



Executive Overview

About Ingenious Growth Fund

- Ingenious Growth Berhad (the “Fund”) is a special purpose private equity fund formed in July 2009 to raise capital of RM50 million to invest in V Telecoms Berhad (“V Telecoms”), a high growth telecommunication company that provides high bandwidth connectivity to businesses and homes.
- The Fund aims to achieve consistent returns and long term capital gain for its investors through investment in V Telecoms at attractive valuation relative to its underlying values and earnings potential.

About the Ingenious Haus

- The Fund is managed by Ingenious Haus Sdn Bhd (“Ingenious” or “Manager”), a registered venture capital management corporation under the purview of Securities Commission of Malaysia.
- Ingenious leverages its strategic relationship with a large network of investors, co-investors, government agencies and business leaders, to empower entrepreneurs with both financial and intellectual capital to transform emerging companies into world class corporations.

Investment Strategy

- The Fund aims to capitalize on the telecommunication sector’s imminent growth through:
 - Replication of proven technology business models from US and Europe.
 - Investing in proven entrepreneurs and strong management team with track record.
 - Recruitment of domain experts as Directors and Advisors.
 - Creating value through leveraging on reputation and experience of Ingenious Haus Group.
- Preferred exit strategy would be through an initial public offering on the Bursa Malaysia or a regional stock exchange. Other alternative would be trade sale or M&A if it is more attractive than IPO.

INGENIOUS GROWTH FUND DETAILS		FEE, REDEMPTION OR CONVERSION STRUCTURE
Target Fund Size	RM 50 million.	<u>Management Fees:</u> 10% for the term of fund (average of 2% per annum). All expenses, including distribution, marketing, and administration expenses of the Fund will be absorbed under the management fees. <u>Redemption or Conversion Structure:</u> The Fund will mature at the end of Year 5 from initial closing of the Fund, or the Manager may call for early redemption before Year 5 if V Telecoms is ready for an initial public offering. Upon maturity or early redemption, investors have two options: 1. Return of Capital and Committed Returns. Redemption = Principal + 20% returns per annum 2. Convert to ordinary shares of V Telecoms. The following formula applies: Conversion = Principal + 20% returns p.a. + Upside Returns Upside returns includes the carried interest of 50:50, i.e. 50% to the investors (in proportion to each of their investment) and 50% to the Manager.
Min. Investment	RM250,000 for individuals or institutions.	
Investment Focus	To invest in V Telecoms Berhad.	
Commitment Period	Up to 5 years.	
Initial Close	25% of fund size.	
Final Close	100% of fund size.	
Investment Structure	Redeemable preference share.	
Conversion Options	Yes, conversion to ordinary shares of V Telecoms in the event of an initial public offering.	
Committed Returns	20% per annum, up to 100% in 5 years.	
Annual Payout	5% per annum.	
Payout at Maturity	Principal + 15% per annum.	

For more information regarding Ingenious Growth Fund, kindly contact William Du [+6012 2816750] & Bernard Koh [+6019 6136619] or call our general line [+603 22975297].

Ingenious Growth Berhad (860178-K) [VCC Registration No: C/A0063/VC/2009]

A Venture Capital Corporation registered under the Capital Markets & Services Act 2007 and the Securities Commission of Malaysia.

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Financial Highlights of V Telecoms Berhad

Key financial information of V Telecoms pre and post investment*:

RM '000	2007(A)	2008(A)	2009(E)	2010(F)	2011(F)	2012(F)	2013(F)	2014(F)
Revenue	11,159	12,600	13,724	15,388	38,470	76,940	115,410	138,492
Cost of Sale	(2,366)	(3,758)	(4,160)	(33,697)	(26,160)	(23,082)	(34,623)	(41,548)
Gross Profit	8,793	8,842	9,564	(18,309)	12,310	53,858	80,787	96,944
Expenditures	(3,449)	(3,665)	(4,555)	(4,258)	(5,771)	(12,464)	(18,696)	(22,436)
EBITDA	5,344	5,177	5,009	(22,567)	6,540	41,394	62,091	74,509
Less : Interest (5%)				(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Disposal of Assets	2,475							
Net Earnings	7,819	5,177	5,009	(25,067)	4,040	38,894	59,591	72,009

Note: The above financial forecast is derived after verifying financial statements provided by V Telecoms' Management, and the Manager of has performed various scenarios and sensitivity analysis to provide the "fair" financial highlights above.

Cost of Sale includes capital expenditure. The management decided to expense off the capital expenditure.

V Telecoms started Metro-E services from March 2007 onwards.

Proposed Valuation:

The valuation based on the above "fair" discounted cash flow (discounted rate of 15%) is RM116 million. The Manager proposed valuation of RM105 million is accepted by V Telecoms, as the value reflected the shareholder's equity as at FYE Dec 2008.

Shareholding structure post investment:

Shareholders	% Holding
V Telecoms' Promoters	70%
Ingenious Growth Berhad	30%
Total	100%

Estimated Returns on Investment on IPO

Est. Returns to the Fund				
	5X	8X	12X	15X
Price Earnings Ratio	5X	8X	12X	15X
Net Earnings at 2014	72,009	72,009	72,009	72,009
Market Capitalisation	360,043	576,070	864,104	1,080,130
Value of 30% Stake	108,013	172,821	259,231	324,039
Total ROI to the Fund (%)	116%	246%	418%	548%
Average Return per annum	23%	49%	84%	110%
Est. Returns to Investors on Conversion				
Initial Investment	50,000	50,000	50,000	50,000
Committed Return	50,000	50,000	50,000	50,000
Upside Return on Conversion (50:50)	4,007	36,410	79,616	112,020
Total Returns	104,007	136,410	179,616	212,020
Total ROI to Investors (%)	108%	173%	259%	324%
Average Return per annum	22%	35%	52%	65%

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