		732		732	
Trade receivables	9,715	9,715		9,715		9,715		9,715	
Cash and bank balances	1,847	1,847	5,390	14,800	14,343	7,366	5,625	12,991	
	956	12,915		18,311		18,178		23,803	
CURRENT LIABILITIES									
Provision for liabilities	693	693		693		693		693	
Deferred tax liability	64	64		64		64		64	
Amount due to related companies	1979	1979		1,417					
Amount due to related parties	1,417	1,417		1,417		1,417		1,417	
Other payables and accounts	1,726	1,726		1,726		1,726		1,726	
Trade payables	5,862	5,862		5,862	12,331	5,629		5,629	
Loan payable	494	494		494		494		494	
Tax payable	1,381	1,381		1,381		1,381		1,381	
	959	11,640		11,640		11,482		11,482	
NET CURRENT ASSETS	(3)	1,275		6,671	21,471	6,371		12,396	
		2,672		12,980		25,850		31,175	
FINANCED BY:									
Share capital	5,004	5,004	5,806	10,000	10,000	22,500	2,250	24,750	
Share premium	-	-	-	10,800	10,800	1,309	3,335	4,675	
Reserves consolidation	1,754	1,754		1,754		1,754		1,754	
Accumulated losses	(3)	(3)	(4)	(4)	(4)	(4)		(4)	
		2,154		12,250		25,550		31,175	
Net long-term debt/long-term advances against share (RM)		0.11		0.11		0.11		0.12	

8. FINANCIAL INFORMATION (Cont'd)**8.10. INDEPENDENT OPINION ON PROVISION FOR TRADE RECEIVABLES**

■ Chartered Accountants
4th Floor, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

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Fax : (03) 2141-0676
(03) 2144-5619
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Mail Address:
P.O. Box 10068
50704 Kuala Lumpur, Malaysia

(Prepared for inclusion in this Prospectus)

22 July 2005

The Board of Directors
Key West Global Telecommunications Berhad
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur

Dear Sir,

**KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD (“KeyWest”)
PROPOSED LISTING ON MESDAQ MARKET OF BURSA MALAYSIA SECURITIES
BERHAD (“Proposed Listing”)**

We refer to the letter of approval dated 7 February 2005 from the Securities Commission (“SC”) on the Proposed Listing (“Approval Letter”). Particular reference is made to the condition imposed by the SC under item 1.2(i)(e) of the Approval Letter to make full provision for trade receivables outstanding that has exceeded the normal credit period granted in KeyWest and its subsidiaries (“Group”), unless it can be justified that the outstanding amount can be collected for inclusion in the Prospectus of KeyWest to be dated 29 July 2005.

Based on the proforma consolidated financial statements of KeyWest as at 31 January 2005, trade receivables consist of the following:

	RM'000
Total trade receivables	10,139
Provision for doubtful debts	(424)
Net receivables	<u>9,715</u>

The normal credit term granted to trade receivables are between 2 to 90 days. Apart from a few large customers who are on higher credit terms, the majority of debtors in the Group are on credit term of less than 15 days.

Our review of the trade receivables which has exceeded the normal credit period granted by the Group as at 31 January 2005 was performed on a test basis based on evidence considered relevant to the amounts. The scope of our review included the following procedures:-

- (i) agree collections subsequent to 31 January 2005 up to the date of 10 May 2005 to the relevant supporting documents; and
- (ii) enquire management of the current credit standings of customers with balances exceeding their credit terms.

8. FINANCIAL INFORMATION (Cont'd)



From the procedures performed by us, we noted that subsequent to 31 January 2005, approximately RM2.80 million, representing 88% of debtor balances exceeding credit period of about RM3.17 million have been received as at 10 May 2005.

We believe our review provides a reasonable basis for our opinion with regards to the trade receivables which has exceeded the normal credit period granted by the Group as at 31 January 2005.

Based on our review of the procedures stated in the above paragraphs, in our opinion, nothing has come to our attention which:-

- (i) requires allowance to be made for debts which has exceeded the normal credit period granted by the Group as at 31 January 2005; and
- (ii) causes us to believe that the allowance for doubtful debts of about RM424,000 as set out in the proforma consolidated financial statements of KeyWest as at 31 January 2005 were not adequate for debts which has exceeded the normal credit period granted by the Group as at 31 January 2005.

We understand that this letter has been requested as part of the Securities Commission's approval of the Group's Proposed Listing and will be used solely for the purpose stated above. As such, this letter should not be used for any other purpose without our written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'EY' followed by a flourish.

ERNST & YOUNG
AF:0039
Chartered Accountants
Kuala Lumpur, Malaysia

A handwritten signature in black ink, appearing to be 'YEO' followed by a flourish.

YEO ENG SENG
1212/12/06(J)
Partner