
11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
Touche
Tohmatsu**

Prognosis: A medium growth prospect for VOIP consulting/advisory services. An opportunity area for the EDARAN Group to provide consulting services to existing large scale customers, particularly high usage international traffic users. A logical service set resident in the EDARAN Group's telecommunications based services and one which provides further opportunity to vend specialist equipment to telco customers.

Wireless Application Protocol (WAP)

The EDARAN Group consider themselves abreast of the market dynamics that will generate increasing emphasis by customers on developing new applications using WAP technology. As systems integrators with existing customer systems knowledge, the EDARAN Group consider themselves well positioned (particularly with their telecommunications industry connectivity) to exploit anticipated market pull.

Based on the forecast by Strategy Analytics Inc. (SA), global wireless data subscribers will reach 730 million by 2010 from 15 million in 1998. Overall, SA anticipates that 47% of cellular users globally will be using wireless data in some form by 2010. Western Europe and the US will have the highest rates at 75% and 73% respectively, followed by the Asia Pacific region at 33% and the rest of the world at 24%. In terms of revenue, USD123 billion will be generated from wireless data by 2010 with Western Europe accounting for nearly 44% of that amount, the US at 25%, Asia Pacific at 22% and the rest of the world accounting for the remaining 10%.

Another research institution, Ovum, states that by 2006, 80% of mobile terminals will be microbrowser-enabled, and about half of these will be competing with HTML and CHTML microbrowsers.

Based on local telecommunications uptake trends, it may not be too long before WAP becomes the driving standard in wireless telecommunications. Users now realise that they can do much more than channel voice on their handsets. With WAP, the possibilities are almost endless.

Prognosis: Extremely attractive environment for the production of new WAP m-commerce software and systems applications as well as incorporation as part of enhanced maintenance services. Opportunities for significant consulting and advisory services, particularly for the EDARAN Group as their existing customers commence large scale development of new m-commerce and web-based systems. Further attractiveness is derived from the EDARAN Group's current telecommunications industry alliance partners' drive to market the technology. Likewise, an opportunity for WAP-based specialist hardware sales and maintenance.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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'Last Mile' Operations

The EDARAN Group has identified a niche market to optimise their telecommunications industry capabilities, namely in the provision of telecommunication linkages, equipment and services to consumers/communities at the extremity of the existing PSTN (e.g. rural areas). Additionally, they see themselves developing an active role in the provision of products and services to accommodate uptake of broad bandwidth access for their corporate client base.

The opportunity in Malaysia for the EDARAN Group to render services for rural 'outreach' areas is considered high given their connectivity to the telecommunications industry and their strategic development of an extended field force. Previous experience in transmission technology will also assist significantly.

In the corporate 'last mile', market opportunities can be developed across a range of services including those emanating from telecommunications equipment provision, consulting services and potentially services sets rendered within FM or outsourcing contracts. The associated maintenance from both markets is also deemed attractive.

Prognosis: 'Last Mile' is an attractive market for the EDARAN Group. In the 'outreach' area, it links with previous transmission experience and capabilities and can leverage the proposed national/regional extensions to their field-force. In the corporate sector, there is immediate scope to offer telecommunications based services to existing customers and is a logical component within Managed Network Services. In both areas, there is perceived scope for additional hardware sales and maintenance services.

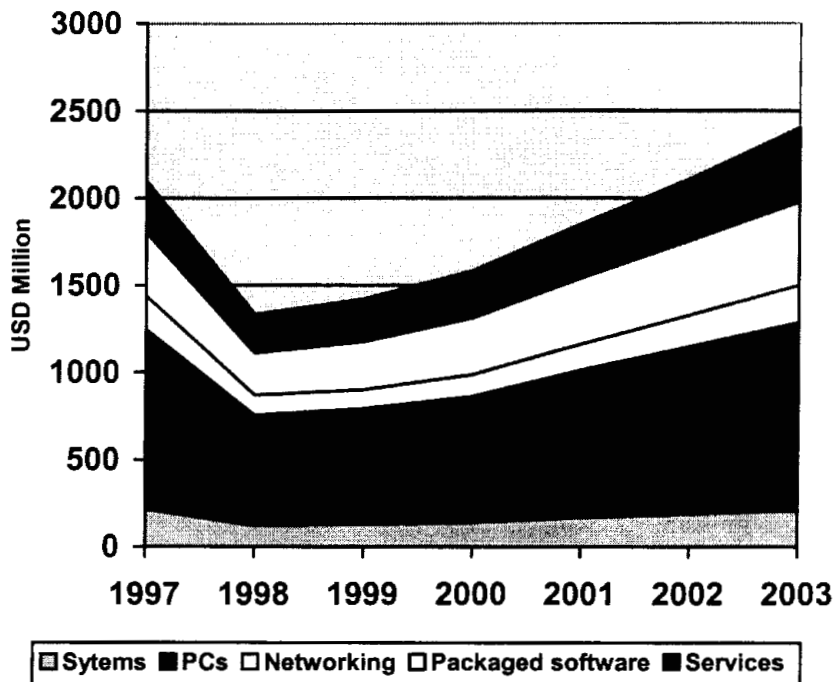
11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')**Deloitte
Touche
Tohmatsu****5.0 MALAYSIAN MARKET FOR NEW IT AND TELECOMMUNICATION RELATED SERVICES****5.5.1 IT**

During the economic and financial crisis which has been affecting the region, Malaysia experienced a severe depreciation of its currency, a plunge in the stock market from above 1000 points to about 260 points and a sharp decline in GDP growth from about 8% to about 1-2%. This consequently led to currency and stock exchange control measures being invoked by the Malaysian Government in September 1998 and the subsequent pegging of the Malaysian Ringgit to the US Dollar. Based on the following study conducted by International Data Corporation (IDC), it is their opinion that the pegging of the Malaysian Ringgit to the US Dollar will have some implications on the IT market. Prior to the control measures being announced, IDC had forecast that the Malaysian IT market would continue to register positive growth as tabulated below:

	1997 USD	1998 USD	1999 USD	2000 USD	2001 USD	2002 USD	2003 USD	CAGR %
Systems	216.2	120.8	127.8	138.3	166.8	189.2	208.4	11.5%
PCs	1,029.2	633.7	663.4	723.6	844.5	955.2	1,072.5	11.1%
Networking (Data)	191.7	116.3	107.9	123.1	148.4	181.6	214.6	13.0%
Packaged software	364.2	236.5	274.8	323.7	379.3	429.2	480.4	15.2%
Services	296.4	223.4	245.1	273.3	311.6	354.7	425.2	13.7%
Total	2,097.7	1,330.7	1,419.1	1,581.9	1,850.5	2,109.9	2,401.2	12.5%

Source: International Data Corporation, 1999

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

Deloitte
Touche
Tohmatsu*Malaysia Overall IT Market Review and Forecast by Technology Segment, 1997-2003*

Source: International Data Corporation, 1999

It was considered that services growth in 1999 would not likely reach its full potential due to two major factors; banking industry reforms and year 2000 uncertainty. Most companies ceased implementing new systems in the last quarter of 1999 due to the risk of introducing year 2000 bugs. Real growth is expected in year 2000 onwards as spending picks up again in the services sector.

However, despite the economic slump, the internet market in Malaysia (and thereon potential e-business development) has continued to experience strong growth primarily due to support from Government.

The number of internet users in Malaysia doubled between 1998 and 1999, indicating the economic crisis did not put a damper on the need to get online. IDC expects this growth to continue for the next few years, particularly with the increase in the number of active Internet Service Providers (ISPs), as well as continued encouragement of Government. Business sector growth of internet usage will be influenced by Governmental push for internet connectivity as the way for Malaysian businesses to become competitive in the global market via e-commerce.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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Continued support by Government, particularly the development of the MSC and its supporting telecommunications infrastructure, as well as the emergence of new and innovative technology and applications, will continue to spur the growth of the IT services environment in Malaysia.

Prognosis: Taking the above as a baseline, there is anticipation that the trendlines across all service categories reflect a positive outlook for the EDARAN Group. Continued interest in internet enhances the EDARAN Group's opportunity to provide telecommunications devices to telephone companies and ISPs as well as embark on development and integration projects for corporate customers. The increasing complexity of end-user telecommunications needs also lends weight to the EDARAN Group's strategic push into outsourcing and a wider/enhanced range of telecommunications and e-commerce based services.

5.5.2 Telecommunications

Mobile phone manufacturers and mobile phone network operators are enthusiastic about Wireless Application Protocol ("WAP") services in Malaysia. According to Maxis, WAP in Malaysia has taken off in the third quarter of this year and they are expecting around 50,000 WAP service subscribers by the end of this year. Celcom, on the other hand, are expecting 51% of a current 850,000 GSM customer base to be data users. Maxis and Celcom are both optimistic with respect to their commercial rollouts of WAP services in the second quarter and are hoping to generate substantial volume. Ericsson (Malaysia) Sdn Bhd predicts that 600 million global users will employ mobile internet services by the year 2004, thus making it more popular than fixed internet on personal computers. In respect to Malaysia, Ericsson predicts that mobile line subscriptions should increase to around 3.5 million by the end of year 2000 (source: May 17, 2000, Star).

The Minister of Energy, Communications and Multimedia, Datuk Amar Leo Moggie, states that local telecommunications operators have spent more than RM30 billion during the period 1995 to 1999 to provide telecommunications infrastructure in Malaysia. The country had registered a market penetration rate of 10 cellular phones for every 1,000 population, which was one of the highest in the developing world. The number of mobile customers is expected to break the six million mark or 250 for every 1000 population by the year 2005 (Star, June 9, 2000).

The Malaysian telecommunications infrastructure is deemed robust enough to stimulate growing demand for fully converged solutions.

Prognosis: WAP is driving the m-commerce movement and as such will generate customer demands for new m-commerce systems development. Likewise, telecommunications customers will generate demand for specialized equipment. In this sense, the EDARAN Group should benefit significantly across all parts of their services sets.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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Tohmatsu**

5.5.3 Overall Impact of IT and Telecommunications Trends on Maintenance Services

It is significant that the near and extended term future is marked by substantial implementation of new devices as well as anticipated continuance of desktop development.

This being the case there is potential for parallel growth in both maintenance and support business for the new systems installed. It can be expected that irrespective of measures being taken to market maintenance services, such will likely grow commensurate with market pull for 'new economy' upgraded applications development and particularly where that is driven within a systems integration or outsourcing contract.

Prognosis: It appears that the timing of the EDARAN Group's strategic thrust into the new and extended convergence market is well timed and should benefit from natural growth of the market fundamentally notwithstanding the Group's capability to market to an already attractive customer base.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')**Deloitte
Touche
Tohmatsu****6.0 APPRAISAL OF THE EDARAN GROUP'S STRENGTHS, WEAKNESSES, THREATS AND OPPORTUNITIES****6.1 STRENGTHS**❖ Organisational Uniqueness

The EDARAN Group comprises three companies, which in the past 12 years, have been involved in system integration, maintenance and training, applications development, provision of engineering services, supply of telecommunications equipment, and trading in the supply of power systems to the telecommunication industry. In essence, the EDARAN Group is a business highly focused on information technology and telecommunications. Involvement and a track record in these two industries form the basis for the EDARAN Group to extend their reach and influence across their current 'blue chip' customer base, optimising their existing capabilities as a 'convergence' oriented organisation.

❖ Customer Base

Historical track record has demonstrated the EDARAN Group's ability to deliver on major contracts to a major telecommunications company, Celcom, and several government bodies including Jabatan Kastam dan Eksais DiRaja Malaysia and Polis Diraja Malaysia, as well as private companies such as Malaysian Airline System and Bandar Baru Kelang Medical Centre. The EDARAN Group has obtained a deep understanding of and insight into its customers' needs and an in-depth understanding of the applications. It has also achieved dramatic productivity improvements. Ongoing support from this strong customer base can accelerate the demand growth on EDARAN Group's for its selected new and enhanced services.

❖ Experienced Management and Staff

A considered strength of the EDARAN Group is its horizontal and open style of management which enables decisions on project management to be made quickly and efficiently.

Level of expertise	Number
Management and professional	16
Technical and supervisory	73
Administration	16
General workers	8
Total	113

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
Touche
Tohmatsu****❖ Strong Financial Fundamentals & Credibility**

EDARAN Group has strong financial fundamentals, built up over the years, and is considered one of the more prominent Malaysian Bumiputra companies with 12 years of extensive experience in IT/telecommunications support industries. In view of this, the EDARAN Group is deemed to be a contributor to Malaysia's vision of an advanced IT and knowledge-based society and has the respect of customers and industry colleagues. It has the financial wherewithal to retain credibility as well as fund growth.

❖ Strategic Alliances

During the past years, the EDARAN Group has formed a number of strategic alliances with both local and foreign enterprises and enjoys support from worldwide organisations such as Siemens, Argus Technology, Global One and NEC. This support also provides a channel for continuous access to technical knowledge, expertise and R&D.

❖ Focused Mission and Strategy

The EDARAN Group is already a major supplier of products, systems and services for organizations wishing to capitalise on the growth of the IT and Telecommunications industry. The EDARAN Group has formulated a strategy to develop new avenues and faster means to further service its markets. With this strategy in place, The EDARAN Group's mission is to become a leading IT/Telecommunications support services company in Malaysia, providing an array of high quality products and services in line with continuous change in industry dynamics and addressing its customers' needs of convergence industry solutions.

❖ Logical and Conservative Approach

The EDARAN Group has consolidated upon a range of services rendered across a 'blue-chip' client base. The extensions to the Group's services set are a logical fit and can be assimilated straight forwardly as part of core business. Essentially, this is a 'building block' approach leveraging core competencies.

The new services also round out EDARAN Group's offerings to customers, enabling the creation of a complete 'one stop shop' approach to the market.

❖ Cross-selling Capability

The full matrix of the EDARAN Group's services conveniently cross-sell to each other. In this way, it is feasible to sell full outsourcing from an initial FM base, linking further systems integration work and maintenance - both in the IT and telecommunications domains.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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Tohmatsu**

6.2 WEAKNESSES

❖ Branding and Image

Currently, the EDARAN Group is a niche player in the IT/Telecommunications market. Customer recognition and support is high based on continuous provision of high quality services and applications. However, the EDARAN Group does not have a strong brand image in the market outside of its current customer base. This is about to be addressed through new hires and the contracting of specialist professional services.

❖ Continuous Research and Development

As at 19 March 2001, EDARAN Group has 113 employees with more than 50% qualified experienced engineering and technical staff.

However, in order for the EDARAN Group to further enhance the quality of its services and products, there is a need to create a Research and Development facility. This would strengthen competitiveness by developing and introducing new technologies to assist customers. In line with the Group's vision to expand into other IT/telecommunications products and services, a research and development arm is currently under consideration.

Additionally, this potential weakness is significantly addressed as a result of the EDARAN Group's connectivity to numerous multi-national organisations with which it partners in the delivery of technology into Malaysia. The Group can optimise significant inwards knowledge transfer.

As a systems integrator, the EDARAN Group select and implement proven technology products and services within a framework of multi-vendor contracts and alliances. In this respect, the EDARAN Group is not developing products per se. The applicability of R&D therefore is more oriented towards keeping abreast of technology innovation and ensuring that appropriate levels of knowledge transfer are maintained.

The EDARAN Group's policy regarding R&D is to continue building strong, active relationships with overseas alliance partners and vendor/principals. By acting as the local systems integrator, the Group will obtain the appropriate knowledge transfer from overseas into the local market.

At present, the EDARAN Group has a base of technical staff acting as the liaison points to international vendors. This area is likely to become more functional, certainly in terms of training, as the Group establish enhanced facilities from their own customised premises.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

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❖ Management Culture and Skills

The 'new economy' demands new levels of customer service. The provision of everything 'at the speed of light' requires a new organisational culture which all companies need to address. The EDARAN Group is no exception and a change management plan is underway in conjunction with the employment of in-house and sub-contracted specialist skills.

Additionally, the scope of extended services identified by the EDARAN Group includes significant emphasis on enhanced customer linkages, e.g. call center, VPN services and other means, which will improve the Group's own customer management as well as generate new revenues.

6.3 THREATS

Possible Late Comer

The current local maxim is, "If you want to go into e-commerce, you must go now." However, there is usually a premium for being there first. Observers suggest that Malaysia is about two to three years behind the US. However, this could be a poor yardstick based on internet and e-commerce evolution which is so rapid that it is almost certain that the gap will narrow. e-commerce in Malaysia may mature sooner than we forecast and as such, the EDARAN Group's offering of IT/telecommunication related services generated by e-commerce may be viewed as possibly being "right on cue".

In any respect, the EDARAN Group will enjoy a business environment post the 'dot.com' era, relying as they are on sound fundamental business objectives and a firm profitable financial footing based on many years of involvement in the market.

Marketability of New Services and Competition

Each of the current core business services offered by the EDARAN Group is profitable and in demand. Their strategically selected enhanced services augment the current core business and market forecasts are favourable. There is no perceived threat in respect to marketability.

In respect to competition, the EDARAN Group has strategised to concentrate on an existing customer base and grow market share from that foundation. Given that the enhanced services will be a mechanism to deliver further value to customers, it is considered likely that the EDARAN Group will be able to compete on better than 'par value' within the market. Competition in the wider market will be differentiated against by means of customer testimonials and the proven value of being identified as a 'one stop shop' or total solutions provider.

In terms of accommodating growth, the EDARAN Group has a 'three tier' approach based on natural internal growth, 'smart' partnerships and potential acquisitions.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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Tohmatsu**

Rapid changes in Technology

The EDARAN Group has strategised to meet this challenge by assessing continuous improvement in conjunction with its team of international vendor partners. The market forecasts for the services set being offered are all indicative of growth for at least the medium term. In this respect, it appears that the Group has selected the most appropriate business extensions which can be accommodated based on core business capabilities and subject to the Group's growth philosophy.

6.4 OPPORTUNITIES

Leverage on existing customer base

The EDARAN Group has a reputable client base with which it has been doing business for many years. There is an opportunity to introduce new technological innovation to these clients. Not only is the EDARAN Group's customer base characterised as 'blue-chip' but each customer is of the type identified as highly likely to adopt the services sets being offered. The value of customer testimonials is also considered as being highly marketable.

Further alliance with existing partners

Alliance with strategic partners is a key ingredient for some of the new services that the EDARAN Group is intending to make available. This may take the form of alliances with existing partners based on historical track record or new alliances with new partners. Given the status and nature of the relationships with existing partners, there is considerable leverage to obtain credibility with many other large organisations.

'One Stop Shop'

The EDARAN Group have successfully used a 'building block' approach to construct an integrated services set which enables 'up-selling' to an organisation, e.g. basic systems integration through maintenance services. The enhanced services that the Group intends to offer, consolidate further on existing business and extend the up-selling capability with associated communications/convergence facilities. This grouping of services provides a 'one stop shop' differentiation which is likely to be appealing to the Group's targeted markets.

Scaling-up via Enhanced Maintenance Services

The projected development of a franchised or sub-contracted field-force for maintenance of existing EDARAN Group customers as well as for work in support of third party vendors' equipment, appears an attractive strategy to establish scale in the Malaysian market. This should at minimum, enable a level of pre-eminence, certainly in terms of competitive differentiation.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
Touche
Tohmatsu****7.0 EDARAN GROUP'S DIFFERENTIATION IN THE IT AND TELECOMMUNICATIONS RELATED SERVICE INDUSTRY****7.1 Financial Resources**

There are many competitors providing one or more of the services and products that the EDARAN Group supplies or is intending to supply. However, in order for those competitors to stay in business, adequate continuous financial resources will be required. Funding will be required for capital investment, working capital, research and development of new technology innovations as well as marketing, advertising and branding. To date, many listed companies have entered into activities to extend their activities to e-commerce. The rationale for such being the belief that e-commerce will bring significant returns as the so-called 'new economy' blooms. Unlike a start-up company or so called 'dot.com' which could find difficulties raising adequate resources for new ventures, the EDARAN Group has already been successful in the IT and telecommunications service industry for 12 years. Consequently, it is considered that it has built up adequate resources and reputation to proceed with its strategic rollout of a range of IT and telecommunications services.

7.2 Technology and Human Resources

In an Economist Intelligence Unit (EIU) survey as reported in CFO Asia magazine (June 2000), around 50% of respondents (comprising senior executives of companies in North America, Europe and Asia Pacific) viewed technology constraints as a barrier to e-business implementation. The respondents view lack of required IT staff capability as a barrier. Likewise retraining current employees and reorganization within the company to embrace web-based business, require culture to become more entrepreneurial and implemented by people with specialised e-business skills. With the current labour market for IT skilled staff in Malaysia under-resourced, the EDARAN Group can differentiate themselves based on their scale and the stability of their employees.

7.3 Market Size and Market Space

The Malaysian market in which the EDARAN Group is operating can be characterized as strong in public sector and large corporate with a burgeoning market developing in the SME and SOHO sectors.

Given that the EDARAN Group have established a successful track record with key public sector clients and the private sector, their market position could be described as "partially entrenched". This constitute a potential barrier to competitors particularly if the EDARAN Group consolidate around their customer relationships with enhanced services.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

**Deloitte
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The market space in the EDARAN Group's chosen domain is highly likely to demand 'convergence' oriented solutions for which the EDARAN Group is well placed. Current structure and future strategy in support of a 'one stop shop' should also be appealing to customers.

Testimonials and a continued successful track record should also assist the Group obtain further customers in their focused vertical and horizontal markets.

There are no significant barriers apparent which could be considered likely to hamper the EDARAN Group's future growth. At the same time, there is scope for them to further entrench their position in terms of retaining and growing market share.

Summarized, the Malaysian markets for all services identified as strategic by the EDARAN Group are characterized as growth oriented. Maintenance of the Group's existing market share would therefore ensure onwards revenue growth. Given the extent that the Group have strategized for enhancing their services set, there is considerable scope to further optimize market penetration and 'ownership'.

11. INDEPENDENT MARKET RESEARCH REPORTS (Cont')

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8. CONCLUSION

The EDARAN Group has strategically examined the enhancement of their services set at a time when the market is forecast to grow, particularly in the adoption of outsourcing, application service provision and managed network services.

Combined with this trend, there is every expectation that larger IT users will commence re-development of existing systems to accommodate e-commerce and m-commerce applications. The relative complexity of these tasks, particularly in the light of further convergence will necessitate access to a larger pool of expertise and resources.

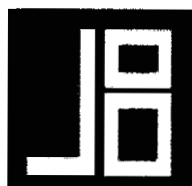
The EDARAN Group has built a solid base of key customers, which is positioned very much in line with the uptake of new technology and facilities. In this respect, this report concludes as follows:

- ◆ The services set identified by the EDARAN Group is well timed and well focused.
- ◆ The services set is 'synergy-linked' and should enable significant up-selling and cross-selling.
- ◆ The convergence capability of the Group lends itself to branding around a 'one stop shop' market differentiation.
- ◆ Financial fundamentals and track record are in place to differentiate the Group's success vis a vis the dot.com companies.
- ◆ Enhanced services to be offered fill a customer need and at the same time will further entrench the EDARAN Group across their customer base.
- ◆ All associated research materials support the selection of the EDARAN Group's enhanced services set.
- ◆ The selection of enhanced 'added value' services, particularly in the communications based area should enable excellent synergy with existing alliance partners and existing customers.
- ◆ Weaknesses, threats and barriers in the EDARAN Group's 'go-to-market' model have, to a greater extent, been strategised for and remedies/counter activities are already underway or scheduled.
- ◆ Previous financial results, combined staff stability and a 'growth philosophy' indicate that the EDARAN Group can adequately manage expansion.
- ◆ Innovation in respect to the creation of field-force scale (for enhanced maintenance services) should generate further capability and market place differentiation in the core business area of support and maintenance.

In summary, this independent feasibility study finds that the EDARAN Group is addressing attractive market opportunities with a closely-linked services set which is endorsed by third party research as being highly viable in a growth oriented converged market.

12. VALUATION CERTIFICATE

(Prepared for inclusion in the Prospectus)



جورونيلاي برسكوتو JURUNILAI BERSEKUTU

Firm's Registration No.: VE (2) 0092/1

**REGISTERED VALUERS, PLANT & MACHINERY APPRAISERS,
PROJECT & PROPERTY MANAGERS, ESTATE AGENTS & AUCTIONEERS**

Kuala Lumpur : No.76-2, Jalan 1/76D, Desa Pandan, 55100 Kuala Lumpur.
Tel: 03-9818088 (4 Lines) Fax: 03-9816601



Penilai & Ejen Hartanah
(V484 / E-1462)

Firm's Registration No: VE (2) 0092/1

Jurunilai Bersekutu
76-2, Jalan 1/76D
Desa Pandan
55100 Kuala Lumpur

Date: 21 March 2001

The Board of Directors
EDARAN DIGITAL SYSTEMS BERHAD
(Formerly known as Alpine Technologies Berhad)
(Company No : 241644-W)
15th Floor, Menara TR
161B, Jalan Ampang
50450 Kuala Lumpur

Dear Sirs,

VALUATION OF PROPERTIES BELONGING TO EDARAN DIGITAL SYSTEMS BERHAD GROUP

This Certificate has been prepared for inclusion in the Prospectus of Edaran Digital Systems Berhad to be dated 30 March 2001 in connection with the Proposed Placement, Proposed Public Issue and Proposed Offer for Sale are as follows:-

1. Proposed placement of 1,360,000 new ordinary shares of RM1.00 each to certain clients and suppliers of Edaran Digital Systems Berhad at an placement price of RM2.15 per share ("*Proposed Placement*");
2. Proposed public issue of 8,240,000 new ordinary shares of RM1.00 each in Edaran Digital Systems Berhad at an issue price of RM2.15 per share to the Malaysian public ("*Proposed Public Issue*"); and
3. Proposed offer for sale of 6,000,00 ordinary shares of RM1.00 each in Edaran Digital Systems Berhad at an offer price of RM2.15 per share to the Malaysian public ("*Proposed Offer for Sale*").

In accordance with your instruction, we have assessed the Market Value of the landed properties set out below for the listing of EDARAN DIGITAL SYSTEMS BERHAD on the Main Board of the Kuala Lumpur Stock Exchange. The details aforesaid valuations are set out in our valuation reports.

The valuation reports have been prepared on the guidelines on assets valuation for submission to the Securities Commission and professional standard prescribed by the Board of Valuer, Appraisers and Estate Agent and other recognized professional bodies.

Head Office : 18th Floor, Menara Tun Razak, Jalan Raja Laut, 50350 Kuala Lumpur. Tel: 03-2933337 (5 Lines) Fax: 03-2911759
Subang Jaya : No.60-A, 1st Floor, Jalan SS15/4D, 47500 Subang Jaya, Selangor. Tel: 03-7388966 (2 Lines) Fax: 03-7388740
Penang : No.253-D, 3rd Floor, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Pulau Pinang. Tel:04-6303100, 6303101 Fax: 04-6303102
Butterworth : No.27, 1st Floor, Tingkat Kikik Tujuh, Taman Inderawasih, 13600 Perai. Tel: 04-3989112, 3988112, 3987112, 3985586 Fax: 04-3901112
Alor Setar : No.1553, 1st Floor, Bangunan Farmasi Utara, Jalan Kota, 05000 Alor Setar, Kedah. Tel: 04-7317499, 7309639 Fax: 04-7311493
Seremban : No.2, 2nd Floor, Kompleks Negeri, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan. Tel: 06-7622740 (4 Lines) Fax: 06-7611770
Johor Bahru : Suite 416, 4th Floor, Wisma Daiman, 64, Jalan Sulam, Taman Sentosa, 80150 Johor Bahru, Johor. Tel: 07-3317378, 3317562/3 Fax: 07-3317502
Tampoi : No.25-02, Jalan Sri Perkasaa 2/1, Taman Tampoi Utama, 81200 Johor Bahru, Johor. Tel: 07-2415216, 2415217 Fax: 07-2415217

12. VALUATION CERTIFICATE (Cont'd)**JURUNILAI BERSEKUTU**

Firm's Registration No: VE (2) 0092/1

The basis of valuation adopted is the market value as at 19 July 2000. We have adopted the comparison, cost and investment methods of valuation in arriving at the market value.

We have valued the Group's properties listed below in their use and with titles free from all legal encumbrances, using the comparison, cost and investment methods of valuation and are of the opinion that the market values of these properties are as follows: -

A. Property Held For Owner Occupation

No	Property (Title Details, Address)	Description, Age & Tenure	Method of Valuation	Market Value
1	Lot No. PT 1867, HS (D) 50313 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 4, Jalan 4/76C, Desa Pandan 55100 Kuala Lumpur)	An intermediate 3 Storey Shop Office 5 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM1,300,000
2	Lot No. PT 1702, HS (D) 50146 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 32, Jalan 1/76C, Desa Pandan 55100 Kuala Lumpur)	A corner lot 3 Storey Shop Office 6 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM2,400,000
3	Developer's Unit No. 40, Level 2 Desa Pandan, Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 23-1, First Floor, Jalan 5/76B Desa Pandan 55100 Kuala Lumpur)	Office unit (First Floor) 7 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years) * in the process of getting strata title	Comparison Method, Investment Method and Cost method	RM300,000

12. VALUATION CERTIFICATE (Cont'd)**JURUNILAI BERSEKUTU**

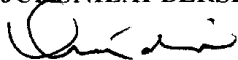
Firm's Registration No: VE (2) 0092/1

B. Properties which are surplus to operational requirements (Property bought for future expansion but currently let-out to the third party)

No	Property (Title Details, Address)	Description, Age & Tenure	Method of Valuation	Market Value
4	Lot No. PT 1866, HS (D) 50312 Mukim of Ampang, District of Wilayah Persekutuan Wilayah Persekutuan (No 2, Jalan 4/76C, Desa Pandan 55100 Kuala Lumpur)	A corner lot 3 Storey Shop Office 5 years (99 years expiring on 07.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM2,100,000
5	Lot No. PT 1868, HS (D) 50314 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 6, Jalan 4/76C, Desa Pandan 55100 Kuala Lumpur)	An intermediate 3 Storey Shop Office 5 years (99 years expiring on 07.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM1,300,000
6	Lot No. PT 1692, HS (D) 50136 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 21, Jalan 2/76C, Desa Pandan 55100 Kuala Lumpur)	An intermediate 3 Storey Shop Office 6 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM1,100,000
7	Lot No. PT 1693, HS (D) 50137 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 19, Jalan 2/76C, Desa Pandan 55100 Kuala Lumpur)	An end lot 3 Storey Shop Office 6 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM1,200,000
8	Lot No. PT 1686, HS (D) 50130 Mukim of Ampang District of Wilayah Persekutuan Wilayah Persekutuan (No 33, Jalan 2/76C, Desa Pandan 55100 Kuala Lumpur)	A corner lot 3 Storey Shop Office 6 years (99 years expiring on 06.07.2085 with the remaining term of approximately 85 years)	Comparison Method, Investment Method and Cost method	RM2,600,000
	Total			RM12,300,000

Full details of our valuation are shown in our Valuation Report.

Yours faithfully,

for **JURUNILAI BERSEKUTU**


SULTAN MYDIN IBRAHIM
BSc (Lon), MIS(M), ARVA, MBA
REGISTERED VALUER V-258
PRINCIPAL PARTNER

Mydoc:Edaran. / ita

13. DIRECTORS' REPORT

(Prepared for inclusion in the Prospectus)

Edaran Digital Systems Berhad
(Formerly known as Alpine Technologies Berhad) 241644-W
15th Floor Menara TR, 161B Jalan Ampang
50450 Kuala Lumpur, Malaysia
+ 60.3.2163.3302 tel
+ 60.3.2163.3303 fax
www.edaran.com



edaran

Your ref.:

Our ref.:

23 March 2001

The Shareholders of
Edaran Digital Systems Berhad
(Formerly known as Alpine Technologies Berhad)

Dear Sir/Madam,

On behalf of the Directors of Edaran Digital Systems Berhad Group, I wish to report after due enquiry that during the period from 30 November 2000 (being the date to which the last audited accounts of the Group have been made) to 23 March 2001 (being a date not earlier than fourteen days before the issue of this Prospectus):-

- (a) the business of the Company and its subsidiaries has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the Group, which have affected adversely the trading, or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company or its subsidiaries; and
- (e) there has been no change in the published reserves or any unusual factors affecting the profits of the Group.

Yours faithfully,
For and on behalf of the Board of Directors
EDARAN DIGITAL SYSTEMS BERHAD

Mohd Salleh bin Lamsah
Managing Director