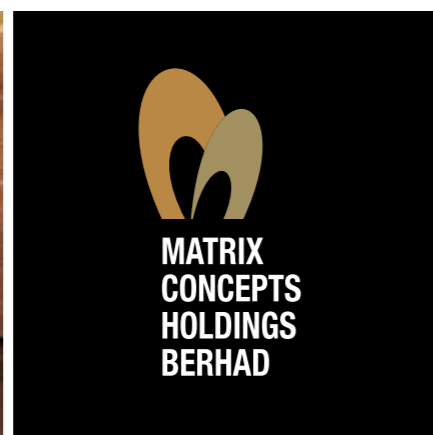




www.mchb.com.my



MATRIX CONCEPTS HOLDINGS BERHAD | PROSPECTUS



MATRIX CONCEPTS HOLDINGS BERHAD

Nurturing Environments, Enriching Lives.

(Company No. 414615-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Prospectus

This Prospectus is dated 8 May 2013

PUBLIC ISSUE OF 62,500,000 NEW ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY COMPRISING:

- 10,000,000 NEW ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 8,808,000 NEW ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF OUR COMPANY AND SUBSIDIARIES ("GROUP") AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 43,692,000 NEW ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS

OFFER FOR SALE OF 37,500,000 ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY COMPRISING:

- 32,500,000 ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- 5,000,000 ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM2.20 PER ORDINARY SHARE OF RM1.00 EACH PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH THE LISTING OF MATRIX CONCEPTS HOLDINGS BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

PRINCIPAL ADVISER, MANAGING UNDERWRITER, CO-UNDERWRITER AND CO-PLACEMENT AGENT



Hong Leong Investment Bank Berhad (110209-W)

(Formerly known as MIMB Investment Bank Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

CO-UNDERWRITER AND CO-PLACEMENT AGENT



KENANGA INVESTMENT BANK BERHAD

Company No. 15678-H

(A Participating Organisation of Bursa Malaysia Securities Berhad)



INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO SECTION 4 FOR "RISK FACTORS".

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors (as defined in this Prospectus) have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Prospectus false and/or misleading.

Hong Leong Investment Bank Berhad (Formerly known as MIMB Investment Bank Berhad), being our Principal Adviser, Managing Underwriter, Co-Underwriter and Co-Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the initial public offering ("IPO").

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia ("SC") has approved this issue, offer or invitation for the IPO and a copy of this Prospectus has been registered with the SC. The approval and registration of this Prospectus should not be taken to indicate that the SC recommends the IPO or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment.

The SC is not liable for any non-disclosure in this Prospectus by us and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

The valuation included in this Prospectus should not be construed as an endorsement by the SC on the value of the subject assets.

Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the securities being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of the IPO, our Company or our securities.

A copy of this Prospectus, together with the application form, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

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OTHER STATEMENTS

The acceptance of applications for the securities being issued is conditional upon permission being granted by Bursa Securities for the listing of and quotation for the securities being issued on the Official List of Bursa Securities. If the permission is not applied for in the form for the time being required by Bursa Securities before the third day on which Bursa Securities is open after the date of issue of this Prospectus or not granted within 6 weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC), provided that our Company is notified by Bursa Securities within the aforesaid timeframe, all monies paid in respect of any application accepted will be returned in full, without interest to the applicants, at the applicants' own risk. If any such monies are not returned within 14 days after our Company become liable to repay it, the provision of sub-section 243(2) of the Capital Markets and Services Act, 2007 ("CMSA") shall apply.

You are advised to note that recourse for false or misleading statements or acts made in connection with the Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

This Prospectus is prepared and published solely under the Laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offerors, Principal Adviser, Managing Underwriter, Co-Underwriters and Co-Placement Agents have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

This Prospectus is not intended to be issued, circulated or distributed, and the IPO will not be made in any country or jurisdiction other than Malaysia or to persons who are subject to the laws of any country or jurisdiction other than the Laws of Malaysia. The IPO to which this Prospectus relates is only available to persons receiving this Prospectus electronically or otherwise within Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection to it. It is your sole responsibility to consult your legal and/or other professional advisers as to whether the IPO would result in the contravention of any laws or jurisdictions of Malaysia.

Further, it shall also be your sole responsibility to ensure that your application for the IPO would be in compliance with the terms of the IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject to. We will further assume that you had accepted the IPO in Malaysia. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

Our Shares are classified as Shariah-compliant by the Shariah Advisory Council of the SC ("SAC") via its letters dated 2 October 2012 and 2 May 2013, based on our audited financial information for the financial year ended 31 December 2012. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. Updates on the classification will be released in the updated list of Shariah-compliant securities on the last Friday of May and November of each year.

ELECTRONIC PROSPECTUS

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. This Prospectus can also be viewed or downloaded from Bursa Securities website at www.bursamalaysia.com.

You are advised that the Internet is not a fully secure medium. Your Internet application may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institution. These risks cannot be borne by the Internet Participating Financial Institution. If you doubt the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or the Issuing House, a paper/printed copy of the Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party Internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (a) we do not endorse and are not affiliated in any way to the Internet sites. Accordingly, we are not responsible for the availability of, or the content or any data, files or other material provided on the Third Party Internet Sites. You bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) we are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and
- (c) any data, information, file or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, you are advised that:

- (a) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the content of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties; and
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the Internet is not a fully secure medium.

The Internet Participating Financial Institution is not liable (whether in tort or contract otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities is set out below:

| Event | Indicative date |
|--|------------------------|
| Opening date of Application for the IPO | 8 May 2013 |
| Closing date of Application for the IPO | 15 May 2013 |
| Balloting of Applications | 17 May 2013 |
| Despatch of notices of allotment for the Shares to successful applicants | 27 May 2013 |
| Listing date | 28 May 2013 |

Save for the opening date of the application for the IPO, these dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures.

Applications will be accepted from 10.00 a.m. on 8 May 2013 and will remain open until 5.00 p.m. on 15 May 2013 or such later date or dates as our Board of Directors and Hong Leong Investment Bank Berhad at their absolute discretion may jointly decide.

Should the closing date of the applications be extended, the dates for the balloting, allotment and listing of our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities might be extended accordingly. We will notify all parties via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in Malaysia in the event there is an extension of time on the closing date of the applications.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include natural persons, firms, companies, bodies corporate and corporation, unless otherwise specified.

Any reference in this Prospectus to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force. Any reference to a time of a day in this Prospectus shall be reference to Malaysian time, unless otherwise stated.

Any references to "our Company" or "the Company" or "Matrix Concepts" in this Prospectus are to Matrix Concepts Holdings Berhad, reference to "our Group" or "the Group" or "Matrix Concepts Group" are to Matrix Concepts Holdings Berhad and its subsidiaries and reference to "we", "us", "our", and "ourselves" are to our Company, and where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, reference to "Management" are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

This Prospectus includes statistical data provided by our Management and various third parties and cites third-party projections regarding growth and performance of the industries in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industries in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could", or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) plans and objectives of our Management for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the economic, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation and regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 4 of this Prospectus on "Risk factors" and Section 12.4 of this Prospectus on "Management's discussion and analysis of financial condition, results of operations and prospects". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Prospectus:

| | | |
|---|---|---|
| "1MDB" | : | 1Malaysia Development Berhad (848230-V) |
| "1 Sendayan Club" | : | 1 Sendayan Club Sdn Bhd (472451-U) |
| "1 Sendayan Education" | : | 1 Sendayan Education Sdn Bhd (391386-D) |
| "Act" | : | The Companies Act, 1965 as amended from time to time and any re-enactment thereof |
| "ADA" | : | Authorised Depository Agent |
| "Ambang Kuasa" | : | Ambang Kuasa Sdn Bhd (705440-U) |
| "Application(s)" | : | The application(s) for the Public Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application |
| "Application Form(s)" | : | The printed form(s) for the Application(s) |
| "ATM" | : | Automated teller machine |
| "Authorised Financial Institution(s)" | : | Authorised financial institution(s) participating in the Internet Share Application in respect to the payments for the Public Issue Shares |
| "BFR" | : | Base financing rate |
| "BLR" | : | Base lending rate |
| "Board" | : | Board of Directors of Matrix Concepts |
| "Bonus Issue" | : | A bonus issue of 186,399,060 new Shares to the existing shareholders of our Company on the basis of approximately 3.65 new Shares for every 1 existing Share held, which was completed on 18 March 2013 |
| "BSS Development" | : | BSS Development Sdn Bhd (689638-X) |
| "Bursa Depository" | : | Bursa Malaysia Depository Sdn Bhd (165570-W) |
| "Bursa Securities" | : | Bursa Malaysia Securities Berhad (635998-W) |
| "By-Laws" | : | Rules, terms and conditions governing the ESOS |
| "CCC" | : | Certificate of completion and compliance |
| "CCM" | : | Companies Commission of Malaysia |
| "CDS" | : | Central Depository System |
| "CDS Account" | : | An account established by Bursa Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor |
| "CF" | : | Certificate of fitness |
| "CMSA" | : | Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof |
| "Co-Underwriters" and "Co-Placement Agents" | : | HLIB and KIBB |
| "Director(s)" | : | Director(s) of our Company and shall have the meaning given in Section 4 of the Act |

DEFINITIONS (Cont'd)

| | | |
|---|---|--|
| “EBITDA” | : | Earnings before interest, taxation, depreciation and amortisation |
| “Electronic Share Application” | : | An application for the Public Issue Shares through Participating Financial Institution’s ATM |
| “EPS” | : | Earnings per share |
| “ESOS” | : | Employee Share Option Scheme |
| “ESOS Options” | : | The right to subscribe for new Shares upon acceptance of an offer under the ESOS |
| “Fine Approach” | : | Fine Approach Sdn Bhd (592587-U) |
| “FPE” | : | Financial period ended |
| “FRS” | : | Financial Reporting Standards |
| “FYE” | : | Financial year(s) ended/ ending |
| “GDP” | : | Gross domestic product |
| “GDV” | : | Gross development value |
| “Government” | : | Government of Malaysia |
| “GP” | : | Gross profit |
| “HLIB” | : | Hong Leong Investment Bank Berhad (<i>Formerly known as MIMB Investment Bank Berhad</i>) (10209-W) |
| “IMR” | : | Independent Business and Market Research Consultants |
| “Insani Utama” | : | Insani Utama Sdn Bhd (204549-D) |
| “Internet Participating Financial Institution(s)” | : | The participating financial institution(s) for Internet Share Application as listed in Section 18 of this Prospectus |
| “Internet Share Application” | : | Application for the Public Issue Shares through an Internet Participating Financial Institution |
| “IPO” | : | Initial public offering of our Shares comprising the Public Issue and Offer for Sale |
| “IPO Price” | : | The Issue Price and Offer Price of RM2.20 for each IPO Share |
| “IPO Share(s)” | : | Public Issue Shares and Offer Shares, collectively |
| “ISO” | : | International Organisation for Standardisation, a developer and publisher of international standards |
| “Issue Price” | : | The issue price of RM2.20 for each Public Issue Share |
| “Issuing House” or “Equiniti” | : | Equiniti Services Sdn Bhd (11324-H) |
| “Juwasan Maju” | : | Juwasan Maju Sdn Bhd (268222-A) |
| “Juwasan Trading” | : | Juwasan Trading Sdn Bhd (542979-K) |
| “KIBB” | : | Kenanga Investment Bank Berhad (15678-H) |
| “KKTNJB” | : | Koperasi Kemajuan Tanah Negeri Johor Bhd (KOP870/(7)) |
| “Kris Benua” | : | Kris Benua Sdn Bhd (249040-D) |
| “Listing” | : | Admission to the Official List and the listing of and quotation for our entire issued and paid-up share capital comprising 300,000,000 Shares on the Main Market of Bursa Securities |

DEFINITIONS (Cont'd)

| | | |
|--|---|---|
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities, as amended from time to time |
| “Listing Scheme” | : | The Bonus Issue, IPO, ESOS and Listing, collectively |
| “LPD” | : | 15 April 2013, being the latest practicable date prior to printing of this Prospectus |
| “Magnitude Point” | : | Magnitude Point Sdn Bhd (579291-V) |
| “MAINS” | : | Majlis Agama Islam Negeri Sembilan |
| “Market Day” | : | A day when Bursa Securities is open for trading |
| “Masuda Corporation” | : | Masuda Corporation Sdn Bhd (417948-K) |
| “Matrix” | : | Matrix Concepts Sdn Bhd (295708-V) |
| “Matrix Concepts” or “Company” | : | Matrix Concepts Holdings Berhad (414615-U) |
| “Matrix Concepts Group” or “Group” | : | Matrix Concepts and its subsidiary companies, collectively |
| “MBI” | : | Menteri Besar Negeri Sembilan (Pemerbadanan) |
| “MCHB Management” | : | MCHB Management Services Sdn Bhd (448098-U) |
| “MCHB Natro” | : | MCHB Natro’ Green Sdn Bhd (414186-T) |
| “MCHB Properties” | : | MCHB Properties Sdn Bhd (972097-M) |
| “Meridian Effect” | : | Meridian Effect Sdn Bhd (585005-X) |
| “MHLA” | : | Ministry of Housing and Local Government |
| “MITI” | : | Ministry of International Trade and Industry |
| “NA” | : | Net assets |
| “NBV” | : | Net book value |
| “Offer for Sale” | : | The offer for sale of the Offer Shares at the Offer Price to be allocated in the manner set out in Section 3.3.2 of this Prospectus |
| “Offer Price” | : | The offer price of RM2.20 for each Offer Share |
| “Offer Share(s)” | : | The 37,500,000 Shares to be offered for sale by the Offerors |
| “Offeror(s)” | : | Dato’ Lee Tian Hock, Datin Yong Chou Lian, Ambang Kuasa, Magnitude Point, Target Venue, Meridian Effect and Fine Approach, collectively |
| “Official List” | : | A list specifying all securities which have been admitted for listing on Bursa Securities and not removed |
| “Participating Financial Institution(s)” | : | Participating financial institution(s) for the Electronic Share Application as listed in Section 18 of this Prospectus |
| “PAT” | : | Profit after taxation |
| “PBT” | : | Profit before taxation |
| “PE Multiple” | : | Price earnings multiple |
| “Pembinaan Juwasan” | : | Pembinaan Juwasan Sdn Bhd (415278-V) |

DEFINITIONS (Cont'd)

| | | |
|---|---|--|
| "Placement Agreement" | : | The placement agreement dated 18 April 2013 between our Company, the Offerors and the Co-Placement Agents for the placement of 43,692,000 Public Issue Shares and the 37,500,000 Offer Shares available by way of private placement |
| "Principal Adviser" or "Managing Underwriter" | : | HLIB |
| "Promoter(s)" | : | Dato' Lee Tian Hock, Datin Yong Chou Lian, Ho Kong Soon, Lee Tian Huat, Yong Soi Mee, Ah Sam, Shining Term, Ambang Kuasa, Magnitude Point, Target Venue, Fine Approach, Lee Tian Onn, Tan Bee Ling, Yong Ing Kiat, Yong Ghee Kiat, Lee Geok Lin, Lee Geok Hoon, Lee Yoke Bee, Lee Yoke Fong, Teh Wei Cin, Cheong Yong Chieh, Meridian Effect and Yakin Teladan, collectively |
| "Prospectus" | : | This Prospectus dated 8 May 2013 issued by our Company |
| "Public" or "Malaysian Public" | : | Citizen(s) of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia |
| "Public Issue" | : | The public issue of the Public Issue Shares at the Issue Price to be allocated in the manner set out in Section 3.3.1 of this Prospectus |
| "Public Issue Share(s)" | : | The 62,500,000 new Shares to be issued pursuant to the Public Issue payable in full upon application and subject to the terms and conditions of this Prospectus |
| "QA" | : | Quality Assurance |
| "QC" | : | Quality Control |
| "REHDA" | : | Real Estate and Housing Developers' Association |
| "Retail Offering" | : | The public issue of the 10,000,000 Public Issue Shares to be offered to the Malaysian Public in the manner set out in Section 3.3.1(i) of this Prospectus |
| "Riverine Projects" | : | Riverine Projects Sdn Bhd (589699-W) |
| "RM" and "sen" | : | Ringgit Malaysia and sen, respectively |
| "SC" | : | Securities Commission Malaysia |
| "Seventech" | : | Seventech Sdn Bhd (298112-A) |
| "SICDA" | : | Securities Industry (Central Depositories) Act, 1991 as amended from time to time and any re-enactment thereof |
| "Share(s)" | : | Ordinary share(s) of RM1.00 each in Matrix Concepts |
| "Shining Term" | : | Shining Term Sdn Bhd (580521-K) |
| "sq ft" | : | Square feet |
| "sqm" | : | Square metres |
| "Superb Approach" | : | Superb Approach Sdn Bhd (404543-A) |
| "Supreme Interest" | : | Supreme Interest Sdn Bhd (591923-W) |
| "Target Venue" | : | Target Venue Sdn Bhd (586008-X) |

DEFINITIONS (Cont'd)

- "township" : A defined area usually within an urban or suburban context comprising residential homes, public amenities and commercial activities, and is relatively self-sufficient for the population's basic household needs. A township is smaller than a city, whereby a city commonly has at least a population of 500,000
- "Underwriting Agreement" : Conditional underwriting agreement dated 18 April 2013 between our Company, Managing Underwriter and the Co-Underwriters for the underwriting of 18,808,000 Public Issue Shares which are made available for application by the Malaysian Public and eligible Directors and Employees of our Group and persons who have contributed to the success of our Group
- "Yakin Teladan" : Yakin Teladan Sdn Bhd (576098-D)

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TABLE OF CONTENTS

| | Page |
|--|-------------|
| 1. CORPORATE INFORMATION | 1 |
| 2. SUMMARY INFORMATION | |
| 2.1 Our business | 5 |
| 2.2 Competitive advantages and key strengths | 6 |
| 2.3 Ownership and management | 7 |
| 2.4 Principal statistics of our IPO | 8 |
| 2.5 Utilisation of proceeds | 9 |
| 2.6 Financial information | 10 |
| 2.7 Risk factors | 13 |
| 2.8 Future plans and prospects | 13 |
| 3. PARTICULARS OF OUR IPO | |
| 3.1 Opening and closing of application | 15 |
| 3.2 Indicative timetable | 15 |
| 3.3 Details of the IPO | 15 |
| 3.4 Share capital | 21 |
| 3.5 Purpose of the IPO | 22 |
| 3.6 Basis of arriving at the IPO Price | 23 |
| 3.7 Utilisation of proceeds | 24 |
| 3.8 Dilution | 26 |
| 3.9 Underwriting commission, brokerage and placement fee | 27 |
| 3.10 Salient terms of the Underwriting Agreement | 28 |
| 4. RISK FACTORS | |
| 4.1 Risks relating to our business and industry | 31 |
| 4.2 Risks relating to our Shares | 38 |
| 5. BUSINESS OVERVIEW | |
| 5.1 Overview | 41 |
| 5.2 Competitive advantages and key strengths | 42 |
| 5.3 Business strategies | 46 |
| 5.4 Key achievements, milestones and awards | 56 |
| 5.5 Principal business activities | 59 |
| 5.6 Process flow | 91 |
| 5.7 Details of our property development projects | 93 |

TABLE OF CONTENTS (Cont'd)

| | | |
|-----------|--|-----|
| 5. | BUSINESS OVERVIEW (Cont'd) | |
| 5.8 | Types, sources and availability of resources | 128 |
| 5.9 | Major customers | 130 |
| 5.10 | Major suppliers/contractors | 131 |
| 5.11 | Capital expenditure and divestitures | 131 |
| 5.12 | Quality assurance procedure and management | 132 |
| 5.13 | Modes of marketing | 133 |
| 5.14 | Seasonality | 135 |
| 5.15 | Research and development | 135 |
| 5.16 | Technology used | 135 |
| 5.17 | Intellectual properties | 136 |
| 5.18 | Interruptions in business during the past 12 months | 136 |
| 5.19 | Approvals, major licences and permits | 137 |
| 5.20 | Dependency on industrial, commercial and financial contracts | 147 |
| 5.21 | Regulatory requirement and environmental issue | 159 |
| 6. | INDUSTRY OVERVIEW | 160 |
| 7. | INFORMATION ON OUR GROUP | |
| 7.1 | History and business | 212 |
| 7.2 | Listing Scheme | 217 |
| 7.3 | Share Capital | 219 |
| 7.4 | Information on our subsidiaries | 220 |
| 8. | PROPERTIES, PLANT AND EQUIPMENT | |
| 8.1 | Properties owned by our Group | 236 |
| 8.2 | Properties held for development | 240 |
| 8.3 | Properties held for sale | 248 |
| 8.4 | Properties held for investment | 251 |
| 8.5 | Acquisition of properties during the two (2) years preceding the date of this Prospectus | 252 |
| 9. | INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT | |
| 9.1 | Promoters and substantial shareholders | 253 |
| 9.2 | Directors | 265 |
| 9.3 | Key management | 276 |
| 9.4 | Involvement of Executive Directors and key management in other businesses/corporations | 278 |

TABLE OF CONTENTS (Cont'd)

| | | |
|------------|---|-----|
| 9. | INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd) | |
| 9.5 | Declaration from the Promoters, Directors and key management | 279 |
| 9.6 | Family relationship and association | 279 |
| 9.7 | Amounts/benefits paid or intended to be paid or given to any Promoters, Directors or substantial shareholders | 280 |
| 9.8 | Service contracts | 280 |
| 9.9 | Employees | 281 |
| 10. | APPROVALS AND CONDITIONS | |
| 10.1 | Approvals from relevant authorities | 285 |
| 10.2 | Conditions on the approvals | 285 |
| 10.3 | Moratorium on Shares | 287 |
| 11. | RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS | |
| 11.1 | Related party transactions | 289 |
| 11.2 | Transactions that are unusual in nature or conditions | 301 |
| 11.3 | Outstanding loans (including guarantees of any kind) made by us or any of our subsidiaries to or for the benefit of the related parties | 301 |
| 11.4 | Interests in similar business | 302 |
| 11.5 | Interests in other businesses and corporations which are customers or suppliers of our Group | 302 |
| 11.6 | Conflict of interests | 303 |
| 12. | FINANCIAL INFORMATION | |
| 12.1 | Historical proforma consolidated financial information | 304 |
| 12.2 | Reporting accountants' letter on the proforma consolidated financial information | 306 |
| 12.3 | Capitalisation and indebtedness | 322 |
| 12.4 | Management's discussion and analysis of financial condition, results of operations and prospects | 323 |
| 12.5 | Liquidity and capital resources | 344 |
| 12.6 | Key financial ratios | 348 |
| 12.7 | Trend information | 352 |
| 12.8 | Future prospects | 352 |
| 12.9 | Order book | 353 |
| 12.10 | Dividend policy | 353 |
| 13. | ACCOUNTANTS' REPORT | 354 |
| 14. | DIRECTORS' REPORT | 560 |

TABLE OF CONTENTS (Cont'd)

| | | |
|------------|--|------------|
| 15. | ESOS BY-LAWS | 561 |
| 16. | VALUATION CERTIFICATES | 584 |
| 17. | ADDITIONAL INFORMATION | |
| 17.1 | Share capital | 623 |
| 17.2 | Articles of Association | 623 |
| 17.3 | Directors and substantial shareholders | 627 |
| 17.4 | Material litigation | 628 |
| 17.5 | Material contracts | 628 |
| 17.6 | Public take-overs | 629 |
| 17.7 | Consents | 629 |
| 17.8 | Responsibility | 629 |
| 17.9 | Documents for inspection | 630 |
| 18. | PROCEDURES FOR APPLICATION AND ACCEPTANCE | |
| 18.1 | Opening and closing of Application | 631 |
| 18.2 | Methods of Application | 631 |
| 18.3 | General conditions for Applications | 631 |
| 18.4 | Applications using Application Forms | 632 |
| 18.5 | Applications via Electronic Share Application | 635 |
| 18.6 | Applications via Internet Share Application | 640 |
| 18.7 | Applications and Acceptances | 646 |
| 18.8 | CDS accounts | 647 |
| 18.9 | Notice of allotment | 648 |
| 18.10 | List of ADAs | 649 |

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1. CORPORATE INFORMATION**BOARD OF DIRECTORS**

| Name | Designation | Address | Occupation | Nationality |
|--|--|--|-------------------|--------------------|
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Non-Independent Non-Executive Chairman | No. 3, Jalan TR 2/5 Tropicana Golf Resort 47410 Petaling Jaya Selangor Darul Ehsan | Company Director | Malaysian |
| Dato' Lee Tian Hock | Group Managing Director / Chief Executive Officer | No. 148, Jalan Dato' Kelana Maamor 70200 Seremban Negeri Sembilan Darul Khusus | Company Director | Malaysian |
| Ho Kong Soon | Group Deputy Managing Director / Chief Operating Officer | No. 393, Lorong S2 A9/9 Green Street Homes 1 70300 Seremban Negeri Sembilan Darul Khusus | Company Director | Malaysian |
| Dato' Firdaus Muhammad Rom bin Harun | Independent Non-Executive Director | No. 556, Jalan Cenderawasih 3 Taman Paroi Jaya 70400 Seremban Negeri Sembilan Darul Khusus | Company Director | Malaysian |
| Rezal Zain bin Abdul Rashid | Independent Non-Executive Director | 47, Jalan Keruing Bukit Bandaraya 59100 Kuala Lumpur | Company Director | Malaysian |
| Dato' Ir. Batumalai a/l Ramasamy | Independent Non-Executive Director | No. 123, Jalan Meranti 2 Taman Bukit Chedang 70300 Seremban Negeri Sembilan Darul Khusus | Company Director | Malaysian |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|--------------------------------------|--------------------|------------------------------------|
| Rezal Zain bin Abdul Rashid | Chairman | Independent Non-Executive Director |
| Dato' Firdaus Muhammad Rom bin Harun | Member | Independent Non-Executive Director |
| Dato' Ir. Batumalai a/l Ramasamy | Member | Independent Non-Executive Director |

REMUNERATION COMMITTEE

| Name | Designation | Directorship |
|--------------------------------------|--------------------|---|
| Rezal Zain bin Abdul Rashid | Chairman | Independent Non-Executive Director |
| Dato' Lee Tian Hock | Member | Group Managing Director / Chief Executive Officer |
| Dato' Firdaus Muhammad Rom bin Harun | Member | Independent Non-Executive Director |

1. CORPORATE INFORMATION (Cont'd)**NOMINATION COMMITTEE**

| Name | Designation | Directorship |
|--------------------------------------|--------------------|------------------------------------|
| Dato' Firdaus Muhammad Rom bin Harun | Chairman | Independent Non-Executive Director |
| Rezal Zain bin Abdul Rashid | Member | Independent Non-Executive Director |
| Dato' Ir. Batumalai a/l Ramasamy | Member | Independent Non-Executive Director |

ESOS COMMITTEE

| Name | Designation | Directorship |
|-----------------------------|--------------------|--|
| Rezal Zain bin Abdul Rashid | Chairman | Independent Non-Executive Director |
| Tee Kam Mee | Member | General Manager, Human Resource and Administration |
| Ong Eng Hock | Member | Corporate Legal Advisor |
| Tan Say Kuan | Secretary | Group Accountant |

COMPANY SECRETARIES : Hoh Leong Ching (MAICSA 7006654)
Hoh Chee Mun (MIA 8891)
54B, Damai Complex
Jalan Lumut
50400 Kuala Lumpur
Tel no.: +603-4042 6522
Fax no.: +603-4043 8269

REGISTERED OFFICE : 54B, Damai Complex
Jalan Lumut
50400 Kuala Lumpur
Tel no: +603-4042 6522
Fax no: +603-4043 8269

HEAD OFFICE : Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan
Tel no: +606-764 2688
Fax no: +606-764 5514
Website: www.mchb.com.my
E-mail: matrix@mchb.com.my

AUDITORS/REPORTING ACCOUNTANTS : Wong Weng Foo & Co.(AF 0829)
41, Damai Complex
Jalan Dato Haji Eusoff
50400 Kuala Lumpur
Tel no: +603-4042 4280
Fax no: +603-4041 3141

SOLICITORS FOR THE LISTING : Cheang & Ariff
39 Court @ Loke Mansion
273A Jalan Medan Tuanku
50300 Kuala Lumpur
Tel no: +603-2691 0803
Fax no: +603-2692 8533

1. CORPORATE INFORMATION (Cont'd)

| | |
|---|--|
| PRINCIPAL BANKERS | : Hong Leong Bank Berhad 69,70 & 71, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Tel no: +606-762 9886 Fax no: +606-762 5925 AmBank (M) Berhad Unit No. 5-G, 5-1, 6-G & 6-1 Seremban City Centre Jalan Pasar 70000 Seremban Negeri Sembilan Tel no: +606-767 9564 Fax no: +606-767 8179 AmIslamic Bank Berhad Unit No. 5-G, 6-G & 6-1 AmBank Business Centre Jalan Pasar 70000 Seremban Negeri Sembilan Tel no: +606-764 7735 Fax no: +606-764 1537 Public Bank Berhad Cawangan Taman Munsyi Ibrahim No. 48 & 50, Jalan Dian 8 Taman Munsyi Ibrahim 81200 Johor Bahru Johor Tel no: +607-234 6820 / 6821 / 6859 Fax no: +607-234 6790 |
| INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS | : Vital Factor Consulting Sdn Bhd 75C & 77C Jalan SS22/19 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan Tel no: +603-7728 0248 Fax no: +603-7728 7248 |
| VALUER | : Henry Butcher Malaysia (NS) Sdn Bhd No. 11, Ground Floor, Jalan Tunku Hassan 70000 Seremban Negeri Sembilan Darul Khusus Tel no: +606-761 8681 Fax no: +606-761 8687 |
| ISSUING HOUSE | : Equiniti Services Sdn Bhd Level 8, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel no: +603-2166 0933 Fax no: +603-2166 0688 |

1. CORPORATE INFORMATION (Cont'd)

| | | |
|---|---|--|
| SHARE REGISTRAR | : | Bina Management (M) Sdn Bhd Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan Tel no: +603-7784 3922 Fax no: +603-7784 1988 |
| PRINCIPAL ADVISER, MANAGING UNDERWRITER, CO-UNDERWRITER AND CO-PLACEMENT AGENT | : | Hong Leong Investment Bank Berhad <i>(Formerly known as MIMB Investment Bank Berhad)</i> Level 23, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel no: +603-2168 1168 Fax no: +603-2164 8880 |
| CO-UNDERWRITER AND CO-PLACEMENT AGENT | : | Kenanga Investment Bank Berhad 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel no:+603-2164 9080 Fax no:+603-2161 4990 |
| LISTING SOUGHT | : | Main Market of Bursa Securities |
| SHARIAH STATUS | : | Approved by the Shariah Advisory Council of the SC |

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2. SUMMARY INFORMATION

This is a summary of the salient information in the Prospectus. It does not contain all the information that may be important to you. You should read and understand the entire Prospectus carefully before you decide to invest in our Company.

2.1 OUR BUSINESS

Our Company was established as Brilliant Radical Sdn Bhd in Malaysia on 24 December 1996, as a private limited company under the Act. Subsequently on 13 January 2003, we changed our name to Matrix Concepts Holdings Sdn Bhd. On 22 November 2004, we were converted into a public limited company and assumed our present name.

We are principally an investment holding company, while our subsidiary companies are mainly involved in property development, sales of land, investment holding, project management and procurement of building materials and administrative services.

Our Group was founded by Dato' Lee Tian Hock, our Group Managing Director / Chief Executive Officer. With approximately 30 years of experience in the property development industry, he has been instrumental in the success, growth and development of the Matrix Concepts Group since we commenced operations. He is supported by Mr Ho Kong Soon, our Group Deputy Managing Director / Chief Operating Officer, who brings with him more than 20 years of experience in the property development industry. Our Group's maiden property development project commenced in 1997, which was Taman Bahau in Negeri Sembilan, where 595 units of residential and commercial properties with a GDV of approximately RM34.9 million were successfully launched, sold and delivered in December 1998 for Phase 1 and March 1999 for Phase 2 for the residential properties and in November 1998 for the commercial properties.

Presently, our Group is undertaking the development of two township projects known as Bandar Sri Sendayan in Seremban, Negeri Sembilan and Taman Seri Impian in Kluang, Johor. In 2005, our Group, through Matrix, signed a joint venture agreement with KKTNJB to develop a 900-acre new township project known as Taman Seri Impian in Kluang, Johor. In the same year, our Group, through BSS Development, also signed a joint venture agreement with MBI to develop a new township project known as Bandar Sri Sendayan in Seremban, Negeri Sembilan spanning 5,233 acres.

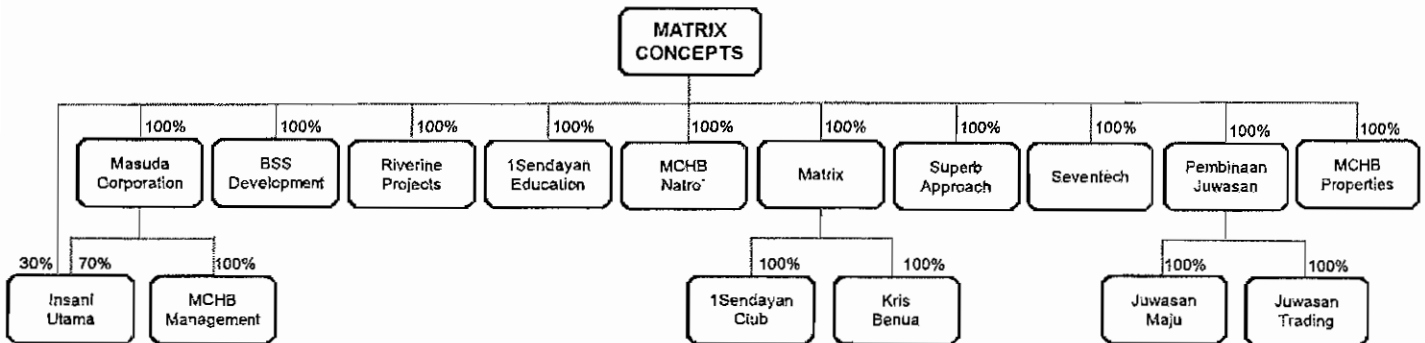
As at the LPD, based on our on-going projects, our Group has launched 3,128 units of residential, commercial, industrial and leisure properties with an estimated total GDV of RM1.4 billion. Of these, 2,807 units of properties were sold, representing approximately 89.7% of the total number of on-going development properties launched by our Group. In addition, our Group also has a land bank of approximately 1,568 acres located mainly in Seremban and Port Dickson, Negeri Sembilan and Kluang, Johor for future development, of which 1,457 acres of the land bank are owned by our joint-venture partners. All our land bank has been approved for development of residential, commercial, industrial, institutional and leisure properties.

Our Group is focused on building affordable residential and quality residential and commercial properties that are able to meet the demands for medium-end properties. The strength of our Group include amongst others, our marketing strategies, delivering end-products ahead of schedule, good customer service and a team of committed and responsible workforce. In line with demand for higher-end residential properties as well as part of our expansion plan, our Group began to venture into development projects that cater to the upper-middle and higher end markets in Bandar Sri Sendayan as well as other locations in Seremban, Negeri Sembilan as well as the district of Kluang, Johor.

2. SUMMARY INFORMATION (Cont'd)

In 2005, Matrix and MCHB Management were accredited with ISO 9001:2000 status for provision of project management and administrative management services in property development by BM TRADA Certification Ltd, a certification body accredited by the United Kingdom Accreditation Service. In 2009, Matrix, MCHB Management and Juwasan Maju upgraded their Quality Management System from ISO 9001:2000 to ISO 9001:2008 for project management, provision of construction and administrative management services in property development from BM TRADA Certification Ltd.

Our Group structure as at the LPD is set out below:



Further details on our history and business are set out in Section 7.1 of this Prospectus.

2.2 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

We believe our competitive advantages and key strengths are:

- (i) We have developed a new integrated township;
- (ii) Our new township in Bandar Sri Sendayan is strategically located;
- (iii) We have on-going and future projects up till 2019;
- (iv) We achieved high take-up rates for properties developed by us;
- (v) We have an established track record;
- (vi) We have a diversified product portfolio;
- (vii) We have experience in joint-venture projects with the State Governments;
- (viii) Growth in launch prices of properties developed by us;
- (ix) We have high impact Government and industrial developments; and
- (x) We have qualified and experienced management team.

Further details on our competitive advantages and key strengths are set out in Section 5.2 of this Prospectus.

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2. SUMMARY INFORMATION (Cont'd)

2.3 OWNERSHIP AND MANAGEMENT

Our Promoters, substantial shareholders, Directors and key management are set out below:

2.3.1 Promoters and/or substantial shareholders

| Name | Designation |
|----------------------|--------------------------------------|
| Dato' Lee Tian Hock | Promoter and substantial shareholder |
| Datin Yong Chou Lian | Promoter and substantial shareholder |
| Ho Kong Soon | Promoter and substantial shareholder |
| Lee Tian Huat | Promoter and substantial shareholder |
| Yong Soi Mee | Promoter and substantial shareholder |
| Ah Sam | Promoter and substantial shareholder |
| Shining Term | Promoter and substantial shareholder |
| Ambang Kuasa | Promoter and substantial shareholder |
| Magnitude Point | Promoter and substantial shareholder |
| Target Venue | Promoter and substantial shareholder |
| Fine Approach | Promoter and substantial shareholder |
| Lee Tian Onn | Promoter |
| Tan Bee Ling | Promoter |
| Yong Ghee Kiat | Promoter |
| Yong Ing Kiat | Promoter |
| Lee Geok Lin | Promoter |
| Lee Geok Hoon | Promoter |
| Lee Yoke Bee | Promoter |
| Lee Yoke Fong | Promoter |
| Teh Wei Cin | Promoter |
| Cheong Yong Chieh | Promoter |
| Meridian Effect | Promoter |
| Yakin Teladan | Promoter |
| Tan Wan Fook | Substantial shareholder |
| Alice Tan Khiam Chow | Substantial shareholder |
| Supreme Interest | Substantial shareholder |

2.3.2 Directors

| Name | Designation |
|--|--|
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Non-Independent Non-Executive Chairman |
| Dato' Lee Tian Hock | Group Managing Director / Chief Executive Officer |
| Ho Kong Soon | Group Deputy Managing Director / Chief Operating Officer |
| Dato' Firdaus Muhammad Rom bin Harun | Independent Non-Executive Director |
| Rezal Zain bin Abdul Rashid | Independent Non-Executive Director |
| Dato' Ir. Batumalai a/l Ramasamy | Independent Non-Executive Director |

2. SUMMARY INFORMATION (Cont'd)

2.3.3 Key management

| Name | Designation |
|--------------|--|
| Lee Fah Pin | General Manager, Projects |
| Tan Say Kuan | Group Accountant |
| Tee Kam Mee | General Manager, Human Resource and Administration |
| How Giok Wah | General Manager, Sales |

Further information on our Promoters, substantial shareholders, Directors and key management and their direct and indirect shareholdings in our Company are set out in Section 9 of this Prospectus.

2.4 PRINCIPAL STATISTICS OF OUR IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with the text:

| | No. of Shares | Share Capital RM |
|--|---------------|---------------------|
| Authorised share capital | 2,000,000,000 | 2,000,000,000 |
| Issued and fully paid-up share capital as at the date of this Prospectus | 237,500,000 | 237,500,000 |
| To be issued pursuant to the Public Issue | 62,500,000 | 62,500,000 |
| Enlarged issued and paid-up share capital upon Listing | 300,000,000 | 300,000,000 |
| New Shares to be issued assuming full exercise of ESOS Options | 30,000,000 | 30,000,000 |
| Enlarged issued and paid-up share capital assuming full exercise of ESOS Options | 330,000,000 | 330,000,000 |
| Existing Shares to be offered pursuant to the Offer for Sale | 37,500,000 | 37,500,000 |
| IPO Price | | RM2.20 |
| Proforma consolidated NA <i>(after the IPO and deducting the estimated listing expenses of RM6.5 million)</i> | | RM472.9 million |
| Proforma consolidated NA per Share <i>(based on the enlarged issued and paid-up share capital after the IPO and deducting the estimated listing expenses of RM6.5 million)</i> | | RM1.58 |
| Market capitalisation <i>(based on the IPO Price and enlarged issued and paid-up share capital after the Listing)</i> | | RM660.0 million |

2. SUMMARY INFORMATION (Cont'd)

The IPO Price of RM2.20 per Share is payable in full upon application, subject to the terms and conditions of this Prospectus.

Further details on our IPO are set out in Section 3 of this Prospectus.

2.5 UTILISATION OF PROCEEDS

The Public Issue is expected to raise gross proceeds of RM137.5 million. The proceeds are expected to be utilised in the following manner:

| Purpose | Time frame for utilisation from the date of listing | Amount RM'000 |
|--------------------------------------|--|--------------------------|
| Working capital | 24 months | 55,000 |
| Infrastructure and common facilities | 24 months | 55,000 |
| Construction of clubhouse | 24 months | 10,000 |
| Repayment of bank borrowings | 12 months | 11,000 |
| Estimated listing expenses | 1 month | 6,500 |
| Gross proceeds | | 137,500 |

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds of RM82.5 million will accrue entirely to the Offerors.

Further details on the utilisation of proceeds are set out in Section 3.7 of this Prospectus.

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2. SUMMARY INFORMATION (Cont'd)

2.6 FINANCIAL INFORMATION

2.6.1 Consolidated statement of comprehensive income

The following is a summary of the historical audited consolidated results of our Group for the past 4 financial years up to FYE 31 December 2012, as extracted from the audited consolidated financial statements of our Group and should be read in conjunction with the Accountants' Report together with the accompanying notes as set out in Section 13 of this Prospectus.

| | <-----FYE 31 December -----> | | | |
|--|------------------------------|---------------|---------------|----------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 204,046 | 195,633 | 624,250 | 456,069 |
| Cost of sales | (157,688) | (138,917) | (475,828) | (263,341) |
| GP | 46,358 | 56,716 | 148,422 | 192,728 |
| Operating and administrative expenses | (19,586) | (24,369) | (46,776) | (47,267) |
| Other operating income | 55 | 478 | 7,300 | 653 |
| EBITDA | 26,827 | 32,825 | 108,946 | 146,114 |
| Finance costs | (539) | (1,060) | (568) | (1,012) |
| Depreciation | (1,891) | (1,804) | (2,040) | (2,338) |
| Share of (loss)/ profit of an associated company | 1 | - | (1) | - |
| PBT | 24,398 | 29,961 | 106,337 | 142,764 |
| Taxation | (5,266) | (7,946) | (26,401) | (39,279) |
| PAT | 19,132 | 22,015 | 79,936 | 103,485 |
| Attributable to: | | | | |
| Equity holders of the Company | 18,553 | 20,512 | 69,411 | 103,485 |
| Minority interests | 579 | 1,503 | 10,525 | - |
| Effective tax rate (%) | 21.6 | 26.5 | 24.8 | 27.5 |
| No. of Shares assumed in issue ('000) ⁽¹⁾ | 237,500 | 237,500 | 237,500 | 237,500 |
| Gross EPS (sen) ⁽²⁾ | 10.3 | 12.6 | 44.8 | 60.1 |
| Net EPS (sen) ⁽³⁾ | 7.8 | 8.6 | 29.2 | 43.6 |
| Fully diluted net EPS (sen) ⁽⁴⁾ | 6.2 | 6.8 | 23.1 | 34.5 |
| GP margin (%) | 22.7 | 29.0 | 23.8 | 42.3 |
| PBT margin (%) | 12.0 | 15.3 | 17.0 | 31.3 |
| PAT margin (%) | 9.4 | 11.3 | 12.8 | 22.7 |

Notes:

- (1) Based on the number of Shares assumed in issue after the Bonus Issue but immediately prior to the Public Issue.
- (2) Gross EPS is calculated based on PBT before non-controlling interests for the relevant financial year divided by the number of Shares in (1) above.
- (3) Net EPS is calculated based on PAT after non-controlling interests for the relevant financial year divided by the number of Shares in (1) above.
- (4) Fully diluted EPS is calculated based on PAT after non-controlling interests for the relevant financial year divided by the enlarged issued and paid-up share capital after the Listing Scheme of 300,000,000 Shares (excluding ESOS).
- (5) There were no exceptional items in all the financial years under review.

2. SUMMARY INFORMATION (Cont'd)

2.6.2 Proforma consolidated statement of financial positions

The summarised proforma consolidated statement of financial positions set out below have been prepared for illustrative purposes only to show the effects of the Listing Scheme on our audited consolidated statement of financial positions as at 31 December 2012, had the Listing Scheme been implemented and completed on 31 December 2012 and is prepared on the basis consistent with the accounting policies adopted by our Group.

The summarised proforma statement of financial positions have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' letter on the Proforma Consolidated Financial Information set out in Section 12.2 of this Prospectus:

| | <----- Proforma -----> | | | |
|--|--------------------------------|--|--|----------------|
| | (I) | (II) | (III) | |
| Audited as at 31 December 2012 RM'000 | After Bonus Issue RM'000 | After Proforma (I) and Public Issue RM'000 | After Proforma (II) and the proposed utilisation of proceeds RM'000 | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 11,517 | 11,517 | 11,517 | 21,517 |
| Investment properties | 1,400 | 1,400 | 1,400 | 1,400 |
| Development properties | 30,314 | 30,314 | 30,314 | 30,314 |
| Deferred income tax assets | 2,017 | 2,017 | 2,017 | 2,017 |
| Goodwill arising on consolidation | * | * | * | * |
| | 45,248 | 45,248 | 45,248 | 55,248 |
| Current assets | | | | |
| Development properties in progress | 373,764 | 373,764 | 373,764 | 428,764 |
| Inventories | 2,401 | 2,401 | 2,401 | 2,401 |
| Trade receivables | 101,040 | 101,040 | 101,040 | 101,040 |
| Amount due from customers for construction contracts | 18,818 | 18,818 | 18,818 | 18,818 |
| Other receivables, deposits and prepayments | 15,125 | 15,125 | 15,125 | 15,125 |
| Deposits, cash and bank balances | 30,727 | 30,727 | 168,227 | 85,727 |
| | 541,875 | 541,875 | 679,375 | 651,875 |
| TOTAL ASSETS | 587,123 | 587,123 | 724,623 | 707,123 |

2. SUMMARY INFORMATION (Cont'd)

| | Audited as at 31 December 2012 RM'000 | Proforma | | |
|--|--|---------------------------------------|--|---|
| | | (I) After Bonus Issue RM'000 | (II) After Proforma (I) and Public Issue RM'000 | (III) After Proforma (II) and the proposed utilisation of proceeds RM'000 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 51,101 | 237,500 | 300,000 | 300,000 |
| Retained profits | 290,529 | 104,433 | 104,433 | 101,597 |
| Capital reserve | 303 | 303 | 303 | 303 |
| Share premium | - | - | 75,000 | 71,033 |
| Non-controlling interest | * | * | * | * |
| Total equity | 341,933 | 341,933 | 479,433 | 472,933 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Hire purchase creditors | 288 | 288 | 288 | 288 |
| Term loans | 17,575 | 17,575 | 17,575 | 6,575 |
| | 17,863 | 17,863 | 17,863 | 6,863 |
| Current liabilities | | | | |
| Trade payables | 48,038 | 48,038 | 48,038 | 48,038 |
| Progress billings | 14,005 | 14,005 | 14,005 | 14,005 |
| Retention sums | 486 | 486 | 486 | 486 |
| Other payables, deposits and accruals | 127,634 | 127,634 | 127,634 | 127,634 |
| Amount due to directors | 8,000 | 8,000 | 8,000 | 8,000 |
| Amount due to customers for construction contracts | 12,611 | 12,611 | 12,611 | 12,611 |
| Hire purchase creditors | 582 | 582 | 582 | 582 |
| Term loans | 3,565 | 3,565 | 3,565 | 3,565 |
| Bank overdrafts | 333 | 333 | 333 | 333 |
| Current income tax liabilities | 12,073 | 12,073 | 12,073 | 12,073 |
| | 227,327 | 227,327 | 227,327 | 227,327 |
| Total Liabilities | 245,190 | 245,190 | 245,190 | 234,190 |
| TOTAL EQUITY AND LIABILITIES | 587,123 | 587,123 | 724,623 | 707,123 |
| Number of ordinary shares in issue ('000) | 51,101 | 237,500 | 300,000 | 300,000 |
| NA (RM'000) | 341,933 | 341,933 | 479,433 | 472,933 |
| NA per share (RM) | 6.69 | 1.44 | 1.60 | 1.58 |

Note:

* Represents RM1.

Further details on the financial information are set out in Section 12 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.7 RISK FACTORS

You should carefully consider the following risk factors (which may not be exhaustive) in addition to the other information contained in this Prospectus before investing in our Shares:

- (i) Risks relating to our business and industry:
 - (a) We are exposed to inherent risks in the property development industry;
 - (b) Delay in completion of projects may adversely affect our business performance and financial position;
 - (c) Difficulty in sourcing strategically located land banks
 - (d) Our business and operations may be affected by cost of development for property projects;
 - (e) Property overhang;
 - (f) We are exposed to competitive risk;
 - (g) We depend on key management personnel for our continued success;
 - (h) Non-renewal and/or failure to obtain licences and permits;
 - (i) We are exposed to the risk of termination of our joint venture agreements;
 - (j) We may be affected by financial risks;
 - (k) Defects liability;
 - (l) The accounting outcomes of our Group may be affected as a result of any change to the FRS and related interpretations after the date of this Prospectus;
 - (m) Our operations may be affected by material litigations, claims or arbitrations;
 - (n) We are subject to government policies, legislations and regulations; and
 - (o) We are subject to political and local and global economic considerations.
- (ii) Risks relating to our Shares:
 - (a) There is no prior market for our Shares;
 - (b) Our Listing is exposed to risk of failure or delay;
 - (c) Control by the Promoters;
 - (d) Investment in the capital market exposes the investor to capital market risk; and
 - (e) Future sale or issuance of our Shares could adversely affect our Share price.

Further details on the risk factors are set out in Section 4 of this Prospectus.

2.8 FUTURE PLANS AND PROSPECTS

Backed by our invaluable experiences gained in the property development sector, our Group intends to further establish itself as one of the key players in the Malaysian property market by implementing the following plans to undertake the following development projects for the next five (5) years:

- (i) Hijayu, Idaman Yu, Sendayan Metropark, Sendayan Merchant Square, Sendayan TechValley, 1 Sendayan Clubhouse and Sendayan Auto City in Bandar Sri Sendayan, Negeri Sembilan;
- (ii) Taman Seri Impian in Kluang, Johor;
- (iii) Third 9 Residence in Seremban, Negeri Sembilan;
- (iv) Lobak Commercial Centre in Seremban, Negeri Sembilan; and
- (v) Kota Gadong Perdana in Seremban, Negeri Sembilan

2. SUMMARY INFORMATION (Cont'd)

The prospects of our Group are dependent on the following factors:

- (i) Good business performance;
- (ii) Competitive advantages and key strengths;
- (iii) Future plans to provide sustainable growth; and
- (iv) Industry prospects and outlook

Please refer to Section 5.7.2 and Section 5.7.4 of this Prospectus for further details on our future plans and prospects.

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3. PARTICULARS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATION

The application for the IPO Shares will open at 10.00 a.m. on 8 May 2013 and will remain open until 5.00 p.m. on 15 May 2013 or such date or dates as our Board and HLIB at their absolute discretion may jointly decide. Late applications will not be accepted.

3.2 INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities is set out below:

| Event | Indicative date |
|--|-----------------|
| Opening date of Application for the IPO | 8 May 2013 |
| Closing date of Application for the IPO | 15 May 2013 |
| Balloting of Applications | 17 May 2013 |
| Despatch of notices of allotment for the Shares to successful applicants | 27 May 2013 |
| Listing date | 28 May 2013 |

Save for the opening date of the application for the IPO, these dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures.

Applications will be accepted from 10.00 a.m. on 8 May 2013 and will remain open until 5.00 p.m. on 15 May 2013 or such later date or dates as our Board and HLIB at their absolute discretion may jointly decide.

Should the closing date of the applications be extended, the dates for the balloting, allotment and listing of our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities might be extended accordingly. We will notify all parties via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in Malaysia in the event there is an extension of time on the closing date of the applications.

3.3 DETAILS OF THE IPO

3.3.1 Public Issue

The 62,500,000 Public Issue Shares, representing approximately 20.83% of our enlarged issued and paid-up share capital, issued at the Issue Price are payable in full upon application, and is subject to the terms and conditions stated in this Prospectus and will be offered in the following manner:

(i) Malaysian Public

10,000,000 Public Issue Shares, representing approximately 3.33% of our enlarged issued and paid-up share capital, will be offered to the Malaysian Public by way of balloting, of which 50% will be set aside for Bumiputera investors.

3. PARTICULARS OF OUR IPO (Cont'd)

(ii) **Eligible Directors and employees of our Group and persons who have contributed to the success of our Group**

8,808,000 Public Issue Shares, representing approximately 2.94% of our enlarged issued and paid-up share capital, will be made available for application by eligible Directors and employees of our Group and persons who have contributed to the success of our Group.

A total of 273 persons are eligible for the Pink Form Shares allocation, comprising the following:

| | Number of persons | Aggregate number of Shares allocated |
|--|-------------------|--------------------------------------|
| Eligible Directors of our Group | 4 | 600,000 |
| Eligible employees of our Group | 153 | 4,599,000 |
| Persons who have contributed to the success of our Group | 116 | 3,609,000 |
| Total | 273 | 8,808,000 |

The number of Pink Form Shares to be allocated to our Directors is as follows:

| Name | Designation | Number of Pink Form Shares allocated |
|--|--|--------------------------------------|
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Non-Independent Non-Executive Chairman | 150,000 |
| Rezal Zain bin Abdul Rashid | Independent Non-Executive Director | 150,000 |
| Dato' Firdaus Muhammad Rom bin Harun | Independent Non-Executive Director | 150,000 |
| Dato' Ir. Batumalai a/l Ramasamy | Independent Non-Executive Director | 150,000 |
| Total | | 600,000 |

The criteria for allocation to our Directors and employees are based on amongst others, length of service, seniority and job responsibilities, past contribution to our Group's success and potential contribution to our Group in the future.

The criteria for allocation to persons who have contributed to the success of our Group are based on amongst others, volume of transaction and length of relationship with our Group.

The above allocation is subject to our eligible Directors and employees and persons who have contributed to the success of our Group subscribing to their respective allocations.

3. PARTICULARS OF OUR IPO (Cont'd)

(iii) Selected investors by way of private placement

43,692,000 Public Issue Shares, representing approximately 14.56% of our enlarged issued and paid-up share capital, will be made available for application by way of private placement to selected investors.

3.3.2 Offer for Sale

The 37,500,000 Offer Shares, representing 12.50% of our enlarged issued and paid-up share capital, issued at the Offer Price are payable in full upon application, and is subject to the terms and conditions stated in this Prospectus and will be offered in the following manner:

(i) Bumiputera investors by way of private placement

32,500,000 Offer Shares, representing approximately 10.83% of our enlarged issued and paid-up share capital, will be made available for application by way of private placement to eligible Bumiputera investors approved by the MITI.

(ii) Selected investors by way of private placement

5,000,000 Offer Shares, representing approximately 1.67% of our enlarged issued and paid-up share capital, will be made available for application by way of private placement to selected eligible investors.

Details of the Offerors are set out below:

| Name | Registered Address / Address | Position/ Relationship with our Group within the past 3 years | Shareholdings as at the LPD | | Offer Shares | | Shareholdings immediately after the IPO | | |
|-----------------|--|---|-----------------------------|-------|----------------------|-----------------------------|---|----------------------|------|
| | | | No. of Shares ('000) | % | No. of Shares ('000) | % Before IPO ⁽¹⁾ | % After IPO ⁽²⁾ | No. of Shares ('000) | % |
| Ambang Kuasa | 18-4-2 Jalan 5/101C Cheras Business Centre Taman Cheras 56100 Kuala Lumpur | Promoter and substantial shareholder | 29,948 | 12.61 | 15,000 | 6.32 | 5.00 | 14,948 | 4.98 |
| Magnitude Point | 54B Complex Damai Jalan Lumut 50400 Kuala Lumpur | Promoter and substantial shareholder | 27,620 | 11.63 | 8,500 | 3.58 | 2.83 | 19,120 | 6.37 |
| Target Venue | 54B Complex Damai Jalan Lumut 50400 Kuala Lumpur | Promoter and substantial shareholder | 15,191 | 6.40 | 4,000 | 1.68 | 1.33 | 11,191 | 3.73 |

3. PARTICULARS OF OUR IPO (Cont'd)

| Name | Registered Address / Address | Position/ Relationship with our Group within the past 3 years | Shareholdings as at the LPD | | Offer Shares | | Shareholdings immediately after the IPO | | |
|----------------------|---|---|-----------------------------|-------|----------------------|-----------------------------|---|----------------------|-------|
| | | | No. of Shares ('000) | % | No. of Shares ('000) | % Before IPO ⁽¹⁾ | % After IPO ⁽²⁾ | No. of Shares ('000) | % |
| Dato' Lee Tian Hock | No. 148 Jalan Dato' Kelana Maamor 70200 Seremban Negeri Sembilan Darul Khusus | Promoter, substantial shareholder and Director | 63,884 | 26.90 | 4,000 | 1.68 | 1.33 | 59,884 | 19.96 |
| Meridian Effect | 54B Complex Damai Jalan Lumut 50400 Kuala Lumpur | Promoter | 11,739 | 4.94 | 3,000 | 1.26 | 1.00 | 8,739 | 2.91 |
| Fine Approach | 18-4-2 Jalan 5/101C Cheras Business Centre Taman Cheras 56100 Kuala Lumpur | Promoter and substantial shareholder | 14,501 | 6.11 | 2,000 | 0.84 | 0.67 | 12,501 | 4.17 |
| Datin Yong Chou Lian | No. 148 Jalan Dato' Kelana Maamor 70200 Seremban Negeri Sembilan Darul Khusus | Promoter and substantial shareholder | 2,072 | 0.87 | 1,000 | 0.42 | 0.33 | 1,072 | 0.36 |

Notes:

(1) Based on the issued and paid-up share capital of 237,500,000 Shares as at the LPD.

(2) Based on the enlarged issued and paid-up share capital of 300,000,000 Shares after the IPO (excluding ESOS Options).

Further details on the Offerors are disclosed in Section 9.1.2 of this Prospectus.

3.3.3 Underwriting arrangement and allocation of the IPO Shares

The allocations of our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

The 18,808,000 Public Issue Shares available for application by the Malaysian Public, our eligible Directors and employees and persons who have contributed to the success of our Group in respect of Sections 3.3.1(i) and (ii) of this Prospectus are fully underwritten by the Co-Underwriters.

The 43,692,000 Public Issue Shares and 5,000,000 Offer Shares available for application by way of private placement to selected eligible investors in respect of Section 3.3.1(iii) and 3.3.2 (ii) respectively of this Prospectus are not underwritten as these shares are allocated to selected eligible investors whereby irrevocable undertakings from these investors have been obtained.

3. PARTICULARS OF OUR IPO (Cont'd)

The 32,500,000 Offer Shares under the Offer for Sale in respect of Section 3.3.2(i) will not be underwritten as these Shares are allocated by way of private placement to Bumiputera investors approved by the MITI whereby irrevocable undertakings from these investors have been obtained. In the event of an under-subscription of the 32,500,000 Offer Shares made available for application by eligible Bumiputera investors approved by the MITI under Section 3.3.2(i) of this Prospectus, the unsubscribed Offer Shares shall be made available for application by the Bumiputera public as part of the balloting process. Thereafter, any of the unsubscribed Offer Shares that are reallocated to the Bumiputera public (as part of the balloting process) which are not taken up by the Bumiputera public will be made available for application by the Malaysian Public and/or to selected eligible investors via placement.

In the event of an under-subscription of the 10,000,000 Public Issue Shares by the Public under Section 3.3.1(i) of this Prospectus, the unsubscribed Public Issue Shares will be made available to the selected eligible investors. The 8,808,000 Public Issue Shares under Section 3.3.1(ii) of this Prospectus which are not taken up by our eligible Directors and employees and persons who have contributed to the success of our Group will be first re-offered to our Group's other eligible Directors and employees and persons who have contributed to the success of our Group. Subsequently, any of the Public Issue Shares re-offered which are not taken up will be made available for application by the Malaysian Public on a fair and equitable manner and/or to selected eligible investors via placement. Any further Public Issue Shares not subscribed for will be made available for subscription by our Co-Underwriters based on the terms of the Underwriting Agreement.

There is no minimum subscription to be raised from the Public Issue.

The number of IPO Shares offered under the Public Issue and Offer for Sale will not be increased via any over-allotment or "greenshoe" option.

3.3.4 ESOS

In conjunction with our Listing, we are implementing an ESOS which entails the issuance of up to 10.0% of our enlarged issued and paid-up share capital (excluding treasury shares) at any one time pursuant to the options to be granted under the ESOS to our Group's eligible Directors and employees.

Our Directors may grant up to 30,000,000 ESOS Options to our Group's eligible Directors and employees prior to our Listing. The exercise price of such ESOS Options is the IPO Price.

The new Shares to be issued upon the exercise of the ESOS will rank *pari passu* in all respects with our then existing issued and fully paid-up ordinary shares, except that they will not be entitled to any dividend, rights, allotment or other distribution, the entitlement date of which is prior to the date of allotment of the said Shares. The new Shares will be subject to all the provisions of our Articles of Association.

The ESOS shall be administered by the ESOS committee which has been appointed by our Board and shall be governed by the By-Laws. The salient features of the By-Laws are as follows:

- (i) The ESOS shall be in force for five (5) years. However, our Board at its sole discretion, upon the recommendation of the ESOS committee, may extend the ESOS for up to another five (5) years or any other duration that is allowed by the relevant authorities;

3. PARTICULARS OF OUR IPO (Cont'd)

- (ii) The maximum number of new Shares which may be made available under the ESOS shall not be more than ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) at the point in time when an Offer is made. The Company will for the duration of the ESOS make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all subsisting ESOS Options which may be exercisable from time to time.
- (iii) Any employee or Director of our Group shall be eligible to participate in the Scheme and qualify for selection by the ESOS committee, if as at the Date of Allocation (where applicable):
 - (a) such employee or Director has attained the age of eighteen (18) years;
 - (b) such employee or Director has been employed on a full time basis and is on the payroll of any corporation in our Group and his/her employment has been confirmed; or
 - (c) such employee or Director is serving in a specific designation under an employment contract for a fixed duration of at least one (1) year;
 - (d) such employee or the Director is not a participant of any other ESOS implemented by any company within our Group which is in force for the time being; and
 - (e) in the case of a Director or employee (who is the chief executive or major shareholder of Matrix Concepts) and persons connected with them, the specific allocation of the new Shares to such Director, employee, or persons connected with them under the ESOS has been approved by the shareholders our Company at a general meeting provided always that the Director, employee, and persons connected to them shall not have voted on the resolution approving the said allocation.
- (iv) Eligibility, however, does not confer on an eligible person a claim or right to participate in the ESOS unless the ESOS committee has made an offer to the eligible person and the eligible person has accepted the ESOS Option Offer in accordance with the terms of the ESOS Option Offer and the Scheme.
- (v) If the ESOS Option is granted prior to the consummation of the IPO, the price at which the eligible party is entitled to subscribe for each new Share shall be the IPO Price. If the ESOS Option is granted after the consummation of the IPO, the price at which the eligible party is entitled to subscribe for each new Share shall be determined by the ESOS committee based on the five (5) day weighted average market price of Shares traded.

The ESOS By-Laws are set out in Section 15 of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)

Details of our proposed ESOS Options allocation to our eligible Directors and key management of our Group are as follows:

| Name | Designation | Proposed ESOS Options allocation |
|--|--|----------------------------------|
| <u>Directors</u> | | |
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Non-Independent Non-Executive Chairman | 200,000 |
| Dato' Lee Tian Hock | Group Managing Director / Chief Executive Officer | 200,000 |
| Ho Kong Soon | Group Deputy Managing Director / Chief Operating Officer | 200,000 |
| Dato' Firdaus Muhammad Rom bin Harun | Independent Non-Executive Director | 100,000 |
| Rezal Zain bin Abdul Rashid | Independent Non-Executive Director | 100,000 |
| Dato' Ir. Batumalai a/l Ramasamy | Independent Non-Executive Director | 100,000 |
| <u>Key management</u> | | |
| Lee Fah Pin | General Manager, Projects | 100,000 |
| Tan Say Kuan | Group Accountant | 100,000 |
| Tee Kam Mee | General Manager, Human Resource and Administration | 100,000 |
| How Giok Wah | General Manager, Sales | 100,000 |

3.4 SHARE CAPITAL

| | No. of Shares | Share Capital RM |
|---|--------------------|--------------------|
| Authorised share capital | 2,000,000,000 | 2,000,000,000 |
| Issued and fully paid-up share capital as at the date of this Prospectus | 237,500,000 | 237,500,000 |
| To be issued pursuant to the Public Issue | 62,500,000 | 62,500,000 |
| Enlarged issued and paid-up share capital upon Listing | 300,000,000 | 300,000,000 |
| New Shares to be issued assuming full exercise of ESOS Options | 30,000,000 | 30,000,000 |
| Enlarged issued and paid-up share capital assuming full exercise of ESOS Options | 330,000,000 | 330,000,000 |
| Existing Shares to be offered pursuant to the Offer for Sale⁽¹⁾ | 37,500,000 | 37,500,000 |

Note:

- (1) The Offer for Sale would not have an effect on our issued and paid-up share capital as the Offer Shares are already in existence prior to the IPO.

3. PARTICULARS OF OUR IPO (Cont'd)

Our market capitalisation upon Listing, based on the Issue Price and our enlarged issued and paid-up share capital of 300,000,000 Shares amounts to RM660,000,000.

As at the date of this Prospectus, we have only 1 class of shares in Matrix Concepts, namely, ordinary shares of RM1.00 each. The Public Issue Shares will rank *pari passu* in all respects with our other existing issued and fully paid-up ordinary shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching to any shares which may be issued by our Company in the future, the holders of ordinary shares in our Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of our Company, such surplus shall be distributed among our members in proportion to the paid-up capital at the commencement of the winding up, in accordance with the Articles of Association of our Company.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have 1 vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may, but need not be, a member of our Company.

3.5 PURPOSE OF THE IPO

The purposes of the IPO are as follows:

- (i) to obtain listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities, which is expected to enhance our profile and corporate image;
- (ii) to enable us to tap on the capital markets for cost effective fund raising and to provide our Group with the financial flexibility in our choice of financing alternatives for our future expansion and growth;
- (iii) to further enhance our Group's presence and visibility in the property development industry; and
- (iv) to allow the investing community, including the Malaysian public, our eligible Directors and employees and persons who have contributed to the success of our Group to participate in our continuing growth by way of equity participation.

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3. PARTICULARS OF OUR IPO (Cont'd)

3.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by us and HLIB as the Adviser based on various factors after taking into account, inter-alia, the following factors:

- (i) our Group's audited consolidated NA per Share of RM6.69 as at 31 December 2012. Based on our enlarged issued and paid-up share capital of 300,000,000 Shares, the IPO price of RM2.20 per Share represents a premium of RM0.62 per Share or approximately 39.2% over the proforma consolidated NA per Share of approximately RM1.58 and a price to book ratio of approximately 1.39 times;
- (ii) based on the market value of our Group's properties as appraised by the Valuer, there is a total revaluation surplus of approximately RM242.9 million, or approximately RM0.81 per Share, as at 28 February 2013 which is not incorporated into the financial statements of our Group;
- (iii) our Group's operating and financial history as disclosed in Sections 5.1 and 12 respectively of this Prospectus. Based on our audited consolidated PAT for the FYE 31 December 2012 of RM103.5 million and enlarged issued and paid-up share capital upon Listing of 300,000,000 Shares, our Group's net EPS is 34.5 sen which translates into a net PE Multiple of 6.4 times;
- (iv) the overview and prospects of the industry in which our Group operates in terms of:
 - (a) the Malaysian economy and the construction sector;
 - (b) performance of the property sector;
 - (c) Government initiatives;
 - (d) policies for housing loans;
 - (e) population growth; and
 - (f) synergistic growth led by surrounding developments.

Further details on the overview and prospects of the industry in which our Group operates are outlined in Section 6 of this Prospectus; and

- (v) our strategies and future plans, which focus on property developments in Seremban, Negeri Sembilan and Kluang, Johor. Our overall business strategic direction is to create new townships or major property developments in undeveloped or under developed areas by incorporating unique developments that will provide critical mass to sustain business growth.

Further details of our future plans and strategies are outlined in Sections 5.3 and 5.7.2 of this Prospectus.

However, you should also note that the market price of the Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of the Shares being traded. You should form your own views on the valuation of the IPO Shares before deciding to invest in our Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

3.7 UTILISATION OF PROCEEDS

3.7.1 Proceeds from the IPO

The Public Issue is expected to raise gross proceeds of RM137.5 million for our Group, which shall be utilised in the following manner:

| Purpose | Time frame for utilisation from the date of listing | Amount RM'000 |
|--|---|----------------|
| Working capital ⁽ⁱ⁾ | 24 months | 55,000 |
| Infrastructure and common facilities ⁽ⁱⁱ⁾ | 24 months | 55,000 |
| Construction of clubhouse ⁽ⁱⁱⁱ⁾ | 24 months | 10,000 |
| Repayment of bank borrowings ^(iv) | 12 months | 11,000 |
| Estimated listing expenses ^(v) | 1 month | 6,500 |
| Gross proceeds | | 137,500 |

Pending the utilisation of proceeds arising from the Public Issue, the proceeds will be placed in interest-bearing accounts, money market instruments and/or deposits.

Notes:

- (i) A total of RM55.0 million from the proceeds of Public Issue will be allocated for working capital to finance our day-to-day operations, including payment to creditors, such as contractors and consultants, purchase of raw materials, administrative expenses, such as salaries and wages and other operating expenses, such as advertising and promotional activities, as detailed below:

| | |
|--|---------------|
| | RM'000 |
| Payment to creditors | 25,000 |
| Payment to suppliers for raw materials | 20,000 |
| Administrative expenses | 6,000 |
| Other operating expenses | 4,000 |
| Total | 55,000 |

- (ii) A total of RM55.0 million of the gross proceeds will be allocated for the infrastructure works and common facilities for the Hijayu development project in Bandar Sri Sendayan, such as payment to creditors including contractors and consultants, payment to suppliers for raw materials, payment for leveling and earthworks, payment for road works and sewerage, drainage and internal piping, and other related incidental costs, as detailed below:

| | |
|---|---------------|
| | RM'000 |
| Payment to creditors | 5,000 |
| Payment to suppliers for raw material | 10,000 |
| Payment for leveling and earthworks | 20,000 |
| Payment for road works and sewerage, drainage and internal piping | 15,000 |
| Payment for other related incidental works | 5,000 |
| Total | 55,000 |

3. PARTICULARS OF OUR IPO (Cont'd)

- (iii) We propose to allocate RM10.0 million of the gross proceeds for the construction of a clubhouse located in Bandar Sri Sendayan, Seremban, Negeri Sembilan as detailed below:

| | |
|--|----------------------|
| | RM'000 |
| Payment to creditors | 3,500 |
| Payment to suppliers for raw materials | 6,500 |
| Total | <u>10,000</u> |

Further details on the said clubhouse are outlined in Section 5.7.2.2 of this Prospectus.

- (iv) We propose to allocate approximately RM11.0 million of the gross proceeds for the repayment of bank borrowings which was utilised to part finance the development cost for the development of Nusari Aman 1B in Bandar Sri Sendayan.

The proposed repayment of our Group's bank borrowings is as set out below:

| Type of facility / financing bank | Interest rate / Maturity | Purpose | Outstanding amount as at LPD RM'000 | Repayment of bank borrowings RM'000 | Outstanding amount after repayment RM'000 |
|-----------------------------------|--------------------------|--|-------------------------------------|-------------------------------------|---|
| Term loan / Amlslamic Bank Berhad | BLR + 0.20% / 7 years | Working capital for the development of Bandar Sri Sendayan | 11,000 | 11,000 | - |

- (v) The estimated listing expenses incidental to our Listing are as follows:

| | |
|--|---------------------|
| | RM'000 |
| Professional fees | 2,200 |
| Fees to the authorities | 320 |
| Underwriting commission and placement fees | 3,400 |
| Advertising and printing costs | 500 |
| Miscellaneous | 80 |
| Total | <u>6,500</u> |

Notes:

- (a) Professional fees include fees for the Adviser, Reporting Accountants, Solicitors, Independent Market Researcher, Valuer, Issuing House and other professional advisers.
- (b) Any variation to the estimated listing expenses will result in adjustment to our working capital.

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds of RM82.5 million will accrue entirely to the Offerors. The Offerors shall bear all expenses such as placement fees and other expenses relating to the Offer Shares estimated to be up to RM2.1 million.

3. PARTICULARS OF OUR IPO (Cont'd)

3.7.2 Financial impact from the utilisation of proceeds

The proposed utilisation of proceeds from the Public Issue is expected to have, amongst others, the following positive impact on our Group:

(i) Improved cash flow position

The additional working capital funds of RM55.0 million arising from the Public Issue are expected to strengthen the liquidity and cash flow position of our Group in the future. The Public Issue is also expected to enhance the future earnings and provide available financing for future attractive opportunities for our Group.

(ii) Interest savings

A portion of the proceeds from the Public Issue has been allocated for repayment of the Group's bank borrowings, amounting to RM11.0 million bearing interest rate as disclosed in Section 3.7.1 of this Prospectus. The Group expects interest savings of approximately RM0.8 million for the FYE 31 December 2013 based on the prevailing interest rate of 6.8% per annum. After the repayment of bank borrowings, our Group's gearing is expected to reduce from approximately 0.07 times to 0.02 times (based on our Group's proforma total borrowings and total equity as at 31 December 2012 after the Bonus Issue, IPO and utilisation of proceeds).

(iii) Lower gearing

With a lower gearing, our Group is in a better position to undertake new projects and raise new financing as and when the need arises, as compared to other property developers with a higher gearing. In addition, our Group's priority is to purchase land for future developments using internally generated funds, so as to incur lesser interest cost from borrowings, reduce our financial risks and reinforce our financial strengths. This will also put us in a better position in times of economic uncertainty, as compared to other property developers with a higher gearing.

3.8 DILUTION

Dilution is computed as the difference between the IPO Price paid by the applicants for our Shares under the IPO and the proforma consolidated NA per Share of our Group immediately after the IPO.

The following table illustrates such dilution on a per Share basis:

| | RM |
|---|-----------|
| Issue Price | 2.20 |
| Consolidated NA per Share as at 31 December 2012 (after the Bonus Issue but before the Public Issue) | 1.44 |
| Increase in consolidated NA per Share attributable to the existing shareholders (after the Public Issue and proposed utilisation of proceeds) | 0.14 |
| Consolidated NA per Share after the Public Issue and proposed utilisation of proceeds | 1.58 |
| Dilution in consolidated NA per Share to new investors | 0.62 |
| Dilution in consolidated NA per Share to new investors as a percentage of the IPO Price | 28.2% |

3. PARTICULARS OF OUR IPO (Cont'd)

Summarised below is the total number of Shares acquired by our Directors, Promoters, substantial shareholders and/or persons connected to them, the total consideration paid by them and the average effective cash cost per Share to our Directors, Promoters, substantial shareholders and/or persons connected to them and the Public Issue Shares and the Offer Shares subscribed by the new investors pursuant to the IPO. Save as disclosed below, there has been no other equity transaction and/or right to acquire by our Directors, Promoters, key management, substantial shareholders and/or persons connected to them during the past 3 years prior to the date of this Prospectus:

| | No. of Shares held / subscribed | Total Consideration RM | Cost per Share RM |
|---|------------------------------------|------------------------------|-------------------------|
| <u>Directors, Promoters and substantial shareholders</u> | | | |
| Dato' Lee Tian Hock | 52,629,766 | - | - |
| Ho Kong Soon | 6,946,752 | 1 | *- |
| <u>Promoters and substantial shareholders</u> | | | |
| Shining Term | 37,935,706 | - | - |
| Ambang Kuasa | 29,948,199 | 6,443,710 | 0.22 |
| Magnitude Point | 21,677,549 | - | - |
| Target Venue | 11,922,649 | - | - |
| Fine Approach | 11,380,712 | - | - |
| Datin Yong Chou Lian | 1,625,815 | - | - |
| <u>Promoters</u> | | | |
| Meridian Effect | 9,212,959 | - | - |
| Yakin Teladan | 1,625,815 | - | - |
| <u>Substantial shareholders</u> | | | |
| Supreme Interest | 11,922,649 | - | - |
| | | Consideration | Cost per |
| | No. of IPO Shares | RM | Share |
| <u>New investors from our IPO</u> | | | |
| Public Issue | 62,500,000 | 137,500,000 | 2.20 |
| Offer for Sale | 37,500,000 | 82,500,000 | 2.20 |

Note:

* Negligible.

3.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE

The Managing Underwriter and Co-Underwriters have entered into the Underwriting Agreement on 18 April 2013 with our Company for the underwriting of 18,808,000 Public Issue Shares, which are available for application by the Public and our eligible Directors and employees and persons who have contributed to the success of our Group ("**Underwritten Shares**"). We will pay an underwriting commission in respect to the Underwritten Shares at the rate of 2.5% of the value of the Underwritten Shares to the Co-Underwriters.

3. PARTICULARS OF OUR IPO (Cont'd)

We will pay the brokerage at the rate of 1.0% on the IPO Price in respect of successful applications bearing the stamp of HLIB, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or Issuing House.

We will pay the Co-Placement Agents, a placement fee at the rate of up to 2.5% of the value of the 43,692,000 Public Issue Shares reserved for private placement (being the number of Public Issue Shares reserved for private placement multiplied by the Issue Price).

The Offerors will pay the Co-Placement Agents a placement fee at the rate of up to 2.5% of the value of the 37,500,000 Offer Shares under Section 3.3.2 of this Prospectus.

3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following are extracts of some of the salient terms contained in the Underwriting Agreement dated 18 April 2013 entered into between our Company, the Managing Underwriter and the Co-Underwriters, including terms which allow the Co-Underwriters to withdraw from their underwriting obligation after the opening of the Public Issue. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

- 3.10.1 Pursuant to the terms of the Underwriting Agreement, HLIB has agreed to underwrite up to 9,404,000 Public Issue Shares and KIBB has agreed to underwrite up to 9,404,000 Public Issue Shares.
- 3.10.2 The underwriting obligations of our Co-Underwriters are subject to certain conditions precedents that must be satisfied on or prior to three (3) Market Days after the closing date of the Retail Offering or such later date as consented to in writing. In addition, our Managing Underwriter, acting in consultation with the Underwriters may, by notice in writing given to us at any time before the date of our Listing, terminate, cancel and withdraw their underwriting commitment under the Underwriting Agreement upon the occurrence of any of the following events:
- (i) there is any breach by our Company of any of the representations, warranties or undertakings set out in the Underwriting Agreement in any respect; or in the case of any warranties or representations or undertakings which are not qualified by any materiality requirements, in any material respect and in either event, where such misrepresentation or breach is capable of remedy, the same not being remedied within five (5) Market Days, but in any event no later than the closing date of the Retail Offering;
 - (ii) the Company withholds any material information from the Managing Underwriter and the Co-Underwriters,
 - (iii) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Managing Underwriter or the Co-Underwriters by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect or which materially affect the success of the IPO or which is reasonably likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms, or by our Company. "**Material Adverse Effect**" means any material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business on:

3. PARTICULARS OF OUR IPO (Cont'd)

- (a) the condition (financial or otherwise), results of operations or business affairs or prospects of our Group taken as a whole;
- (b) the ability of our Company to perform in any material respect its obligations under or with respect to, or to consummate the transactions contemplated by the Underwriting Agreement and the Placement Agreement; or
- (c) the IPO.

"Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:

- (a) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
 - (b) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power; or
 - (c) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other Acts of God.
- (iv) any government requisition or other occurrence of any nature whatsoever which is reasonably likely to have a Material Adverse Effect or affect the success of the IPO;
 - (v) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Underwriters is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (a) on or after the date of the Underwriting Agreement; and
 - (b) prior to the date of our Listing,

lower than 10%, of the level of index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least five (5) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
 - (vi) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;

3. PARTICULARS OF OUR IPO (Cont'd)

- (vii) any new law or regulation or change in law, regulation, directive, policy or ruling in any applicable jurisdiction which is reasonably likely to prejudice the success of the Listing or which is reasonably likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (viii) the Retail Offering or the Pink Form Offering or the Placement Offering is stopped by our Company or the regulatory authorities for any reason whatsoever;
- (ix) the Listing does not take place on or before 28 May 2013 or within three (3) Market Days after the Settlement Date, whichever is earlier, or such other extended date as may be agreed by the Managing Underwriter. "**Settlement Date**" means the date of delivery of the acceptance form issued with this Prospectus together with the remittance of subscription monies payable on the application of the Underwritten Shares that have not been validly subscribed, by the Underwriters in accordance with Clause 8.1 of the Underwriting Agreement; and
- (x) the Placement Agreement shall have been terminated or rescinded in accordance with its terms thereof or any of the conditions precedent set forth in the Placement Agreement not having been satisfied in full or to the extent not satisfied as such, waived by the Co-Placement Agents in accordance with its terms.

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4. RISK FACTORS

You should evaluate and consider carefully, along with other matters in this Prospectus, the risks (which may not be exhaustive) below. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

4.1 RISKS RELATING TO OUR BUSINESS AND INDUSTRY

4.1.1 We are exposed to inherent risks in the property development industry

Our Group is subject to inherent risks in the property development industry, which may include changes in economic and political conditions, inflation, changes in business conditions such as shortage of labour supply, increase in labour and raw material costs, rise in financing costs and fluctuating demand for properties.

We seek to minimise these risks through, inter-alia, careful identification of the type of property development projects to be undertaken, prudent financial policy, careful planning and close monitoring of our projects, effective human resource management and providing competitively priced properties with attractive designs.

4.1.2 Delay in completion of projects may adversely affect our business performance and financial position

The timely completion of property development projects may be subject to external factors which may be beyond the control of our Group, such as obtaining licences, permits or approvals from relevant regulatory authorities, availability and adequacy of raw materials and labour, weather conditions and changes in government policies. In the event the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to claim liquidated ascertained damages under the terms of the sale and purchase agreements or they may choose to terminate the sale and purchase agreement and claim refund of all monies paid and/or damages for failure of delivery. There is no assurance that we will not experience significant delays in completion of our projects which may adversely affect our Group's reputation and financial performance.

To mitigate such risks, our Directors and management monitor the project schedules closely to minimise any delay in the completion of our projects. Our Group had implemented measures such as the launching of projects in phases and the monitoring of work done block by block or precinct by precinct to minimise any delay. In addition, our Group has also ensured that the infrastructure works are completed on a general basis before the official launch of a project. Nevertheless, as at the LPD, our Group has not experienced any delays in the completion of our development projects. Notwithstanding this, there can be no assurance that the aforementioned factors will not lead to delays in the completion of our property development projects.

4.1.3 Difficulty in sourcing strategically located land banks

The success of our Group in the property development industry is very much dependent on the location and size of our land bank in order to sustain our future growth. Failure to do so would impair our ability to compete effectively with other property developers which in turn may have a material adverse impact on our business and financial performance.

4. RISK FACTORS (Cont'd)

Although our Group possess strategic land banks and was able to purchase or jointly developed relatively attractive and sizeable land bank in the past, there can be no assurance that our Group will be able to continue to do so at commercially viable prices or terms in the future. As at the LPD, our Group has approximately 1,558 acres of land located in Negeri Sembilan and Johor held for on-going and future development. The said land bank is expected to be sufficient for our on-going and future development needs for the next six (6) years. Nevertheless, our Group will continue to identify strategic land bank for future acquisition and seek for opportunities with land owners to jointly develop such land on commercially viable profit sharing terms to ensure sustainability of our future growth.

4.1.4 Our business and operations may be affected by cost of development for property projects

Appreciation of land costs and fluctuation of construction costs are inherent risks in the property development industry. Higher cost of land and construction costs, such as cost of building materials, labour costs, sub-contractors fees and overheads, will affect the profit margin of property developers where the selling prices of its development properties and demand for these properties may be adversely affected.

Our Group's project management division which undertakes planning and management of projects enables us to better manage our development costs. In addition, we have a large pool of suppliers and sub-contractors which enables us to source for building materials and sub-contractors at reasonable prices.

Fluctuation in cost of raw materials such as iron and steel materials is an inherent risk in the property development industry. The building materials used in our property development projects represent a significant proportion of the total construction costs such as steel bars and metal, concrete, clay materials, concrete materials, premix, crusher run, aggregates, and quarry dusts, cement, wood materials and hardware materials. Any increase in the costs of these raw materials may adversely affect our Group's profit margin where the selling prices of our properties are fixed. Even if we are able to increase the selling price of our development properties, the demand may be adversely affected. In a situation where we have already launched our project and the cost of raw materials increased more than what we had planned for, then it will result in a lower gross profit margin for us. This is because we are unable to change our selling prices once we have published them and taken sales bookings. For illustration purposes, assuming an increase in construction costs by 10%, it will cause our GP margins to decrease by approximately 5% based on our financial results for FYE 31 December 2012. Notwithstanding this, during the FYE 31 December 2012, we were not affected by any substantial increase in material costs. However, as some of the building materials such as iron, steel and cement, are commodities where prices of these raw materials are subject to fluctuations in global market prices, all property developers that use these materials are equally affected.

There can be no assurance that any change in the cost of development for our Group's property projects will not have a material impact on our performance. As such, our Board seek to limit these risks by prudent management of our projects and closely monitoring the development costs while making reasonable efforts to maintain quality.

4. RISK FACTORS (Cont'd)

4.1.5 Property overhang

Property overhang is commonly caused by oversupply and/or low take-up rate of new launches by developers. A continuing rise in property overhang will have an impact on property developers within the industry. In 2012, the number of completed and unsold residential units reached 15,000 units, amounting to RM4.7 billion in Malaysia (Source: *Independent Assessment of Property Development Industry in Malaysia prepared by Vital Factor*). The property development industry is dependent on the economic and political conditions of Malaysia, and is usually one of the first few sectors to reflect the recovery or downturn in the economy.

However, some of the Government's initiatives would help to mitigate the property overhang risks. These include My First Home Scheme programme launched by the Government under the 2012 Budget to help young adults with earnings below RM3,000 per month to purchase their first home. Subsequently in the 2013 Budget, the Government announced that the income limit would be raised to RM5,000 per month for individual loans and RM10,000 per month for joint loans of husband and wife. Home buyers under this programme are allowed to obtain 100% financing loan from financial institutions and they do not have to pay a 10% down payment. According to the Budget 2012, the maximum property value allowed under the scheme had been increased from RM220,000 to RM400,000 effective from 1 January 2012. The aforementioned is aimed at stimulating the demand for properties and house ownership in Malaysia, which is expected to have a favourable impact on our Group's business.

Our Group will continue to implement various measures to ensure the viability and ability of our Group to withstand the effects arising from the property overhang risks. These include, inter-alia, delivering quality services and timely project completion, strengthening of our Group's credit control policies, close monitoring of project costs and sub-contractors' performance to ensure the profitability of our Group is sustained. We have also put in place a detailed in-house market study to determine the market demand and response for any project launched or to be launched by our Group.

4.1.6 We are exposed to competitive risk

Our Group is exposed to competition from other property development companies in Malaysia. There are a large number of local and foreign property developers undertaking property development in Malaysia and many of these property developers have significant financial, managerial, marketing and other resources. The competition arises in respect of the availability of strategically located and reasonably priced land for development, the supply of labour and raw materials and the selling prices of developed properties. Intense competition may result in highly competitive pricing which may consequently affect our Group's financial performance.

Our Group has taken pro-active measure to mitigate competitive risks by constantly reviewing our marketing strategies and monitoring market conditions. We also keep abreast of new architectural and engineering designs and trends to stay ahead of competition and to better meet the requirements of our customers. Furthermore, our Group is already in an advantageous position compared with our competitors as our land banks in Negeri Sembilan and Johor are strategically located within the vicinity of respective city centres or townships. Over the years, the value of houses and shop offices in these areas have been appreciating and our Board believes that this trend will continue in the future.

4. RISK FACTORS (Cont'd)

Notwithstanding this, there is no assurance that our pro-active measures can effectively mitigate the potential adverse effects of competition on our Group's financial performance and position.

4.1.7 We depend on key management personnel for our continued success

Our Group's success to-date can largely be attributed to the contributions and expertise of our existing Directors and key management personnel, some of whom have more than 20 years of experience in the property development industry. Our continued success will depend, to a significant extent, on our ability to retain the services of our Directors and key management personnel. The loss of the services of our Directors and key management personnel without suitable and timely replacement, or the inability to attract and retain other qualified personnel, could adversely affect our business operations.

As such, we have taken steps to ensure that our Group's employees are given recognition and adequately rewarded for their contribution to the success of our Group. We have also made continuous efforts to train and groom the junior members of our management team to gradually assume more responsibilities as part of our management succession plan.

4.1.8 Non-renewal and/or failure to obtain licences and permits

Our Group has obtained certain licences and permits from various governmental authorities and quality accreditations from internationally recognised bodies. However, some of these approvals, licences, permits and quality accreditations are subject to periodic review and renewal by the relevant governmental authorities. In addition, the standards of compliance required may from time to time be subject to changes. Non-renewal or revocation of our Group's approvals, licences, permits and quality accreditations may have an adverse impact on our operations, business and reputation, hence affecting our financial performance.

Our Group may also need to apply from time to time for new licences or permits for the new property development projects. Failure to obtain such licences or permits may cause disruption or delay in the progress of the new property development projects.

Although our Group has not experienced any revocation and/or non-renewal of the requisite approvals, licences, permits or quality accreditations, there is no assurance that the existing approvals, licences, permits or quality accreditations for certain subsidiaries will be renewed and obtained in a timely manner.

4.1.9 We are exposed to the risk of termination of our joint venture agreements

Due to the majority of our Group's projects being embarked upon on a joint venture basis, we are exposed to the risk of the termination of our joint venture agreements. However, based on our past track record, we have never faced the termination or abortion of any joint venture development projects that we have undertaken in the past as a result of any default of obligations or breach of responsibilities by us or our partners. We have always met our responsibilities as and when they are due and have never defaulted on any obligations.

Although our Group has never experienced any termination of our joint venture agreements as a result of any default of obligations by us or our partners, there is no assurance that we will not face any such risks in the future.

4. RISK FACTORS (Cont'd)

4.1.10 We may be affected by financial risks

Our working capital and capital expenditure requirements are funded by internally generated funds and external financing in the form of borrowings and credit arrangements with our suppliers and sub-contractors. We generally have credit terms of up to sixty (60) days with our suppliers and sub-contractors. Save as disclosed in Section 12.5.3 of this Prospectus, we do not have any other borrowings and indebtedness. As our Group has interest-bearing borrowings which are dependent on the prevailing interest rates, future fluctuations in interest rates could materially affect our Group's debt repayment obligations. Currently, we enjoy good credit standing with our bankers and have adequate credit facilities for our operations.

Our credit facilities may also be subject to periodic review and we are also bound by certain restrictive covenants pursuant to the credit facility agreements that we have entered into with our bankers and financiers, which may limit our Group's operating and financial flexibility. Such covenants are commonly contained in credit facility agreements of such nature. Any breach of such covenants may give rise to a right by the bankers or financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to the particular credit facility. Our Directors and relevant key management personnel will continue to monitor our Group's compliance with all the covenants and take all precautions necessary to prevent any breaches.

In order to ensure our funding requirements are adequately met and external financing, where necessary, is secured on a timely basis, our Group practises prudent financial management. In addition, our Listing will enable us to tap the capital markets in the future to meet our funding requirements when the need arises. However, there is no assurance that we will have sufficient credit facilities for our working capital and capital expenditure requirements or that future fluctuations in interest rates will not adversely affect our ability to meet financial obligations as and when they become due and payable.

4.1.11 Defects liability

In line with industry practice and the nature of our development projects, our Group extends a defect liability period which ranges from 12 to 24 months from the official handing over of the completed projects, depending on the nature of the contract. During the defects liability period, we are liable for any repair work, reconstruction or rectification of any defects which may surface or identified during this period at our own cost. If we are required to rectify defects during the defects liability period, it may result in an increase in development costs and affect the profitability of that particular project.

Our Group had implemented various measures to mitigate this risk such as strict quality control procedures at various stages of our development projects to ensure that all the work specifications are met and defects are minimal. Furthermore, our project management team monitors and supervises the sub-contractors in order to ensure the timeliness of completion and the quality of the development projects. To-date, our Group has not been subject to any material defect liability claims. Nevertheless, there is no assurance that any repair, reconstruction or rectification works to be carried out during the specified defects liability period will not have a material and adverse impact on our Group's financial performance.

4. RISK FACTORS (Cont'd)

4.1.12 The accounting outcomes of our Group may be affected as a result of any change to the FRS and related interpretations after the date of this Prospectus

Recent developments in the financial reporting framework have seen many changes and updates made to the International Financial Reporting Standards ("IFRS") recently adopted by the Malaysian Accounting Standard Board ("MASB"). Hence, our Group is not excluded from the impact of new IFRSs and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"). Furthermore, there is a specific interpretation by IFRIC namely IC Interpretation 15: Agreements for the Construction of Real Estate ("IC 15") which would significantly affect the annual financial reporting of all property development companies.

The effective date of this IC 15 to all public companies engaged with property development activities is for the financial period beginning on or after 1 January 2014. Adoption of IC 15 would result in significant changes to the recognition of our Group's revenue. With the adoption of IC 15, our Group's revenue and corresponding development cost will only be recognised upon completion of our respective development projects, as opposed to the percentage of completion method presently adopted by our Group.

In the event our Group does not complete any property development project in any given financial year, compliance with IC 15 may result in our Group's profit for the said financial year to be materially and adversely affected. Therefore, with the adoption of IC 15, the timing for the completion of our property development projects will be crucial in ensuring the recognition of revenue and the eventual financial result of our Group is maintained.

The financial impact of the adoption of IC 15 is on the different basis of recognition of revenue by the Group from percentage of completion method to completion method. As the IC 15 is scheduled to be effective for the financial period beginning on or after 1 January 2014, it will have no financial impact on the Group for the FYEs 31 December 2009, 2010, 2011, 2012 and 2013. However, the potential financial impact for the FYE 31 December 2013 is a restatement of the audited financial statements to reflect the adoption of IC 15 as though it has been adopted in the FYE 31 December 2013 and is merely for comparison purposes. The actual financial impact on the adoption of IC 15 on the Group cannot be reasonably and reliably quantified at this juncture.

4.1.13 Our operations may be affected by material litigations, claims or arbitrations

As at the LPD, our Group is not engaged in any material litigation or material arbitration proceedings, which have or may have material effects on our business or financial position, and our Directors are unaware of any proceeding pending or threatened or of any fact likely to give rise to any proceedings, which may materially affect our Group's business or financial position.

However, there can be no assurance that there will be no proceedings in the future that could adversely affect the operations and profitability of our Group.

4. RISK FACTORS (Cont'd)

4.1.14 We are subject to government policies, legislations and regulations

The property development and construction industry in Malaysia is governed by regulations, acts and requirements which have been established to control and protect individual consumers as well as to set minimum standards for the property development and construction industries. The legislations, regulations and requirements that govern the property development and construction industries include, but are not limited to, the Malaysian Construction Industry Development Board Act 1994, the Housing Development (Control and Licensing) Act 1966, the Housing Development (Control and Licensing) Regulations 1989, the Housing Development (Housing Development Account) Regulations 1991, the Strata Titles Act 1985, the Building and Common Property (Maintenance and Management) Act 2007, the Street, Drainage and Building Act 1974, the Uniform Building By-laws 1984, the Architects Act 1967, the Town and Country Planning Act 1976, the Local Government Act 1976 and the Environmental Quality Act 1974.

Typically, these laws and regulations provide for substantial fines and potential criminal prosecution for breach. Breach of these laws can result in permit revocation, cessation of or restriction in operations and remedial work required to be carried out.

In addition, new laws and regulations could in the future, require us to incur additional costs, or affect our business, in ways that may have an adverse effect on our financial position.

We are also subjected to changes in Government policies for instance, the tighter housing loan policies imposed by Bank Negara Malaysia ("BNM") that may discourage demand for residential properties from potential home buyers such as the following:

- (i) Implementation of a maximum loan-to-value (LTV) ratio of 70% on 3 November 2010, which will be applicable to financing facilities taken out by borrowers on their third home onwards; and
- (ii) Requirement for financial institutions to assess borrower's net income and debt obligations before approval starting from 1 January 2012.

The tighter housing loan policies are mitigated by the fact that financing facilities for the purchase of the first and second homes by individuals are not affected and borrowers will continue to be able to obtain financing for these purchases at the present prevailing LTV level applied by individual banks based on their internal credit policies. As such, demand from individuals purchasing their first or second homes using financing facilities will not be affected by the new ruling.

Furthermore, the new method to assess a borrower's debt paying ability will curb speculative activities in property transactions that create large number of unoccupied homes. This in turn protects the interest of property developers including our Group by preventing property bubble.

The tighter housing loan policy imposed by BNM only applies to individuals who are buying their third residential property onwards. This policy is not expected to have any material financial impact on the Group as the majority of our customers are first time buyer and owner-occupiers.

Although our Group has and will continue to comply strictly with all of these laws and regulations under which our Group operates, there can be no assurance that changes to the present laws and regulations or the introduction of new ones will not adversely affect our Group's business.

4. RISK FACTORS (Cont'd)

4.1.15 We are subject to political and local and global economic considerations

Adverse developments in political and local and global economic conditions may materially affect the financial prospects of our Group. Political and economic uncertainties include, amongst others, risks of war, terrorism, riots, expropriation, nationalisation, renegotiation, and nullification of existing contracts, changes in interest rates and method of taxation may affect consumer and business confidence and spending. This will in turn impact on investment in properties developed by our Group.

While our Group seeks to mitigate such risks through prudent financial management and efficient operating procedures, there can be no assurance that any changes to these factors will not have a material adverse impact on the financial performance and position of our Group.

4.2 RISKS RELATING TO OUR SHARES

4.2.1 There is no prior market for our Shares

Prior to our IPO, there has been no public market for our Shares. Our Promoters, Managing Underwriter and Co-Underwriters cannot assure that an active market for our Shares will develop upon its Listing or, if developed, that such market will be sustained. We also cannot assure that the IPO Price will correspond to the price at which our Shares will be traded on the Main Market upon or subsequent to its Listing.

The IPO Price was arrived at after taking into consideration, inter-alia, our Group's financial and operating history and conditions, our competitive strengths and advantages, our future prospects and the prospects of the industry in which we operate in and the prevailing market conditions at the time of the Listing. The IPO Price may not be indicative of prices that may prevail in the trading market after the Listing. In recent years, the stock market in general, and the market for the securities of many companies in particular, has experienced volatile price movements which to a certain extent, driven by local and global market sentiments. Such fluctuations may increase the market risk of our Shares.

4.2.2 Our Listing is exposed to risk of failure or delay

The success of our Listing is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) the eligible Bumiputera investors approved by the MITI and placed under the placement fail to acquire the IPO Shares allocated to them;
- (ii) our Co-Underwriters exercising their rights pursuant to the Underwriting Agreement in discharging themselves from their obligations; and
- (iii) we are unable to meet the public shareholding spread requirements i.e. at least 25% of our enlarged issued and paid-up share capital must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the time of our admission to the Official List.

However, our Board endeavours to ensure that our Company complies with the various provisions of the Listing Requirements and the SC's Equity Guidelines, whichever is applicable and relevant to the above factors.

4. RISK FACTORS (Cont'd)

In the event of the failure of our Listing, all monies paid in respect of any application accepted from you will be returned in full without interest within 14 days, failing which, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event that the Listing is aborted after our Shares have been allotted to new investors, the return of monies to the holders of our Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

4.2.3 Control by the Promoters

Upon Listing, our Promoters will collectively hold, directly and indirectly, 184,808,780 Shares, which represent approximately 61.6% of the enlarged issued and paid-up share capital of our Company (excluding Public Issue Shares allocated to our Promoters under the pink form allocations and the exercise of ESOS Options) as set out in Section 9 of this Prospectus.

As a result, our Promoters may be able to influence the outcome of certain matters such as election of Directors and the approval of business ventures requiring the vote of the shareholders unless they are required to abstain from voting by law and/or the relevant authorities.

The introduction of corporate governance code that requires the formation of an Audit Committee, which includes 2 independent non-executive Directors, may effectively help to promote transparency in all material transactions and our Company's accountability, thereby safeguarding the interests of the minority shareholders. Our Promoters would also be required to abstain from voting if there are any related-party transactions, which may pose a conflict of interest to our Company.

4.2.4 Investment in the capital market exposes the investor to capital market risk

The performance of the local bourse is very much dependent on external factors such as the performance of the regional and global bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of the local bourse. The market price of our Shares may fluctuate as a result of, amongst others, the following factors, some of which are beyond our control:

- (i) variations in our operating results;
- (ii) changes in securities analysts' estimates of our financial performance and recommendations;
- (iii) announcements by us of significant acquisitions, disposals, strategic alliances or joint ventures;
- (iv) fluctuations in stock market prices and volume;
- (v) change in market valuation of similar companies;

4. RISK FACTORS (Cont'd)

- (vi) involvement in material litigation, arbitration or other forms of dispute resolution;
- (vii) additions or departures of key personnel; and
- (viii) changes in general economic, political and regulatory conditions and stock market sentiments.

4.2.5 Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, issuance or availability of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after the IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to raise funds from the issue of additional equity securities.

If our Promoters sell, or are perceived to sell, substantial amounts of Shares in the public market following the expiry of the moratorium period, this may result in a dampening effect on our Share price.

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5. BUSINESS OVERVIEW

5.1 OVERVIEW

We are principally an investment holding company, while the principal activities of our subsidiary companies are as follows:

| Subsidiary companies | Effective equity interest (%) | Principal activities |
|-----------------------------|--------------------------------------|---|
| BSS Development | 100 | Property development and sales of land |
| Masuda Corporation | 100 | Property development and investment holding |
| Matrix | 100 | Property development and investment holding |
| MCHB Natro' | 100 | Landscape management |
| 1 Sendayan Education | 100 | Intended principal activity is provision of education services |
| Riverine Projects | 100 | Property development |
| Superb Approach | 100 | Property development and investment holding |
| Seventech | 100 | Property development |
| MCHB Properties | 100 | Intended principal activity is property investment and rental of properties |
| Pembinaan Juwasan | 100 | Project management |
| Insani Utama | 100 | Property development |
| MCHB Management | 100 | Provision of management and administrative services |
| 1 Sendayan Club | 100 | Intended principal activity is clubhouse operations |
| Kris Benua | 100 | Project management |
| Juwasan Maju | 100 | Project management and procurement of building materials |
| Juwasan Trading | 100 | Procurement of building materials |

Our Group is focused on building affordable residential and quality residential and commercial properties that are able to meet the demands for medium-end properties. The strength of our Group include amongst others, our marketing strategies, delivering end-products ahead of schedule, good customer service and a team of committed and responsible workforce. In line with demand for higher-end residential properties as well as part of our expansion plan, our Group began to venture into development projects that cater to the upper-middle and higher end markets in Bandar Sri Sendayan as well as other locations in Seremban, Negeri Sembilan as well as the district of Kluang, Johor.

Presently, our Group is undertaking the development of two township projects known as Bandar Sri Sendayan in Seremban, Negeri Sembilan and Taman Seri Impian in Kluang, Johor. Further details on our property development projects are set out in Sections 5.5.6 and 5.7 of this Prospectus.

We will continue to focus on future property development projects in Seremban, Negeri Sembilan and Kluang, Johor. In addition to the residential, commercial and industrial properties, our Group has commenced development of our own leisure property in Bandar Sri Sendayan and will commence development of our own institutional properties in Bandar Sri Sendayan. Our other future development projects comprising residential and/or commercial properties are the Third 9 Residence, Lobak Commercial Centre and Kota Gadong Perdana in Seremban as well as Taman Seri Impian in Kluang. Further details on our future plans are set out in Section 5.7.2 of this Prospectus.

5. BUSINESS OVERVIEW (Cont'd)

5.2 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

5.2.1 We have developed a new integrated township

Our new integrated township in Bandar Sri Sendayan in Seremban, Negeri Sembilan comprises residential, commercial, institutional, government, leisure and industrial developments. The size of the integrated township is 5,233 acres.

As at the LPD, the township is partially completed with basic public amenities, residential properties and retail businesses. Some of the retail businesses are already operational.

It is expected that the development of Bandar Sri Sendayan will attract various businesses to invest and set up operations in the new township, which would stimulate economic activities in the local community. As such, our developments would benefit from the growth potential in the new township, thus increasing the demand for our properties.

5.2.2 Our new township in Bandar Sri Sendayan is strategically located

Our on-going development of a new integrated township in Bandar Sri Sendayan is strategically located among other large developments and townships, as well as served by good infrastructure including roads, highways and railways.

Being located among other major developments will benefit Bandar Sri Sendayan through spill-over effects as well as creating the critical mass required to provide growth for the state. All these will attract further commercial and industrial investments, and encourage more residential investments in the area.

In addition, Seremban is one of the areas of emphasis for the National and State Government, where Seremban is part of the Kuala Lumpur Conurbation, the National Growth Conurbation, which is a level 1 priority development under the National Physical Plan. The planning strategies for the Kuala Lumpur Conurbation include enhancement of inter-urban and intra-city movement and promotion of development within the regions.

As at the LPD, the GDV of the Bandar Sri Sendayan Integrated Township is estimated at RM1.7 billion based on completed and on-going developments.

5.2.3 We have on-going and future projects up till 2019

As at the LPD, our Group has various on-going projects, which we started in 2010 and are scheduled to be completed by September 2014 with an estimated GDV of RM1.4 billion.

In addition, between June 2013 and 2019, we plan to undertake various property development projects in Seremban, Negeri Sembilan and Kluang, Johor, with an estimated total GDV of RM5.2 billion excluding educational institutions and Sendayan Icon Park.

Our continuous projects will ensure sustainability of our business and provide growth opportunities for our Group. Further details of our on-going and future projects are disclosed in Section 5.5.6 of this Prospectus.

5. BUSINESS OVERVIEW (Cont'd)

5.2.4 We achieved high take-up rates for properties developed by us

Since the commencement of our business and as at the LPD, we have sold a total of 20,056 units of completed residential and commercial properties, which represented 99.9% of all completed properties developed by us, which amounted to 20,079 units. Our high take-up rate for our properties indicates the strong demand for properties developed by us and the confidence level of customers regarding the quality and value of properties developed by us. This is a key advantage for us, as our track record of high take-up rate will provide us with the platform to develop and successfully sell our future properties.

5.2.5 We have an established track record

We have an established track record spanning approximately 16 years for our property development business. As at LPD, our Group had developed and launched approximately 23,000 units of residential, commercial and industrial properties. Our proven track record provides us with the following advantages and benefits:

- Over the years we have built a strong reputation, which provides us with high awareness to attract new customers;
- Our long years of experience provide some level of confidence of our ability to deliver, and the quality of our products and services.

Our proven track record provides us with a key competitive advantage particularly when compared to property developers with a shorter history.

5.2.6 We have a diversified product portfolio

We have a diversified property portfolio, which includes residential, commercial and industrial properties. We also supply undeveloped land. In our on-going and future projects, we also have leisure and institutional properties.

Within our residential property portfolio, we have developed and successfully sold bungalows, semi-detached houses, terrace houses and low-cost flats and townhouses. Our commercial and industrial properties are land and shop offices primarily built within the vicinity of our developed residential properties.

Our diversified product portfolio provides us with the advantage of growth opportunities, as well as business diversification to mitigate risk from over-dependency in any one area.

5.2.7 We have experience in joint-venture projects with the State Governments

Our Group has undertaken various projects through joint-venture with State Governments as well as government agencies and entities in Negeri Sembilan and Johor since 1999. Some of these include MBI, Yayasan Negeri Sembilan, South East Johore Development Authority and Housing and Local Government Unit of Negeri Sembilan. These projects include Taman Andalas, Taman Gadong Jaya, Taman Sendayan Indah, Taman Anggerik Tenggara, Taman Permai Impian, Taman Sri Intan and Bandar Sri Sendayan. Joint-venture projects with Government bodies accounted for 43.6%, 94.6% and 74.2% of the GDV of completed, on-going and future projects, respectively.

5. BUSINESS OVERVIEW (Cont'd)

Our experience in undertaking property development projects through joint-venture with various government departments, agencies and entities would assist us in bidding for new joint-venture projects with the government based on our past track record. Based on our track record, we have undertaken significant amount of joint-venture with Government bodies based on GDV. This is part of our overall business strategy of entering into joint-ventures with or purchasing land from whomever that helps maximise our profitability. Such entities could be Government bodies or private enterprises.

5.2.8 Growth in launch prices of properties developed by us

Over the years, our Group's development properties have shown increase in the launch price as listed in the table below:

| Property Name | Initial Phase Sales* | | | Later Phase Sales* | | | Growth Rate between Initial Phase Sales and Later Phase Sales | |
|-------------------------------------|----------------------|----------|-------------------|--------------------|----------|-------------------|---|-------------------------------|
| | RM/Unit | RM/sq ft | Transaction Date | RM/Unit | RM/sq ft | Transaction Date | RM/Unit (%) | Approximate Duration (Months) |
| Bandar Sri Sendayan | | | | | | | | |
| Single-Storey Terrace Houses | | | | | | | | |
| Nusari Bayu Series | | | | | | | | |
| Nusari Bayu 1 | 81,888 | 84.86 | 03 March 2008 | 103,888 | 107.66 | 09 March 2010 | 26.9 | 24 |
| Nusari Bayu 2A | 100,888 | 104.12 | 16 November 2009 | 119,754 | 123.59 | 10 December 2010 | 18.7 | 13 |
| Nusari Bayu 3 – Parcel 1 | 173,032 | 127.70 | 24 February 2011 | 182,599 | 134.76 | 29 July 2011 | 5.5 | 5 |
| Nusari Bayu 3 – Parcel 2 | 194,782 | 143.75 | 25 July 2011 | 199,260 | 147.06 | 02 April 2012 | 2.3 | 9 |
| Nusari Aman Series | | | | | | | | |
| Nusari Aman 1A | 132,707 | 129.72 | 07 June 2010 | 143,452 | 140.23 | 27 April 2011 | 8.1 | 10 |
| Nusari Aman 2A | 149,504 | 133.13 | 22 November 2010 | 153,022 | 136.26 | 22 June 2011 | 2.4 | 7 |
| Nusari Aman 1B | 150,559 | 122.11 | 13 February 2011 | 172,699 | 140.06 | 02 April 2012 | 14.7 | 14 |
| Nusari Aman 2 | 177,554 | 145.42 | 30 November 2011 | 183,821 | 150.55 | 08 October 2012 | 3.5 | 11 |
| Nusari Aman | 191,302 | 141.18 | 02 May 2012 | 193,912 | 143.11 | 03 September 2012 | 1.4 | 4 |
| Idaman Bayu Series | | | | | | | | |
| Idaman Bayu 1 | 149,888 | 112.53 | 01 February 2010 | 171,936 | 129.08 | 01 November 2010 | 14.7 | 9 |
| Hijayu Series | | | | | | | | |
| Hijayu 1B | 228,554 | 146.51 | 25 September 2012 | 240,457 | 154.14 | 29 November 2012 | 5.2 | 2 |
| Double-Storey Terrace Houses | | | | | | | | |
| Nusari Bayu Series | | | | | | | | |
| Nusari Bayu 3 - Parcel 1 | 254,054 | 108.11 | 08 February 2011 | 281,599 | 119.83 | 12 July 2011 | 10.8 | 5 |
| Nusari Bayu 3 - Parcel 2 | 289,612 | 123.24 | 21 July 2011 | 307,840 | 131.00 | 05 April 2012 | 6.3 | 9 |

5. BUSINESS OVERVIEW (Cont'd)

| Property Name | Initial Phase Sales* | | | Later Phase Sales* | | | Growth Rate between Initial Phase Sales and Later Phase Sales | |
|---|----------------------|----------|-------------------|--------------------|----------|-------------------|---|-------------------------------|
| | RM/Unit | RM/sq ft | Transaction Date | RM/Unit | RM/sq ft | Transaction Date | RM/Unit (%) | Approximate Duration (Months) |
| Nusari Aman Series | | | | | | | | |
| Nusari Aman 2A | 207,407 | 103.29 | 29 October 2010 | 224,301 | 111.70 | 24 May 2011 | 8.1 | 7 |
| Nusari Aman 1B | 213,739 | 105.55 | 06 May 2011 | 262,632 | 129.69 | 29 November 2011 | 22.9 | 6 |
| Nusari Aman 2 | 262,554 | 112.88 | 29 November 2011 | 277,432 | 119.27 | 18 December 2012 | 5.7 | 13 |
| Nusari Aman | 279,172 | 116.96 | 02 July 2012 | 281,782 | 118.05 | 08 November 2012 | 0.9 | 4 |
| Idaman Bayu Series | | | | | | | | |
| Idaman Bayu 1 | 248,888 | 100.81 | 10 February 2010 | 263,021 | 106.53 | 15 April 2011 | 5.7 | 14 |
| Hijayu Series | | | | | | | | |
| Hijayu 1B | 347,554 | 129.44 | 27 September 2012 | 355,732 | 132.49 | 28 December 2012 | 2.4 | 3 |
| Single-Storey Semi-detached Houses | | | | | | | | |
| Nusari Aman Series | | | | | | | | |
| Cosmoxia | 297,404 | 168.50 | 13 December 2010 | 331,096 | 187.59 | 22 March 2012 | 11.3 | 15 |
| Nusari Aman 2A | 314,899 | 178.41 | 28 January 2011 | 331,096 | 187.59 | 29 November 2011 | 5.1 | 10 |
| Industrial Lot | | | | | | | | |
| Sendayan TechValley | N/A | 12.50 | 21 September 2010 | N/A | 26.00 | 13 September 2012 | 108.0 | 24 |
| Taman Seri Impian | | | | | | | | |
| Single-Storey Terrace Houses | | | | | | | | |
| Taman Seri Impian 2 - Parcel 2 | 90,888 | 91.07 | 19 October 2007 | 92,888 | 93.07 | 02 January 2008 | 2.2 | 3 |
| Taman Seri Impian 3 - Impiana Garden 1 | 108,888 | 100.92 | 30 September 2009 | 117,888 | 109.26 | 28 June 2010 | 8.3 | 9 |
| Taman Seri Impian 3 - Impiana Garden 2 | 119,888 | 111.11 | 28 February 2011 | 140,155 | 129.89 | 08 July 2011 | 16.9 | 5 |
| Taman Seri Impian 3 - Modena | 143,888 | 110.43 | 28 July 2010 | 163,088 | 125.16 | 19 July 2011 | 13.3 | 12 |
| Taman Seri Impian 4 - Impiana Casa 1 | 127,910 | 126.39 | 03 June 2011 | 153,022 | 151.21 | 15 May 2012 | 19.6 | 11 |
| Double-Storey Terrace Houses | | | | | | | | |
| Taman Seri Impian 2 - Parcel 1 | 149,888 | 71.61 | 30 July 2007 | 159,888 | 76.39 | 28 November 2008 | 6.7 | 16 |
| Taman Seri Impian 2 - Parcel 2 | 159,888 | 76.39 | 14 January 2009 | 175,888 | 84.04 | 16 November 2009 | 10.0 | 10 |
| Taman Seri Impian 4 - Impiana Casa 1 | 223,910 | 101.27 | 09 May 2011 | 243,502 | 110.13 | 15 May 2012 | 8.7 | 12 |

5. BUSINESS OVERVIEW (Cont'd)

Notes:

* *These are based on sales of our newly developed properties. Properties for Initial Phase Sales and Later Phase Sales are similar based on location, lot size, built-up area as well quality and finishing.*

N/A *Not applicable*

5.2.9 We have high impact Government and industrial developments

The developments of the new academia and training centre of the Royal Malaysian Air Force and Sendayan TechValley are expected to spur economic growth in Bandar Sri Sendayan.

This is due to the fact that the academia and training centre will house a large number of air force officials and their family members while Sendayan TechValley has already attracted various international automotive and aviation players to establish their operations in the area within Bandar Sri Sendayan.

The increased population of air force officials and their families as well as the workforce based in Sendayan TechValley will attract various retail businesses, which will increase economic activities in Bandar Sri Sendayan.

Establishment of operations by international automotive and aviation players would also attract their vendors and suppliers to set-up their operations in the vicinity as a result of cost savings and business opportunities.

5.2.10 We have qualified and experienced management team

We have a management team with qualified and experienced personnel to lead and manage our business operations. Our Group Managing Director / Chief Executive Officer, Dato' Lee Tian Hock is a graduate with a Bachelor of Science (Honours) Degree in Housing, Building and Planning with approximately 30 years of experience in the property development industry. Our Group Deputy Managing Director / Chief Operating Officer, Mr Ho Kong Soon is a graduate with a Bachelor of Science (Honours) Degree in Engineering and has more than 20 years of experience in the property development industry. In addition, our key management team also include qualified accountants and engineers.

Our management team of qualified and experienced personnel is beneficial for our Group's business operations, future growth and sustainability.

5.3 BUSINESS STRATEGIES

5.3.1 Overall Strategy

Our strategic vision is to undertake strategic property development projects and building key townships, using land that is cost competitive to enable us to create value for our shareholders.

When we started our business in the late 1990's, we were involved in relatively small developments with GDV ranging from RM3.0 million to RM35.0 million per project. Our focus at that time was on building small clusters of residential landed properties and low cost flats, and some shop offices. These jobs have given us the necessary experience and developed our skills to enable us to undertake larger projects.

5. BUSINESS OVERVIEW (Cont'd)

Over the years, we have undertaken larger and more projects simultaneously including multi-phased residential and commercial developments. Towards the end of 2000 a number of our projects had GDV in excess of RM100.0 million per project.

In the last two to three years, we had started to undertake major mixed residential and commercial developments. One example is our Taman Seri Impian in Kluang, Johor with GDV of approximately RM490.0 million based on our completed and on-going projects.

In addition, we started our conceptualisation and development of an integrated township incorporating residential, industrial, commercial, leisure, institutional, government and agricultural properties in Bandar Sri Sendayan on a previously undeveloped piece of land in Negeri Sembilan.

Our Bandar Sri Sendayan flagship project in total covers 5,233 acres. While our residential development covers middle and high-end residential properties, our development also include an industrial park that is planned for high-technology conglomerates that service the global markets. Other planned developments include among others, shop offices, retail cluster small-office/home-office (SoHo) buildings, educational institutions, clubhouse as well as a trade and exhibition centre.

In addition, we have also sold a large parcel of undeveloped land in Bandar Sri Sendayan for development of properties and facilities for the Royal Malaysian Air Force. Some of the expected developments to be undertaken by 1MDB will include residential properties for air force officials, administrative buildings and facilities, air force academia and training centre, golf course and leisure properties. The development is expected to commence in the third quarter of 2013 while the completion is expected by 2016. This will increase the critical mass in the vicinity to help sustain and grow our Bandar Sri Sendayan township.

As at LPD, our Bandar Sri Sendayan township project amounted to a GDV of approximately RM1.7 billion based on completed and on-going developments.

Our overall business strategic direction is to create new townships or major property developments on undeveloped or under developed areas by incorporating unique developments that will provide critical mass to sustain business growth.

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5. BUSINESS OVERVIEW (Cont'd)

5.3.2 Our current flagship development – Bandar Sri Sendayan

Bandar Sri Sendayan is a new integrated township located on a 5,233-acre plot of land in Seremban, Negeri Sembilan. According to the Planning and Development Guide 2020 of Negeri Sembilan, the State's prime potential development sectors are agriculture, tourism, industry and property. The development of Bandar Sri Sendayan is in line with the government's focus on the property sector.

More importantly, the development of Bandar Sri Sendayan is also undertaken based on the State's policies on housing and urbanisation, which is to create quality living environments, and safe, healthy and comfortable homes, as well as provision of urbanised and modern services to the community. These are reflected in the overview of the developments in Bandar Sri Sendayan as follows:

Residential Developments in Bandar Sri Sendayan

- Focus on development of medium to high-end residential properties including terrace houses, semi-detached houses and bungalows with modern design and concepts;
- Create a safe environment by developing gated and guarded residential communities with perimeter fencing as well as police beat houses for police taskforce patrol services;
- Build walkways in residential areas to link to the nearest public amenities such as schools, public community shops with courtyard as playground for children and sport facilities in the local areas;
- Completed 2,727 units of single-storey and double-storey terrace houses, single-storey and double-storey semi-detached houses;
- Undertaking development of 2,181 units of residential properties comprising single-storey and double-storey terrace houses and single-storey semi-detached houses;
- Planned to develop 3,930 units of residential properties comprising single and double-storey terrace houses, double-storey semi-detached houses, double-storey bungalows and bungalow lots; and
- Areas zoned for residential developments include Nusari Bayu, Nusari Aman, Idaman Bayu, Idaman Yu and Hijayu.



Single-Storey and Double-Storey Terrace Houses



Single-Storey Semi-detached Houses

5. BUSINESS OVERVIEW (Cont'd)

Commercial Developments in Bandar Sri Sendayan

- Focus on development of double-storey and three-storey shop offices, small office home office (SoHo) units, trade and exhibition centre with modern design and concepts as well as commercial plots;
- Develop open areas for alfresco activities such as open-air dining and shopping, external walkways with tiles and landscaping, and interlocking paver car parks;
- Planning to develop trade and exhibition centre with leisure development comprising two floating restaurants separated by a lake as well as a cultural village. Commercial development in exhibition centre includes retail space for various targeted businesses such as lifestyle and fashion boutiques, leather and designer goods, household goods, DIY stores, and medical and pharmaceutical outlets;
- Completed 46 units of single-storey community shops, 25 units of double-storey shop offices, 18 lots of commercial plots and one single-storey stall;
- Undertaking development of 29 units of double-storey shop offices, 9 units of three-storey shop offices and 6 lots of commercial plots, which are ready for sale;
- Planned to develop 551 units of double-storey shop offices, 4 units of three-storey shop offices and 21 lots of commercial plots; and
- Areas zoned for commercial developments include Sendayan Metropark, Sendayan Merchant Square, Sendayan TechValley, Sendayan Icon Park, Sendayan Auto City as well as some areas within 1 Sendayan Clubhouse, Nusari Aman, Nusari Bayu, Nusari Hijayu and Idaman Yu.



Single-Storey Community Shops and Artist Impression of Double / Three-Storey Shop Offices

Industrial Developments in Bandar Sri Sendayan

- Development of industrial properties and plots;
- Focus on development of ecofriendly techno-entrepreneur park, namely Sendayan TechValley by taking advantage of its strategic location to boost local economic activities;
- Easily accessible via various modes of transportation including air, land, rail and sea;
- Targeted industries in Sendayan TechValley include high impact industries such as international automotive and aircraft part manufacturers to attract their supporting industries as well as knowledge-based, information and communications technology, biotechnology, research and development, manufacturing and processing businesses;
- Other suitable businesses include those related to medical and scientific devices and parts, aerospace, electronics, agriculture and agro-based industries, telecommunications, electro-optics and optoelectronics;
- Aims to become a one-stop automotive centre and home to international automotive manufacturers, automotive part manufacturers, automotive service centres, warehouses and show rooms;
- Undertaking development of 93 lots of industrial plots with infrastructure, utilities and facilities; and
- Planned to develop 84 units of double-storey corporate showrooms/factories, 30 units of double-storey semi-detached corporate showrooms/factories in Sendayan TechValley and 32 lots of industrial plots in Sendayan Auto City.

5. BUSINESS OVERVIEW (Cont'd)

Other Developments in Bandar Sri Sendayan

Leisure

- To develop clubhouse and other recreation and sport facilities to create a balance, active and healthy lifestyle for local residents;
- Planning to develop a lake and cultural village with lakeside restaurants in Sendayan Icon Park, to promote tourism in the local areas;
- Undertaking development of 26-acre Sendayan Green Park for the local residents as well as visitors. The park will comprise various types of gardens of different themes for the appreciation of nature, facilitate fitness and exercise, and provision of peace and solitude. Other facilities at the park would also include a football field, amphitheatre area, reflexology path, gazebos, skating area and tai chi lawn; and
- Areas zoned for leisure developments include 1 Sendayan Clubhouse and Sendayan Icon Park.



Sendayan Green Park

Institutional

- To focus on development of own private education institutions to provide primary, secondary and post-secondary education in 1 Sendayan Clubhouse; and
- Construction of Sekolah Menengah Kebangsaan Bandar Sri Sendayan is currently being undertaken.

Government

- The largest government development in the area is the new training base for the Royal Malaysian Air Force, which occupies a land area of 750 acres with residential properties for air force officials, administrative buildings and facilities, air force academia and training centre, golf course and other leisure properties;
- The State Syariah Court Complex is expected to be occupied in the third quarter of 2013; and
- To develop 55 acres of the State administrative centre.

Agriculture

- Approximately 1,300 acres of sub-divided plots for various agriculture activities.

Other Infrastructure, Public Amenities and Services

- Police Station and police beat houses;
- Fire Department;
- Petrol Station;
- Surau/Mosque;
- Supermarket and shopping centres;
- Kindergarten and schools;
- Medical centre/ Health clinic;
- Multi-purpose hall;
- Pedestrian-friendly walkways and pavements;
- Landscaping;
- Fibre-optic backbone to cater for high speed broadband; and
- Access roads linked to highways and surrounding areas.

5. BUSINESS OVERVIEW (Cont'd)

5.3.3 Strategic advantages of Bandar Sri Sendayan

Located in Seremban, Negeri Sembilan, Bandar Sri Sendayan has the following advantages:

- Close proximity to various townships and industrial areas in Negeri Sembilan to benefit from spill-over effects
- Well planned infrastructure and public facilities to enhance lifestyle of local residents
- Connected to various transportation networks
- One of the National and State Government's main focus development areas to spur economic growth
- Home to the new academia and training centre of the Royal Malaysian Air Force

Close Proximity to Various Townships and Industrial Areas

Bandar Sri Sendayan is located close to various townships and industrial areas in Negeri Sembilan, which include, among others:

- Seremban 2
- S2 Heights
- Bandar Enstek
- Bandar Ainsdale
- Oakland Commercial Centre and Industrial Park
- Tuanku Jaafar Industrial Park
- Senawang Industrial Park
- Nilai Industrial Estate.

The strategic location of Bandar Sri Sendayan amongst other townships and developments will enable it to benefit from the spill over effects while together they create a critical mass to further encourage communities to grow and to attract visitors to stimulate the local economy of the state.

Bandar Sri Sendayan will benefit from the socio-economic activities and transportation links in the neighbouring townships and industrial areas. In addition, the variety of businesses and industries in the vicinity would also create industry linkages to spur the economic growth, which would attract businesses and home buyers to invest in Bandar Sri Sendayan.

Seremban 2 and S2 Heights

Seremban 2 is a township comprising residential communities, several schools, a 15-acre city lake park, a sports complex, a modern shopping centre and commercial business parks. It is also home to the state government and local authorities. S2 Heights is an extension of Seremban 2 which comprises mainly residential properties as well as a 6.6 acre linear park for social, community and recreational activities.

5. BUSINESS OVERVIEW (Cont'd)

Bandar Enstek

Bandar Enstek is an integrated development with residential areas, industrial hub, commercial hub and institutional zones. The industrial hub of Bandar Enstek is developed to cater to the high-technology and non-polluting industries such as biotechnology, green technology and information and communication technology industries. Some of the investors in Bandar Enstek include a globally known soft drink bottler, halal institute and development corporation, biotech centre and data centre. Various other international companies as well as private and government agencies are also expected to begin operations in the industrial hub.

Bandar Enstek also consists of an education hub which comprises among others, a polytechnic, a fully residential girls school, an education leadership and management training institute, an English learning centre, an international school and a private college. Bandar Enstek will also be a medical city with several private hospitals, medical research labs and pharmaceutical factories currently under development.

Oakland Commercial Centre and Industrial Park

Oakland Commercial Centre and Industrial Park comprise commercial and industrial areas. Various businesses as well as international companies from United States and Japan set-up their tobacco processing facility and cultured drink manufacturing facility in these areas. Public amenities such as a hospital and hypermarket as well as highways are located close to the Oakland Commercial Centre and Industrial Park.

Bandar Ainsdale

Bandar Ainsdale is an affordable housing area for the 1Malaysia Housing Programme. The township will incorporate residential and commercial developments as well as a proposed train station to serve as its public transportation terminal.

Industrial Areas

Some of the nearby industrial areas include Tuanku Jaafar Industrial Park, Senawang Industrial Park and Nilai Industrial Estate. These industrial areas are home to various international companies and conglomerates from South Korea, United Kingdom, United States, Switzerland, Netherlands, India and Japan. These companies are mainly involved in the manufacturing of electronic and electrical products and components, manufacturing of machinery, processing of food products, manufacturing of polyester products as well as manufacturing of adhesive, abrasive, laminates, dental, medical and car care products.

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5. BUSINESS OVERVIEW (Cont'd)

Well Planned Infrastructure and Public Facilities



The development of Bandar Sri Sendayan is well planned with various infrastructure and public facilities to enhance the lifestyle of local residents.

Within Bandar Sri Sendayan township, there will be schools and kindergarten, police station and beat houses for police taskforce patrol services, fire department, petrol station, mosque and surau, supermarket and shopping centres, medical centre and health clinic, multi-purpose hall, a 26-acre green park as well as clubhouse with various sporting and recreation facilities as well as pedestrian-friendly walkways and pavements, landscaping, fibre-optic backbone to cater for high speed broadband as well as access roads linked to highways and surrounding areas.

The well planned infrastructure and public facilities are eco-friendly and in line with the State Government's aim to create quality living environment, safe, healthy and comfortable homes as well as provision of urbanised and modern services to our communities. At the same time, the well planned infrastructure and public facilities are also suitable for various businesses to set-up their operations in the new township with ease of transportation as well as fibre-optic broadband internet facilities.

5. BUSINESS OVERVIEW (Cont'd)

Connected to various transportation networks

Bandar Sri Sendayan is strategically located close to various existing and proposed transportation networks including land, sea, air and rail.

Bandar Sri Sendayan is located within 30-minute drive to Kuala Lumpur International Airport (KLIA), Low Cost Carrier Terminal (LCCT) and MASKargo's Advanced Cargo Centre (ACC), an air cargo terminal. The surrounding highways include the Seremban-Port Dickson Expressway and North-South Expressway. Bandar Sri Sendayan is also easily accessible from Port Klang and Nilai Inland Port via the highways.

Bandar Sri Sendayan is also within close proximity to various planned and new development of transportation networks including the centralised transportation hub in Seremban, Negeri Sembilan, which aims to provide convenience for residential travelling to and from Klang Valley, the new Seremban Interchange on the North-South Expressway, the West Coast Expressway, the KLIA/Putrajaya Senawang Expressway, the Seremban-Gemas Electrified Double Track project under development as well as the KTM station in Bandar Ainsdale.

With connection to various modes of transportation networks, Bandar Sri Sendayan is easily accessible from the surrounding areas and its proximity to the Kuala Lumpur International Airport and Low Cost Carrier Terminal makes it an ideal location for various local and international businesses as well as residents who work in the surrounding areas.

A National and State Government's Focus Development Area

Seremban is part of the Kuala Lumpur Conurbation, the National Growth Conurbation, which is a level 1 priority development under the National Physical Plan. The planning strategies for the Kuala Lumpur Conurbation include enhancement of inter-urban and intra-city movement and promotion of development within the regions.

The planning strategies have been reflected in the rapid development in Bandar Sri Sendayan and its surroundings such as new townships including Bandar Enstek, S2 Heights which include various residential, commercial, industrial, leisure, institutional and government developments. In addition, this is reflected in the infrastructure projects that are linked to surrounding areas of Klang Valley and Kuala Lumpur including the development of new highways, new transportation hub in Seremban as well as the Seremban-Gemas Electrified Double Track project and railway station in Bandar Ainsdale. The rapid developments in these areas would spur the local economic activities in the state through increase in employment opportunities, industry linkages and spill over effects from the various surrounding areas.



5. BUSINESS OVERVIEW (Cont'd)

Seremban is also one of the development focus area in Negeri Sembilan. Negeri Sembilan is currently planning several projects to develop the State into a leading biotechnology centre, high-technology service centre for aircraft technology maintenance through the establishment of an Aerospace Park, and a logistics and air freight hub in the Nilai-KLIA corridor. In addition, the state is also seeking inter-state collaboration to create Cyberjaya-Salak Tinggi-Nilai as a cyber corridor for knowledge industries focussed on information technology and research and development (R&D). All the development initiatives undertaken by the State Government to promote the local economic activities would attract a large population of workforce. This would benefit the surrounding areas in Seremban, including Bandar Sri Sendayan with increased demand for residential properties from home buyers as well as commercial and industrial properties from business investors. Institutional and leisure properties would also be required to satisfy educational and recreational needs of the local communities.

Home to the New Academia and Training Centre of Royal Malaysian Air Force

Bandar Sri Sendayan will be the home to the new academia and training centre of the Royal Malaysia Air Force, which among others, will incorporate the relocation of the existing base in Sungai Besi, Kuala Lumpur.

The new site in Bandar Sri Sendayan is expected to be completed with residential properties for air force officials, administrative buildings and facilities, air force academia and training centre, golf course and other leisure properties.

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5. BUSINESS OVERVIEW (Cont'd)

5.4 KEY ACHIEVEMENTS, MILESTONES AND AWARDS

5.4.1 Key achievements and milestones

Our key achievements and milestones since inception are as follows:

| Year | Key achievements and milestones |
|------|--|
| 1997 | <ul style="list-style-type: none"> Matrix commenced operations as a property development company. Commenced development of our maiden property development project, Taman Bahau, a mixed residential and commercial development, through joint-venture with landowner, Beg Development Sdn Bhd. |
| 1998 | <ul style="list-style-type: none"> Masuda Corporation acquired 21 acres of land in Kuala Pilah, Negeri Sembilan to develop Taman Putra, a mixed residential and commercial property. |
| 1999 | <ul style="list-style-type: none"> Masuda Corporation embarked on a joint-venture arrangement with MBI to develop Taman Andalas (Phase 1 and 2) on a land area of approximately 39 acres. Phase 1 of Taman Andalas launched with 90% of units sold within 6 months. Commenced development of Taman Putra. Completed development of Taman Bahau with all units sold. Acquired 100% stake in 1 Sendayan Club, a property development company, and 50% stake in Kris Benua, a plantation company. |
| 2000 | <ul style="list-style-type: none"> Acquired 70% stake of Insani Utama, a property development that has entered into a joint-venture arrangement with Yayasan Negeri Sembilan to develop Taman Gadong Jaya, a mixed residential and commercial development in Seremban. Completed development of Taman Putra and Phase 1 of Taman Andalas. Commenced and completed Taman Sri Telawi, a residential development in Seremban and Taman Pedas Indah, a mixed residential and commercial development in Pedas undertaken as a result of a joint-venture arrangement with between Matrix and landowner, Omega Touch Sdn Bhd. Commenced development of Phase 1 of Taman Intan Perdana 1, 2 and 3 in Port Dickson, a mixed residential and commercial development. Commenced development of Phase 2 of Taman Andalas in Mantin, which was the result of a joint-venture between Masuda Corporation and MBI for the development of low cost flats. Commenced development of Intan Court in Port Dickson, a residential development of low cost flats. |
| 2001 | <ul style="list-style-type: none"> Commenced development of Phase 1 and 2 of Taman Gadong Jaya, and Taman Sri Anggerik in Rantau, a residential development. Completed the entire development of Phase 1 of Taman Intan Perdana 1, 2 and 3, and Phase 2 of Taman Andalas. |
| 2002 | <ul style="list-style-type: none"> Commenced development of Phase 3 of Taman Gadong Jaya, Taman Intan Perdana V(a) and (b) and Taman Bukit Perdana in Port Dickson, primarily residential developments. Commenced development of Taman Sendayan Indah in Seremban, which was the result of a joint-venture between Insani Utama and MBI for a mixed residential and commercial development. |

5. BUSINESS OVERVIEW (Cont'd)

| Year | Key achievements and milestones |
|------|---|
| | <ul style="list-style-type: none"> Completed development of Taman Sri Anggerik and Intan Court. Riverine Projects entered into joint-venture agreement with Majlis Agama Islam Negeri Sembilan for the development of Kota Gadong Perdana. Matrix acquired 109 acres of land in Port Dickson to develop Taman Politeknik, a mixed residential and commercial development. Insani Utama became a wholly owned subsidiary. Acquired 100% stake in 1Sendayan Education, a dormant company to undertake property development and acquired a 100% stake in MCHB Natro', a property development company. |
| 2003 | <ul style="list-style-type: none"> Commenced and completed development of Phase 4 of Taman Gadong Jaya, the last phase of the Taman Gadong Jaya development. Commenced development of Arowana Impian in Seremban 2, Matahari Height in Bandar Senawang, and Taman Politeknik in Port Dickson, all were mixed residential and commercial developments. Completed development of Taman Intan Perdana V(a) and (b), Taman Bukit Perdana and Taman Sendayan Indah. Matrix acquired approximately 110 acres of land to develop Taman Desa PD. |
| 2004 | <ul style="list-style-type: none"> Acquired 100% stake of Seventech, a property development company to expand to Johor. Commenced development of Phase 1 of Taman Anggerik Tenggara, our first project in Johor, through joint-venture arrangement with South East Johore Development Authority. Kris Benua became a wholly owned subsidiary. Commenced development of Taman Bukit Perdana II in Port Dickson, a residential development and Taman Permai Impian, a mixed development, which was the result of a joint-venture arrangement with Yayasan Negeri Sembilan. Masuda Corporation acquired 55 acres of land in Seremban to develop Taman Pulau Impian, a residential development. Completed development of Arowana Impian, Matahari Height, Taman Politeknik and Taman Bukit Perdana II. |
| 2005 | <ul style="list-style-type: none"> Commenced development of Taman Desa PD 1, a mixed development and Taman Pulau Impian, our first gate and guarded residential development. Completed development of Taman Permai Impian. Matrix entered into a joint-venture with Koperasi Kemajuan Tanah Negeri Johor Berhad to develop our first flagship township development in Taman Seri Impian in Kluang, Johor. BSS Development entered into a joint-venture with MBI to develop our second flagship integrated development project in Bandar Seri Sendayan in Seremban. Matrix and MCHB Management accredited with ISO 9001:2000 status, by BM TRADA Certification Ltd. |
| 2006 | <ul style="list-style-type: none"> Launched the first two phases of the Taman Seri Impian township development with Taman Seri Impian 1 and Impiana Avenue 1. Commenced development of Matrix Point, a small commercial development, Taman Bukit Sendayan, a residential development, and Arowana Indah, a residential and commercial development. |

5. BUSINESS OVERVIEW (Cont'd)

| Year | Key achievements and milestones |
|------|--|
| 2007 | <ul style="list-style-type: none"> Completed development of Taman Desa PD 1, Taman Pulai Impian and Taman Anggerik Tenggara 1. Commenced development of Parcel 1 and 2 of Taman Seri Impian 2, Matahari Indah, a residential development, Matrix Court, a commercial development and Taman Sri Intan, a residential and commercial development through a joint-venture arrangement with the Housing and Local Government Unit of Negeri Sembilan. |
| 2008 | <ul style="list-style-type: none"> Completed development of Matrix Point and Arowana Indah. MCHB Natro' changed its business activity to landscape management. Completed development of Taman Seri Impian 1, Taman Bukit Sendayan, Matahari Indah and Taman Sri Intan. Launched first two phases of developments in Bandar Sri Sendayan, a residential area namely Nusari Bayu 1 and commercial plots at Sendayan Metropark. Completed and delivered 500 units of bungalows for Idaman Villa as part of the joint-venture agreement with the MBI. Entered into a joint-venture with Reka Property Venture Sdn Bhd to develop a mixed residential development namely Taman Pulai Perdana in Seremban. |
| 2009 | <ul style="list-style-type: none"> Commenced development of Taman Pulai Perdana in Seremban and Taman Anggerik Tenggara 2 in Bandar Tenggara. Commenced development of Impiana Garden of Taman Seri Impian 3. Commenced on the next phase of our flagship integrated township development in Bandar Sri Sendayan, Seremban namely Nusari Bayu 2A. Commenced residential development of Taman Desa PD II (Phase 1). Completed development of Impiana Avenue 1, Parcel 1 of Taman Seri Impian 2, Taman Pulai Perdana, Taman Anggerik Tenggara 2 and Matrix Court. Matrix, MCHB Management and Juwasan Maju upgraded from Quality Management System ISO 9001:2000 to ISO 9001:2008. accredited by BM TRADA Certification Ltd. |
| 2010 | <ul style="list-style-type: none"> Commenced development of Impiana Avenue 2 and two phases in Taman Seri Impian 3, Impiana Villa 1 and Impiana Casa 1 of Taman Seri Impian 4. Commenced development of seven different phases of Bandar Sri Sendayan comprising residential and commercial properties as well as industrial plots. Completed development of Parcel 2 of Taman Seri Impian 2 and Impiana Garden 1 of Taman Seri Impian 3 as well as Nusari Bayu 1 and Sendayan Metropark in Bandar Sri Sendayan. |
| 2011 | <ul style="list-style-type: none"> Completed development of two phases of Taman Seri Impian 3 and Impiana Avenue 2, Taman Desa PD II (Phase 1) as well as six phases in Bandar Sri Sendayan. Completed and delivered 320 units of single-storey bungalows in Taman Impiana Kopketa as part of our fulfilments of the joint-venture agreement with the KKTNJB. Acquired the remaining 25% stake in BSS Development and the company became a 100% subsidiary of our Group, with one preference share held by MBI. |

5. BUSINESS OVERVIEW (Cont'd)

| Year | Key achievements and milestones |
|------|---|
| 2012 | <ul style="list-style-type: none"> • Disposed a piece of land measuring 750 acres to 1MDB for the purpose of setting up a new academia and training centre for the Royal Malaysian Air Force and the relocation of the Sungai Besi base to Bandar Sri Sendayan. • Continued to begin development on five new phases in Bandar Sri Sendayan, which comprised residential and commercial properties as well as industrial plots. • Signed a sales and purchase agreement with Hino Motors Manufacturing (Malaysia) Sdn Bhd for the sale of an industrial plot at Sendayan TechValley 2. • Began the development of Taman Desa PD 3, a residential property project in Port Dickson. • Signed a sales and purchase agreement with Akashi-Kikai Industry (M) Sdn Bhd for the sale of 6 lots of industrial plots at Sendayan TechValley 1. • Signed a sales and purchase agreement with Messier-Bugatti-Dowty Malaysia Sdn Bhd for the sale of an industrial plot at Sendayan TechValley 2. • Signed a sales and purchase agreement with Keen Point (M) Sdn Bhd for the sale of 3 lots of industrial plots at Sendayan TechValley 2. • Signed a sales and purchase agreements with Meditop Corporation (M) Sdn Bhd for the sales of 3 industrial plots at Sendayan TechValley 2. • Signed a sales and purchase agreement with TMC Metal (Malaysia) Sdn Bhd for the sale of an industrial plots at Sendayan TechValley 1 • Launched seven new phases in Bandar Sri Sendayan, comprised residential properties and a clubhouse as well as Impiana Casa 2 in Taman Seri Impian 4. • Completed development of Phase 1 of Nusari Bayu 3 in Bandar Sri Sendayan and Impiana Villa 1 in Taman Seri Impian. |
| 2013 | <ul style="list-style-type: none"> • Completed Phase 2 of Nusari Bayu 3 in Bandar Sri Sendayan. • Signed a sales and purchase agreement with MBMR Properties Sdn Bhd for the sale of 4 lots of industrial plots at Sendayan TechValley 2. • Signed a sales and purchase agreement with Resort & Leisure Homes Sdn Bhd for the purchase of a piece of vacant land, which is to be used for a residential condominium building. |

5.4.2 Awards

As at the LPD, our Group has not received any material awards and recognitions.

5.5 PRINCIPAL BUSINESS ACTIVITIES

5.5.1 Business model

Our principal business is in the sales of land and property development. Our sales of land include large tract of undeveloped land. Our property development currently includes residential, commercial and industrial properties. As at the LPD, we are also undertaking development of our own leisure property.

5. BUSINESS OVERVIEW (Cont'd)

For the FYE 31 December 2012, our total revenue amounted to RM456.1 million. In the same year, our revenue from sales of land and our property development represented 7.3% and 92.7% of our total Group revenue, respectively.

5.5.2 Revenue and gross profit segmentations by business activities

The breakdown of our Group's revenue by business activities for FYE 31 December 2009, 2010, 2011 and 2012 are as follows:

| | Revenue for FYE 31 December 2009 | | Revenue for FYE 31 December 2010 | | Revenue for FYE 31 December 2011 | | Revenue for FYE 31 December 2012 | |
|--------------------------|--|--------------|--|--------------|--|--------------|--|--------------|
| | RM '000 | % | RM '000 | % | RM '000 | % | RM '000 | % |
| Sales of Land | 400 | 0.2 | 276 | 0.1 | 316,530 | 50.7 | 33,024 | 7.3 |
| - Undeveloped Land | 400 | 0.2 | 276 | 0.1 | 294,030 | 47.1 | 33,024 | 7.3 |
| - Agriculture Land | - | - | - | - | 22,500 | 3.6 | - | - |
| Property Development | 203,646 | 99.8 | 195,357 | 99.9 | 307,720 | 49.3 | 423,045 | 92.7 |
| - Residential Properties | 187,405 | 91.8 | 176,743 | 90.4 | 254,719 | 40.8 | 328,060 | 71.9 |
| . Terrace houses | 183,577 | 89.9 | 171,534 | 87.7 | 206,508 | 33.1 | 289,179 | 63.4 |
| . Bungalows | - | - | - | - | 27,220 | 4.3 | 35,482 | 7.8 |
| . Semi-detached houses | 3,828 | 1.9 | 5,209 | 2.7 | 20,991 | 3.4 | 3,399 | 0.7 |
| - Commercial Properties | 16,241 | 8.0 | 18,614 | 9.5 | 31,612 | 5.1 | 15,155 | 3.3 |
| - Industrial Properties | - | - | - | - | 21,389 | 3.4 | 79,830 | 17.5 |
| TOTAL | 204,046 | 100.0 | 195,633 | 100.0 | 624,250 | 100.0 | 456,069 | 100.0 |

For the FYE 31 December 2009, revenue from property development amounted to RM203.6 million, representing 99.8% of our total revenue. The bulk of the revenue were from sale of residential properties, which accounted for 91.8% of our total revenue while commercial properties contributed 8.0% to our total revenue for the FYE 31 December 2009. Sales of land accounted for 0.2% or approximately RM400,000 of our total revenue for the FYE 31 December 2009.

For the FYE 31 December 2010, the largest revenue contributor was residential properties which accounted for 90.4% of our total revenue, while commercial properties accounted for 9.5% of our total revenue. Sales of land represented the remainder 0.1% of our total revenue for the FYE 31 December 2010.

For FYE 31 December 2011, sales of land accounted for 50.7% of our total revenue, amounting to RM316.5 million. This was mainly contributed by the sale of the 750-acre plot of undeveloped land to 1MDB for the purpose of setting up a new academia and training base of the Royal Malaysian Air Force and to relocate the operations in Sungai Besi to Bandar Sri Sendayan in Negeri Sembilan.

For FYE 31 December 2011, property development accounted for 49.3% of our total revenue, amounting to RM307.7 million. Of this, residential properties accounted for 40.8% of our revenue, which amounted to RM254.7 million.

5. BUSINESS OVERVIEW (Cont'd)

For FYE 31 December 2011, our revenue from residential properties was mainly contributed by the sales of terrace houses, which contributed 33.1% of our total Group revenue. This was followed by bungalows and semi-detached houses which contributed 4.3% and 3.4% to our Group revenue, respectively.

For FYE 31 December 2011, the development of commercial and industrial properties accounted for 5.1% and 3.4% of our total Group revenue. These were contributed by sales of single-storey and double-storey shop offices as well as commercial and industrial plots.

For FYE 31 December 2012, property development accounted for 92.7% of our total revenue, amounting to RM423.0 million. Of this, residential properties accounted for 71.9% of our revenue, which amounted to RM328.1 million for the financial year ended 31 December 2012.

For FYE 31 December 2012, our revenue from residential properties was mainly contributed by the sales of terrace houses, which contributed 63.4% of our total Group revenue. This was followed by bungalows and semi-detached houses which contributed 7.8% and 0.7% to our Group revenue, respectively.

For FYE 31 December 2012, the development of commercial and industrial properties accounted for 3.3% and 17.5% of our total Group revenue. These were contributed by sales of double-storey and three-storey shop offices as well as industrial plots.

For FYE 31 December 2012, sales of land accounted for 7.3% of our total revenue, amounting to RM33.0 million.

The breakdown of our Group's GP by business activities for FYE 31 December 2009 is as follows:

| | FYE 31 December 2009 | | |
|-----------------------------|----------------------|-------|-----------|
| | GP Contribution | | GP Margin |
| | RM '000 | % | % |
| Sales of Land | (5) | # | (1.3) |
| - Undeveloped Land | (5) | # | (1.3) |
| Property Development | 46,378 | 100.0 | 22.8 |
| - Residential Properties | 42,499 | 91.7 | 22.7 |
| <i>Terrace houses</i> | 41,665 | 89.9 | 22.7 |
| <i>Semi-detached houses</i> | 834 | 1.8 | 21.8 |
| - Commercial Properties | 3,879 | 8.3 | 23.9 |
| Others* | (15) | # | n.a. |
| OVERALL | 46,358 | 100.0 | 22.7 |

Notes:

Insignificant

* *Additional costs for completed projects*

For the FYE 31 December 2009, property development accounted for 100.0% of our total Group's GP and recorded 22.8% GP margin.

5. BUSINESS OVERVIEW (Cont'd)

The breakdown of our Group's GP by business activities for the FYE 31 December 2010 is as follows:

| | FYE 31 December 2010 | | |
|--------------------------|----------------------|--------------|-------------|
| | GP Contribution | | GP Margin |
| | RM '000 | % | % |
| Sales of Land | (1) | # | (0.4) |
| - Undeveloped Land | (1) | # | (0.4) |
| Property Development | 56,717 | 100.0 | 29.0 |
| - Residential Properties | 49,834 | 87.9 | 28.2 |
| . Terrace houses | 47,339 | 83.5 | 27.6 |
| . Semi-detached houses | 2,495 | 4.4 | 47.9 |
| - Commercial Properties | 6,883 | 12.1 | 37.0 |
| OVERALL | 56,716 | 100.0 | 29.0 |

Note:

Insignificant

For the FYE 31 December 2010, property development accounted for 100.0% of our total Group GP and recorded 29.0% GP margin.

The breakdown of our Group's GP by business activities for FYE 31 December 2011 is as follows:

| | FYE 31 December 2011 | | |
|--------------------------|----------------------|--------------|-------------|
| | GP Contribution | | GP Margin |
| | RM '000 | % | % |
| Sales of Land | 29,092 | 19.6 | 9.2 |
| - Undeveloped Land | 28,018 | 18.9 | 9.5 |
| - Agriculture Land | 1,074 | 0.7 | 4.8 |
| Property Development | 118,796 | 80.0 | 38.6 |
| - Residential Properties | 95,649 | 64.4 | 37.6 |
| . Terrace houses | 74,334 | 50.1 | 36.0 |
| . Bungalows | 11,067 | 7.4 | 40.7 |
| . Semi-detached houses | 10,248 | 6.9 | 48.8 |
| - Commercial Properties | 13,795 | 9.3 | 43.6 |
| - Industrial Properties | 9,352 | 6.3 | 43.7 |
| Others* | 534 | 0.4 | n.a. |
| OVERALL | 148,422 | 100.0 | 23.8 |

Notes:

n.a. not applicable

* Reversal of cost from completed project

5. BUSINESS OVERVIEW (Cont'd)

For FYE 31 December 2011, sales of land accounted for 50.7% of our total Group revenue while its contribution to the total Group GP was 19.6% with a GP margin from sales of land at 9.2%. The GP margin for sales of land was low as the undeveloped land was sold on an "as is" basis by our Group.

Property development accounted for 80.0% of our total Group GP despite its lower revenue contribution of 49.3% to our total Group revenue. Property development recorded 38.6% GP margin which was higher compared to the sales of land for FYE 31 December 2011.

The breakdown of our Group's GP by business activities for FYE 31 December 2012 is as follows:

| | FYE 31 December 2012 | | |
|--------------------------|----------------------|--------------|-------------|
| | GP Contribution | | GP Margin |
| | RM '000 | % | % |
| Sales of Land | 7,645 | 4.0 | 23.1 |
| - Undeveloped Land | 7,645 | 4.0 | 23.1 |
| Property Development | 185,083 | 96.0 | 43.8 |
| - Residential Properties | 128,733 | 66.8 | 39.2 |
| . Terrace houses | 113,527 | 58.9 | 39.3 |
| . Bungalows | 13,202 | 6.9 | 37.2 |
| . Semi-detached houses | 2,004 | 1.0 | 59.0 |
| - Commercial Properties | 5,545 | 2.9 | 36.6 |
| - Industrial Properties | 50,805 | 26.3 | 63.6 |
| OVERALL | 192,728 | 100.0 | 42.3 |

For FYE 31 December 2012, property development accounted for 96.0% of our total Group GP. Property development recorded 43.8% GP margin which was higher compared to the sales of land for FYE 31 December 2012.

For FYE 31 December 2012, sales of land accounted for 4.0% of our total Group's GP with a GP margin of 23.1%. The GP margin for sales of land was lower compared to property development as the undeveloped land was sold on an "as is" basis by our Group.

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5. BUSINESS OVERVIEW (Cont'd)

5.5.3 Location of principal place of business

We currently operate from the following premises:

| Name | Address | Purpose |
|-----------------------|---|---|
| Matrix Concepts Group | Wisma Matrix No. 57, Jalan Tun Dr. Ismail 70200 Seremban Negeri Sembilan | Head office and operations centre |
| Matrix | No. 69, Impiana Avenue Jalan Seri Impian ½ Taman Seri Impian 86000 Kluang Johor | Branch in Kluang to facilitate the Group's activities |
| BSS Development | No. 773A, Jalan Nusari Aman 3/1 Medan Nusari 71900 Bandar Sri Sendayan Negeri Sembilan | Site office in Bandar Sri Sendayan to facilitate the Group's activities |
| | PT1055, Jalan Metro Sendayan 1 71900 Bandar Sri Sendayan Negeri Sembilan | Sales gallery in Bandar Sri Sendayan |

5.5.4 Products and services

Our principal business is in the sales of land and property development. Our sales of land include large tracts of undeveloped land.

Our property development currently includes residential, commercial and industrial properties. As at the LPD, we are also undertaking development of our own leisure property. Our property development operations are supported by our in-house capabilities in project management and procurement of building materials.

Sales of land

Part of our business activities is involved in the sales of land including large tracts of undeveloped land, which we do not undertake any work and there is no existing infrastructure.

For the FYE 31 December 2012, the sales of land accounted for 7.3% of our total Group revenue and 4.0% of our total Group gross profit.

Property development

Our principal activities also include property development. For the FYE 31 December 2012, our property development business accounted for 92.7% of our total Group revenue and 96.0% of our total Group gross profit.

We are engaged in developing the following types of properties:

- Residential properties including bungalows, semi-detached houses, terrace houses, low-cost flats and townhouses and sub-divided plots;
- Commercial properties which are mainly shop offices and sub-divided plots; and
- Industrial properties which are mainly sub-divided plots for industrial use.

5. BUSINESS OVERVIEW (Cont'd)

Our property developed involving sales of sub-divided plots refer to land that has been cleared with earthworks undertaken and some basic infrastructure.

In September 2012, we commenced the development of a clubhouse in Bandar Sri Sendayan, our first foray into the development of leisure properties. We have also planned to commence the development of institutional properties within our Bandar Sri Sendayan project in the future.

Since the commencement of our property development business in 1997, we have established our track record as a reputable property developer in Negeri Sembilan and Johor. This is demonstrated by the fact that as at the LPD, we have successfully launched and completed 20,079 residential and commercial properties in Negeri Sembilan and Johor since the commencement of our business.

As at the LPD, we have various on-going property development projects in the following areas with a combined total estimated GDV of approximately RM1.4 billion:

- Port Dickson, Negeri Sembilan;
- Taman Seri Impian, Kluang, Johor; and
- Bandar Sri Sendayan, Seremban, Negeri Sembilan.

5.5.5 Principal markets

Malaysia is our principal market having accounted for 100.0% of our total units sold for the FYE 31 December 2009, 2010, 2011 and 2012.

For the FYE 31 December 2009, 2010, 2011 and 2012, our markets segmented by revenue were as follows:

| | FYE 31 December 2009 | | FYE 31 December 2010 | | FYE 31 December 2011 | | FYE 31 December 2012 | |
|-------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|
| | Revenue (RM'000) | Proportion of Total Group Revenue (%) | Revenue (RM'000) | Proportion of Total Group Revenue (%) | Revenue (RM'000) | Proportion of Total Group Revenue (%) | Revenue (RM'000) | Proportion of Total Group Revenue (%) |
| Negeri Sembilan* | 121,091 | 59.3 | 133,022 | 68.0 | 535,350 | 85.8 | 375,101 | 82.2 |
| - Seremban | 120,554 | 59.1 | 101,871 | 52.1 | 500,108 | 80.1 | 372,775 | 81.7 |
| - Port Dickson | 537 | 0.2 | 31,151 | 15.9 | 35,242 | 5.7 | 2,326 | 0.5 |
| Johor* | 82,955 | 40.7 | 62,611 | 32.0 | 88,900 | 14.2 | 80,968 | 17.8 |
| - Kluang | 40,765 | 20.0 | 62,272 | 31.8 | 88,900 | 14.2 | 80,968 | 17.8 |
| - Bandar Tenggara | 42,190 | 20.7 | 339 | 0.2 | - | - | - | - |
| Total | 204,046 | 100.0 | 195,633 | 100.0 | 624,250 | 100.0 | 456,069 | 100.0 |

Note:

* Categorisation of principal markets is based on location of properties and land sold.

For the FYE 31 December 2009, revenue was derived from sales of our properties and land located in Negeri Sembilan and Johor. Negeri Sembilan represented 59.3% of our total revenue while Johor represented 40.7% of our total revenue.

For the FYE 31 December 2010, revenue was derived from sales of our properties and land located in Negeri Sembilan and Johor. Negeri Sembilan represented 68.0% of our total Group revenue while Johor represented 32.0% of our total revenue.

5. BUSINESS OVERVIEW (Cont'd)

The majority of our properties and land sold for FYE 31 December 2011 were located in Negeri Sembilan, including residential, commercial and industrial properties as well as undeveloped land. Within Negeri Sembilan itself, 80.1% of our total Group revenue was contributed by Seremban followed by Port Dickson at 5.7%.

For FYE 31 December 2011, our next largest market was Kluang, Johor which represented 14.2% of our total Group revenue. In Kluang, all units sold were either residential or commercial properties.

The majority of our properties and land sold for FYE 31 December 2012 were located in Negeri Sembilan, including residential, commercial and industrial properties as well as undeveloped land. Within Negeri Sembilan itself, 81.7% of our total Group revenue was contributed by Seremban followed by Port Dickson at 0.5%.

For FYE 31 December 2012, our next largest market was Kluang, Johor which represented 17.8% of our total Group revenue. In Kluang, all units sold were residential properties.

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5. BUSINESS OVERVIEW (Cont'd)

5.5.6 Summary of our Group's development projects

The table below summarises the details of our Group's completed property development projects, properties under development and properties held for future developments, as at the LPD.

(i) Completed property developments

| Project name / Location | Developer | Type of development | Total | | GDV RM million | Commencement Month/year | Completion Month/year |
|--|-----------|--|-----------------------|-------------------|----------------------|----------------------------|---------------------------------|
| | | | site area Acres | units launched | | | |
| Taman Bahau PT 1205-1218, PT 1423-1596, PT 1598-1784, PT 1789-1876 and PT 1878-2009, Mukim Jelai, Jempol, Negeri Sembilan | Matrix | Single-storey terrace houses Double-storey terrace houses | 49.6 | 559 | 32.6 | June 1997 | December 1998 and March 1999 |
| | | One-and-a-half storey shop offices | | 14 | 0.6 | June 1997 | November 1998 |
| Taman Sri Telawi – Phase 2 PT 596-614, Mukim Ampangan, Seremban, Negeri Sembilan | Matrix | Residential lots | 0.9 | 19 | 1.7 | February 2000 | June 2000 |
| Taman Pedas Indah PT 2083-2106, PT 2108-2216 and PT 2218-2523, Mukim Pedas, Rembau, Negeri Sembilan | Matrix | Single-storey terrace houses Double-storey terrace houses | 32.8 | 289 | 18.4 | April 2000 | November 2000 |
| | | Single-storey shop offices | | 11 | 1.0 | April 2000 | November 2000 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total | | GDV RM million | Commencement Month/year | Completion Month/year |
|--|-----------|---|-----------------------|-------------------|----------------------|----------------------------|--------------------------|
| | | | site area Acres | units launched | | | |
| Taman Sri Anggerik PT 8337-8532 and PT 8538-8540 Mukim Rantau, Seremban, Negeri Sembilan | Matrix | Single-storey terrace houses Double-storey terrace houses | 16.6 | 184 | 13.4 | November 2001 | June 2002 |
| Matahari Height PT 1206-1209, PT 1365-1366, PT 4087-4128, PT 4130-4205, PT 4210-4230, PT 4233-4316, PT 4317-4364 and PT 4367-4405 Mukim Senawang, Bandar Senawang, Negeri Sembilan | Matrix | Single-storey terrace houses Double-storey terrace houses Double-storey shop offices | 28.4 | 230 | 20.5 | May 2003 | February 2004 |
| Taman Politeknik PT 5556-5669, PT 5671-5740, PT 5742-5759, PT 5761-5871, PT 5874, PT 6038, PT 6040-6060, PT 6062-6251, PT 6256-6495, PT 6497-7031, PT 7033-7069, PT 7071, PT 7110 and PT 7112-7192 Mukim Pasir Panjang, Port Dickson, Negeri Sembilan | Matrix | Commercial land Single-storey terrace houses Single-storey shop offices | 108.7 | 1,603 | 121.7 | July 2003 | September 2004 |
| Taman Desa PD 1 PT 2284-2346, PT 2350-2425, PT 2427-2444, PT 2446-2952 and PT 2954-3029, Mukim Linggi, Port Dickson, Negeri Sembilan | Matrix | Single-storey terrace houses Single-storey shop offices | 61.3 | 729 | 52.7 | July 2005 | November 2006 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|--|-----------|--|--------------------------|----------------------|------------------|----------------|-------------------------|-----------------------|
| | | | | | | | | |
| Taman Seri Impian 1 PTD 69880-70366, Mukim Kluang Kluang, Johor | Matrix | Single-storey terrace houses | 51.1 | 487 | 487 | 38.8 | May 2006 | April 2008 |
| Impiana Avenue 1 PTD 69811-69843, Mukim Kluang Kluang, Johor | Matrix | Double-storey shop offices | 2.8 | 33 | 33 | 7.1 | May 2006 | April 2009 |
| Taman Seri Impian 2 – Parcel 1 PTD 70367-70458, PTD 70506-70595, PTD 72891-73487, PTD 73715-73840 and PTD 73843-73844, Mukim Kluang, Kluang, Johor | Matrix | Single-storey terrace houses Double-storey terrace houses | 80.2 | 857 | 857 | 83.4 | May 2007 | April 2009 |
| Taman Pulau Perdana PT 10192-10201, PT 10203-10287, PT 10299-10344 and PT 10346-10435, Mukim Seremban Seremban, Negeri Sembilan | Matrix | Double-storey terrace houses Double-storey semi-detached houses | 22.5 | 155 | 155 | 26.4 | March 2008 | October 2009 |
| | | Double-storey shop offices | | 22 | 22 | 5.5 | March 2008 | October 2009 |
| | | Low cost single-storey terrace houses | | 32 | 32 | 8.7 | March 2008 | October 2009 |
| | | | | 22 | 22 | 1.0 | March 2008 | October 2009 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total | | GDV RM million | Commencement Month/year | Completion Month/year |
|---|-----------|---------------------------------|-----------------------|-------------------|----------------------|----------------------------|--------------------------|
| | | | site area Acres | units launched | | | |
| Taman Seri Impian 2 – Parcel 2 PTD 70459-70505, PTD 70596- 70615, PTD 70616-70667, PTD 73488-73714, Mukim Kluang, Kluang, Johor | Matrix | Single-storey terrace houses | 38.4 | 247 | 28.3 | October 2007 | February 2010 |
| Taman Seri Impian 3 (Impiana Garden 1) PTD 71740-71760, PTD 71780- 71804, PTD 71825-71948 and PTD 72070-7214, Mukim Kluang Kluang, Johor | Matrix | Double-storey terrace houses | 99 | 99 | 17.0 | October 2007 | February 2010 |
| Taman Seri Impian 3 (Impiana Garden 2) PTD 72142-72302, Mukim Kluang Kluang, Johor | Matrix | Single-storey terrace houses | 26.9 | 242 | 28.3 | August 2009 | August 2010 |
| Taman Desa PD II – Phase 1 PT 3122-3171 and PT 3204-3636 Mukim Linggi, Port Dickson, Negeri Sembilan | Matrix | Single-storey terrace houses | 41.7 | 483 | 46.2 | March 2009 | June 2011 |
| Impiana Avenue 2 PTD 69844-69879, Mukim Kluang Kluang, Johor | Matrix | Double-storey shop offices | 17.9 | 161 | 21.6 | August 2010 | July 2011 |
| | | | 3.3 | 36 | 10.9 | January 2010 | October 2011 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|--|--------------------|---|--------------------------|----------------------|------------------|-------------------|----------------------------|--------------------------|
| | | | | | | | | |
| Taman Seri Impian 3 (Impiana Garden 2 – Modena) PTD 71761-71779, PTD 71805-71824, PTD 71949-72069 and PTD 72303-72336, Mukim Kluang Kluang, Johor | Matrix | Single-storey terrace houses | 21.6 | 194 | 194 | 31.8 | May 2010 | November 2011 |
| Impiana Villa 1 PT 71578-71686 and PT 71688-71739, Mukim Kluang, Kluang, Johor | Matrix | Single-storey bungalows | 26.1 | 96 | 95 | 33.1 | March 2010 | November 2012 |
| Taman Andalas – Phase 1 PT 22906-23117, PT 23119-23224 and PT 23226-23288 Mukim Setul, Mantin, Negeri Sembilan | Masuda Corporation | Double-storey bungalows Single-storey terrace houses | 31.7 | 369 | 369 | 25.1 | May 1999 | February 2000 |
| | | Single-storey semi-detached houses | | 4 | 4 | 0.6 | May 1999 | February 2000 |
| | | Single-storey shop offices | | 8 | 8 | 0.7 | May 1999 | February 2000 |
| Taman Putra PT 1683-1689, PT 1691-1719, PT 1724-1797, PT 1799-1835 and PT 1574-1682, Mukim Juasseh Kuala Pilah, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses Low cost double-storey terrace houses | 21.3 | 150 | 150 | 8.3 | November 1999 | June 2000 |
| | | Single-storey shop offices | | 14 | 9 | 1.2 | November 1999 | June 2000 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total | | GDV RM million | Commencement Month/year | Completion Month/year |
|---|-----------------------|---|-----------------------|-------------------|----------------------|----------------------------|--|
| | | | site area Acres | units launched | | | |
| Taman Andalas – Phase 2 A/G/1-A/G/16, A/1/1-A/1/16, A/2/1-A/2/16, A/3/1-A/3/16 and A/4/1-A/4/16, Mukim Setul Mantin, Negeri Sembilan | Masuda Corporation | Low-cost flats | 7.3 | 80 | 80 | 2.9 | November 2000 April 2001 |
| Taman Intan Perdana 3 – Phase 1 PT 4787-5246, Mukim Sri Rusa Port Dickson, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses | 38.4 | 460 | 460 | 32.6 | September 2000 October 2001 |
| Arowana Impian PT 18331-18340, PT 18342- 18652 and PT 18654-18722 Mukim Rasah, Seremban, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses Double-storey terrace houses | 32.5 | 258 | 258 | 23.9 | January 2003 October 2004 |
| Taman Pulau Impian PT 8306-8972, Mukim Seremban Seremban, Negeri Sembilan | Masuda Corporation | Single-storey shop offices Double-storey terrace houses Double-storey semi-detached houses | 55.0 | 563 | 563 | 75.1 | January 2003 October 2004 February 2005 August 2006 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|---|--------------------|--|--------------------------|----------------------|------------------|----------------|----------------------------|--------------------------|
| | | | | | | | | |
| Arowana Indah PT 23477-23859, Mukim Rasah Seremban, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses Double-storey terrace houses | 27.4 | 188 | 188 | 19.4 | November 2006 | November 2007 |
| | | Low cost single-storey terrace houses | | 39 | 39 | 1.8 | November 2006 | November 2007 |
| Matahari Indah PT 29368-29774, Mukim Senawang, Bandar Senawang, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses Double-storey terrace houses | 30.2 | 277 | 277 | 28.5 | January 2007 | February 2008 |
| | | | | 130 | 130 | 19.9 | January 2007 | February 2008 |
| Taman Bukit Sendayan PT 29562-29724, PT 29726-29763, PT 29767-29799 and PT 29801-30236, Mukim Labu, Seremban, Negeri Sembilan | Masuda Corporation | Single-storey terrace houses | 55.3 | 670 | 670 | 50.8 | May 2006 | May 2008 |
| Taman Intan Perdana 1 – Phase 1 PT 5093-5100, PT 5102-5283 and PT 5285-5358, Mukim Sri Rusa, Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses Single-storey shop offices | 22.7 | 256 | 256 | 15.8 | May 2000 | December 2000 |
| | | | | 8 | 8 | 1.0 | May 2000 | December 2000 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|--|-----------------|------------------------------|-----------------------|----------------------|------------------|----------------|-------------------------|-----------------------|
| Taman Intan Perdana 2 – Phase 1 PT 4202-4351, PT 4353-4465 and PT 4476-4744, Mukim Sri Rusa Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses | 44.1 | 532 | 532 | 34.9 | September 2000 | August 2001 |
| Intan Court FSG/01-FSG/02, FG/03-FG/20, F01/01-F01/20, F02/01-F02/20, F03/01-F03/20 and F04/01-F04/20, Mukim Sri Rusa, Port Dickson, Negeri Sembilan | 1 Sendayan Club | Low cost flats | 6.0 | 100 | 100 | 3.3 | April 2000 | July 2002 |
| Taman Intan Perdana V(b) PT 4467-4474 and PT 5731-5807 Mukim Sri Rusa, Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses | 7.0 | 77 | 77 | 5.6 | April 2002 | May 2003 |
| Taman Intan Perdana V(a) PT 5808-5865, Mukim Sri Rusa Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey shop offices | | 8 | 8 | 0.7 | April 2002 | May 2003 |
| Taman Bukit Perdana PT 5440-5686, Mukim Sri Rusa Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses | 6.0 | 58 | 58 | 3.9 | September 2002 | May 2003 |
| Taman Bukit Perdana II PT 5938-5967, Mukim Sri Rusa Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses | 22.3 | 247 | 247 | 17.9 | May 2002 | May 2003 |
| | | | 2.6 | 30 | 30 | 2.4 | July 2004 | December 2004 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement | | Completion | |
|---|-----------------|--|-----------------------|----------------------|------------------|----------------|---------------|---------------|---------------|---------------|
| | | | | | | | Month/year | Month/year | Month/year | Month/year |
| Taman Sri Intan PT 9867-10144, PT 10146-10491 and PT 10492-10561, Mukim Port Dickson, Port Dickson, Negeri Sembilan | 1 Sendayan Club | Single-storey terrace houses Single-storey shop offices | 63.8 | 618 | 618 | 58.5 | October 2007 | October 2007 | December 2008 | December 2008 |
| Taman Gadong Jaya – Phase 1 PT 19934-20037, PT 20039-20341 and PT 20343-20427, A/G/1-A/G/19, 21, 23 and 25, A/1/1-A/1/17, 19, 21, 23 and 25, B/G/1-B/G/11, B/1/1-B/1/11, C/G/1-C/G/14, C/1/1-C/1/14, D/G/1-D/G/6 and 8, D/1/1-D/1/6 and 8, E/G/1-E/G/8, E/1/1-E/1/8, F/G/1-F/G/11 and 13, Mukim Labu, Seremban, Negeri Sembilan | Insani Utama | Single-storey terrace houses Low cost townhouse | 51.0 | 492 | 492 | 34.3 | February 2001 | February 2001 | June 2002 | January 2003 |
| Taman Gadong Jaya – Phase 2 PT 19291-19303, PT 19307-19461, PT 19463-19692 and PT 19694-19933, Mukim Labu, Seremban, Negeri Sembilan | Insani Utama | Single-storey terrace houses Single-storey shop offices | 51.0 | 619 | 619 | 45.0 | November 2001 | November 2001 | January 2003 | January 2003 |
| Taman Gadong Jaya – Phase 3 PT 22643-22682, PT 22684-22738, PT 22740-22753 and PT 22756-22812, Mukim Labu, Seremban, Negeri Sembilan | Insani Utama | Single-storey terrace houses | 13.0 | 166 | 166 | 12.4 | July 2002 | July 2002 | January 2003 | January 2003 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement | | Completion | |
|--|-----------------|---|--------------------------|----------------------|------------------|-------------------|---------------|---------------|----------------|----------------|
| | | | | | | | Month/year | Month/year | Month/year | Month/year |
| Taman Gadong Jaya – Phase 4 PT 23511-23564 and PT 23566-23699, Mukim Labu, Seremban, Negeri Sembilan | Insani Utama | Single-storey terrace houses Low cost double-storey terrace houses | 15.0 | 159 | 159 | 11.9 | February 2003 | February 2003 | September 2003 | September 2003 |
| Taman Sendayan Indah PT 22813-23365, Mukim Labu Seremban, Negeri Sembilan | Insani Utama | Single-storey terrace houses | 46.2 | 544 | 544 | 37.3 | October 2002 | October 2002 | September 2003 | September 2003 |
| Taman Permai Impian PT 7269-7274, PT 7276-7280, PT 7282-7376, PT 7379-7409, PT 7412-7512, PT 7516-7599 and PT 7602-7621, Mukim Pekan Bukit Kepayang, Seremban, Negeri Sembilan | Superb Approach | Single-storey terrace houses | 29.4 | 83 | 83 | 23.8 | July 2004 | July 2004 | June 2005 | June 2005 |
| Matrix Point PT 7994-8000 Mukim Seremban, Seremban, Negeri Sembilan | Superb Approach | Double-storey terrace houses | | 252 | 252 | 10.8 | July 2004 | July 2004 | June 2005 | June 2005 |
| Matrix Point PT 7994-8000 Mukim Seremban, Seremban, Negeri Sembilan | Superb Approach | Single-storey shop offices | | 6 | 6 | 0.6 | July 2004 | July 2004 | June 2005 | June 2005 |
| Matrix Point PT 7994-8000 Mukim Seremban, Seremban, Negeri Sembilan | Superb Approach | Three-storey shop offices | 0.5 | 7 | 7 | 4.8 | January 2006 | January 2006 | October 2007 | October 2007 |
| Matrix Court PT 8305-8324 Mukim Seremban Seremban, Negeri Sembilan | Superb Approach | Three-storey shop offices | 1.6 | 19 | 19 | 13.9 | March 2007 | March 2007 | January 2009 | January 2009 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area Acres | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|--|-----------------|------------------------------------|-----------------------|----------------------|------------------|----------------|-------------------------|-----------------------|
| Taman Anggerik Tenggara 1 PT 3497-3611 and PT 3748-5007 Mukim Hulu Sungai Johor, Kota Tinggi, Johor | Seventech | Single-storey terrace houses | 154.3 | 1,188 | 1,188 | 85.4 | December 2004 | February 2006 |
| Taman Anggerik Tenggara 2 PT 5991-6412, Mukim Hulu Sungai Johor, Kota Tinggi, Johor | Seventech | Double-storey terrace houses | | 72 | 72 | 7.1 | December 2004 | February 2006 |
| | | Single-storey shop offices | | 115 | 115 | 14.5 | December 2004 | February 2006 |
| | | Single-storey terrace houses | 30.1 | 359 | 359 | 32.7 | April 2008 | October 2009 |
| | | Single-storey shop offices | | 63 | 63 | 9.8 | April 2008 | October 2009 |
| Nusari Bayu 1 PT 3709-4867, Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses | 105.4 | 1,159 | 1,159 | 113.2 | February 2008 | January 2010 |
| Nusari Bayu 2A PT 2556-2732, PT 2757-2806 and PT 2808-2939, Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses | 32.6 | 359 | 359 | 42.4 | October 2009 | January 2011 |
| Atiya PT 3691-3708, Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey semi-detached houses | 1.4 | 18 | 18 | 5.2 | May 2010 | January 2011 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total | | GDV RM million | Commencement Month/year | Completion Month/year |
|---|--------------------|--|-----------------------|-------------------|----------------------|----------------------------|--------------------------|
| | | | site area Acres | units launched | | | |
| Idaman Bayu PT 518-696, Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses Double-storey terrace houses | 17.7 | 81 | 13.2 | January 2010 | August 2011 |
| Nusari Aman 1A PT 2940-3175 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses | 15.5 | 236 | 34.2 | April 2010 | October 2011 |
| Nusari Aman 2A PT 2283-2543 and PT 4896-4941 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses Double-storey terrace houses | 27.5 | 150 | 25.1 | September 2010 | December 2011 |
| | | Single-storey semi-detached houses | | 6 | 2.0 | September 2010 | December 2011 |
| | | Double-storey semi-detached houses | | 14 | 7.3 | September 2010 | December 2011 |
| | | Single-storey shop offices | | 46 | 10.3 | September 2010 | December 2011 |
| | | Single-storey stall | | 1 | 1.0 | September 2010 | December 2011 |
| Cosmoxia PT 2544-2555 and PT 2733-2756 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey semi-detached houses | 2.7 | 36 | 11.7 | May 2010 | December 2011 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location | Developer | Type of development | Total site area | Total units launched | Total units sold | GDV RM million | Commencement Month/year | Completion Month/year |
|--|--------------------|---|-----------------|----------------------|------------------|----------------|-------------------------|-----------------------|
| | | | Acres | | | | | |
| Sendayan Metropark Lot 1051-1052 and 1055-1070 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Commercial lots | 35.4 | 18 | 16 | 47.1 | June 2008 | December 2010 |
| Nusari Bayu 3 – Phase 1 PT 1113-1184 and PT 1186-1374 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses Double-storey terrace houses | 22.4 | 111 | 111 | 20.8 | November 2010 | August 2012 |
| Nusari Bayu 3 – Phase 2 PT 1375-1593 and PT 4868-4892 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Single-storey terrace houses Double-storey terrace houses Double-storey shop offices | 20.9 | 69 | 69 | 15.1 | July 2011 | February 2013 |
| | | | | 150 | 150 | 46.6 | July 2011 | February 2013 |
| | | | | 25 | 25 | 12.0 | July 2011 | February 2013 |

5. BUSINESS OVERVIEW (Cont'd)

(ii) On-going projects

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total units for sale | Total units sold | Estimated GDV RM million | Commencement Month/year | Expected completion Month/year |
|--|-----------------|--|--------------------------|----------------------|------------------|-----------------------------|----------------------------|-----------------------------------|
| Taman Seri Impian 4 (Impiana Casa 1) PT 79558-79634, PT 79636-79834, PT 79848-79876, PT 79892-79918, PT 79945-79971, PT 80004-80029, PT 80038-80057, PT 80060-80079, PT 80082-80101 and PT 80104-80123, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Single-storey terrace houses Double-storey terrace houses | 42.3 | 329 | 329 | 47.6 | December 2010 | June 2013 |
| Impiana Casa 2 PT 79421-79557, PT 79835-79847, PT 79877-79890, PT 79919-79944, PT 79972-80001, PT 80126-80150 and PT 80156-80198, Bandar Sri Sendayan Seremban, Negeri Sembilan / KKTNJB | Matrix | Double-storey terrace houses Single-storey terrace houses | 32.5 | 137 | 126 | 38.8 | March 2012 | February 2014 |
| Taman Desa PD 3 PT 3098-3121 and PT 3172-3203 Port Dickson, Negeri Sembilan / Matrix | Matrix | Single-storey terrace houses | 4.3 | 56 | 56 | 5.5 | February 2012 | June 2013 |
| Nusari Aman 1B PT 3176-3690, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Single-storey terrace houses Double-storey terrace houses | 38.2 | 341 | 341 | 60.0 | April 2011 | April 2013 |
| | | | | 174 | 174 | 43.1 | April 2011 | April 2013 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total units for sale | Total units sold | Estimated GDV RM million | Commencement Month/year | Expected completion Month/year |
|---|-----------------|------------------------------|-----------------------|----------------------|------------------|--------------------------|-------------------------|--------------------------------|
| Nusari Aman 2 PT 1797-1809, PT 1818-1984 and PT 1991-2282 Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Single-storey terrace houses | 35.4 | 122 | 122 | 25.8 | October 2011 | November 2013 |
| Nusari Aman 2D and Nusari Aman 3A (collectively, "Nusari Aman") PT 6872-6904, PT 6906-7000, PT 7004-7058, PT 7060-7143 and PT 8372-8389, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Single-storey terrace houses | 33.7 | 37 | 37 | 9.0 | January 2012 | December 2013 |
| Sendayan Metropark Shop 1A PT 980-1017, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices | 2.5 | 29 | 29 | 13.9 | October 2011 | June 2013 |
| Idaman Bayu 2 PT 871-883, PT 906-927 and PT 948-968, Bandar Sri Sendayan Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 4.8 | 56 | 56 | 23.6 | October 2012 | September 2014 |
| | | Three-storey shop offices | | 9 | 8 | 6.0 | October 2011 | June 2013 |
| | | Single-detached houses | | 18 | 18 | 7.8 | January 2012 | December 2013 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total units for sale | Total units sold | Estimated GDV RM million | Commencement Month/year | Expected completion Month/year |
|---|--------------------|------------------------------------|--------------------------|----------------------|------------------|--------------------------|----------------------------|-----------------------------------|
| Sendayan TechValley 1 PT 6127, PT 6130-6132, PT 6135-6138, PT 6286-6293, PT 6295-6302, PT 6307, PT 6310-6313, PT 6315-6321, PT 6326-6332, PT 6336-6337, PT 10279-10280, PT 11633-11635 and PT 11690, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Industrial lots | 221.0 | 51 | 40 | 173.3 | September 2010 | December 2013 |
| Sendayan TechValley 2 PT 5565, PT 6377-6383, PT 6385-6386, PT 6389-6402, PT 6406-6410, PT 6428-6433, PT 6435, PT 11636, PT12627-12630 and PT 12637, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Industrial lots | 302.9 | 42 | 17 | 315.6 | September 2011 | December 2013 |
| Nusari Bayu 2B PT 1687-1703, 1720-1782 and 8362-8371, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 8.1 | 80 | 80 | 24.4 | May 2012 | April 2014 |
| Hijayu 1B PT 7967-8195, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Single-storey semi-detached houses | 21.5 | 75 | 74 | 19.5 | May 2012 | April 2014 |
| | | Double-storey terrace houses | 154 | 154 | 154 | 57.8 | August 2012 | July 2014 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total units for sale | Total units sold | Estimated GDV RM million | Commencement Month/year | Expected completion Month/year |
|---|-------------------|--|-----------------------|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Hijayu 3D PT 9708-10241, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 43.5 | 534 | 291 | 192.5 | July 2012 | June 2014 |
| 1 Sendayan Clubhouse PT 12653, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Clubhouse | 6.3 | 1 | - | 50.0 | September 2012 | March 2014 |
| Sub Centre @ Nusari Bayu PT 4894-4895 and PT 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Commercial lots | 20.0 | 4 | 1 | 30.0 | ^ | ^ |
| Sub Centre @ Nusari Hijayu PT 12664-12665, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Commercial lots | 8.1 | 2 | - | 12.0 | ^ | ^ |
| (iii) Future Projects | | | | | | | | |
| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
| Kota Gadong Perdana PT 24225-27856, Mukim Labu, Seremban, Negeri Sembilan / MAINS | Riverine Projects | Single-storey terrace houses Double-storey terrace houses | 294.6 | 1,632 | 2,000 | 326.4 600.0 | January 2016 January 2016 | December 2018 December 2018 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|---|-----------------|--|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Hijayu 1A PT 7301-7966, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 67.3 | 666 | 246.4 | June 2013 | May 2015 |
| Sendayan Merchant Square 1 PT 8196-8320, PT 8328-8329, PT 8339, PT 10690-10716 and PT 12659-12660, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices Commercial lots | 29.4 | 154 3 | 202.2 10.0 | March 2014 March 2014 | February 2016 February 2016 |
| Hijayu 3A PT 8391-8940 and PT 8941-8979 Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Single-storey terrace houses Double-storey terrace houses | 52.1 | 150 439 | 37.5 162.4 | June 2014 June 2014 | May 2016 May 2016 |
| Hijayu 3B PT 8980-9313, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 32.5 | 334 | 140.3 | January 2014 | December 2015 |
| Hijayu 3C PT 9314-9707, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses | 38.4 | 394 | 153.7 | September 2013 | August 2015 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|---|-----------------|---|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Hijayu (Resort Homes) PT 11082-11589, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey semi-detached houses | 85.1 | 200 | 160.0 | June 2014 | May 2017 |
| Hijayu (Resort Villa) PT 10882-10884, PT 10887-10890 and PT 10986-11081, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey bungalows Bungalow lots | 49.5 | 102 1 | 157.8 4.0 | September 2014 September 2014 | August 2017 August 2017 |
| Hijayu (Residence) PT 10875-10876, PT 10878-10881 and PT 10919-10985, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey bungalows Bungalow lots | 56.0 | 67 6 | 120.6 18.8 | September 2014 September 2014 | August 2017 August 2017 |
| Sendayan Merchant Square 2 PT 10717-10865, PT 10871 and PT 12656-12658, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices Commercial lots | 49.9 | 149 4 | 223.5 40.0 | March 2015 March 2015 | February 2017 February 2017 |
| 1 Sendayan Clubhouse⁽¹⁾ PT 12652 and PT 12655, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Commercial Lot Institute | 19.0 | 1 1 | 2.7 50.0 | September 2013 September 2013 | August 2015 August 2015 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|---|-----------------|--|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Idaman Yu 1 PT6450-6730, 6733-6751, 6753-6854 and 12667, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey terrace houses Single-storey terrace houses | 44.5 | 235 | 112.8 | September 2014 | October 2016 |
| | | Double-storey shop offices | | 17 | 13.6 | September 2014 | October 2016 |
| | | Commercial lots | | 1 | 1.5 | September 2014 | October 2016 |
| Idaman Yu 2 PT 5607, Bandar Sri Sendayan, Seremban, Negeri Sembilan / BSS Development | BSS Development | Double-storey terrace houses | 101.7 | 878 | 491.7 | January 2015 | December 2017 |
| | | Double-storey shop offices | | 21 | 21.0 | January 2015 | December 2017 |
| | | Commercial lot | | 1 | 3.0 | January 2015 | December 2017 |
| Sendayan Metropark Shop 1B PT 1018-1049, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices | 2.5 | 28 | 42.0 | January 2015 | December 2017 |
| | | Three-storey shop offices | | 4 | 7.2 | January 2015 | December 2017 |
| Sendayan Metropark Shop 2 PT 7148-7194 and 7196-7298, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices | 15.0 | 150 | 240.0 | January 2016 | December 2018 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|--|-----------------|--|-----------------------|-----------------------|--------------------------|--|---|
| Sub Centre @ Sendayan TechValley 1A PT 6140-6163, 6165-6173, 6175-6186, 6189-6214, 6216-6253, 6255, 6257-6284, 6356, 10271-10278 and 12671, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Double-storey shop offices Commercial lots Double-storey semi-detached factories | 46.4 | 32 1 30 | 38.4 1.7 30.0 | January 2016 January 2016 January 2016 | December 2018 December 2018 December 2018 |
| Sendayan Auto City PT 11639-11680, Bandar Sri Sendayan, Seremban, Negeri Sembilan / MBI | BSS Development | Industrial lots Commercial lots | 115.2 | 32 10 | 182.0 70.0 | January 2014 January 2014 | December 2016 December 2016 |
| Impiana Villa 2 PT 72337-72464, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey bungalows Double-storey semi-detached houses | 23.7 | 54 74 | 48.6 37.0 | January 2014 January 2014 | December 2016 December 2016 |
| Impiana Bayu 1 Part of PTD 74725, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey terrace houses Single-storey terrace houses | Part of 167.0 | 215 304 | 60.2 54.7 | September 2013 September 2013 | August 2015 August 2015 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|--|-----------|--|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Impiana Bayu 2 Part of PTD 74725, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey terrace houses Single-storey terrace houses | Part of 167.0 | 215 304 | 68.8 60.8 | June 2014 June 2014 | May 2016 May 2016 |
| | | Double-storey shop offices | | 94 | N/A | *- | *- |
| | | Double-storey terrace houses | | 209 | N/A | *- | *- |
| | | Commercial lots | | 1 | N/A | *- | *- |
| | | Stall | | 1 | N/A | *- | *- |
| Impiana Villa 3 PT 76703-76868, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey semi-detached houses | 21.4 | 166 | 79.7 | January 2015 | December 2017 |
| Impiana Avenue 3 PT 71518-71577, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey shop offices | 2.3 | 60 | 19.2 | January 2014 | December 2015 |
| Impiana Avenue 4 PT 74631-74666, and 74671-74709, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey shop offices | 2.8 | 75 | 26.3 | January 2015 | December 2016 |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|---|-----------|--|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Impiana Avenue 5 PT 73847-73897, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey shop offices | 2.4 | 51 | 21.4 | June 2015 | May 2017 |
| Impiana Avenue 6 PT 78940-78975, 78977-78983 and 76869-76898, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey shop offices | 2.7 | 73 | 29.2 | January 2016 | December 2017 |
| Impiana Avenue 7 PT 83022-83532, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Double-storey shop offices Three-storey shop offices | 39.6 | 416 | 222.2 | July 2016 | June 2019 |
| Taman Seri Impian 2 PT 74358-74368, 74385-74395 and 71260-71517, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Commercial lots Petrol land Double-storey terrace houses | 11.8 | 280 | N/A | *- | *- |
| Impiana Casa 2 (Stage 2) PT 78976 and PT 79258-79418, Mukim Kluang, Kluang, Johor / KKTNJB | Matrix | Stall Double-storey terrace houses | 19.8 | 1 161 | N/A N/A | *- *- | *- *- |

5. BUSINESS OVERVIEW (Cont'd)

| Project name / Location / Land owner | Developer | Type of development | Total site area Acres | Total projected units | Estimated GDV RM million | Expected commencement Month/year | Expected completion Month/year |
|--|-----------|---|-----------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|
| Third 9 Residence PT 608-824, Bandar Seremban, Seremban, Negeri Sembilan / MBI | Matrix | Double-storey terrace houses | 41.8 | 148 | 81.4 | July 2013 | June 2015 |
| | | Double-storey semi-detached houses | | 38 | 32.3 | July 2013 | June 2015 |
| | | Double-storey Bungalows | | 31 | 31.0 | July 2013 | June 2015 |
| Lobak Commercial Centre Phase 1 PT 8698-8709, Bandar Seremban, Seremban, Negeri Sembilan / Matrix | Matrix | Double-storey shop offices | 0.7 | 12 | 16.1 | July 2013 | June 2015 |
| Lobak Commercial Centre Phase 2 PT 8711-8724 and PT 8726-8727, Bandar Seremban, Seremban, Negeri Sembilan / Matrix | Matrix | Double-storey shop offices Commercial lots | 2.1 | 14 | 23.2 | July 2014 | June 2016 |
| | | | | 2 | 6.1 | July 2014 | June 2016 |

Notes:

* The estimated commencement and completion dates for these projects have yet to be determined by our management.

^ These properties are ready for sale on an as is basis.

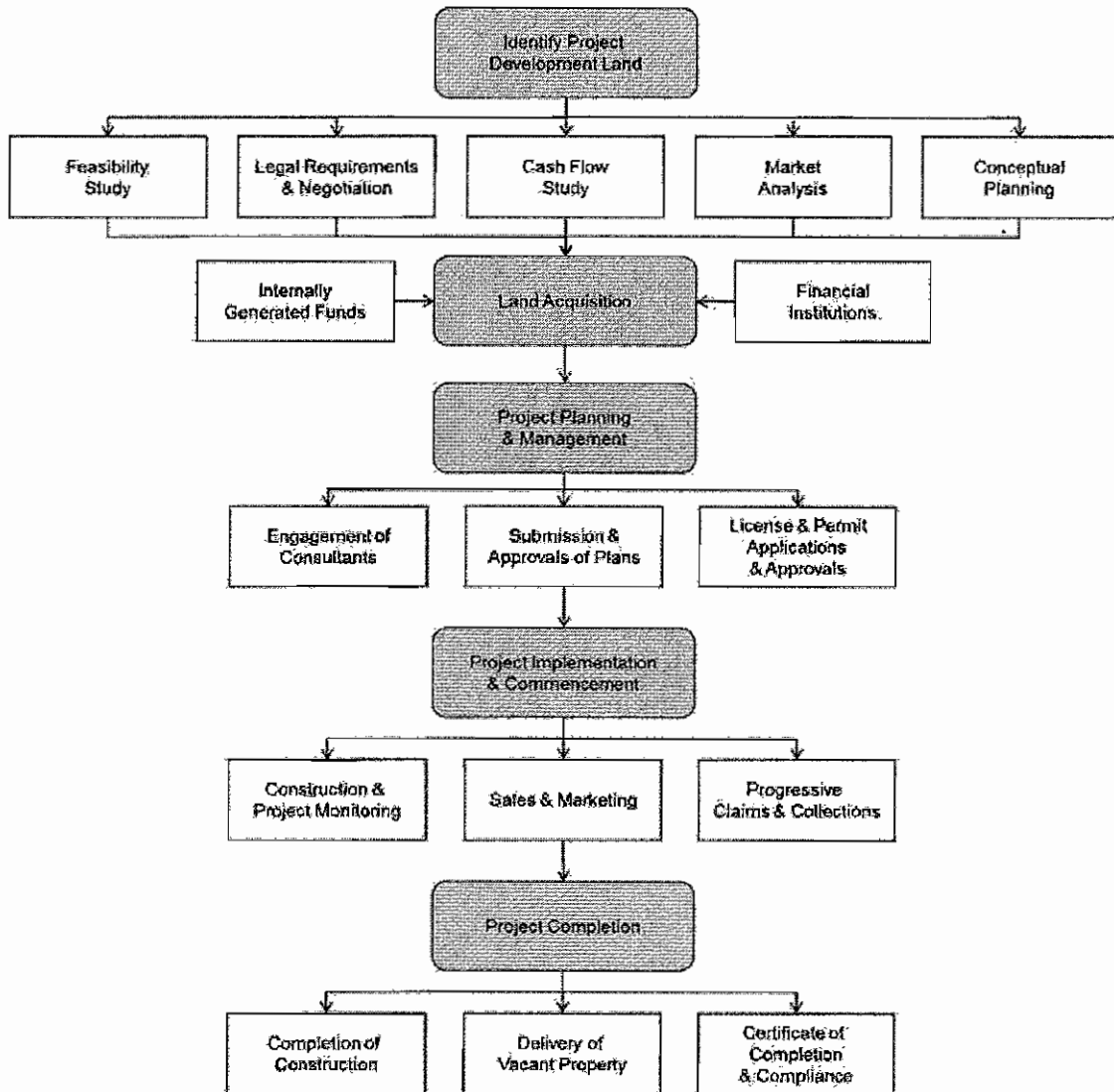
(1) In addition to the commercial lot, we also intend to develop a clubhouse and an education institute on the said 28.1 acres of land allocated for the 1 Sendayan Clubhouse. We intend to manage the said clubhouse and education institute through our wholly-owned subsidiaries, namely 1 Sendayan Club and 1 Sendayan Education respectively.

(2) We intend to develop Sendayan Icon Park which is planned as a development of a cluster of commercial units together with a trade and exhibition centre which we intend to retain and manage. Please refer to Section 5.7.2.2 for further details on Sendayan Icon Park.

5. BUSINESS OVERVIEW (Cont'd)

5.6 PROCESS FLOW

The process flow for our property development projects is depicted in the diagram below:



The process flow of a new property development project begins with the identification and acquisition of the project development land through public and private sources as well as through government departments. The purchase and acquisition of the selected land and property is through direct negotiation.

A feasibility study of the intended development project is undertaken at this stage of the assessment of the proposed project to evaluate the suitability of the location of the development, market demand and building material costs and pricing.

The feasibility study also include title and zone searches, market surveys of neighbouring rental and property costs and values, as well as developing a conceptual plan for the project.

5. BUSINESS OVERVIEW (Cont'd)

The company's representative solicitors will review and undertake all legal requirements for the purchase of the proposed land.

A financial and cash flow study of the proposed project is also carried out prior to the purchase of the land.

A market analysis is undertaken of prospective investors and buyers to review take-up rate, population density and target income group as well as conceptual planning to forecast and achieve maximum returns for the use of the project land.

Subsequently, the proposed development land is purchased using funds from shareholders and investors, and other internally generated funds. Funds from financial institutions are granted upon the acceptance of the feasibility study and negotiation of the land price with the landowners.

The engagement of consultants is carried out at this stage of the process. Engineering consultants are identified and engaged for civil, mechanical and structural work involved. Architects and surveyors and a town planner are also identified and recruited. The project consultants begin preparation of the building, structural and infrastructure plans for council submission.

Submission of plans for approval and applications for permits and licences to the relevant authorities are put in progress before commencement of the building and construction of the development project.

Upon the receipt of the construction drawings and project schedule, the management begins the sourcing and negotiation of prices of building materials and machinery.

The implementation or commencement of the project is based on the approval of the building and layout plans and designs by the government departments, a construction schedule is planned and undertaken and the accounts and finance department prepare a detailed project budget and project schedule including detailed materials, subcontracting and procurement schedule.

Contractors are invited to submit tenders for the project. Successful contractors are appointed subject to successful evaluation and approval of their tender documents by the appointed consultants.

Upon obtaining the plans and drawings approvals, the advertising permit and developer's licence are submitted for approval. This is followed by the public launch of the development project to the general public through mass media advertising.

Both building and construction of the development project and the marketing and sale of the properties are initiated simultaneously.

During progress of construction of the project, constant monitoring of the project cost, progress and quality is undertaken. Progressive billings are issued to buyers and customers in stages according to the progress claim schedule as the construction of the development property is in progress.

Progressive payments are made to the suppliers, sub-contractors and consultants involved in the development project. Work progress reports are then issued to the management on a regular basis.

5. BUSINESS OVERVIEW (Cont'd)

Upon the completion of the building and construction of the development project, the architect issues project completion certificates and the procurement department evaluates the products and materials procured for the construction of the development for final costing and accountability.

The marketing department informs purchasers to receive vacant possession of the property. Other bills related to property titles and amenities and all outstanding payments are finalised and paid before the release of the property to the purchaser and the issuance of the CCC.

5.7 DETAILS OF OUR PROPERTY DEVELOPMENT PROJECTS

5.7.1 Completed and on-going property development projects

(i) Taman Bahau

The Taman Bahau development was a mixed property development comprising single-storey terrace houses, double-storey terrace houses and one-and-a-half-storey shop offices in a total site area of 49.6 acres in Bahau, Negeri Sembilan. This project was undertaken through a joint-venture with Beg Development Sdn Bhd.

The Taman Bahau development which had a total net sales value of RM34.9 million, was completed in two phases in 1998 and 1999 respectively. The following are details of the various types of properties in the Taman Bahau development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 559 | 559 | 1,300 to 2,000 | 32.6 |
| - Double-storey terrace houses | 22 | 22 | 1,300 to 2,000 | 1.7 |
| Commercial property | | | | |
| - One-and-a-half-storey shop offices | 14 | 14 | 1,400 to 2,100 | 0.6 |

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5. BUSINESS OVERVIEW (Cont'd)

(ii) Taman Andalas

Phase 1 and Phase 2 of Taman Andalas in Mantin, Negeri Sembilan were predominantly residential property development projects undertaken through a joint-venture with the MBI in a combined total site area of 39.0 acres.

Phase 1 of Taman Andalas involved the development of single-storey terrace houses, single-storey semi-detached houses and single-storey shop offices while Phase 2 of Taman Andalas involved the development of low cost flats.

The projects had a combined total net sales value of RM29.3 million. The following are details of the various types of properties in Phase 1 and Phase 2 of the Taman Andalas development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 369 | 369 | 1,200 to 5,655 | 25.1 |
| - Single-storey semi-detached houses | 4 | 4 | 3,375 | 0.6 |
| - Low cost flats | 80 | 80 | 650 | 2.9 |
| Commercial property | | | | |
| - Single-storey shop offices | 8 | 8 | 1,540 to 1,772 | 0.7 |

(iii) Taman Putra

Taman Putra was a mixed property development comprising single-storey terrace houses, low cost double-storey terrace houses and single-storey shop offices in Kuala Pilah, Negeri Sembilan. This development was on a total site area of 21.3 acres. The following are details of the various types of properties in the Taman Putra development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|---|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 150 | 150 | 1,200 to 3,154 | 8.3 |
| - Low cost double-storey terrace houses | 92 | 92 | 801 to 2,594 | 3.1 |
| Commercial property | | | | |
| - Single-storey shop offices | 14 | 9 | 1,300 to 1,420 | 0.8 |

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5. BUSINESS OVERVIEW (Cont'd)**(iv) Taman Sri Telawi**

Taman Sri Telawi is located in Seremban, Negeri Sembilan. The project involved the development of 19 lots of residential plots on a total site area of 0.9 acres. The development of Taman Sri Telawi had a total net sales value of RM1.7 million. The following are details of the residential plots of Taman Sri Telawi:

| Type of development | Lots developed | Lots sold | Gross Area per lot (square feet) | Net Sales Value (RM million) |
|---------------------|----------------|-----------|----------------------------------|------------------------------|
| Residential plots | 19 | 19 | 1,400 to 3,358 | 1.7 |

(v) Taman Pedas Indah

Taman Pedas Indah was a mixed property development, which comprised single-storey terrace houses, double-storey terrace houses and single-storey shop offices in Pedas, Negeri Sembilan on a total site area of 32.8 acres. The Taman Pedas Indah project was undertaken through a joint-venture arrangement with Omega Touch Sdn Bhd. The project had a total net sales value of RM23.9 million. The following are details of the various types of properties in the Taman Pedas Indah development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 289 | 289 | 1,200 to 4,493 | 18.4 |
| - Double-storey terrace houses | 139 | 139 | 770 to 2,113 | 4.5 |
| Commercial property | | | | |
| - Single-storey shop offices | 11 | 11 | 1,540 | 1.0 |

(vi) Intan Court

Intan Court was a residential property development consisting of 100 units of low cost flats in Port Dickson, Negeri Sembilan on a total site area of 6.0 acres. The project had a total net sales value of RM3.3 million.

The following are details of the various types of properties in the Intan Court development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|-----------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Low cost flats | 100 | 100 | 620 | 3.3 |

5. BUSINESS OVERVIEW (Cont'd)

(vii) Taman Intan Perdana

Taman Intan Perdana was a mixed residential and commercial development located in Port Dickson, Negeri Sembilan. Our Group developed Phase 1 of Taman Intan Perdana 1, 2 and 3 as well as Taman Intan Perdana V(a) and V(b).

Phase 1 of Taman Intan Perdana 1 involved the development of single-storey terrace houses and single-storey shop offices while Phase 1 of Taman Intan Perdana 2 and 3 were residential developments comprising single-storey terrace houses. As for Taman Intan Perdana V(a) and V(b), the projects involved the development of single-storey terrace houses and single-storey shop offices.

The projects had a combined total net sales value of RM94.5 million on a total site area of 118.2 acres. The following are details of the various types of properties in Phase 1 of Taman Intan Perdana 1, 2 and 3 as well as Taman Intan Perdana V(a) and V(b) developments:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 1,383 | 1,383 | 1,200 to 4,421 | 92.8 |
| Commercial property | | | | |
| - Single-storey shop offices | 16 | 16 | 1,400 to 1,969 | 1.7 |

(viii) Taman Sri Anggerik

Taman Sri Anggerik was a residential property development comprising single and double-storey terrace houses in Rantau, Negeri Sembilan on a total site area of 16.6 acres. The project had a total net sales value of RM15.0 million. The following are details of the various types of properties of the Taman Sri Anggerik development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 184 | 184 | 1,200 to 3,975 | 13.4 |
| - Double-storey terrace houses | 15 | 15 | 1,400 to 3,203 | 1.6 |

(ix) Taman Gadong Jaya

Taman Gadong Jaya, a mixed development in Seremban, Negeri Sembilan was undertaken in four phases on a combined total site area of 130.0 acres. The development had residential properties including single-storey terrace houses, low cost double-storey terrace houses and low cost townhouses as well as a small proportion of commercial properties, which were single-storey shop offices. Taman Gadong Jaya projects were undertaken through a joint-venture with Yayasan Negeri Sembilan.

5. BUSINESS OVERVIEW (Cont'd)

The following are details of the various types of properties in Phase 1, 2, 3 and 4 of the Taman Gadong Jaya development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|---|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 1,436 | 1,436 | 1,200 to 6,211 | 103.5 |
| - Low cost double-storey terrace houses | 29 | 16 | 770 to 1,754 | 0.4 |
| - Low cost townhouses | 146 | 146 | 777 | 4.7 |
| Commercial property | | | | |
| - Single-storey shop offices | 19 | 19 | 1,650 to 3,498 | 1.8 |

(x) Taman Bukit Perdana

Taman Bukit Perdana and Taman Bukit Perdana II were both residential developments comprising single-storey terrace houses in Port Dickson, Negeri Sembilan on a combined total site area of 24.9 acres. The projects had a combined total net sales value of RM20.2 million. The following are details of the various types of properties in Taman Bukit Perdana and Taman Bukit Perdana II developments:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 277 | 277 | 1,200 to 4,521 | 20.2 |

(xi) Taman Sendayan Indah

Taman Sendayan Indah was predominantly a residential property development project comprising largely single-storey terrace houses with a small proportion of single-storey shop offices in Seremban. The project was undertaken through a joint-venture with the MBI. Taman Sendayan Indah had a total net sales value of RM37.9 million on a total site area of 46.2 acres. The following are details of the various types of properties in Taman Sendayan Indah development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 544 | 544 | 1,200 to 4,833 | 37.3 |
| Commercial property | | | | |
| - Single-storey shop offices | 9 | 9 | 1,400 to 1,851 | 0.6 |

5. BUSINESS OVERVIEW (Cont'd)

(xii) Arowana Impian

Arowana Impian was predominantly a residential property development project comprising single-storey and double-storey terrace houses with a small proportion of single-storey shop offices in Seremban, Negeri Sembilan. The total site area of the development was 32.5 acres. The project had a total net sales value of RM40.3 million. The following are details of the various types of properties in the Arowana Impian development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 258 | 258 | 1,300 to 4,370 | 23.9 |
| - Double-storey terrace houses | 119 | 119 | 1,300 to 3,477 | 14.6 |
| Commercial property | | | | |
| - Single-storey shop offices | 13 | 13 | 1,400 to 1,797 | 1.8 |

(xiii) Matahari Height

Matahari Height was a mixed property development comprising single-storey terrace houses, double-storey terrace houses and double-storey shop offices. In addition, we also sold one lot of commercial plot in Matahari Height. The total site area of the development was 28.4 acres.

Matahari Height which is located in Bandar Senawang, Negeri Sembilan had a total net sales value of RM38.6 million including the sales of commercial plot. The following are details of the various types of properties in Matahari Height development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 230 | 230 | 1,280 to 5,845 | 20.5 |
| - Double-storey terrace houses | 42 | 42 | 1,300 to 2,486 | 5.3 |
| Commercial property | | | | |
| - Double-storey shop offices | 43 | 43 | 1,540 to 2,809 | 10.3 |
| - Commercial plot | 1 | 1 | 43,560 | 2.5 |

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5. BUSINESS OVERVIEW (Cont'd)

(xiv) Taman Politeknik

Taman Politeknik was a mixed residential and commercial property development in Port Dickson, Negeri Sembilan. The development comprised largely single-storey terrace houses with a small proportion of single-storey shop offices on a total site area of 108.7 acres. The total net sales value of the development was RM123.2 million. The following are details of the various types of properties in Taman Politeknik development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 1,603 | 1,603 | 1,300 to 6,911 | 121.7 |
| Commercial property | | | | |
| - Single-storey shop offices | 19 | 19 | 1,400 to 3,240 | 1.5 |

(xv) Taman Permai Impian

Taman Permai Impian was a mixed residential and commercial development comprising largely single-storey and double-storey terrace houses with a small proportion of single-storey shop offices. The project was undertaken through a joint-venture arrangement with Yayasan Negeri Sembilan. Taman Permai Impian is located in Seremban, Negeri Sembilan. It is 4km away from the Seremban – Labu exit of North South Highway and 2 to 3km away from the town centre and various amenities such as hypermarket and hospital.

The total site area of the project is 29.4 acres with a total net sales value of RM35.2 million. The following are details of the various types of properties in Taman Permai Impian development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 83 | 83 | 1,300 to 4,467 | 23.8 |
| - Double-storey terrace houses | 252 | 252 | 1,282 to 4,994 | 10.8 |
| Commercial property | | | | |
| - Single-storey shop offices | 6 | 6 | 1,200 to 2,992 | 0.6 |

(xvi) Taman Anggerik Tenggara

Our Group developed Taman Anggerik Tenggara 1 and 2 which was our first project in Bandar Tenggara, Johor. The project is the result of our joint-venture with the South East Johore Development Authority. Taman Anggerik Tenggara 1 and 2 were mixed property development projects comprising single-storey and double-storey terrace houses as well as single-storey shop offices. Taman Anggerik Tenggara is close to various public amenities including school and hospital as well as industrial areas.

5. BUSINESS OVERVIEW (Cont'd)

The combined total site area of the Taman Anggerik Tenggara 1 and 2 is 184.4 acres with a combined total net sales value of RM149.5 million. The following are details of the various types of properties of Taman Anggerik Tenggara 1 and 2 developments:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 1,547 | 1,547 | 1,200 to 5,030 | 118.1 |
| - Double-storey terrace houses | 72 | 72 | 1,540 to 4,478 | 7.1 |
| Commercial property | | | | |
| - Single-storey shop offices | 178 | 178 | 1,540 to 2,264 | 24.3 |

(xvii) Taman Pulai Impian

Taman Pulai Impian was our first property development project with gated and guarded community concept in Seremban, Negeri Sembilan. The residential development comprised double-storey terrace houses and double-storey semi-detached houses on a total site area of 55.0 acres. Taman Pulai Impian is surrounded by schools, clinics, shopping complexes and other amenities. The total net sales value of the development was RM94.9 million. The following are details of the various types of properties in Taman Pulai Impian development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Double-storey terrace houses | 563 | 563 | 1,540 to 5,813 | 75.1 |
| - Double-storey semi-detached houses | 104 | 104 | 3,375 to 7,126 | 19.8 |

(xviii) Taman Desa PD

Our Group has completed the development of Taman Desa PD 1 and Taman Desa PD II – Phase 1 while Taman Desa PD 3 is one of our on-going projects. Taman Desa PD 1 and Phase 1 of Taman Desa PD II were mixed residential and commercial developments comprising single-storey terrace houses and single-storey shop offices in Port Dickson, Negeri Sembilan. The on-going Taman Desa PD 3 is a residential development comprising single-storey terrace houses.

Taman Desa PD is located close to basic amenities such as schools, educational institutions and hospitals. The combined total site area of Taman Desa PD 1 and Phase 1 of Taman Desa PD II is 103.0 acres with a combined total net sales value of RM100.0 million.

5. BUSINESS OVERVIEW (Cont'd)

Taman Desa PD 3 has a total site area of 4.3 acres with a net sales value of RM5.5 million. The following are details of the various types of properties in Taman Desa PD 1, Phase 1 of Taman Desa PD II and Taman Desa PD 3 development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Completed | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 1,212 | 1,212 | 1,300 to 6,911 | 98.9 |
| Commercial property | | | | |
| - Single-storey shop offices | 11 | 11 | 1,400 to 3,240 | 1.1 |
| On-going | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 56 | 56 | 1,100 to 2,615 | 5.5 |

(xix) Matrix Point

Matrix Point was a commercial property development project comprising three-storey shop offices in Seremban, Negeri Sembilan. The development is located in close proximity to a school and market. The total site area of Matrix Point is 0.5 acres with a total net sales value of RM4.8 million. The following are details of the various types of properties of Matrix Point development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|-----------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Commercial property | | | | |
| - Three-storey shop offices | 7 | 7 | 2,179 to 2,194 | 4.8 |

(xx) Taman Bukit Sendayan

Taman Bukit Sendayan was a residential property project comprising single-storey terrace houses located in Seremban, Negeri Sembilan. The project had a total net sales value of RM50.8 million. The total site area of Taman Bukit Sendayan was 55.3 acres. The following are details of the various types of properties of Taman Bukit Sendayan development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 670 | 670 | 1,300 to 4,607 | 50.8 |

5. BUSINESS OVERVIEW (Cont'd)**(xxi) Arowana Indah**

Arowana Indah was a mixed property development project comprising single-storey and double-storey terrace houses as well as low cost single-storey terrace houses. Arowana Indah is located in Seremban 2, Seremban, Negeri Sembilan and within the vicinity of state government administration centre, state police department, fire department, shopping complexes and other public facilities. The total site area of Arowana Indah was 27.4 acres with a total net sales value of RM44.5 million. The following are details of the various types of properties of Arowana Indah development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|---|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 188 | 188 | 1,360 to 5,166 | 19.4 |
| - Double-storey terrace houses | 156 | 156 | 1,400 to 3,595 | 23.3 |
| - Low cost single-storey terrace houses | 39 | 39 | 1,100 to 2,249 | 1.8 |

(xxii) Matahari Indah

Matahari Indah was a residential property project comprising single-storey and double-storey terrace houses in Bandar Senawang, Negeri Sembilan. The project had a total net sales value of RM48.4 million on a total site area of 30.2 acres. The following are details of the various types of properties of Matahari Indah development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 277 | 277 | 1,400 to 4,736 | 28.5 |
| - Double-storey terrace houses | 130 | 130 | 1,400 to 2,702 | 19.9 |

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5. BUSINESS OVERVIEW (Cont'd)

(xxiii) Matrix Court

Matrix Court was a commercial property project comprising three-storey shop offices in Seremban, Negeri Sembilan. The project had a total net sales value of RM13.9 million. The total site area of Matrix Court was 1.6 acres. The following are details of the various types of properties of Matrix Court development:



| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|-----------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Commercial property | | | | |
| - Three-storey shop offices | 19 | 19 | 1,841 to 5,371 | 13.9 |

(xxiv) Taman Sri Intan

Taman Sri Intan was a mixed residential and commercial development comprising predominantly single-storey terrace houses, with some low cost flats and a small proportion of single-storey shop offices. Taman Sri Intan is located in Port Dickson, Negeri Sembilan. The project had a total net sales value of RM62.4 million on a total site area of 63.8 acres. The following are details of the various types of properties of Taman Sri Intan development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Single-storey terrace houses | 618 | 618 | 1,400 to 4,457 | 58.5 |
| - Low cost flats | 70 | 70 | 650 | 2.9 |
| Commercial property | | | | |
| - Single-storey shop offices | 6 | 6 | 1,400 to 1,518 | 1.0 |

(xxv) Taman Pulai Perdana

Taman Pulai Perdana was our second gated and guarded community project. The project was a mixed property development project comprising double-storey terrace houses, double-storey semi-detached houses, low cost single storey terrace houses and double-storey shop offices. The development was undertaken through a joint-venture with Reka Property Venture Sdn Bhd. Taman Pulai Perdana is located in Seremban, Negeri Sembilan. The project had a total net sales value of RM41.6 million on a total site area of 22.5 acres.

5. BUSINESS OVERVIEW (Cont'd)

The following are details of the various types of properties of Taman Pulai Perdana development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|---|-----------------|------------|-----------------------------------|------------------------------|
| Residential property | | | | |
| - Double-storey terrace houses | 155 | 155 | 1,540 to 4,983 | 26.4 |
| - Double-storey semi-detached houses | 22 | 22 | 3,778 to 6,189 | 5.5 |
| - Low cost single-storey terrace houses | 22 | 22 | 1,100 to 2,088 | 1.0 |
| Commercial property | | | | |
| - Double-storey shop offices | 32 | 32 | 1,650 to 3,379 | 8.7 |

(xxvi) Taman Seri Impian

Taman Seri Impian, which covers an area of approximately 900 acres, was the first of our Group's two flagship projects. The project involved the development of residential and commercial properties to establish Taman Seri Impian as a new township. The project was the result of a joint-venture with KKTNJB. Taman Seri Impian is located in Kluang, Johor where it is within close proximity to various public amenities such as hospitals, schools, bus and taxi terminals, healthcare centre, library, fire department, post office and police station as well as a recreation park and markets. Taman Seri Impian is easily accessible via the Jalan Kluang- Bandar Tenggara road with proposed connections to interchange/exit points to the Kluang – Pasir Gudang Expressway.

The development of Taman Seri Impian was undertaken in various phases. As at LPD, our Group has completed the development of 2,498 units of residential properties and 69 units of commercial properties through the developments of Taman Seri Impian 1, Impiana Avenue 1, Parcel 1 and Parcel 2 of Taman Seri Impian 2, Taman Seri Impian 3 (Impiana Garden 1), Taman Seri Impian 3 (Impian Garden 2 – Modena), Taman Seri Impian 3 (Impiana Garden 2), Impiana Avenue 2 and Impiana Villa 1. The residential properties in these phases are single-storey and double-storey terrace houses and bungalows while the commercial properties are double-storey shop offices.

We are also undertaking the development of various on-going phases of Taman Seri Impian, including Taman Seri Impian 4 (Impiana Casa 1 and 2). When completed, these phases will comprise 753 units of residential properties. Taman Seri Impian 4 (Impiana Casa 1 and 2) comprises single-storey and double-storey terrace houses.

In addition, more developments of residential and commercial properties in Taman Seri Impian have been planned for future developments. *Please refer to Section 5.7.3 of the Prospectus for further details on our future plan.* The combined total site area of our completed projects at Taman Seri Impian was approximately 268.3 acres with a combined net sales value of RM338.7 million. For the on-going projects, the combined total site area is 32.5 acres with a GDV of RM147.6 million.

5. BUSINESS OVERVIEW (Cont'd)

The following are details of the various types of completed and on-going properties of Taman Seri Impian development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| <u>Completed</u> | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 2,188 | 2,188 | 1,400 to 7,855 | 232.2 |
| - Double-storey terrace houses | 149 | 149 | 1,650 to 5,187 | 24.8 |
| - Single-storey bungalows | 96 | 95 | 3,820 to 8,619 | 32.7 |
| - Double-storey bungalows | 65 | 64 | 3,835 to 7,350 | 31.1 |
| Commercial property | | | | |
| - Double-storey shop offices | 69 | 69 | 1,400 to 3,588 | 18.0 |
| <u>On-going</u> | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 480 | 457 | 1,400 to 3,853 | 71.3 |
| - Double-storey terrace houses | 273 | 262 | 1,625 to 6,394 | 67.8 |

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5. BUSINESS OVERVIEW (Cont'd)



| Type of Development | Completed | | On-going |
|---|-----------------|------------|-------------|
| | Number of Units | | |
| | Residential | Commercial | Residential |
| I Taman Seri Impian 1 & 2 (Parcel 1 & 2) | 1,740 | - | - |
| II Taman Seri Impian 3 (Impian Garden 2 – Modena) | 194 | - | - |
| III Taman Seri Impian 3 (Impiana Garden 1 & 2) | 403 | - | - |
| IV Impiana Avenue 1 & 2 | - | 69 | - |
| V Impiana Villa 1 | 161 | - | - |
| VI Taman Seri Impian 4 (Impiana Casa 1 and 2) | - | - | 753 |
| TOTAL | 2,498 | 69 | 753 |

5. BUSINESS OVERVIEW (Cont'd)



Impiana Avenue 1 and 2 – Double-Storey Shop offices



Impiana Garden - Modena



Taman Seri Impian – Playground



Impiana Casa – Single-Storey and Double-Storey Terrace Houses



5. BUSINESS OVERVIEW (Cont'd)



Impiana Casa – Single-Storey and Double-Storey Terrace Houses (Artist Impression)



Impiana Villa 1 – Double-Storey Bungalows



Impiana Villa 1 – Playground



Impiana Villa – Single-Storey and Double-Storey Bungalows

5. BUSINESS OVERVIEW (Cont'd)

(xxvii) Bandar Sri Sendayan

Bandar Sri Sendayan is our Group's second flagship project. The project involves the development of a new integrated township, which is undertaken through a joint-venture with the MBI.

Bandar Sri Sendayan is located on a 5,233-acre plot of land in Seremban, Negeri Sembilan. As an integrated township, Bandar Sri Sendayan comprises a mixed development of residential, commercial, industrial, leisure and institutional properties as well as government and agriculture properties and undeveloped land.

As part of the township community planning, various public amenities have been planned and established in Bandar Sri Sendayan including, among others, police station and beat houses for police taskforce patrol services, fire department, petrol station, surau/mosque, supermarket and shopping centres, kindergarten and schools, medical centre/health clinic, multi-purpose hall, pedestrian-friendly walkways and pavements, landscaping, fibre-optic backbone to cater for high speed broadband, access roads linked to highways and surrounding areas.

Bandar Sri Sendayan would also include a 26-acre green park with amphitheatre, view deck, gazebos, fitness centres, football field, reflexology path, skating area, yoga and tai chi lawns as well as other facilities. The park is currently being developed.

In addition, various other government buildings are currently being built or have been planned for development. The state Islamic Syariah Court Complex is expected to be occupied in the third quarter of 2013.

Bandar Sri Sendayan is located close to the Seremban toll as well as various townships and industrial areas such as Seremban 2, S2 Heights, Bandar Enstek, Oakland Commercial Centre and Industrial Park, Bandar Ainsdale, Tuanku Jaafar Industrial Park, Senawang Industrial Park and Nilai Industrial Estate, hence residents in Bandar Sri Sendayan can also easily access the various facilities in these areas such as golf resort, lake park, schools, petrol station, hospital, clinic, shopping complex, hypermarket, fire station, police station, train station as well as seek employment opportunities in these areas. Nevertheless, it is also within close proximity to Kuala Lumpur International Airport (KLIA), the low cost carrier terminal (LCCT) and the KL city whilst being accessible from various metropolitan areas in Klang Valley. In addition, Bandar Sri Sendayan's close proximity to various transportation networks including rail, road, sea and air also ensures ease of transportation of goods from and to various local and international locations.

As at LPD, our Group has completed the development of 2,727 units of residential properties in Bandar Sri Sendayan through various projects namely Nusari Bayu 1, Nusari Bayu 2A, Atiya@Nusari Aman, Idaman Bayu, Nusari Aman 1A, Nusari Aman 2A, Cosmoxia@Nusari Aman 2A and Nusari Bayu 3 – Phase 1 and 2. The types of residential properties developed in these residential areas include single and double-storey terrace houses, single-storey and double-storey semi-detached houses.

5. BUSINESS OVERVIEW (Cont'd)

As at LPD, our Group has also completed the development of 90 units of commercial properties, namely single-storey and double-storey shop offices, commercial plots and a single-storey stall through the development of Nusari Aman 2A, Nusari Bayu 3 – Phase 2 and Sendayan Metropark respectively.

Our Group is also undertaking various on-going projects in Bandar Sri Sendayan which encompass the development of residential, commercial and industrial properties.

Our on-going residential development projects include Nusari Aman 1B, Nusari Aman 2, Nusari Aman, Nusari Bayu 2B, Hijayu 1B, Hijayu 3D and Idaman Bayu 2. The residential properties being developed in these projects include single-storey and double-storey terrace houses as well as single-storey semi-detached houses.

Our other on-going commercial development projects are mainly double and three-storey shop offices in Metropark Shop 1A as well as commercial lots at Sub Centre at Nusari Bayu and Nusari Hijayu. We are also undertaking the development of Sendayan TechValley 1 and 2, which consist of industrial plots with some basic infrastructure. Sendayan TechValley is to be developed into a techno-entrepreneur park and eco-friendly township for various businesses including knowledge-based and institutions, information and communications technology, biotechnology, research and development, manufacturing and processing as well as industries related to medical and scientific, aerospace, electronics, agriculture and agro based as well as telecommunications, electro-optics and optoelectronics businesses. As at LPD, Sendayan TechValley had attracted various automotive and aviation operators to set-up operations in the area.

Our Group has recently commenced the development of Sendayan clubhouse as part of our plans to develop Bandar Sri Sendayan into an integrated township with its own leisure facilities to the community of Bandar Sri Sendayan. This project will be our first foray into development of leisure properties since we commenced our property development operations. The development of the clubhouse include various sports and recreational facilities, retail and dining outlets, fitness centre as well as a therapeutic treatment facility. Some of the sports and recreational facilities include, among others Olympic size swimming pool, bowling alley, futsal court, badminton and indoor tennis courts, table tennis centre and games room. It will also offer different types of dining outlets including an indoor cafeteria, outdoor dining outlets as well as restaurants and a banquet hall. We intend to manage the clubhouse which will be operated by our subsidiary, 1 Sendayan Club. We commenced development of our clubhouse in September 2012 and is scheduled to be completed by March 2014. We intend to utilise RM10.0 million from the IPO proceeds for the development of our clubhouse in Bandar Sri Sendayan.

Various other projects have also been planned for future developments, which include a mixed development of residential, commercial, industrial, leisure and institutional properties. Please refer to Section 5.7.3 of the Prospectus for further details on our future plans.

The combined site area of our completed development in Bandar Sri Sendayan was approximately 281.5 acres with a combined GDV of RM497.0 million. For the on-going projects, the combined site area is 746.0 acres with an estimated combined GDV of RM1,248.5 million.

5. BUSINESS OVERVIEW (Cont'd)

The following are details of the various types of completed and on-going properties of Bandar Sri Sendayan development:

| Type of development | Units developed | Units sold | Gross Area per unit (square feet) | Net Sales Value (RM million) |
|--------------------------------------|-----------------|------------|-----------------------------------|------------------------------|
| Completed | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 2,165 | 2,165 | 1,400 to 5,532 | 264.0 |
| - Double-storey terrace houses | 488 | 488 | 1,400 to 5,112 | 136.5 |
| - Single-storey semi-detached houses | 60 | 60 | 2,960 to 5,200 | 18.9 |
| - Double-storey semi-detached houses | 14 | 14 | 3,260 to 5,155 | 7.3 |
| Commercial property | | | | |
| - Single-storey shop offices | 46 | 46 | 1,650 to 4,574 | 10.3 |
| - Double-storey shop offices | 25 | 25 | 1,650 to 4,510 | 12.0 |
| - Commercial plots | 18 | 16 | 1.5 to 5.0 acres | 44.8 |
| - Single-storey stall | 1 | - | 2,664 | - |
| On-going | | | | |
| Residential property | | | | |
| - Single-storey terrace houses | 575 | 574 | 1,400 to 5,823 | 114.0 |
| - Double-storey terrace houses | 1,578 | 1,335 | 1,400 to 7,427 | 429.1 |
| - Single-storey semi-detached houses | 28 | 28 | 3,821 to 6,028 | 12.5 |
| Commercial property | | | | |
| - Double-storey shop offices | 29 | 29 | 1,920 to 2,658 | 13.9 |
| - Three-storey shop offices | 9 | 8 | 1,920 to 3,810 | 5.3 |
| - Commercial plots | 6 | 1 | 65,340 to 435,600 | 2.8 |
| Industrial property | | | | |
| - Industrial plots | 93 | 57 | 43,560 to 973,827 | 255.1 |
| Leisure property | | | | |
| - Clubhouse | 1 | n/a | 264,336 | n/a |



Idaman Bayu – Single-Storey and Double-Storey Terrace Houses

5. BUSINESS OVERVIEW (Cont'd)



Idaman Bayu – Double-Storey Terrace Houses



Nusari Aman 2A – Single-Storey Terrace Houses and Double-Storey Semi-detached Houses



Nusari Aman 2A – Double-Storey Terrace Houses

5. BUSINESS OVERVIEW (Cont'd)



Nusari Aman 2A - Medan Nusari Community Shops



Nusari Bayu 2A (Cosmoxia) – Living Room and Dining Hall in Show House

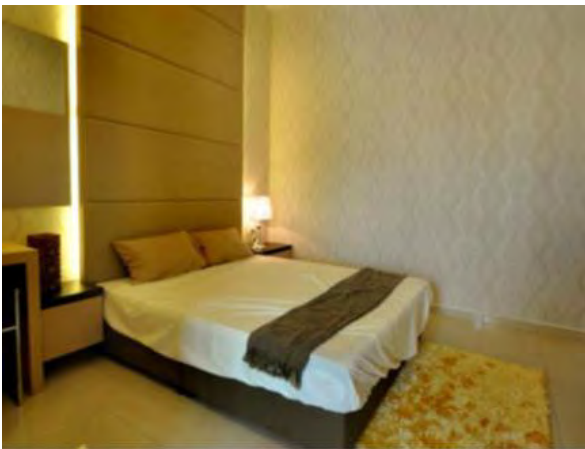
5. BUSINESS OVERVIEW (Cont'd)



Nusari Aman 2 – Single-Storey and Double-Storey Terrace Houses



Artist Impression of Nusari Aman 1B – Double-Storey and Single-Storey Terrace Houses



Nusari Bayu 3 – Bedroom and Living Room in Show House

5. BUSINESS OVERVIEW (Cont'd)



Nusari Bayu 3 – Single-Storey and Double-Storey Terrace Houses



Artist Impression of Metropark



Artist Impression of Nusari Aman 2D – Double-Storey Terrace Houses

5. BUSINESS OVERVIEW (Cont'd)

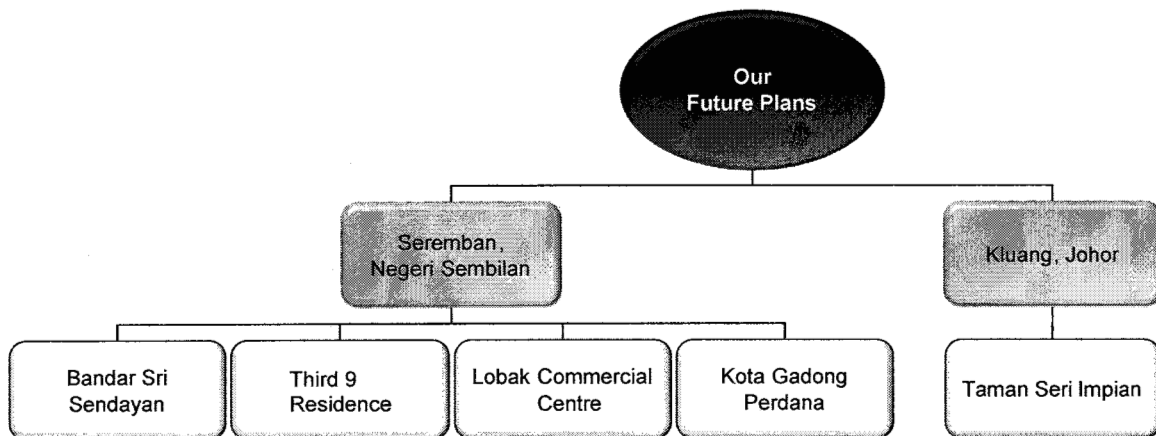


Artist Impression of Nusari Bayu 3 (Phase 2) – Double-Storey Shop Offices

5.7.2 Future plans

5.7.2.1 Overview

Our future plans are focused on property developments in Seremban, Negeri Sembilan and Kluang, Johor and these are as reflected in the diagram below:



5. BUSINESS OVERVIEW (Cont'd)

We will continue to focus on future property development projects in Seremban, Negeri Sembilan and Kluang, Johor. The summary of our Group's future projects are listed as follows:

| | Future projects | Acres | Type of Development/Land | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|--------------|-------------------------|------------------------------|--|--------------------------------|----------------------------|--|
| 1 | Bandar Sri Sendayan | 804.5 | Single-storey terrace houses | 300 | 79.5 | June 2013 – December 2018 |
| | | | Double-storey terrace houses | 3,254 | 1,461.3 | |
| | | | Double-storey semi-detached houses | 200 | 160.0 | |
| | | | Double-storey bungalows | 169 | 278.4 | |
| | | | Bungalow plots | 7 | 22.8 | |
| | | | Double-storey shop offices | 551 | 780.7 | |
| | | | Three-storey shop offices | 4 | 7.2 | |
| | | | Commercial plot | 21 | 128.9 | |
| | | | Double-storey corporate showroom/factories | 84 | 58.8 | |
| | | | Double-storey semi-detached corporate showroom/factories | 30 | 30.0 | |
| | | | Industrial plots | 32 | 182.0 | |
| | | | Institute | 1 | 50.0 | |
| 2 | Third 9 Residence | 41.8 | Double-storey terrace houses | 148 | 81.4 | July 2013 – June 2015 |
| | | | Double-storey semi-detached houses | 38 | 32.3 | |
| | | | Double-storey bungalows | 31 | 31.0 | |
| 3 | Lobak Commercial Centre | 2.8 | Double-storey shop offices | 26 | 39.3 | July 2013 – June 2016 |
| | | | Commercial lots | 2 | 6.1 | |
| 4 | Kota Gadong Perdana | 294.6 | Single-storey terrace houses | 1,632 | 326.4 | January 2016 – December 2018 |
| | | | Double-storey terrace houses | 2,000 | 600.0 | |
| 5 | Taman Seri Impian | 293.5 ⁽¹⁾ | Single-storey terrace houses | 608 | 115.5 | September 2013 – June 2019 |
| | | | Double-storey terrace houses | 430 | 129.0 | |
| | | | Double-storey semi-detached houses | 240 | 116.7 | |
| | | | Double-storey bungalows | 54 | 48.6 | |
| | | | Double-storey shop offices | 675 | 318.3 | |
| | | | Three-storey shop offices | 92 | 82.8 | |
| Total | | 1,437.2⁽¹⁾ | | 10,629 | 5,167.0 | |

Note:

(1) Include acreage of land yet to be planned for development in Taman Seri Impian.

5. BUSINESS OVERVIEW (Cont'd)

Between June 2013 and 2019, our future projects in Negeri Sembilan and Johor would have an estimated combined total GDV of RM5.2 billion based on the projects listed above.

Our future plans will be focused on the development of new townships, namely Bandar Sri Sendayan and Taman Seri Impian as well as several residential property projects. In addition to residential, commercial, industrial and leisure properties, our Group will commence the development of institutional properties in Bandar Sri Sendayan to create value to our surrounding properties. These will include educational institutions which we will retain ownership and management of operations. Moreover, our Group is currently in the midst of planning for the future development of Sendayan Icon Park in Bandar Sri Sendayan, which is expected to house commercial and leisure properties.

We intend to utilise RM55.0 million for the development of infrastructure and common facilities for our future projects.

5.7.2.2 Bandar Sri Sendayan

Bandar Sri Sendayan is one of our flagship projects which involve the development of a new integrated township on a total site area of 5,233 acres in Seremban, Negeri Sembilan. Our Group had commenced the development of Bandar Sri Sendayan since 2008. As at LPD, our Group had completed 2,653 units of terrace houses, 74 units of semi-detached houses, 71 units of shop offices, 18 lots of commercial plots and one unit of single-storey stall in Bandar Sri Sendayan. *(Please refer to Section 5.7.1(xxvii) of the Prospectus for further details on the completed and on-going projects in Bandar Sri Sendayan)*

As at LPD, the township is partially completed with basic public amenities, residential properties and retail businesses. Some of the retail businesses are already operational. In addition to our on-going residential, commercial, industrial and leisure projects, there are various other government and private projects being undertaken in Bandar Sri Sendayan including the development of public amenities, construction of government buildings and factories.

As part of our future plans to develop Bandar Sri Sendayan into an integrated township, we are continuing to develop a mixed of residential, commercial, industrial, leisure and institutional properties. These developments will be undertaken through various projects which are as follows:

| | Future projects | Acres | Type of Development | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|---|----------------------------|-------|------------------------------|--------------------------------|----------------------------|--|
| 1 | Hijayu 1A | 67.3 | Double-storey terrace houses | 666 | 246.4 | June 2013 – May 2015 |
| 2 | Hijayu 3C | 38.4 | Double-storey terrace houses | 394 | 153.7 | September 2013 – August 2015 |
| 3 | Hijayu 3B | 32.5 | Double-storey terrace houses | 334 | 140.3 | January 2014 – December 2015 |
| 4 | Sendayan Merchant Square 1 | 29.4 | Double-storey shop offices | 154 | 202.2 | March 2014 – February 2016 |
| | | | Commercial plots | 3 | 10.0 | |

5. BUSINESS OVERVIEW (Cont'd)

| | Future projects | Acres | Type of Development | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|----|----------------------------|-------|------------------------------------|--------------------------------|----------------------------|--|
| 5 | Sendayan Auto City | 115.2 | Commercial plots | 10 | 70.0 | January 2014 – December 2016 |
| | | | Industrial plots | 32 | 182.0 | |
| 6 | Hijayu 3A | 52.1 | Single-storey terrace houses | 150 | 37.5 | June 2014 – May 2016 |
| | | | Double-storey terrace houses | 439 | 162.4 | |
| 7 | Hijayu (Resort Homes) | 85.1 | Double-storey semi-detached houses | 200 | 160.0 | June 2014 – May 2017 |
| | | | Double-storey terrace houses | 308 | 154.0 | |
| 8 | Hijayu (Resort Villa) | 49.5 | Double-storey bungalows | 102 | 157.8 | September 2014 – August 2017 |
| | | | Bungalow plot | 1 | 4.0 | |
| 9 | Hijayu (Residence) | 56.0 | Double-storey bungalows | 67 | 120.6 | September 2014 – August 2017 |
| | | | Bungalow plots | 6 | 18.8 | |
| 10 | Idaman Yu 1 | 44.5 | Double-storey terrace houses | 235 | 112.8 | September 2014 – October 2016 |
| | | | Single-storey terrace houses | 150 | 42.0 | |
| | | | Double-storey shop offices | 17 | 13.6 | |
| | | | Commercial plot | 1 | 1.5 | |
| 11 | Idaman Yu 2 | 101.7 | Double-storey terrace houses | 878 | 491.7 | January 2015 – December 2017 |
| | | | Double-storey shop offices | 21 | 21.0 | |
| | | | Commercial plot | 1 | 3.0 | |
| 12 | Sendayan Metropark Shop 1B | 2.5 | Double-storey shop offices | 28 | 42.0 | January 2015 – December 2017 |
| | | | Three-storey shop offices | 4 | 7.2 | |
| 13 | Sendayan Merchant Square 2 | 49.9 | Double-storey shop offices | 149 | 223.5 | March 2015 – February 2017 |
| | | | Commercial plots | 4 | 40.0 | |
| 14 | Sendayan Metropark Shop 2 | 15.0 | Double-storey shop offices | 150 | 240.0 | January 2016 – December 2018 |

5. BUSINESS OVERVIEW (Cont'd)

| | Future projects | Acres | Type of Development | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|----|-------------------------------------|-------|---|--------------------------------|----------------------------|--|
| 15 | Sub Centre @ Sendayan TechValley 1A | 46.4 | Double-storey shop offices | 32 | 38.4 | January 2016 – December 2018 |
| | | | Commercial plot | 1 | 1.7 | |
| | | | Double-storey semi-detached corporate showrooms/factories | 30 | 30.0 | |
| | | | Double-storey corporate showrooms/factories | 84 | 58.8 | |
| 16 | 1 Sendayan Clubhouse | 19.0 | Commercial plot | 1 | 2.7 | September 2013 – August 2015 |
| | | | Institute | 1 | 50 | |

Residential Developments in Bandar Sri Sendayan

The Hijayu developments are essentially residential developments within Bandar Seri Sendayan. Some of the Hijayu developments such as Hijayu Resort Homes, Resort Villas and Residence are catered towards the upper medium end of the market with double-storey semi-detached houses and bungalows.

Idaman Yu is a mixed development comprising both residential and commercial properties.

We intend to commence the various residential developments in Bandar Sri Sendayan by June 2013 and the expected completion of the respective residential developments is scheduled for 2017.

Commercial, Industrial, Leisure and Institutional Developments in Bandar Sri Sendayan

The Sendayan Merchant Square and Sendayan Metropark are mainly commercial developments comprising two and three-storey shop offices and some commercial land.

The Sub Centre @ Sendayan TechValley 1A development consists of corporate showrooms/factories, shop offices and commercial land. The Sendayan Clubhouse development consists of a clubhouse, commercial plot and educational institutions. This is part of our plans to develop Bandar Sri Sendayan into an integrated township with its own leisure and educational facilities to the community of Bandar Sri Sendayan. This project will be our first foray into development of leisure and institutional properties since we commenced our property development operations. We have commenced development of the clubhouse in September 2012.

5. BUSINESS OVERVIEW (Cont'd)

We also intend to set-up private educational institutions to provide primary, secondary and post-secondary education. The private educational institutions will be managed and operated by our subsidiary, 1 Sendayan Education. As at the LPD, we have obtained the approvals of the Ministry of Education for the establishment of an international school, which will provide primary, secondary and post-secondary education, a private primary school and a private secondary school. Development of our private education institutions are expected to be undertaken in two phases. Phase 1 is scheduled to begin development in the third quarter of 2013 and completed by the second quarter of 2015 to be ready for our first intake of students in 2015.

Our Group is currently in the midst of planning the development of Sendayan Icon Park. Based on our current plans, the Sendayan Icon Park development will comprise small office home office (SoHo) units, a trade and exhibition centre and two floating restaurants separated by a lake as well as a cultural village. We intend to operate and retain ownership of the trade and exhibition centre, while outlets within the exhibition centre will be leased out to various targeted businesses such as lifestyle and fashion boutiques, leather and designer goods, household goods, DIY stores, medical and pharmaceutical outlets.



Artist Impression of Sendayan Icon Park

Sendayan Auto City development consists of sales of commercial and industrial plots for the retailing of automotive and automotive service centre to undertake repair and maintenance services.

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5. BUSINESS OVERVIEW (Cont'd)



Artist Impression of Sendayan Auto City

We intend to commence various commercial, industrial, leisure and institutional developments in Bandar Sri Sendayan starting with the Sendayan Merchant Square 1 by March 2014 and complete the respective developments by 2018.

5.7.2.3 Third 9 Residence

Part of our future plans also includes the development of residential properties next to the Seremban International Golf Club, namely the Third 9 Residence. This project will be a joint-venture between Matrix and the landowner, MBI.

The development is located in Seremban, hence, residents in the Third 9 Residence can conveniently have access to the public amenities in the town centre and Seremban. Some of these may include supermarkets and hypermarkets, hospitals, schools, stadium, government administration offices, as well as train station and bus terminal.

Third 9 Residence is a medium to high-end residential property development comprising 148 units of double-storey terrace houses, 38 units of double-storey semi-detached houses and 31 units of double-storey bungalows located on a 41.8-acre plot of land. The project has an estimated GDV of RM144.7 million.

The Third 9 Residence project is scheduled to commence development by 2013 and expected to be completed by 2015.

5.7.2.4 Lobak Commercial Centre Phase 1 and 2

Lobak Commercial Centre Phase 1 and 2 are located on a plot of land measuring a total of 9.38 acres in Seremban, Negeri Sembilan. The developments are located in the Seremban town.

The Lobak Commercial Centre Phase 1 and 2 developments comprises 26 units of double-storey shop offices and 2 commercial plots with an estimated GDV of RM45.1 million and a net saleable area of 2.8 acres. The projects are scheduled to commence development in July 2013 and expected to be completed by June 2016.

5. BUSINESS OVERVIEW (Cont'd)

5.7.2.5 Kota Gadong Perdana

The Kota Gadong Perdana is a joint-venture residential property project between Riverine Projects and landowner, MAINS. The development is located on a 294.56-acre plot of land in Seremban, Negeri Sembilan, next to our current development, Bandar Sri Sendayan. The development in Bandar Sri Sendayan is expected to create job opportunities in Bandar Sri Sendayan itself, which would create demand for the surrounding residential properties, including Kota Gadong Perdana. In addition, Kota Gadong Perdana is located next to the new Seremban Interchange on the North-South Expressway, which is currently under development, and about 20 kilometres from Seremban town and the Kuala Lumpur International Airport.

Kota Gadong Perdana is a large scale residential property development consisting of 1,632 units of single-storey terrace houses and 2,000 units of double-storey terrace houses. The GDV of Kota Gadong Perdana is approximately RM926.4 million.

The project is scheduled to commence development by 2016 and expected to be completed by 2018.

5.7.2.6 Taman Seri Impian - Johor

Taman Seri Impian is our first flagship project. The project involves the development of residential and commercial properties in the new township in Kluang, Johor. Our Group has begun the development of various residential and commercial properties in Taman Seri Impian since 2006. *(Please refer to Section 5.7.1(xxvii) of the Prospectus for further details on the completed and on-going projects in Taman Seri Impian)*

As at the LPD, the new township is partially completed with various public amenities as well as residential and commercial properties. Part of our future plans is to continue the development of various gated and guarded residential and commercial properties in Taman Seri Impian.

The following is a detailed list of the development within Taman Seri Impian:

| | Future projects | Acres | Type of Development/Land | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|---|------------------|----------------------|------------------------------------|--------------------------------|----------------------------|--|
| 1 | Impiana Bayu 1 | 167.0 ⁽¹⁾ | Single-storey terrace houses | 304 | 54.7 | September 2013 – August 2015 |
| | | | Double-storey terrace houses | 215 | 60.2 | |
| | Impiana Bayu 2 | | Single-storey terrace houses | 304 | 60.8 | June 2014 – May 2016 |
| | | | Double-storey terrace houses | 215 | 68.8 | |
| 2 | Impiana Avenue 3 | 2.3 | Double-storey shop offices | 60 | 19.2 | January 2014 – December 2015 |
| 3 | Impiana Villa 2 | 23.7 | Double-storey bungalows | 54 | 48.6 | January 2014 – December 2016 |
| | | | Double-storey semi-detached houses | 74 | 37.0 | |
| 4 | Impiana Avenue 4 | 2.8 | Double-storey shop offices | 75 | 26.3 | January 2015 – December 2016 |
| 5 | Impiana Villa 3 | 21.4 | Double-storey semi-detached houses | 166 | 79.7 | January 2015 – December 2017 |

5. BUSINESS OVERVIEW (Cont'd)

| | Future projects | Acres | Type of Development/Land | Estimated Number of Units/Lots | Estimated GDV (RM million) | Expected Commencement and Completion Dates |
|---|------------------|-------|----------------------------|--------------------------------|----------------------------|--|
| 6 | Impiana Avenue 5 | 2.4 | Double-storey shop offices | 51 | 21.4 | June 2015 – May 2017 |
| 7 | Impiana Avenue 6 | 2.7 | Double-storey shop offices | 73 | 29.2 | January 2016 – December 2017 |
| 8 | Impiana Avenue 7 | 39.6 | Double-storey shop offices | 416 | 222.2 | July 2016 – June 2019 |
| | | | Three-storey shop offices | 92 | 82.8 | |

Note:

(1) Include acreage of land yet to be planned for development.

The respective developments within Taman Seri Impian are scheduled to commence development by September 2013 and expected to be completed by 2019.

5.7.3 Milestones

The following table indicates the timing for the implementation of our future plans:

| | Year of Commencement | | | |
|---------------------------------------|----------------------|------|------|------|
| | 2013 | 2014 | 2015 | 2016 |
| Bandar Sri Sendayan ⁽¹⁾ | √ ⁽²⁾ | √ | √ | √ |
| Third 9 Residence | √ ⁽³⁾ | | | |
| Lobak Commercial Centre Phase 1 and 2 | √ ⁽³⁾ | √ | | |
| Kota Gadong Perdana | | | | √ |
| Taman Seri Impian ⁽¹⁾ | √ ⁽⁴⁾ | √ | √ | √ |

Notes:

(1) Multiple launches.

(2) Estimated to commence in June 2013.

(3) Estimated to commence in July 2013.

(4) Estimated to commence in September 2013.

5.7.4 Prospects of our group

The prospects of our Group are dependent on the following factors:

- Good business performance;
- Competitive advantages and key strengths;
- Future plans to provide sustainable growth; and
- Industry prospects and outlook.

5. BUSINESS OVERVIEW (Cont'd)

5.7.4.1 Good Business Performance

Our good business performance is supported by the following financial achievements between the FYE 31 December 2011 and 2012:

- Gross profit grew by 29.9%;
- Profit before tax grew by 34.3%; and
- Profit after tax grew by 29.5%.

Between FYE 31 December 2009 and 2012, our financial performance was as follows:

- Revenue grew at an average rate of 30.7% year-on-year;
- Gross profit grew at an average rate of 60.8% year-on-year;
- Profit before tax grew at an average rate of 80.2% year-on-year; and
- Profit after tax grew at an average rate of 75.5% year-on-year.

The good financial performance over the last four years will provide us with the platform for continuing business success and growth.

5.7.4.2 Competitive Advantages and Key Strengths

Our competitive advantages and key strengths will provide a platform for continuing growth and success. These include the following:

- We have developed a new integrated township;
- Our new township in Bandar Sri Sendayan is strategically located;
- We have on-going and future projects up till 2019;
- We achieved high take-up rates for properties developed by us;
- We have established track record;
- We have a diversified product portfolio;
- We have experience in joint-venture projects with the State Governments;
- Growth in launch prices of properties developed by us;
- We have high impact Government and industrial developments; and
- We have qualified and experienced management team.

(Please refer to Section 5.2 of the Prospectus for further details)

5.7.4.3 Future Plans to Provide Sustainable Growth

Moving forward, we have in place a sound business and expansion plan. Our future plans are mainly focused on projects in Seremban, Negeri Sembilan and Kluang, Johor as follows:

- Bandar Sri Sendayan;
- Third 9 Residence;
- Lobak Commercial Centre Phase 1 and 2;
- Kota Gadong Perdana; and
- Taman Seri Impian.

Our future plans would provide us with the platform to grow our business.

5.7.4.4 Industry Prospects and Outlook

As our Group is focused on property development, our business prospects are also dependent on the general prospects and outlook of the Property Development Industry in Malaysia.

5. BUSINESS OVERVIEW (Cont'd)

Based on the industry prospects and outlook in Malaysia (as disclosed in Section 6 of the Prospectus), the outlook of the property development industry in Malaysia is generally dependent on the performance of the following:

- Malaysian economy and the construction sector;
- Performance of the property sector;
- Malaysian Government's initiatives;
- Policies for housing loans;
- Population growth; and
- Synergistic growth led by surrounding developments.

Malaysian Economy and the Construction Sector

Real GDP of the Malaysia economy and construction sector have both registered growth based on five-year performance between 2008 and 2012. Looking forward, continuing growth is also expected for the Malaysia economy and construction sector in 2013.

Positive growth in the overall economy and the construction sector would augur well for property developers, including our Group.

Performance of the Property Sector

Sales value and volume of property transactions in Malaysia, Negeri Sembilan and Johor recorded positive growth between 2008 and 2012.

Planned and incoming supply for Negeri Sembilan and Johor are as follows:

Negeri Sembilan - Growth Rate in 2012

| | 2012 | |
|--------------------------------|--------------------|---------------------|
| | Planned Supply (%) | Incoming Supply (%) |
| Residential Units | (1.1) | 5.6 |
| Shop Units | 4.6 | 22.2 |
| Industrial Units | (0.3) | 0.8 |
| Space in Shopping Complexes | (28.3) | 55.2 |
| Space in Purpose-Built Offices | (6.8) | 135.9 |

Johor - Growth Rate in 2012

| | 2012 | |
|--------------------------------|--------------------|---------------------|
| | Planned Supply (%) | Incoming Supply (%) |
| Residential Units | 2.3 | 11.9 |
| Shop Units | (5.0) | 19.2 |
| Industrial Units | 2.8 | 25.2 |
| Space in Shopping Complexes | - | (51.8) |
| Space in Purpose-Built Offices | - | (0.8) |

5. BUSINESS OVERVIEW (Cont'd)

Malaysian Government's Initiatives

The on-going development of the five regional economic corridors, the launch of My First Home Scheme, Government subsidised houses, the Second Rolling Plan, the Educuity@KLEC project, the construction of Johor Bahru-Nusa Jaya coastal highway, the implementation of Flood Mitigation Plan (RTB) in Sungai Segamat and development of electrified double-track railway project from Johor Bahru to Padang Besar in Perlis undertaken by the Malaysian Government would benefit operators in the Property Development Industry, including our Group.

Population Growth

Population in Malaysia, Negeri Sembilan and Johor have all registered growth between 2010 and 2012. The growing population in Malaysia, Negeri Sembilan and Johor will provide opportunities to the Property Development Industry, including our Group.

Policies for Housing Loans

The latest housing loan policies and tighter borrowing guidelines implemented by Bank Negara Malaysia may have an impact on the Property Development Industry, including our Group.

For the FYE 31 December 2012, our business performance has not been affected by the latest housing loan policy implemented in November 2010. This is supported by the fact that our revenue contribution from residential properties registered a growth of 28.8% for the FYE 31 December 2012.

In addition, our Group offers various types of residential properties including single-storey and double-storey houses as well as semi-detached houses and bungalows to suit the needs of various income group and individual preferences.

Synergistic Growth led by Surrounding Developments

Our Group may also benefit from synergistic growth led by the large-scale projects in the surrounding areas of Bandar Sri Sendayan including integrated township developments such as Bandar Enstek, mixed developments such as Seremban 2, commercial development such as Oakland Commercial Centre and residential developments such as Bandar Ainsdale and S2 Heights as well as industrial areas such as Oakland Industrial Park, Tuanku Jaafar Industrial Park, Senawang Industrial Park and Nilai Industrial Estate.

All these existing, on-going and new developments and townships will provide flow-on benefits whilst at the same time create critical mass to spur economic activities to encourage business and industrial investments.

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5. BUSINESS OVERVIEW (Cont'd)

5.8 TYPES, SOURCES AND AVAILABILITY OF RESOURCES

The following are the building materials and services that we purchase from external parties for FYE 31 December 2012:

| | Value of purchases of building materials and services (RM'000) | Percentage of total group purchases of building materials and services (%) | Sources of supply | |
|--|---|---|-------------------|-------------|
| | | | Local (%) | Import* (%) |
| Building Materials | 84,679^A | 42.7 | 99.9 | 0.1 |
| Concrete | 16,805 | 8.5 | 100.0 | |
| Concrete materials ⁽¹⁾ | 11,629 | 5.9 | 100.0 | |
| Steel bars and metal | 8,621 | 4.3 | 100.0 | - |
| BRC wire mesh | 7,650 | 3.9 | 100.0 | - |
| Clay materials ⁽²⁾ | 7,537 | 3.8 | 100.0 | - |
| Crusher run, aggregates and quarry dust | 6,377 | 3.2 | 100.0 | - |
| Premix | 5,242 | 2.6 | 100.0 | - |
| Cement | 4,783 | 2.4 | 100.0 | - |
| Wood materials ⁽³⁾ | 4,003 | 2.0 | 100.0 | - |
| Hardware ⁽⁴⁾ | 3,707 | 1.9 | 97.9 | 2.1 |
| Coarse, fine and washed sand | 3,139 | 1.6 | 100.0 | - |
| Roof tiles and metal deck roofing | 2,288 | 1.2 | 100.0 | - |
| Cow and green grass | 1,681 | 0.8 | 100.0 | - |
| Pre-cast drain and pipe culvert | 747 | 0.4 | 100.0 | - |
| Others ⁽⁵⁾ | 471 | 0.2 | 100.0 | - |
| Services | 113,780 | 57.3^A | 100.0 | - |
| Building and construction works ⁽⁶⁾ | 54,617 | 27.5 | 100.0 | - |
| Earthworks | 27,834 | 14.0 | 100.0 | - |
| Mechanical and electrical works ⁽⁷⁾ | 11,517 | 5.8 | 100.0 | - |
| Interior works ⁽⁸⁾ | 8,788 | 4.4 | 100.0 | - |
| Transportation and rental charges ⁽⁹⁾ | 5,222 | 2.6 | 100.0 | - |
| Civil engineering works ⁽¹⁰⁾ | 5,046 | 2.5 | 100.0 | - |
| Others ⁽¹¹⁾ | 756 | 0.4 | 100.0 | - |
| Total | 198,460 | 100.0 | 100.0 | # |

5. BUSINESS OVERVIEW (Cont'd)

Notes:

[^] Total does not add-up due to rounding

* Includes stockists

Insignificant proportion of less than 0.1%

- (1) Includes box culvert, drain, concrete cornice, cement sand bricks, reinforced concrete piles, Bakau piles and reinforced concrete pipes.
- (2) Includes ceramic tiles and vitrified clay pipes.
- (3) Includes composite doors, plywood and timber
- (4) Includes, among others, metal door frames, alpha locks and locksets, fencing and swing gates, man-hole covers and alloy steps, Polyvinyl Chloride (PVC) groove joints, fitting posts and scaffolding.
- (5) Includes colpave oil, ceiling, hydroseeding works, geotextiles, non-metallic floor hardener, paints, putty and Polyethylene sheets.
- (6) Includes roofing, bricklaying, plastering, aluminium and stainless steel glazing, sanitary, plumbing, fencing, ironmongery, tiling, ceiling, bar bending, paving, flashing and guttering, pipe jacking, remedial, external, piling, concreting and structural works
- (7) Includes installation of electrical products and fittings, telephone infrastructure, traffic lights, sewerage treatment plant and pumping systems.
- (8) Includes carpentry, painting and skim coat and laminate flooring laying
- (9) Includes transportation of materials and rental of machinery and excavators.
- (10) Includes construction works of desilting for retention pond, rock blasting, drainage and sewerage and road marking.
- (11) Includes installation of playground equipment, landscaping and other ancillary works

Purchases in the above refer to building materials and services purchased by our Group during the FYE 31 December 2012 regardless of the stage of completion of our projects and number of property and land sold during the year.

Total purchases of building materials and sub-contracted services for the FYE 31 December 2012 amounted to RM198.5 million after exclusion of inter-company transactions.

The principal business activities of our Group are in sales of land and property development. We outsource the building and construction activities to external sub-contractors to enable us to focus on our property development activities. However, we have our own internal procurement arm to source most of the building and construction materials for the building and construction of our own property developments. Through direct sourcing of building materials for all our projects, we are able to obtain volume discounts through bulk purchase and stronger bargaining power to obtain better commercial terms from suppliers.

For the FYE 31 December 2012, almost 100.0% of our purchases were sourced locally while an insignificant proportion of less than 0.1% of our purchases was sourced from local stockists. For the FYE 31 December 2012, purchases of materials accounted for 42.7% while services accounted for 57.3% of our total Group purchases of building materials and services.

Purchases of Building Materials

Of our purchases of building materials for FYE 31 December 2012, concrete represented our largest purchases, which accounted for 8.5% of our total Group purchases of building materials and services. This was followed by purchases of concrete materials and steel bars and metal, which accounted for 5.9% and 4.3% of our total Group purchases of building materials and services for FYE 31 December 2012 respectively.

For FYE 31 December 2012, purchases of BRC wire mesh, clay materials and the combined total of crusher run, aggregates and quarry dust accounted for 3.9%, 3.8% and 3.2% of our total purchases of building materials and services respectively.

5. BUSINESS OVERVIEW (Cont'd)

For FYE 31 December 2012, purchases of premix, cement and wood materials accounted for 2.6%, 2.4% and 2.0% of our total purchases of building materials and services respectively.

For the FYE 31 December 2012, hardware, sand, roof tiles and metal deck roofing, grass and the combined total of pre-cast drain and pipe culvert accounted for 1.9%, 1.6%, 1.2%, 0.8% and 0.4% of our total purchases of building materials and services respectively.

Purchases of other materials including colpave oil, ceiling, hydroseeding works, geotextiles, non-metallic floor hardener, paints, putty and polyethylene sheets accounted for 0.2% of our total Group purchases of building materials and services for FYE 31 December 2012.

Purchases of Services

For FYE 31 December 2012, building and construction works represented 27.5% of our total Group purchases of building materials and services. This was followed by purchases of sub-contracted earthworks, which accounted for 14.0% of our total Group purchases of building materials and services for FYE 31 December 2012.

Purchases of sub-contracted mechanical and electrical works, interior works as well as civil engineering works accounted for 5.8%, 4.4% and 2.5% of our total purchases of building materials and services respectively.

Transportation and rental charges and purchases of other services accounted for 2.6% and 0.4% of our total Group purchases of building materials and services for FYE 31 December 2012. Other services include installation of playground equipment, landscaping and other ancillary works.

As at the LPD, our Group has not experienced any shortages in the supply of building materials and services mentioned above.

Any increase in the price of raw materials may affect our Group's profitability. In order to minimise such adverse effects, our Group carefully monitors the project costing and budget on a timely basis before any launch of our development projects. Prior to the purchase, our internal procurement team will obtain quotations from various suppliers for comparison and evaluate in terms of pricing, specifications, quality and delivery turnaround time. We will also monitor via internal procedures including site material checklist and monthly reporting to our management. This process of monitoring the project costing and budget of the Group is in line with the ISO requirements.

5.9 MAJOR CUSTOMERS

The table below lists our customer which represented 10% or more of our total Group revenue for the FYE 31 December 2010 to 2012:

| Name of customer | Length of relationship Years | Products / Services purchased | ----- FYE 31 December -----> | | | | | |
|-------------------------------|---------------------------------|-------------------------------|------------------------------|------------------|---------|------------------|--------|------------------|
| | | | 2010 | | 2011 | | 2012 | |
| | | | RM'000 | % ⁽¹⁾ | RM'000 | % ⁽¹⁾ | RM'000 | % ⁽¹⁾ |
| 1 Malaysia Development Berhad | < 1 | 750 acres of undeveloped land | - | - | 294,030 | 47.1 | - | - |

Note:

(1) Based on the total revenue of the Group for the respective year, excluding inter-company transactions.

Our customers include corporate and individual owner-occupiers and investors as well as others such as government entities.

5. BUSINESS OVERVIEW (Cont'd)

Save for 1MDB, our Group does not have any major customers which contribute 10% or more to our total Group revenue for the FYE 31 December 2010 to 2012. The sale of undeveloped land to 1MDB was a one-off transaction for the purpose of setting-up a new academia and training centre for the Royal Malaysian Air Force and the relocation of the Sungai Besi base to Bandar Sri Sendayan in Negeri Sembilan.

5.10 MAJOR SUPPLIERS / CONTRACTORS

Our Group's major supplier/contractor (i.e. those who contributed 10% or more of our Group's total purchases) for the FYE 31 December 2010 to 2012 were as follows:

| Name of supplier | Length of relationship Years | Products / Services provided | ----- FYE 31 December -----> | | | | | |
|--------------------------|---------------------------------|------------------------------|------------------------------|------------------|--------|------------------|--------|------------------|
| | | | 2010 | | 2011 | | 2012 | |
| | | | RM'000 | % ⁽¹⁾ | RM'000 | % ⁽¹⁾ | RM'000 | % ⁽¹⁾ |
| KSJ Construction Sdn Bhd | 13 | Earth works | 13,864 | 12.5 | 25,603 | 16.0 | 27,834 | 14.0 |

Note:

(1) Based on the total purchases of building materials and services of our Group for the respective year, excluding inter-company transactions.

KSJ Construction Sdn Bhd accounted for more than 10% each of our Group's total purchases for the FYE 31 December 2010 to 2012. However, the following factors help us to mitigate against dependency on KSJ Construction Sdn Bhd:

- KSJ Construction Sdn Bhd has been our supplier for earthwork services since 2000. Our long term relationship with KSJ Construction Sdn Bhd indicates a stable and continuing business relationship with this top supplier.
- In addition, supply of earthwork services can be sourced from other suppliers, if the need arises.

Our Group is not dependent on any single supplier or contractor as our Group can source for alternative suppliers and contractors, if required. We have implemented internal control procedures for the selection of our suppliers and contractors to ensure they meet certain criteria in terms of pricing, track record, financial strength, quality, efficiency, reliability and capacity.

5.11 CAPITAL EXPENDITURE AND DIVESTITURES

5.11.1 Material capital expenditure and divestitures

There are no material capital expenditures and divestitures (including interests in other corporations) undertaken by our Group for the FYE 31 December 2009 to 2012 and up to the LPD.

5. BUSINESS OVERVIEW (Cont'd)

5.11.2 Material plans to construct, expand or improve facilities

As at the LPD, our Group has commenced the development of Sendayan clubhouse in line with our plans to develop Bandar Sri Sendayan into an integrated township with its own leisure facilities for the community. This project will be our first foray into development of leisure properties since we commenced our property development operations. The development of the clubhouse include various sports and recreational facilities, retail and dining outlets, fitness centre as well as a therapeutic treatment facility. Some of the sports and recreational facilities include, amongst others, Olympic size swimming pool, bowling alley, futsal court, badminton and indoor tennis courts, table tennis centre and games room. It will also offer different types of dining outlets including an indoor cafeteria, outdoor dining outlets as well as restaurants and a banquet hall. We intend to manage the clubhouse which will be operated by our subsidiary, 1 Sendayan Club. We commenced development of our clubhouse in September 2012 and expect to complete the development by March 2014 with a total GDV of RM50.0 million. The estimated total expenditure for the development of the clubhouse is approximately RM40.0 million. As disclosed in Section 3.7.1 of this Prospectus, we intend to utilise RM10.0 million from the IPO proceeds for the development of our clubhouse in Bandar Sri Sendayan, while the remaining estimated amount of RM30.0 million will be funded via internally generated funds and/or borrowings. As at the LPD, we have incurred development costs of approximately RM5.0 million for the clubhouse.

Save as mentioned above, we have no immediate plans to construct, expand or improve on existing facilities.

5.12 QUALITY ASSURANCE PROCEDURE AND MANAGEMENT

We place strong emphasis on quality control as well as adhere to stringent quality standards for our property development operations. This is reflected by the fact that Matrix Concepts, MCHB Management and Juwasan Maju are ISO 9001:2008 certified companies for project management, provision of construction and administrative management services in property development.

Our ISO 9001:2008 quality management system accreditations indicate that our Group adopts quality management practices that comply with ISO 9001:2008 standards. This provides customers with the assurance of the quality of our Group's developments.

We have a team of dedicated and experienced contract, project and land coordinator managers, project and site engineers, site and maintenance supervisors as well as various supporting staff to closely monitor and manage the construction process to ensure that our quality standards are adhered to and maintained.

In addition, we also have a panel of professionals and suppliers namely architects, engineering consultants, interior designers, building contractors and building material suppliers, most of whom have been dealing with us for more than five years.

Our Group also requests feedback from our customers via surveys and questionnaires as part of our measurement against the performance of our quality management system. By analysing the customers' feedback, we are able to take the necessary measures to improve our products and services, in line with our continuous strive to provide excellent customer service and meet customers' need.

5. BUSINESS OVERVIEW (Cont'd)

5.13 MODES OF MARKETING

5.13.1 Marketing strategies

We adopt the following marketing strategies:

- (i) Position ourselves as an established property developer, with the capability to develop quality residential and commercial properties to meet market requirements;
- (ii) Continually provide quality developments to establish our reputation as a preferred property developer;
- (iii) Continually provide the appropriate mix of property development that appeal to the market;
- (iv) Keeping abreast of new and innovative concepts to stay ahead of the competition as well as better meet the needs and requirements of customers and changing market trends;
- (v) To continually develop integrated townships with residential, commercial, industrial, leisure and institutional properties.

To implement our marketing strategy, we have our own sales and marketing team of 31 personnel as at LPD, focusing on marketing and promotions. In addition our Group also utilises the following marketing and promotional methods to create awareness with the aim of increasing sales:

- (i) Participate in various property fairs and exhibitions including the following:

| NAMES OF EVENTS | LOCATION | NATURE OF PARTICIPATION | DATE |
|-------------------------------------|--------------|-------------------------|---|
| Malaysia Property Expo (MAPEX) 2005 | Seremban | Exhibitor | 22 April 2005 until 24 April 2005 |
| | | | 23 September 2005 until 25 September 2005 |
| MAPEX 2006 | Kuala Lumpur | Exhibitor | 22 September 2005 until 25 September 2005 |
| | | | 28 April 2006 until 30 April 2006 |
| MAPEX 2007 | Seremban | Exhibitor | 8 September 2006 until 10 September 2006 |
| | | | 20 April 2007 until 22 April 2007 |
| MAPEX 2008 | Seremban | Exhibitor | 26 October 2007 until 28 October 2007 |
| | | | 2 May 2008 until 4 May 2008 |
| | | | 21 November 2008 until 23 November 2008 |

5. BUSINESS OVERVIEW (Cont'd)

| NAMES OF EVENTS | LOCATION | NATURE OF PARTICIPATION | DATE |
|--|---------------------------------|-------------------------|--|
| MAPEX 2009 | Seremban | Exhibitor | 22 May 2009 until 24 May 2009 30 October 2009 until 1 November 2009 |
| Invest in Malaysia Property Exhibition | London, United Kingdom | Exhibitor | 20 October 2009 until 29 October 2009 |
| MAPEX 2009 | Kuala Lumpur | Exhibitor | 20 November 2009 until 22 November 2009 |
| Malaysia Property Exhibition | Chennai, India | Exhibitor | 22 January 2010 until 25 January 2010 |
| MAPEX 2010 | Seremban | Exhibitor | 23 May 2010 until 25 May 2010 19 November 2010 until 21 November 2010 |
| Reed Exhibition | Abu Dhabi, United Arab Emirates | Exhibitor | 15 January 2011 until 21 January 2011 |
| MAPEX 2011 | Kuala Lumpur | Exhibitor | 19 March 2011 until 21 March 2011 |
| | Seremban | Exhibitor | 20 May 2011 until 22 May 2011 |
| | Kuala Lumpur | Exhibitor | 21 October 2011 until 23 October 2011 |
| | Seremban | Exhibitor | 18 November 2011 until 20 November 2011 |
| MAPEX 2012 | Kuala Lumpur | Exhibitor | 2 March 2012 until 4 March 2012 26 April until 28 April 2012 |
| | Seremban | Exhibitor | 19 April until 21 April 2012 18 May 2012 until 20 May 2012 12 October 2012 until 14 October 2012 |

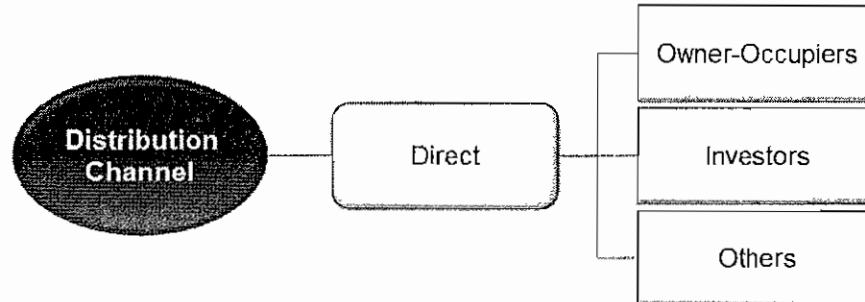
- (ii) Advertise our newly launched properties in local newspapers, internet, media advertising, billboards, buntings and sponsorship.

5. BUSINESS OVERVIEW (Cont'd)

5.13.2 Distribution channel

Distribution channel

Our distribution channel strategy is based on direct channels:



Direct Distribution Channel

We adopt a direct distribution channel strategy through our own sales and marketing team to sell our properties and land to our customers. In addition to selling through our own sales and marketing team, we also use agents, appointed and on ad-hoc basis, for the sale of our industrial plots.

We market directly to customers including corporate and individual owner-occupiers and investors as well as others such as government entities. For FYE 31 December 2011, we also sold a piece of undeveloped land to 1MDB, a government-owned corporation. 1MDB is also the project developer for the new academia and training centre for the Royal Malaysian Air Force.

As at LPD, our appointed agents are listed as follows:

| Name of Agent | Location |
|--------------------------------------|-----------------|
| CB Richard Ellis (M) Sdn Bhd | Kuala Lumpur |
| Colliers Jordan Lee & Jaafar Sdn Bhd | Negeri Sembilan |
| Focus Real Estate | Kuala Lumpur |

5.14 SEASONALITY

Generally, our business is not subject to any material seasonality factors.

5.15 RESEARCH AND DEVELOPMENT

As our principal activities are focused on sales of land and property development, we do not undertake any material research and development. As a result, we do not carry out any specific R&D activities and R&D policy is not relevant to our operations.


5.16 TECHNOLOGY USED

As our business is focused on sales of land and property development, technologies are not directly relevant to our business.

5. BUSINESS OVERVIEW (Cont'd)

5.17 INTELLECTUAL PROPERTIES

As at the LPD, our Group does not have any other licences, patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual property rights, save as disclosed below:

| Trade mark | Issuing authority | Trade mark application no. | Date of issuance | Class | Validity | Description |
|---|---|----------------------------|------------------|----------|----------------------------|--|
|  | Intellectual Property Corporation of Malaysia | 09008619 | 17 October 2012 | Class 37 | 27 May 2009 to 27 May 2019 | Property Development and Building Construction; all included in Class 37 |

MATRIX CONCEPTS GROUP

5.18 INTERRUPTIONS IN BUSINESS DURING THE PAST 12 MONTHS

Our Group has not experienced any disruption in business which had a significant effect on our operations during the 12 months prior to the date of this Prospectus.

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5. BUSINESS OVERVIEW (Cont'd)**5.19 APPROVALS, MAJOR LICENCES AND PERMITS**

The approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those pertaining to general business registration as at the LPD are as follows:

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|--------------|--------------------------|--|---|-----------------------|--|--------------------------|----------------------|
| Juwasan Maju | All contracts undertaken | Registration as contractor with the Construction Industry Development Board under Grade G7 for categories of B (Building Construction) and CE (General Engineering Construction) | Construction Industry Development Board | 0120010220-NS062369 | 12.04.2012 – 11.04.2015 | Nil | Not applicable |
| Juwasan Maju | All contracts undertaken | Registration with Contractor Services Centre as contractor under categories Class A, I(1,2,3a,5,7a,7b,7c,7d), II(1,2a,2b,5,7a,7b,8a,8b) and IV(1,2a,2b,2d,2e,5,8) | Contractor Services Centre (Pusat Khidmat Kontraktor) Ministry of Works | 1405 A 2009 0485 | 24.07.2011 / 23.07.2013 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|----------------|---|--|-----------------------------|------------------------------|---|---------------------------------|-----------------------------|
| Matrix | Taman Seri Impian 4 - Impiana Casa 1 | Planning approval | Pejabat Tanah Daerah Kluang | PTDK 3/8/3/2010 | ⁽¹⁾ 09.06.2010 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Kluang | MPK/599/300/6/8/2010 | 28.09.2010 – ⁽²⁾ 05.08.2011 | Nil | Not applicable |
| | | Housing developer licence | MHLA | 7164-18/12-2013/1447 | 22.12.2010 – 21.12.2013 | Nil | Not applicable |
| | | Advertising permit | MHLA | 7164-18/2709/2012(12) | 27.12.2011 – ⁽³⁾ 26.12.2012 | Nil | Not applicable |
| Matrix | Impiana Villa 2 Impiana Avenue 3, 4 and 5, and Taman Seri Impian 2(Zon 1 and Zon 2) | Planning approval | Pejabat Tanah Daerah Kluang | PTDK(SKS) 13/99 | ⁽¹⁾ 28.07.2005 | Nil | Not applicable |
| Matrix | Impiana Villa 3 | Planning approval | Pejabat Tanah Daerah Kluang | PTDK(SKS) 13/99 Jld. 2 | ⁽¹⁾ 24.07.2008 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|---------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------|--|--------------------------|----------------------|
| Matrix | Impiana Casa 2 | Planning approval | Pejabat Tanah Daerah Kluang | PTDK 3/8/3/2010 | ⁽¹⁾ 09.06.2010 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Kluang | MPK/599/300/6/8/2011 | ⁽¹⁾ 3.1.2012 | Nil | Not applicable |
| | | Developer License | MHLA | 7164-21/04-2015/511 | 23.4.2012 – 22.4.2015 | Nil | Not applicable |
| | | Advertisement Permit | MHLA | 7164-21/1019/2013(04) | ⁽⁴⁾ 30.4.2012 – 29.4.2013 | Nil | Not applicable |
| Matrix | Impiana Avenue 6 | Planning approval | Pejabat Tanah Daerah Kluang | PTDK 3/8/3/2010 | ⁽¹⁾ 09.06.2010 | Nil | Not applicable |
| Matrix | Impiana Square (Impiana Avenue 7) | Planning approval | Pejabat Tanah Daerah Kluang | PTDK 3/8/24/2011 | ⁽¹⁾ 13.10.2011 | Nil | Not applicable |
| Matrix | Third 9 Residence | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/177/10/01 | ⁽¹⁾ 01.04.2011 | Nil | Not applicable |
| Matrix | Lobak Commercial Centre, Phase 1 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/114/10/40 | ⁽¹⁾ 16.12.2010 | Nil | Not applicable |
| Matrix | Lobak Commercial Centre, Phase 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/114/10/40 | ⁽¹⁾ 16.12.2010 | Nil | Not applicable |
| Matrix | Impiana Casa 2 (Stage 2) | Planning approval | Pejabat Tanah Daerah Kluang | PTDK 3/8/3/2010 | ⁽¹⁾ 09.06.2010 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|-----------------|---------------------------------|---|---|---|--------------------------|----------------------|
| Matrix | Taman Desa PD 3 | Planning approval | Pejabat Pengarah Tanah dan Galian Negeri Sembilan | PTG.NS 1/1/4/1165 | ⁽¹⁾ 08.07.2011 | Nilai | Not applicable |
| | | Building plan approval | Majlis Perbandaran Port Dickson | MPPD 431/154/2008/02 | ⁽¹⁾ 20.10.2011 | Nilai | Not applicable |
| | | Housing developer licence | MHLA | 7164-20/01-2015/24 | 06.01.2012 – 05.01.2015 | Nilai | Not applicable |
| | | Advertising permit | MHLA | 7164-20/1828/2014(01) | 18.01.2013 – 17.01.2014 | Nilai | Not applicable |
| BSS Development | Nusari Aman 1B | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nilai | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | (i) MPN 431/1088/2009/2(55) (ii) MPN 431/1088/2009/2 | (i) ⁽¹⁾ 16.02.2011 (ii) ⁽¹⁾ 10.08.2011 | Nilai | Not applicable |
| | | Housing developer licence | MHLA | 10613-9/04-2014/458 | 13.04.2011 – 12.04.2014 | Nilai | Not applicable |
| | | Advertising permit | MHLA | 10613-91827/2013(04) | ⁽³⁾ 16.04.2012 – 14.04.2013 | Nilai | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|----------------------------|---------------------------------|-----------------------------------|---------------------------|--|--------------------------|----------------------|
| BSS Development | Idaman Bayu 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/103/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1305/2010/2(10) | ⁽¹⁾ 07.01.2011 | Nil | Not applicable |
| | | Housing developer licence | MHLA | 10613-17/10-2015/1325 | 03.10.2012 – 02.10.2015 | Nil | Not applicable |
| | | Advertising permit | MHLA | 10613-17/2356/3013(10) | 04.10.2013 – 03.10.2013 | Nil | Not applicable |
| BSS Development | Nusari Aman 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1397/2011/2 | ⁽¹⁾ 10.08.2011 | Nil | Not applicable |
| | | Housing developer licence | MHLA | 10613-12/10-2014/1261(10) | 21.10.2011 – 20.10.2014 | Nil | Not applicable |
| | | Advertising permit | MHLA | 10613-12/2256/2012(02) | 28.10.2011 – ⁽³⁾ 27.10.2012 | Nil | Not applicable |
| BSS Development | Sendayan Metropark Shop 1A | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1269/2010/2 | ⁽¹⁾ 10.11.2010 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|------------------------|---------------------------------|-----------------------------------|---|---|--------------------------|----------------------|
| BSS Development | Sendayan Tech Valley 1 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/188/10/47 and PTS 528/119/11/47 | ⁽¹⁾ 23.12.2010 and ⁽¹⁾ 03.03.2011 | Nil | Not applicable |
| | | Infrastructure plan approval | Majlis Perbandaran Nilai | MPN 431/31/2008/2-1(19) and MPN 431/31/2008/2-1(8) | ⁽¹⁾ 09.05.2011 and ⁽¹⁾ 17.07.2008 | Nil | Not applicable |
| BSS Development | Sendayan Tech Valley 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/118/11/47 | ⁽¹⁾ 10.05.2011 | Nil | Not applicable |
| | | Infrastructure plan approval | Majlis Perbandaran Nilai | MPN 431/3/2011/2-1(8) and MPN 431/116/2011/2-1(10) | ⁽¹⁾ 17.02.2011 and ⁽¹⁾ 06.11.2011 | Nil | Not applicable |
| BSS Development | Nusari Aman | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/220/11/47 | ⁽¹⁾ 10.06.2011 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1439/2011/2(9), MPN 431/1441/2011/2(11) and MPN 431/1438/2011/2(11) | ⁽¹⁾ 23.11.2011 | Nil | Not applicable |
| | | Housing developer licence | MHLA | 10613-13/01-2015/69 | 13.01.2012 – 12.01.2015 | Nil | Not applicable |
| | | Advertising permit | MHLA | 10613-13/147/2013(01) | 16.01.2012 – ⁽³⁾ 15.01.2013 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|----------------------------|---------------------------------|---|-------------------------|--|--------------------------|----------------------|
| BSS Development | Nusari Bayu 2B | Planning approval | Pejabat Pengarah Tanah dan Galian Negeri Sembilan | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1440/2011/2(12) | ⁽¹⁾ 23.11.2011 | Nil | Not applicable |
| | | Housing Developer Licence | MHLA | 10613-14/05-2015/636 | 17.05.2012 – 15.05.2015 | Nil | Not applicable |
| | | Advertisement Permit | MHLA | 10613-14/1206/2013 (05) | 21.05.2012 – 20.05.2013 | Nil | Not applicable |
| BSS Development | 1 Sendayan Clubhouse | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/308/11/47 | ⁽¹⁾ 09.11.2011 | Nil | Not applicable |
| | | Building plan approval | Majlis Perbandaran Nilai | MPN 431/1556/2012/2 | 31.10.2012 – 30.10.2015 | Nil | Not applicable |
| BSS Development | Sub Centre @ Nusari Bayu | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |
| BSS Development | Sub Centre @ Nusari Hijayu | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/108/07/02 | ⁽¹⁾ 02.12.2007 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|--|---------------------------------|-----------------------------------|---|---|--------------------------|----------------------|
| BSS Development | Hijayu 1A and Sendayan Merchant Square 1 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTG.NS 1/1/1/3493 and PTS 528/292/1/147 | ⁽¹⁾ 30.06.2011 and ⁽¹⁾ 27.10.2011 | Nil | Not applicable |
| BSS Development | Hijayu 1B | Planning approval | Pejabat Daerah dan Tanah Seremban | PTG.NS 1/1/1/3493 and PTS 528/292/1/147 | ⁽¹⁾ 30.06.2011 and ⁽¹⁾ 27.10.2011 | Nil | Not applicable |
| | | Building Plan Approval | Majlis Perbandaran Nilai | MPN431/1530/2012/2 | ⁽¹⁾ 15.06.2012 and ⁽¹⁾ 07.08.2012 | Nil | Not applicable |
| | | Housing Developing Licence | MHLA | 10613-16/2015/1064 | 03.08.2012 – 02.08.2015 | Nil | Not applicable |
| | | Advertisement Permit | MHLA | 10613-16/1949/2013(08) | 09.08.2012 - 08.08.2013 | Nil | Not applicable |
| BSS Development | Hijayu 2 and Sendayan Merchant Square 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/308/1/147 | ⁽¹⁾ 09.11.2011 | Nil | Not applicable |
| BSS Development | Hijayu 3D | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/137/1/147 | ⁽¹⁾ 22.08.2011 | Nil | Not applicable |
| | | Building Plan Approval | Majlis Perbandaran Nilai | MPN431/1502/2012/2 | ⁽¹⁾ 24.04.2012, ⁽¹⁾ 05.10.2012, and ⁽¹⁾ 15.10.2012 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|-----------------|-----------------------|---------------------------------|-----------------------------------|------------------------|--|--------------------------|----------------------|
| | | Housing Developer Licence | MHLA | 10613-15/07-2015/910 | 11.07.2012 – 10.07.2015 | Nil | Not applicable |
| | | Advertising Permit | MHLA | 10613-15/1778/2013(07) | 24.07.2012 – 23.07.2013 | Nil | Not applicable |
| BSS Development | Hijayu (Resort Homes) | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/308/11/47 | (¹)09.11.2011 | Nil | Not applicable |
| BSS Development | Hijayu (Resort Villa) | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/308/11/47 | (¹)09.11.2011 | Nil | Not applicable |
| BSS Development | Hijayu (Residence) | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/308/11/47 | (¹)09.11.2011 | Nil | Not applicable |
| BSS Development | Hijayu 3A | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/137/11/47 | (¹)22.08.2011 | Nil | Not applicable |
| BSS Development | Hijayu 3B | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/137/11/47 | (¹)22.08.2011 | Nil | Not applicable |
| BSS Development | Hijayu 3C | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/137/11/47 | (¹)22.08.2011 | Nil | Not applicable |
| BSS Development | Idaman Yu 1 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/15/11/47 | (¹)27.04.2011 | Nil | Not applicable |
| BSS Development | Idaman Yu 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/167/12/47 | (¹)17.04.2012 | Nil | Not applicable |

5. BUSINESS OVERVIEW (Cont'd)

| Company | Project | Description of licence/approval | Authority | Licence/Reference no. | Date of issuance or commencement/ expiry | Major conditions imposed | Status of compliance |
|--------------------------|---|---|-----------------------------------|---|---|--------------------------|----------------------|
| BSS Development | Sendayan Metropark Shop 2 | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 528/219/11/47 | ⁽¹⁾ 10.06.2011 | Nil | Not applicable |
| BSS Development | Sub Centre @ Sendayan Tech Valley 1A | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/188/10/47 and PTS 528/119/11/47 | ⁽¹⁾ 23.12.2010 and ⁽¹⁾ 03.03.2011 | Nil | Not applicable |
| BSS Development | Sendayan Autocity | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS528/142/12/47 | ⁽¹⁾ 06.03.2011 | Nil | Not applicable |
| Riverine Project Sdn Bhd | Kota Gadong Perdana | Planning approval | Pejabat Daerah dan Tanah Seremban | PTS 354/102/03/02 | ⁽¹⁾ 04.07.2003 | Nil | Not applicable |
| 1 Sendayan Education | Matrix Primary and Secondary Private School | Approval of establishment of Primary and Secondary Private School | Kementerian Pelajaran Malaysia | KP.BPS.SPIPS700-2/2/137(4) | ⁽¹⁾ 13.08.2012 | Nil | Not applicable |
| 1 Sendayan Education | Matrix International School | Approval of establishment of International School | Kementerian Pelajaran Malaysia | KP.BPS.SPIPS700-2/2/140(5) | ⁽¹⁾ 13.08.2012 | Nil | Not applicable |

Notes:

(1) No expiry.

(2) The development of Taman Seri Impian 4 – Impiana Casa 1 commenced on 22 December 2010.

(3) This advertising permit has not been renewed as all sales units under this advertising permit have been sold prior to the expiry of the advertising permit.

(4) An application for renewal has been submitted prior to LPD.

5. BUSINESS OVERVIEW (Cont'd)

5.20 DEPENDENCY ON INDUSTRIAL, COMMERCIAL AND FINANCIAL CONTRACTS

As at the LPD, save as disclosed below, there are no material agreements or contracts (including informal arrangements or understanding or understandings), which have been entered into by our Group and which our Group is highly dependent upon:

- (i) Shareholders cum Joint Venture Agreement dated 29 August 2005 between MBI and Matrix Concepts for the development of approximately 5,223 acres of land in Felda Labu Sendayan located at Mukim Labu, Daerah Seremban, Negeri Sembilan (presently known as Bandar Sri Sendayan) via the establishment of a special purpose company namely BSS Development as amended and modified via the First Supplemental Agreement, Second Supplemental Agreement and the Deed of Completion;
- (ii) Joint Venture Agreement between Restu Pertiwi Sdn Bhd and Matrix dated 26 January 2011 for the assignment of all Restu Pertiwi Sdn Bhd's rights title interest and liability arising from the Joint Venture Agreement between MBI and Restu Pertiwi Sdn Bhd dated 26 January 2011, for the development of the land measuring approximately 42 acres in Pekan Paroi Jaya, District of Seremban, Negeri Sembilan;
- (iii) Joint Venture Agreement between KKTNJB and Matrix dated 14 May 2005, for the development of an area measuring 900 acres being part of PT 10772 and PT 10773, HS(D) 4066 and HS(D)4067, Mukim and District of Kluang, Johor and modified via the First Supplementary Agreement, Second Supplementary Agreement and the Variation Agreement; and
- (iv) Joint Venture Agreement between MAINS and Riverine Projects dated 23 October 2002 for the development of the following lands:-
 - (a) Land measuring 70 acres in Gadong Jaya, Mukim Labu, District of Seremban, Negeri Sembilan; and
 - (b) Land measuring approximately 89.79 hectares in Gadong Jaya, Mukim Labu, District of Seremban, Negeri Sembilan.

The salient terms of the abovementioned agreements are as follows:

5.20.1 Shareholders cum Joint Venture Agreement dated 29 August 2005 between MBI and Matrix Concepts

- (i) Shareholders cum Joint Venture Agreement dated 29 August 2005 entered into between Menteri Besar, Negeri Sembilan (Incorporation) ("**State Agency**") and Matrix Concepts Holdings Berhad ("**Company**"), where both parties co-operate to develop approximately 5,233 acres of land in Felda Labu Sendayan located at Mukim Labu, Daerah Seremban, Negeri Sembilan ("**Development Land**") via the establishment of a special purpose company namely BSS Development Sdn Bhd (formerly known as Formasi Bestari Sdn Bhd) ("**Principal Agreement**"); as amended and modified via a First Supplemental Agreement dated 15 February 2006, Second Supplemental Agreement dated 30 October 2006 (The Shareholders cum Joint Venture Agreement, First and Second Supplemental Agreements shall be collectively referred to hereafter as the "**Shareholders cum Joint Venture Agreement**") and a Deed of Completion dated 11 August 2011 ("**Deed of Completion**").

5. BUSINESS OVERVIEW (Cont'd)

- (ii) Matrix Concepts agrees to pay MBI a sum of RM250 million and interests thereon at a rate which shall be the corresponding rate charged by the financier for MBI in respect of the loan of RM250 million obtained by MBI or any other party related to the State Government for the purchase of the Development Land ("**Payment Sum**") not later than the 5th anniversary date of the Loan Disbursement (being the disbursement by a financier to MBI for the purchase of the Development Land) or any other date to be mutually agreed upon by the Parties from a sinking fund established by Formasi Bestari Sdn Bhd (currently known as BSS Development Sdn Bhd ("**BSS Development**") for the whole and exclusive purpose of payment of the Payment Sum (the "**Sinking Fund**"). The contribution to the Sinking Fund shall be made by BSS Development and/or Matrix Concepts jointly and severally.
- (iii) Matrix Concepts shall provide, execute, and deliver to MBI a guarantee and indemnity in the form and substance acceptable to MBI to amongst others, observe and comply or procure the observance and compliance of all obligations, covenants, and duties on the part of Matrix Concepts to be performed under the Shareholders cum Joint Venture Agreement.
- (iv) The parties agree that upon satisfying the Payment Sum Matrix Concepts shall have full rights over the Development Land including the rights to permit or cause to permit any assignment, transfer, charge, and mortgage, lien on or over the Development Land and that any of the guarantee documents executed pursuant to the Shareholders cum Joint Venture Agreement shall be discharged and be of no effect against the directors of Matrix Concepts and/or Matrix Concepts.
- (v) The proportion of the issued and paid up share capital of BSS Development shall be ("**Agreed Proportion**") :
 - (a) State Agency : 1 special rights redeemable preference share of RM1.00 ("**Special Share**")
 - (b) Matrix Concepts : 1 million ordinary shares of RM1.00 each
- (vi) This Agreement shall continue in full force and effect until terminated in respect of any party in accordance with the provisions of this Agreement or upon the occurrence of any of the following events:
 - (a) At any time by written consent of all the parties and BSS Development;
 - (b) An effective resolution is passed or a binding order is made for the winding-up of BSS Development; or
 - (c) The shares of BSS Development are listed on any of stock exchange.

5. BUSINESS OVERVIEW (Cont'd)

- (vii) Any of the parties ("Non-defaulting parties") shall be entitled to terminate the Shareholders cum Joint Venture Agreement on the occurrence of the following events of default ("Events of Default") by giving 30 days' written notice to the other party in default ("Defaulting Party"):
 - (a) if the Defaulting Party commits or permits any breach of any of the obligations in the Shareholders cum Joint venture Agreement and on its part to be performed or observed and shall not have remedied such breach (if capable of remedy) within 30 days after written notice shall have been given to the Defaulting Party by any of the other Party requiring such remedy; or
 - (b) if an order shall be made or an effective resolution passed for the winding up of the Defaulting Party otherwise that in the course of reconstruction or amalgamation; or
 - (c) if the Defaulting Party shall be dissolved or liquidated, as the case may be; or
 - (d) if a receiver shall be appointed of a substantial part of the Defaulting Party's assets or if possession shall be taken of a substantial part of the Defaulting Party's assets on behalf of any creditor or creditors; or
 - (e) if the Defaulting Party shall sell, transfer or otherwise dispose of its beneficial interest in any of its BSS Development Shares to any person otherwise than provided for in the Shareholders cum Joint Venture Agreement; or
 - (f) if the shareholding of the Defaulting Party in a related corporation to which their respective shares of BSS Development have been transferred is reduced to less than 100% and the relevant shares are not transferred back to the transferor or to another related corporation of the transferor in which corporation or company the transferor shall have a minimum 100% shareholdings, and the third party or parties obtaining control are not acceptable to the others hereto.
- (viii) Subject to the provisions of the Shareholders cum Joint Venture Agreement, BSS Development may by ordinary resolution, unless otherwise mutually agreed by the Shareholders, distribute as dividends to the Shareholders all funds which are lawfully available out of its net profits after taking into consideration amongst others available cash, working capital, capital expenditure requirement, distributable income and tax cover and statutory payments.
- (ix) MBI shall not transfer or cause to be transferred the Development Land or any part or parts thereof to the Developer. Instead the Development Land shall remain vested and/or registered under the name of MBI, MBI shall transfer or cause to be transferred the Development Land or any part or parts thereof to BSS Development or to the end purchaser so nominated by BSS Development upon the full and final settlement of the Payment Sum together with interest charges and other costs save for such area of the Development Land equating to 100 acres which shall be retained by MBI.

5. BUSINESS OVERVIEW (Cont'd)

- (x) Pursuant to the Deed of Completion, the parties have agreed and confirmed that:
- (a) Matrix Concepts has fully paid the sum of RM250 million together with interest in the manner as set out in the Shareholders cum Joint Venture Agreement. The parties agree and confirm that there are no other monies due to MBI from Matrix Concepts;
 - (b) MBI is entitled to an area of approximately 100 acres from the Development Land being the return on the investment of MBI under the Shareholders cum Joint Venture Agreement (the "said lands"). The parties agree and confirm that the said lands shall comprise of the following three parcels namely PT Nos. 4948, 5585 and 1053.
 - (c) MBI agrees and confirms that in the event MBI decides to sell or develop on a joint venture basis the said lands or any part thereof, the first right of refusal must be given to Matrix Concepts and/or their nominees.
 - (d) MBI shall also give Matrix Concepts and/or their nominees a Power of Attorney with the usual terms and conditions empowering Matrix Concepts, amongst others, to sell, transfer, charge, or lease the said lands or any part thereof in the event MBI develops the said lands on a joint venture basis with Matrix Concepts and/or their nominees.
 - (e) that Clause 3B of the Shareholders Cum Joint Venture Agreement is no longer applicable. However, the Special Share in BSS Development Sdn Bhd ("BSS") registered as Share Certificate No: GS 001 shall continue to be held by MBI with the following functions:
 - (1) to receive notice of all general meetings or any other meeting;
 - (2) to advise on the future development of the Development Land save for the said lands;
 - (3) to represent BSS Development in any ceremony and/or function;
 - (4) to liaise with the Town and/or Municipal Council and/or any other relevant authorities to assist in the approval of layout and/or building plans; and
 - (5) to assist in monitoring the progress of development on the Development Land save for the said lands;
 - (f) that Matrix Concepts has full rights over the Development Land, save for the said lands, including the right to permit or cause to permit any assignment, transfer, charge, lease or lien on or over the Development Land save for the said lands.

5. BUSINESS OVERVIEW (Cont'd)

- (g) that MBI agrees to channel and/or transmit to BSS Development all balance payments from past sales and all proceeds of sale from present and future agreements entered into between MBI and purchasers in relation to the Development Land save for the said lands in paragraph (x)(b) above and to also permit BSS Development to receive monies directly from any purchaser and/or any third party and to give good receipts in respect of the monies so received in respect of the Development Land save for the said lands.
- (h) Matrix Concepts agrees and undertakes to fully indemnify MBI against all losses, damages, liability, suits, litigation, costs, expenses, etc initiated or taken by any purchaser or any third party against MBI in relation to any matters related to the Development Land save for the said lands.

5.20.2 Joint Venture Agreement between Restu Pertiwi Sdn Bhd and Matrix dated 26 January 2011

- (i) Joint Venture Agreement between Restu Pertiwi Sdn Bhd and Matrix dated 26 January 2011 for the assignment of amongst others all Restu Pertiwi Sdn Bhd's rights title interest and liability arising from the Joint Venture Agreement between MBI and Restu Pertiwi Sdn Bhd dated 26 January 2011 ("**Third 9 Residence JVA**") for the development of the land measuring approximately 42 acres in Pekan Paroi Jaya, District of Seremban, Negeri Sembilan ("**Assignment**");
- (ii) The Parties hereby agree that the Assignor's Benefit (defined hereunder) shall be RM300,000. Matrix ("**Assignee**") shall pay Restu Pertiwi Sdn Bhd ("**Assignor**") within 30 days from the date of completion of the whole Project.
- (iii) In consideration of the Assignee agreeing to be fully bound by the Third 9 Residence JVA as if the Assignee were a party thereto in place of the Assignor and in consideration of the benefit to be given by the Assignee to the Assignor in the amount, manner and at the times provided hereinafter ("**Assignor's Benefit**") AND except as stated to the contrary in the Assignment, the Assignor, as beneficial owner, hereby assigns unto the Assignee absolutely, amongst others, all rights title interest benefits and liability in and under the said Third 9 Residence JVA, and all the estate right title interests benefits claims and demand whatsoever of the Assignor of in or pursuant to amongst others the said Third 9 Residence JVA subject nevertheless to the obligations and liabilities on the part of the Assignor contained in the said Third 9 Residence JVA and to comply with the Housing Developer (Control and Licensing) Act 1966 and Housing Developer (Control and Licensing) Regulations 1989, in particular, Regulations 5, 10, 11, and 12.
- (iv) The parties agree and confirm that subject only to express terms, conditions and modifications, if any contained in the Assignment, the Assignee (Matrix) shall assume all and sundry the obligations and liabilities and shall be entitled to ALL whatsoever rights, title, interests and benefits imposed upon or vested in the Assignor by under or pursuant to amongst others the Third 9 Residence JVA as fully and effectively as if the Assignee had been the party to amongst others the Third 9 Residence JVA in place of the Assignor.

5. BUSINESS OVERVIEW (Cont'd)

- (v) Assignor expressly agrees and confirms that from henceforth the Assignor shall have no right title or interest or anything whatsoever in and arising out of amongst others the Third 9 Residence JVA and the Assignor hereby expressly acknowledge that from the date of this Deed of Assignment, the Assignee shall be absolutely entitled to the legal and equitable title and interest over amongst others the said Third 9 Residence JVA provided always that the Assignor's rights to recover the Assignor's Benefit from the Assignee in the event of any breach by the Assignee of the terms of this Assignment shall not be prejudiced by this Clause.
- (vi) Assignor shall at all times hereafter save harmless and keep the Assignee indemnified against all actions, proceedings, claims, demands, penalties, costs and expenses which may be brought or made against or incurred by the Assignee, by reason or on account of the non-observance of all or any of the stipulations on the part of the Assignor contained in the said Third 9 Residence JVA or otherwise howsoever up to the date of this Assignment.

5.20.3 Joint Venture Agreement between KKTNJB and Matrix dated 14 May 2005

- (i) Joint Venture Agreement between KKTNJB ("**Landowner**") and Matrix dated 14 May 2005, for the development of an area measuring 900 acres ("**Development Land**") being part of PT 10772 and PT 10773, HS(D) 4066 and HS(D)4067, Mukim and District of Kluang, Johor as amended and modified via a First Supplementary Agreement dated 5 April 2006, Second Supplementary Agreement dated 29 July 2008 and the Variation Agreement dated 10 November 2011 (collectively known as the "**TSI JVA**").
- (ii) In consideration of the Matrix having agreed to erect, construct and complete the Project in accordance with the terms and conditions herein agreed and at its own costs and expenses, the parties agreed that the Landowner shall be entitled to a total consideration of lump sum RM108,000,000 ("**Joint Venture Consideration**") to be paid in accordance with the manner as set out in the TSI JVA.
- (iii) Matrix agrees covenants and undertakes amongst others with the Landowner that it shall: -
 - (a) proceed with commencement of construction of the project within 9 months from the date of the TSI JVA and to complete not less than 90% of the project within 180 months from the date of commencement subject always to the prevailing market conditions;
 - (b) at its own costs and expenses obtain and procure or cause to be obtained and procured the Requisite Consents and the approvals and consents necessary for the commencement, construction and completion of the project;
 - (c) indemnify and keep indemnified the Landowner, against any liabilities, damage, loss, claims, action proceedings, costs and expense whatsoever in respect of the following (save and except where the same is due to wilful default, negligence, omission or conduct blameworthy of the Landowner):

5. BUSINESS OVERVIEW (Cont'd)

- (1) arising from or due to any negligence, omission, default of Matrix, or any of its agents, servants, or sub-contractors in respect of the development, construction and completion of the project; and
 - (2) arising from or due to the exercise of Matrix or any of its agents, servants, or sub-contractors of the power of attorney granted by the Landowner.
- (iv) Matrix undertakes to :
- (a) build 320 units of single-storey bungalows measuring approximately 5,400 square feet each in land area (the "**Bungalows**") to accommodate the housing needs of the Landowner's members and to be completed within thirty-six (36) months from the approval of the Building Plan or forty-two (42) months from the date of this Agreement, whichever is earlier;
 - (b) the selling price for each Bungalow shall be at a discounted price of RM180,000 per unit and a further discount of RM5,000 per unit agreed by the Matrix that makes up the net selling price at RM175,000 per unit with a built-up area of approximately 2,000 square feet each (inclusive of car porch) and the design to be agreed between Landowner and Matrix;
 - (c) the completion date for the said bungalows shall now be within 24 months from the date of approval of the Building Plan;
 - (d) indemnify and keep indemnified the Landowner, its directors and members against any liabilities, damage, loss, claims, action proceedings, costs and expense whatsoever arising as a result of Matrix charging the Development Land to a financier.
- (v) The Landowner represents and warrants and undertakes amongst others:
- (a) That the Landowner will at all times save harmless and keep indemnified Matrix against all actions, proceedings, damages, penalties, costs, claims and demands by reason or account of non-payment, non-performance and/or non-observance by the Landowner and/or all those through whom the Landowner derives title of all and every stipulation, agreement, proviso and condition respectively as are mentioned or contained in the Power of Attorney and to be performed or observed prior to the date of the TSI JVA by the Landowner and/or all those through whom the Landowner derives title;
 - (b) The Landowner will at all times save harmless and keep indemnified Matrix, its respective successors in titles and assigns all actions, proceedings, damages, penalties, costs, claims and demands, by reason of or on account of any breach or misrepresentation or non-fulfilment of the declarations, representations, warranties and covenants set forth in the TSI JVA or any of them and Matrix may at their option in the event of such breach, misrepresentation, or non-fulfilment, by notice in writing to the Landowner, treat the TSI JVA as rescinded on the date of receipt by the Landowner of the aforesaid notice;

5. BUSINESS OVERVIEW (Cont'd)

- (c) The Landowner allows Matrix as the lawful attorney of the Landowner to sell the said Properties SUBJECT ALWAYS to the terms of the Power of Attorney and that Matrix shall as the lawful attorney of the Landowner sign and execute the Sale and Purchase Agreement, Memorandum of Transfer, and all other documents in relation thereto;
 - (d) The Landowner shall not or purport, without the prior written consent of Matrix to carry on further business transactions, dealings, negotiations, contracts or business of whatsoever nature in relation to the Development Land save and except for in accordance with the terms of the TSI JVA;
 - (e) The Landowner shall at its own costs and expense immediately take all such steps as may be necessary including legal proceedings to remove, evict or cause to be removed and evicted from the Development Land each and every squatter at any time and from time to time in occupation and possession of the Development Land;
 - (f) The Landowner shall abide by all provisions of the Housing Development (Control and Licensing) Regulations 1989 and all regulations made thereunder and in particular regulations 5,10,11 of the Housing Development (Control and Licensing) regulations 1989 whereby the Landowner agrees to sale of the Properties erected on the Development Land to the purchasers by Matrix and shall be a party to the Sale and Purchase Agreement between Matrix and the purchasers of the Properties.
- (vi) The following events shall be an event of default by the Landowner :
- (a) If the Landowner fails to comply with, observe and perform any of the conditions, obligations and stipulations on part of the Landowner to be complied with, observed and performed contained in this TSI JVA; or
 - (b) If the Landowner commits any breach of or omits to observe any of the terms, conditions, obligations and stipulations of this TSI JVA; or
 - (c) If any representation or warranty made or deemed to be made by the Landowner in or pursuant to this TSI JVA or in any notice, certificate, instrument or statement contemplated in this TSI JVA (save and except disclosed before the execution of this TSI JVA in writing) is incorrect in any respect whatsoever; or
 - (d) If the Landowner shall suspend or give notice to any person of its intention to suspend its business and operations or ceases or threatens to cease to carry on its business.
- (vii) Upon the above default events happening, Matrix shall be entitled by notice in writing to terminate this TSI JVA and demand from the Landowner to pay and the Landowner shall no later than 14 days from the date of the demand pay to Matrix the following:-
- (a) All advances and all other payments made to the Landowner or any other party at the request of the Landowner;

5. BUSINESS OVERVIEW (Cont'd)

- (b) The fair commercial value and costs of the structures, buildings and work on the Development commenced and completed by Matrix as at the date of default as determined and valued by an independent valuer jointly appointed by the parties and the parties agree that the valuations and findings of the valuer shall be binding and conclusive on the parties of this TSI JVA and the appointment shall be made within 1 month from the date of the default;
 - (c) Payments to relevant consultants and contractors paid by Matrix as at the date of default;
 - (d) Administrative costs paid by Matrix as at the date of the default;
 - (e) All other costs incurred by Matrix in relation to the Development as at the date of the default;
 - (f) The Landowner shall also indemnify and keep indemnified Matrix against all claims made by the individual purchasers who have signed the sale and purchase agreement with Matrix as at the date of the default.
- (viii) It shall be an event of default by Matrix if Matrix fails to comply with, observe and perform any of the conditions, obligations and stipulations on the part of Matrix to be complied with, observe performed contained in this TSI JVA and upon happening of the default by Matrix, the Landowner shall be entitled by notice in writing served on Matrix to terminate this TSI JVA.
 - (ix) Matrix shall indemnify and keep indemnified the Landowner against any liabilities, damage, loss, claim, actions, proceedings, cost and expenses whatsoever (save and except where the same is due to any willful default, negligence, omission or conduct blameworthy of the Landowner) arising out of default by Matrix. All costs and expenses incurred shall be borne solely by Matrix.

5.20.4 Joint Venture Agreement between MAINS and Riverine Projects dated 23 October 2002

- (i) Joint Venture Agreement between MAINS and Riverine Projects dated 23 October 2002 for the development of the following lands:-
 - (a) Land measuring 70 acres in Gadong Jaya, Mukim Labu, District of Seremban, Negeri Sembilan; and
 - (b) Land measuring approximately 89.79 hectares in Gadong Jaya, Mukim Labu, District of Seremban, Negeri Sembilan.
- (ii) MAINS shall be entitled to the payment consideration of RM8,500,000 only which shall be paid in accordance with the manner as set out in the Agreement.
- (iii) In the event Riverine Projects fails to reach a settlement with the Orang Asli of Kampung Pelebar and this Agreement is hereto terminated by Riverine Projects on that ground, MAINS shall forfeit a sum of RM300,000 which was paid upon signing this Agreement and Riverine Projects shall have no claim whatsoever against MAINS.

5. BUSINESS OVERVIEW (Cont'd)

- (iv) This Agreement shall be subject to the following conditions, amongst others,:
- (a) the said Land shall be approved for alienation to the Landowner by the issuance of Form 5A from the relevant land authority and the original is duly sighted by Riverine Projects;
 - (b) the said Land shall be free from any encumbrances or rights;
 - (c) Riverine Projects shall have obtained the approval from the appropriate authorities on all the plans submitted by Riverine Projects for the development of the Project within a reasonable time;
 - (d) that the Landowner shall execute the Power of Attorney in favour of Riverine Projects thereby empowering and allowing Riverine Projects to carry out all acts necessary to complete the development of the Project inclusive of signing all applications to secure approvals for the development, to execute the Sale and Purchase Agreement of the units and the transfer, thereafter to the relevant purchasers of the units, to execute a charge or other security over the Land and the units as the case may be;
 - (e) the approval of the Economic Planning Unit (if required);
 - (f) the physical eviction and relocation of all squatters and/or occupiers currently on the Land (if any);
 - (g) the rescission and termination of any whatsoever previous agreement(s) and/or contract(s) which are subsisting between the Landowner and other parties in respect of the said Lands (if any). Documents pertaining to the progress of such rescission and/or termination, if any, shall be made known to Riverine Projects's Managers upon the execution of this Agreement or from time to time pursuant to the terms of this Agreement;
 - (h) that any existing claim or interest in relation to or affecting the said Land shall have been or will first be resolved solely by MAINS;
 - (i) Riverine Projects undertakes to be wholly responsible in the settlement with Orang Asli of Kampung Pelebar.
- (v) In the event any one or more of the conditions precedent shall not have been fulfilled or satisfied within 12 months from the date of this Agreement, then in such event this Agreement shall at the sole option of Riverine Projects lapse and be of no further force and effect and neither party hereto shall have any claims(s) of whatsoever nature for any contribution, compensation, damages or indemnity whatsoever in respect of any act done prior to the lapsing of this Agreement as aforesaid.
- (vi) Unless otherwise sooner terminated in accordance with the provisions of this Agreement, the obligations of the parties under this Agreement shall continue until the occurrence of the following:-
- (a) the Practical Completion of the Development;
 - (b) the issue of the Certificate of Fitness of all units;

5. BUSINESS OVERVIEW (Cont'd)

- (c) the issue of separate documents of title to the units and the transfer of the same to purchasers of the units; and
 - (d) the sale of all the units.
- (vii) Riverine Projects undertakes to complete the development of the Project within six (6) years from the first Sale and Advertising Permit being obtained by them from the appropriate authorities but subject to extension of time to be mutually agreed by both parties.
- (viii) The parties agree, amongst others, that notwithstanding this Agreement is subject to conditions precedent, there shall be a valid and subsisting Agreement in existence pending the satisfaction of all the said conditions and MAINS agrees that Riverine Projects has by virtue of this Agreement acquired an interest in the Land, whether beneficial, equitable or otherwise, so as to allow Riverine Projects to lodge a private caveat on the title to the said Land against any dealing with the property until such time as Riverine Projects deems necessary but without affecting the completion of the project registration/completion of the sale and subsequent transfer in favour of end purchasers of the units. In amplification of this clause, Riverine Projects shall simultaneously upon the execution of the Private Caveat execute a withdrawal of Private Caveat in escrow and deposit the same with a solicitor appointed as stakeholder who shall and are hereby authorized by the parties hereto to withdraw the private caveat in the event that this Agreement is mutually terminated provided only the reasons for terminations are not attributed to any default by the Landowner.
- (ix) Upon the Agreement becoming unconditional, MAINS covenants and undertakes with Riverine Projects amongst others the following:-
 - (a) upon request by Riverine Projects, to sign all applications, plans and other documents as may be necessary to be signed by MAINS to secure the approval of the appropriate authorities to carry out and complete the Development and the project;
 - (b) to join with Riverine Projects as a party to any agreement for the sale of the Units (upon such terms and conditions as Riverine Projects and the Landowner shall deem fit) and the transfer thereafter of the Units to the relevant purchasers PROVIDED ALWAYS that the costs and expense of such sale and transfer shall be borne and paid by Riverine Projects;
 - (c) allow Riverine Projects to surrender the land title to the said Land to enable it to make the necessary application for the approvals and to the relevant authorities upon the approval of the application for the complete change in the category of land use and the subdivision of the Land into building lots or for the surrender and re-alienation of the same as aforesaid for the exchange of separate individual documents of title for each of the Units;
 - (d) assist Riverine Projects in the eviction of the squatters and or occupiers if any and to deliver vacant possession of the Land to Riverine Projects on the execution of this Agreement; and

5. BUSINESS OVERVIEW (Cont'd)

- (e) that it shall not without Riverine Projects' prior written consent create or permit to be created any charge (whether legal or equitable) or other encumbrance or security interest whatsoever, in and to the Land and the Units or its rights, title and interest or sell, transfer or otherwise deal with the Land or the Units and the aforesaid rights, title and interest.
- (x) The Developer covenants and undertakes, amongst others, the following:
 - (a) The Developer shall at its own costs and expense use its best endeavours to apply for and obtain all necessary approvals for the complete conversion of the Land into the proper category of land use for the project including the subdivision of the Land to enable the execution of the project;
 - (b) It shall comply strictly with the conditions imposed by all appropriate authorities and shall indemnify and keep indemnified MAINS against all fines, penalties, loss and expense imposed or incurred by reason of any breach of any non-performance of the conditions set out in Clause 9.1(a) to (d) of the Agreement;
 - (c) It shall not suffer, permit, cause any trespass or nuisance to be committed to MAINS' adjoining lands by Riverine Projects' servants, agents, contractors or sub-contractors or any vehicle belonging to Riverine Projects, its servants, agents, contractors or sub-contractors and shall indemnify and keep MAINS indemnified against all claims, damages, compensation, costs, expenses and other incidental expenses of whatsoever nature arising out of any breach of this sub-clause.
- (xi) If:
 - (a) either party is in breach of or fails to observe or perform any of its covenants and obligations hereunder and has failed to remedy such breach or failure within a reasonable time not exceeding 30 days after the receipt of notice by the other party to that effect;
 - (b) any representation or warranty made or deemed to be made by either party in or pursuant to this Agreement is incorrect in any material respect; or
 - (c) a petition is presented (unless otherwise disputed in good faith), an order is made, an effective resolution passed or legislation enacted for the winding up (other than voluntary winding up for the purpose of reconstruction or amalgamation) of either party or if a receiver and/or manager is appointed of the undertaking or part thereof of either party; or
 - (d) if distress or execution or other process of a court of competent jurisdiction be levied upon or issued against property of either party and such distress, execution or other process as the case may be is not satisfied or challenged bona fide by such party within 7 days from the date hereof; or

5. BUSINESS OVERVIEW (Cont'd)

- (e) at any time before the practical completion of the Development, the whole of the development is suspended by order of any of the appropriate authorities for a continuous period of 60 days;.

then MAINS or Riverine Projects, whoever shall be the aggrieved party, shall be at liberty by notice in writing served on the other party hereto to terminate this Agreement and thereupon this Agreement shall, subject to the provisions of this Agreement and any pre-existing liability of either party hereto, determine.

5.21 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUE

As at the LPD, our Group has not experienced any regulatory requirement and environmental issue which may materially affect our Group's operations and utilisation of assets.

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6. INDUSTRY OVERVIEW



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

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19 April 2013

The Board of Directors
Matrix Concepts Holdings Berhad
54B, Damai Complex
Jalan Lumut
50400 Kuala Lumpur

Dear Sirs

Independent Assessment of Property Development Industry in Malaysia

The following is an Independent Assessment of the Property Development Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion in the Prospectus of Matrix Concepts Holdings Berhad (herein together with all or any one or more of its subsidiaries will be referred to as "Matrix Concepts Group" or the "Group") in relation to its listing on the Main Market of Bursa Malaysia Securities Berhad.

1. BACKGROUND AND INTRODUCTION

- The principal business of Matrix Concepts Group is in the sales of land and property development. The focus of this report is on the property development industry.
- As most of Matrix Concepts Group's developments are located in the state of Negeri Sembilan and Johor, this report will provide some focus on the Property Development Industry in these two states.
- Matrix Concepts Group's main focus of its property development is on residential properties. However, over the last four financial years they were also involved in commercial properties and industrial plots. As such, this assessment will focus on the residential sector, and will also include some discussion on the commercial and industrial sectors of the overall Property Development Industry.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

2.1 Key Macroeconomic Indicators for Malaysia

- Businesses, including Matrix Concepts Group, whose main market is Malaysia, are affected by the economic well-being of the nation. This is commonly reflected in the country's gross domestic product performance.

Comparative Economic Indicators

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 |
|----------------|-------|-------|------|------|-------|-----------------|
| Malaysia..... | 4.8 | (1.5) | 7.2 | 5.1 | 5.6 | 4.0 |
| US..... | (0.3) | (3.1) | 2.4 | 1.8 | 2.2 | 0.8 |
| Euro zone..... | 0.3 | (4.4) | 2.0 | 1.5 | (0.4) | (0.4) |
| China..... | 9.6 | 9.2 | 10.4 | 9.2 | 7.8 | 9.2 |
| India..... | 6.9 | 5.9 | 10.1 | 6.8 | 4.9 | 6.9 |
| Indonesia..... | 6.0 | 4.6 | 6.2 | 6.5 | 6.0 | 5.8 |
| Thailand..... | 2.6 | (2.3) | 7.8 | 0.1 | 5.6 | 2.7 |
| Vietnam..... | 6.3 | 5.3 | 6.8 | 5.9 | 5.1 | 5.8 |

*Note: All units in percentages; AAGR = Average Annual Growth Rate
(Sources: Bank Negara Malaysia, International Monetary Fund (IMF))*

- Overall, Malaysia's key economic indicators showed a developing country governed by strong economic fundamentals with GDP growing at an average annual rate of 4.0% between 2008 and 2012. In 2012, the Malaysian economy registered a real GDP growth of 5.6% driven by resilient domestic demand despite the weak external environment. The strong performance in domestic demand stemmed from sound macroeconomic fundamentals, more diversified and balanced economic structure, stronger and developed financial system, and greater macroeconomic policy flexibility implemented in the country.
- In comparison to more advance economies like the US and Euro zone, Malaysia's GDP performed better between 2008 and 2012. However, Malaysia's GDP performance lags behind those of some Asian countries like China and Indonesia.

6. INDUSTRY OVERVIEW (Cont'd)

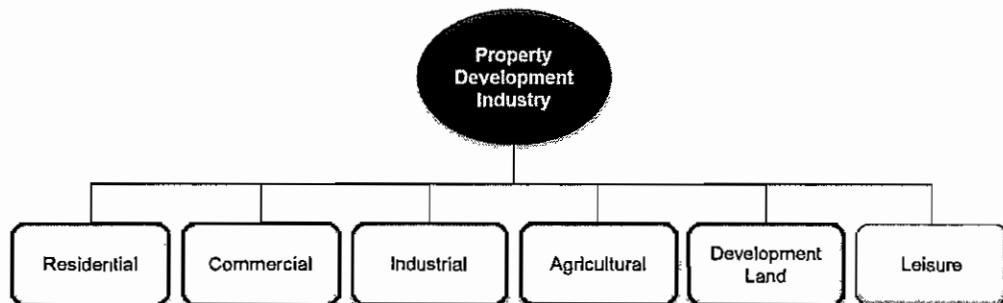


VITAL FACTOR CONSULTING
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3.1 Property Development Industry

- The Property Development Industry may be broadly segmented into the following sectors:

Structure of the Property Development Industry



Matrix Concepts Group operates within these sectors

- Residential Properties** are segmented into the following according to the type and cost of construction:
 - Terraced House
 - . Single storey low-cost
 - . Single storey standard
 - . Double storey low-cost
 - . Double storey medium-cost/economy
 - . Double storey standard
 - . 2 to 3-storey
 - Semi-Detached
 - . Low-cost
 - . Medium-cost
 - . Single storey
 - . Double storey
 - . 2 to 3-storey
 - Detached
 - . Single storey within housing estate
 - . Double storey within housing estate
 - . Individually-designed
 - Flat/Apartment/Condominium
 - . Low-cost flat
 - . 1 – 2 bedrooms
 - . 3 bedrooms or more
 - Land for residential development
 - A subdivided lot for one house
 - . Single plot
 - . Small site

6. INDUSTRY OVERVIEW (Cont'd)



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- **Commercial Properties** are segmented into the following types:
 - Office
 - . Purpose-built office block
 - . Office space in shop office
 - Shop and Shopping Complex
 - . Prewar shop
 - . Postwar shop
 - . Retail lot in shopping complex
 - . Lock-up shop
 - . Vacant plot

- **Industrial Properties** are segmented into the following types:
 - Factory
 - Warehouse
 - Industrial complex
 - Flatted factory
 - Industrial site/plot

- **Agricultural/Rural Properties** comprised the following:
 - Estate land
 - Forestry
 - Kampong land
 - Rubber
 - Oil Palm
 - Paddy
 - Coconut
 - Cocoa
 - Pineapple
 - Orchard/Horticulture/Vegetable.

- **Development Land** is segmented into the following:
 - Residential
 - Commercial
 - Industrial
 - Mixed

(Including land that is not converted or approved for higher use or converted but still not subdivided)

- **Leisure Properties** include:
 - Hotel
 - Motel
 - Resort
 - Recreational park
 - Golf course
 - Marina

6. INDUSTRY OVERVIEW (Cont'd)



3.2 Supporting Operations of Property Development

- In general, the property development is mainly supported by two major operations:

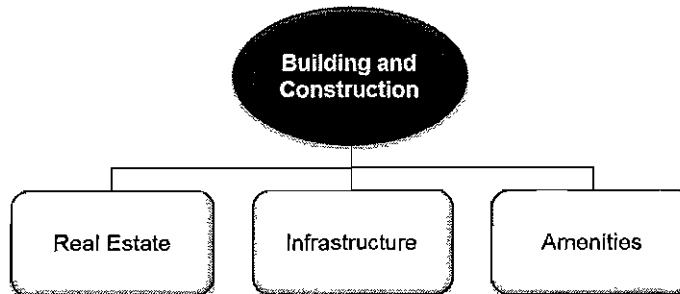
Supporting Operations of Property Development



Building and Construction

- Although the building and construction sector is an industry in its own right, it is a key part of the Property Development Industry, whereby building and construction is part of the process of developing the property.
- The Building and Construction Industry, through the use of labour, converts raw materials in the form of building materials, to various forms of buildings and infrastructures.
- There are three distinct types of building and construction activities as depicted in the diagram below:

Structure of the Building and Construction Sector



- Real estate constructions are focused on constructing physical buildings for habitation or commercial and industrial use.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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- Infrastructure constructions are focused on the building of structures and facilities to enable an economy to operate effectively and efficiently, and to facilitate community living, development and advancement. Some of these structures include the following:
 - roads and highways;
 - utilities such as water supply system, sewerage system, telecommunications, power grid, and pipelines;
 - major public structures like dams, bridges, airports, seaports, railways and mass transit systems.
- Construction of amenities is focused on the building of structures and facilities for the comfort, convenience and leisure of the community. Some of these structures include the following:
 - community centres and clubs;
 - parks;
 - swimming pools;
 - libraries;
 - museums;
 - theatres.
- Based on the above, the role of the Building and Construction Industry is significant to the overall development of the nation.

Supporting Services

- Supporting services that are focused on the building and construction sector include the following:
 - Civil and structural engineering;
 - Mechanical and electrical engineering;
 - Mineral, mining, soil and geotechnical;
 - Quantity surveying;
 - Land surveying;
 - Landscaping.
- Some supporting services are also directly relevant to the Property Development Industry. Some of these services include:
 - Town planning;
 - Environmental impact consultant;
 - Architectural;
 - Interior designing;
 - Legal;
 - Estate valuation;
 - Project management;
 - Market research;
 - Advertising and promotions;
 - Real estate sales.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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4. SUPPLY CONDITIONS

- Matrix Concepts Group is a developer of residential properties and commercial properties focusing on shop units in Negeri Sembilan and Johor, which will form the focus of this section of the assessment.
- Matrix Concepts Group is also involved in the selling of industrial plots and development and agricultural land.

4.1 Supply – Residential Properties

4.1.1 Malaysia

Current Supply of Residential Properties in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-----------------------|---------|---------|---------|---------|---------|------------------------|
| Existing Stock..... | 4,220.5 | 4,338.6 | 4,446.1 | 4,548.0 | 4,620.2 | 2.3 |
| Growth rate (%)..... | 3.9 | 2.8 | 2.5 | 2.3 | 1.6 | |
| Completed Units..... | 136.9 | 103.3 | 99.9 | 65.9 | 72.2 | (14.8) |
| Growth rate (%). | (24.4) | (24.5) | (3.4) | (34.0) | 9.6 | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

Future Supply of Residential Properties in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|----------------------|-------|--------|-------|--------|-------|------------------------|
| Incoming Supply..... | 557.5 | 538.9 | 533.6 | 553.8 | 620.0 | 2.7 |
| Growth rate (%)..... | (2.8) | (3.3) | (1.0) | 3.8 | 11.9 | |
| Housing Starts..... | 298.1 | 86.7 | 84.5 | 115.6 | 138.3 | (17.5) |
| Growth rate (%)..... | 122.6 | (70.9) | (2.6) | 36.8 | 19.7 | |
| Planned Supply..... | 665.5 | 667.9 | 676.5 | 596.1 | 599.7 | (2.6) |
| Growth rate (%)..... | (0.2) | 0.4 | 1.3 | (11.9) | 0.6 | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the number of completed residential properties in Malaysia registered a declining AAGR of 14.8%. In addition, the number of housing starts for residential properties also declined at an AAGR of 17.5% between 2008 and 2012.

6. INDUSTRY OVERVIEW (Cont'd)


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

4.1.2 Negeri Sembilan

Current Supply of Residential Properties in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|----------------------|--------|-------|--------|--------|-------|------------------------|
| Existing Stock..... | 227.3 | 230.7 | 232.6 | 233.9 | 236.1 | 0.9 |
| Growth rate (%)..... | 59.6 | 1.5 | 0.8 | 0.5 | 0.9 | |
| Completed Units..... | 2.6 | 3.4 | 2.0 | 1.4 | 2.2 | (4.7) |
| Growth rate (%)..... | (32.2) | 30.8 | (42.2) | (29.5) | 54.5 | |

Note: All values in '000 units, except percentages.
(Source: Valuation and Property Services Department, Ministry of Finance)
Future Supply of Residential Properties in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|----------------------|---------|--------|-------|--------|-------|------------------------|
| Incoming Supply..... | 61.1 | 61.1 | 63.8 | 60.2 | 63.6 | 1.0 |
| Growth rate (%)..... | 0.5 | 0.1 | 4.4 | (5.6) | 5.6 | |
| Housing Starts..... | 184.6 | 3.3 | 4.5 | 4.2 | 5.5 | (58.4) |
| Growth rate (%)..... | 4,083.1 | (98.2) | 33.8 | (5.3) | 31.5 | |
| Planned Supply..... | 108.4 | 107.0 | 104.8 | 93.0 | 91.9 | (4.0) |
| Growth rate (%)..... | (0.3) | (1.3) | (2.0) | (11.3) | (1.1) | |

Note: All values in '000 units, except percentages.
(Source: Valuation and Property Services Department, Ministry of Finance)

- In Negeri Sembilan, the number of completed residential properties has been declining at an AAGR of 4.7% from 2008 to 2012. However, the number of incoming supply has registered AAGR of 1.0% between 2008 and 2012.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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4.1.3 Johor

Current Supply of Residential Properties in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-----------------------------|---------------|---------------|--------------|---------------|-------------|------------------------|
| Existing Stock..... | 648.9 | 662.9 | 674.5 | 682.6 | 692.9 | 1.7 |
| <i>Growth rate (%).....</i> | <i>107.6</i> | <i>2.1</i> | <i>1.8</i> | <i>1.2</i> | <i>1.5</i> | |
| Completed Units..... | 16.6 | 13.7 | 12.5 | 8.1 | 10.3 | (11.3) |
| <i>Growth rate (%).....</i> | <i>(23.4)</i> | <i>(17.1)</i> | <i>(9.0)</i> | <i>(35.4)</i> | <i>27.1</i> | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

Future Supply of Residential Properties in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-----------------------------|--------------|---------------|--------------|-------------|-------------|------------------------|
| Incoming Supply..... | 63.4 | 67.3 | 74.5 | 89.7 | 100.3 | 12.2 |
| <i>Growth rate (%).....</i> | <i>(1.7)</i> | <i>6.2</i> | <i>10.8</i> | <i>20.3</i> | <i>11.9</i> | |
| Housing Starts..... | 13.7 | 12.3 | 15.7 | 19.4 | 20.9 | 11.3 |
| <i>Growth rate (%).....</i> | <i>2.4</i> | <i>(10.0)</i> | <i>27.3</i> | <i>23.7</i> | <i>8.0</i> | |
| Planned Supply..... | 149.3 | 151.2 | 146.7 | 149.1 | 152.6 | 0.5 |
| <i>Growth rate (%).....</i> | <i>2.5</i> | <i>1.3</i> | <i>(3.0)</i> | <i>1.6</i> | <i>2.3</i> | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- In the state of Johor, the number of completed residential properties has been declining at an AAGR of 11.3% from 2008 to 2012. However, the numbers of incoming supply, housing starts and planned supply have registered positive AAGR growth in the same period.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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4.2 Supply – Commercial Properties

4.2.1 Malaysia

Current Supply of Shop Units in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|----------------------|-------|--------|-------|--------|-------|------------------------|
| Existing Stock..... | 344.5 | 357.0 | 367.3 | 371.7 | 379.0 | 2.4 |
| Growth rate (%)..... | 3.4 | 3.6 | 2.9 | 1.2 | 2.0 | |
| Completed Units..... | 20.5 | 9.0 | 8.1 | 6.4 | 7.3 | (22.7) |
| Growth rate (%)..... | 93.2 | (56.0) | (9.7) | (21.2) | 14.1 | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

Future Supply of Shop Units in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-----------------------|------|--------|-------|--------|------|------------------------|
| Incoming Supply..... | 49.3 | 47.9 | 47.6 | 51.1 | 59.0 | 4.6 |
| Growth rate (%)..... | 9.3 | (2.9) | (0.5) | 7.3 | 15.4 | |
| Shop Unit Starts..... | 12.1 | 5.6 | 8.2 | 12.1 | 15.2 | 5.9 |
| Growth rate (%)..... | 9.4 | (53.7) | 46.5 | 48.1 | 25.1 | |
| Planned Supply..... | 56.1 | 58.3 | 60.5 | 53.6 | 55.9 | (0.1) |
| Growth rate (%)..... | 1.1 | 3.9 | 3.9 | (11.5) | 4.4 | |

Note: All values in '000 units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the number of incoming supply and shop unit starts has registered positive AAGR.
- However, the number of completed shop units in Malaysia has been declining at an AAGR of 22.7% during the same period. Nevertheless in 2012, the number of completed shop units in Malaysia grew by 14.1%.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
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4.2.2 Negeri Sembilan

Current Supply of Shop Units in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|------------------------------|--------|--------|--------|--------|--------|------------------------|
| Existing Stock | 17,955 | 18,105 | 18,139 | 16,814 | 17,148 | (1.1) |
| <i>Growth rate (%)</i> | 1.8 | 0.8 | 0.2 | (7.3) | 2.0 | |
| Completed Units | 323 | 150 | 34 | 107 | 334 | 0.8 |
| <i>Growth rate (%)</i> | 97.0 | (53.6) | (77.3) | 214.7 | 212.1 | |

Note: All values in units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

Future Supply of Shop Units in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|------------------------------|--------|-------|-------|-------|-------|------------------------|
| Incoming Supply | 3,338 | 3,238 | 3,310 | 3,205 | 3,917 | 4.1 |
| <i>Growth rate (%)</i> | (6.8) | (3.0) | 2.2 | (3.2) | 22.2 | |
| Shop Unit Starts | 28 | 50 | 98 | 300 | 1,046 | 147.2 |
| <i>Growth rate (%)</i> | (71.1) | 78.6 | 96.0 | 206.1 | 248.7 | |
| Planned Supply | 7,669 | 7,861 | 8,455 | 8,179 | 8,552 | 2.8 |
| <i>Growth rate (%)</i> | 3.0 | 2.5 | 7.6 | (3.3) | 4.6 | |

Note: All values in units, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the number of completed shop units in Negeri Sembilan grew by an AAGR of 0.8%. In addition, the number of shop unit starts has registered a strong AAGR of 147.2% during the same period. In 2012, the number of shop unit starts grew by 248.7% to 1,046 units.

6. INDUSTRY OVERVIEW (Cont'd)


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

4.2.3 Johor

Current Supply of Shop Units in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|----------------------|--------|--------|--------|--------|--------|------------------------|
| Existing Stock..... | 64,310 | 65,956 | 67,229 | 67,704 | 68,574 | 1.6 |
| Growth rate (%)..... | 2.7 | 2.6 | 1.9 | 0.7 | 1.3 | |
| Completed Units..... | 1,680 | 460 | 1,248 | 475 | 870 | (15.2) |
| Growth rate (%)..... | 9.0 | (72.6) | 171.3 | (61.9) | 83.2 | |

Note: All values in units, except percentages.
(Source: Valuation and Property Services Department, Ministry of Finance)
Future Supply of Shop Units in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|-----------------------|--------|--------|--------|--------|--------|------------------------|
| Incoming Supply..... | 7,995 | 8,059 | 8,429 | 10,332 | 12,313 | 11.4 |
| Growth rate (%)..... | 4.4 | 0.8 | 4.6 | 22.6 | 19.2 | |
| Shop Unit Starts..... | 1,930 | 1,202 | 1,482 | 2,606 | 2,851 | 10.2 |
| Growth rate (%)..... | (14.3) | (37.7) | 23.3 | 75.8 | 9.4 | |
| Planned Supply..... | 14,772 | 14,102 | 14,169 | 14,881 | 14,136 | (1.1) |
| Growth rate (%)..... | (2.1) | (4.5) | 0.5 | 5.0 | (5.0) | |

Note: All values in units, except percentages.
(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, growth in the number of completed units fluctuated widely with 2009 experiencing a large fall in line with the fall in Malaysia's GDP in the same year. In 2010, there was a surge in completed units to compensate for the slowdown in 2009. However, the number of completed units recorded a decline of 61.9% in 2011.
- Incoming supply and shop unit starts showed significant increase in 2011, and grew further in 2012.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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5. SUPPLY DEPENDENCIES

5.1 Input Materials

- Building materials are the inputs for the building and construction sector that supports the property development industry. As such, the supply and cost of building materials have a direct impact on the property development industry.
- The main input building materials are as follows:
 - Cement (including Portland Cement and Asbestos Cement);
 - Concrete Products (including ready-mixed concrete, bricks, blocks, roofing tiles, piles, poles/posts, beams, and culverts);
 - Clay and Refractory Construction Materials (including refractory bricks, clay roofing tiles, ceramic wall and floor tiles, clay pipes, and ceramic sanitary ware);
 - Iron and Steel Products (including long products, flat rolled products, iron and steel bars and rods, and tubes and pipes, iron and steel angles, shapes and sections, hot rolled and cold rolled coil);
 - Non-Ferrous Metals (including aluminium extrusions for windows and doors, curtain walls, aluminium panels, and aluminium roofing);
 - Wood and Wood Products (including plywood, hardwood, veneer, particle board, block board, mouldings and builders' carpentry and joinery, and reconstituted wood based panel).

Local Production of Cement and Concrete Materials

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|--|--------|--------|--------|--------|--------|------------------------|
| Cement ('000 tonnes)..... | 19,629 | 19,457 | 19,762 | 21,198 | 21,726 | 2.6 |
| Growth rate (%)..... | (10.4) | (0.9) | 1.6 | 7.3 | 2.5 | |
| Ready-mix concrete ('000 cu metre) | 9,910 | 7,465 | 7,932 | 10,934 | 13,082 | 7.2 |
| Growth rate (%)..... | (4.7) | (24.7) | 6.2 | 37.8 | 19.6 | |

(Source: Department of Statistics)

- Between 2008 and 2012, local production of cement increased at an AAGR of 2.6% while local production of ready-mix concrete increased at an AAGR of 7.2%.

6. INDUSTRY OVERVIEW (*Cont'd*)**VITAL FACTOR CONSULTING**

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Local Production of Clay and Refractory Construction Materials

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| Earthen bricks (<i>million units</i>) | 952 | 203 | 410 | 621 | 706 | (7.2) |
| <i>Growth rate (%)</i> | 4.1 | (78.7) | 102.2 | 51.4 | 13.8 | |
| Ceramic tiles (<i>'000 sq metre</i>) | 85,778 | 79,730 | 85,644 | 82,086 | 90,699 | 1.4 |
| <i>Growth rate (%)</i> | (1.8) | (7.1) | 7.4 | (4.2) | 10.5 | |

(Source: Department of Statistics)

- Between 2008 and 2012, local production of earthen bricks registered a negative AAGR of 7.2%. On the other hand, local production of ceramic tiles increased at an AAGR of 1.4% during the same period.

Local Production of Basic Iron and Steel Products

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| <i>Basic Iron and Steel Products</i> (<i>RM Million</i>) | 28,431 | 16,408 | 19,638 | 22,094 | 23,272 | (4.9) |
| <i>Growth rate (%)</i> | 22.9 | (42.3) | 19.7 | 12.5 | 5.3 | |

(Source: Department of Statistics)

- Between 2008 and 2012, sales value for the manufacturing of basic iron and steel products declined at an AAGR of 4.9%.

Local Production of Non-Ferrous Metals

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|-------|--------|-------|-------|--------|------------------------|
| Other basic precious and non-ferrous metals (<i>RM Million</i>) | 7,611 | 4,243 | 5,941 | 6,886 | 6,166 | (5.1) |
| <i>Growth rate (%)</i> | 13.3 | (44.2) | 40.0 | 15.9 | (10.5) | |

(Source: Department of Statistics)

- Between 2008 and 2012, sales value for the manufacturing of other basic precious and non-ferrous metals declined at an AAGR of 5.1%.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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Local Production of Wood and Wood Products

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|--|--------|--------|-------|--------|-------|------------------------|
| Plywood ('000 cu metres) | 4,558 | 3,655 | 4,095 | 3,797 | 3,658 | (5.3) |
| Growth rate (%) | (7.8) | (19.8) | 12.0 | (7.3) | (3.7) | |
| Veneer sheets ('000 cu metres) | 948 | 754 | 1,017 | 912 | 872 | (2.1) |
| Growth rate (%) | (19.4) | (20.5) | 34.9 | (10.3) | (4.5) | |
| Laminated board, particleboard and other panels and board (RM million) | 1,831 | 1,561 | 1,669 | 1,901 | 1,845 | 0.2 |
| Growth rate (%) | (6.4) | (14.7) | 6.9 | 13.9 | (2.9) | |

(Source: Department of Statistics)

- Between 2008 and 2012, local production of wood and wood products have been in a downward trend with the exception of laminated board, particleboard and other panels and boards, which registered a slight increase in AAGR at 0.2%.

5.2 Property Development Industry

- One of the Property Development Industry's most critical supply dependencies is the availability of financial resources to carry out property development activities, including the purchase of land and the financing of building and construction activities. As such, access to loans is one the main supply dependencies required to sustain business activities in the Property Development Industry.

Loans to Construction Industry

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| Total (RM Million) | 34,592 | 36,554 | 38,476 | 39,928 | 44,153 | 6.3 |
| Growth rate (%) | 7.6 | 5.7 | 5.3 | 3.8 | 10.6 | |
| Residential Property (RM Million) | 7,520 | 9,076 | 8,383 | 7,979 | 9,397 | 5.7 |
| Growth rate (%) | (4.5) | 20.7 | (7.6) | (4.8) | 17.8 | |
| Commercial Complexes (RM Million) | 3,410 | 3,160 | 3,105 | 3,077 | 4,034 | 4.3 |
| Growth rate (%) | (3.1) | (7.3) | (1.7) | (0.9) | 31.1 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
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- In Malaysia, the loans to the construction industry grew at an AAGR of 6.3% between 2008 and 2012. In 2012, the loans to the construction of residential property and commercial complexes represented 21.3% and 9.1% of the total loans to construction sector respectively.

6. DEMAND

6.1 Residential Property Sector

Residential Property Sector in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|---------|---------|---------|---------|---------|------------------------|
| Value of transactions (RM Million) | 41,304 | 41,848 | 50,654 | 61,832 | 67,762 | 13.2 |
| Growth rate (%)..... | 13.2 | 1.3 | 21.0 | 22.1 | 9.6 | |
| No of transactions | 216,702 | 211,653 | 226,874 | 269,789 | 272,669 | 5.9 |
| Growth rate (%)..... | 8.6 | (2.3) | 7.2 | 18.9 | 1.1 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of residential property transactions have registered AAGR of 13.2% and 5.9% respectively. The growing demand for residential property will augur well for property developers in Malaysia.
- In 2012, the total value of residential property transactions accounted for 47.4% of all property transactions by value during the year. Thus, residential property transactions were the largest in terms of value.
- In 2012, the total volume of residential property transactions accounted for 63.8% of all property transactions by volume during the year.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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Residential Property Sector in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|--|-------|--------|--------|--------|--------|------------------------|
| Value of transactions (RM Million)..... | 1,227 | 946 | 1,198 | 1,877 | 2,536 | 19.9 |
| Growth rate (%)..... | (9.8) | (22.9) | 26.6 | 56.7 | 35.1 | |
| No. of transactions | 9,717 | 7,903 | 10,252 | 13,183 | 14,935 | 11.3 |
| Growth rate (%)..... | (8.4) | (18.7) | 29.7 | 28.6 | 13.3 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of residential property transactions in Negeri Sembilan have registered AAGR of 19.9% and 11.3% respectively.
- In 2012, the total value of residential property transactions in Negeri Sembilan accounted for 48.3% of all property transactions by value during the year. Thus, residential property transactions were the largest in terms of value.
- In 2012, the total volume of residential property transactions in Negeri Sembilan accounted for 64.4% of all property transactions by volume during the year.

Residential Property Sector in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|--|--------|--------|--------|--------|--------|------------------------|
| Value of transactions (RM Million)..... | 3,209 | 3,837 | 4,481 | 5,084 | 5,688 | 15.4 |
| Growth rate (%)..... | (2.4) | 19.6 | 16.8 | 13.5 | 11.9 | |
| No of transactions | 23,589 | 25,828 | 26,863 | 31,084 | 28,849 | 5.2 |
| Growth rate (%)..... | (1.6) | 9.5 | 4.0 | 15.7 | (7.2) | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of residential property transactions in Johor have registered AAGR of 15.4% and 5.2% respectively.
- In 2012, the total value of residential property transactions in Johor accounted for 33.9% of all property transactions by value during the year. Thus, residential property transactions were the largest in terms of value.

6. INDUSTRY OVERVIEW (Cont'd)

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- In 2012, the total volume of residential property transactions in Johor accounted for 58.5% of all property transactions by volume during the year.
- The high value and volume of transactions for residential properties in Malaysia will stimulate the growth of property developers who focus on the development of residential properties.

6.2 Commercial Property Sector

Commercial Property Sector in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| Value of transactions (RM Million) | 16,616 | 16,389 | 23,840 | 27,636 | 27,792 | 13.7 |
| Growth rate (%) | 1.6 | (1.4) | 45.5 | 15.9 | 0.6 | |
| No of transactions | 31,749 | 33,338 | 39,798 | 43,674 | 41,082 | 6.7 |
| Growth rate (%) | 13.8 | 5.0 | 19.4 | 9.7 | (5.9) | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of commercial property transactions in Malaysia have registered AAGR of 13.7% and 6.7% respectively.
- The commercial property segment was the second largest contributor to the total value of property transactions in Malaysia. In 2012, the value of commercial property transactions amounted to RM27.8 billion, accounting for 19.5% of all property transactions during the period.

6. INDUSTRY OVERVIEW (Cont'd)

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Commercial Property Sector in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|-------|-------|-------|-------|-------|------------------------|
| Value of transactions (RM Million) | 475 | 477 | 787 | 1,016 | 966 | 19.4 |
| Growth rate (%) | (1.9) | 0.4 | 65.0 | 29.1 | (4.9) | |
| No of transactions | 1,601 | 1,520 | 1,941 | 2,311 | 2,410 | 10.8 |
| Growth rate (%) | 5.2 | (5.1) | 27.7 | 19.1 | 4.3 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of commercial property transactions in Negeri Sembilan have registered AAGR of 19.4% and 10.8% respectively.
- In 2012, the value of commercial property transactions in Negeri Sembilan accounted for 18.4% of all property transactions during the period.

Commercial Property Sector in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|-------|-------|-------|--------|------------------------|
| Value of transactions (RM Million) | 1,507 | 1,673 | 2,231 | 2,842 | 2,989 | 18.7 |
| Growth rate (%) | (22.6) | 11.0 | 33.4 | 27.4 | 5.2 | |
| No of transactions | 3,692 | 4,309 | 5,161 | 5,427 | 4,630 | 5.8 |
| Growth rate (%) | (4.9) | 16.7 | 19.8 | 5.2 | (14.7) | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value and number of commercial property transactions in Johor have registered AAGR of 18.7% and 5.8% respectively.
- In 2012, the value of commercial property transactions in Johor accounted for 17.8% of all property transactions during the period.

6. INDUSTRY OVERVIEW (Cont'd)

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6.3 Development and Industrial Properties

Industrial Transactions in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|-------|--------|-------|--------|--------|------------------------|
| Value of transactions (RM Million) | 7,897 | 6,833 | 9,830 | 11,542 | 12,006 | 11.0 |
| Growth rate (%) | 11.5 | (13.5) | 43.9 | 17.4 | 4.0 | |
| No of transactions | 8,126 | 8,059 | 9,838 | 10,479 | 9,984 | 5.3 |
| Growth rate (%) | 2.6 | (0.8) | 22.1 | 6.5 | (4.7) | |

(Source: Valuation and Property Services Department, Ministry of Finance)

Development Transactions in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| Value of transactions (RM Million) | 14,009 | 7,589 | 11,611 | 17,978 | 20,955 | 10.6 |
| Growth rate (%) | 36.0 | (45.8) | 53.0 | 54.8 | 16.6 | |
| No of transactions | 14,702 | 15,664 | 18,922 | 21,713 | 23,029 | 11.9 |
| Growth rate (%) | 5.2 | 6.5 | 20.8 | 14.8 | 6.1 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- The value and number of transactions for industrial and development properties in Malaysia have registered strong growth rates in the last five years.

6. INDUSTRY OVERVIEW (Cont'd)



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Industrial Transactions in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|------|------|-------|------|------------------------|
| Value of transactions (RM Million) | 176 | 238 | 398 | 383 | 586 | 35.1 |
| Growth rate (%) | (14.1) | 35.2 | 67.2 | (3.7) | 52.9 | |
| No of transactions | 389 | 426 | 498 | 536 | 619 | 12.3 |
| Growth rate (%) | (6.0) | 9.5 | 16.9 | 7.6 | 15.5 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

Development Transactions in Negeri Sembilan

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|-------|--------|------|------|------|------------------------|
| Value of transactions (RM Million) | 243 | 189 | 318 | 436 | 437 | 15.8 |
| Growth rate (%) | 50.9 | (22.2) | 68.3 | 37.1 | 0.2 | |
| No of transactions | 453 | 455 | 681 | 770 | 814 | 15.8 |
| Growth rate (%) | (0.4) | 0.4 | 49.7 | 13.1 | 5.7 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- The value of transactions for industrial property in Negeri Sembilan has registered stronger AAGR growth as compared to the development property between 2008 and 2012.

Industrial Transactions in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|-------|-------|--------|-------|------------------------|
| Value of transactions (RM Million) | 849 | 939 | 1,670 | 1,463 | 2,199 | 26.9 |
| Growth rate (%) | (9.8) | 10.6 | 77.8 | (12.4) | 50.2 | |
| No of transactions | 905 | 1,099 | 1,518 | 1,342 | 1,302 | 9.5 |
| Growth rate (%) | (14.9) | 21.4 | 38.1 | (11.6) | (3.0) | |

(Source: Valuation and Property Services Department, Ministry of Finance)

6. INDUSTRY OVERVIEW (Cont'd)



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Development Transactions in Johor

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|-------|--------|-------|-------|--------|------------------------|
| Value of transactions (RM Million) | 4,733 | 931 | 1,210 | 3,449 | 2,372 | (15.9) |
| Growth rate (%)..... | 427.1 | (80.3) | 30.0 | 185.1 | (31.2) | |
| No of transactions | 1,816 | 1,558 | 1,996 | 2,850 | 2,859 | 12.0 |
| Growth rate (%)..... | 6.0 | (14.2) | 28.1 | 42.8 | 0.3 | |

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the value of industrial property transactions in Johor grew by 26.9% while the number of industrial property transactions grew at an AAGR of 9.5%. During the same period, the value of development property transactions in Johor registered a negative AAGR of 15.9% despite a positive AAGR of 12.0% in the number of development property transactions.

7. DEMAND DEPENDENCIES

- Demand for property development in general is dependent on population growth particularly for residential properties as well as availability of loans to facilitate property investment and transactions.

7.1 Population

Population Size

| | 2010 | 2011 | 2012 | AAGR 2010-12 (%) |
|------------------------|-------|-------|-------|------------------------|
| Malaysia | 28.59 | 28.96 | 29.34 | 1.3 |
| - Negeri Sembilan..... | 1.03 | 1.04 | 1.06 | 1.3 |
| A- Johor..... | 3.36 | 3.40 | 3.44 | 1.1 |

All units in million persons, except percentages. (Source: Department of Statistics)

- The continuing growth in the Malaysian population will drive demand for properties, particularly residential properties.

6. INDUSTRY OVERVIEW (Cont'd)

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7.2 Loans

- One of the most critical demand dependencies, especially for the residential property sector, is the amount of loans given to buyers. Availability of loans are predicated by many factors including the following from the lenders' perspective:
 - Liquidity in the market;
 - Financial institutions' internal leading policies;
 - Government policies;
 - Bank Negara Malaysia policies and guidelines.

Loans to Relevant Sectors in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|---------|---------|---------|---------|---------|------------------------|
| Property Sector | 318,817 | 352,603 | 405,870 | 469,913 | 541,885 | 14.2 |
| <i>Growth rate (%)</i> | 13.1 | 10.6 | 15.1 | 15.8 | 15.3 | |
| Purchases of residential property | 191,141 | 209,701 | 237,458 | 268,845 | 303,369 | 12.2 |
| <i>Growth rate (%)</i> | 10.4 | 9.7 | 13.2 | 13.2 | 12.8 | |
| Purchases of non-residential property | 66,541 | 73,954 | 90,738 | 109,964 | 131,375 | 18.5 |
| <i>Growth rate (%)</i> | 21.1 | 11.1 | 22.7 | 21.2 | 19.5 | |

Note: All units are in RM million, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

Loans for the Purchase of Residential Property in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|------------------------------|---------|---------|---------|---------|---------|------------------------|
| Low medium-cost | 10,377 | 10,045 | 9,565 | 8,996 | 8,758 | (4.2) |
| <i>Growth rate (%)</i> | (4.1) | (3.2) | (4.8) | (5.9) | (2.6) | |
| Medium-cost | 21,704 | 20,979 | 20,490 | 19,828 | 19,197 | (3.0) |
| <i>Growth rate (%)</i> | (2.3) | (3.3) | (2.3) | (3.2) | (3.2) | |
| Higher medium-cost | 28,593 | 30,085 | 30,812 | 31,080 | 30,935 | 2.0 |
| <i>Growth rate (%)</i> | 2.2 | 5.2 | 2.4 | 0.9 | (0.5) | |
| High-cost | 129,277 | 147,540 | 175,022 | 206,674 | 241,034 | 16.9 |
| <i>Growth rate (%)</i> | 16.7 | 14.1 | 18.6 | 18.1 | 16.6 | |

Note: All units are in RM million, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, loans for the purchases of low medium and medium-cost residential properties have declined. However, the loans for the purchases of higher medium and high-cost residential properties have increased.

6. INDUSTRY OVERVIEW (Cont'd)



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Loans for the Purchase of Non-Residential Property in Malaysia

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|------------------------------|--------|--------|--------|--------|--------|------------------------|
| Land | 13,520 | 14,164 | 18,271 | 23,936 | 28,172 | 20.1 |
| <i>Growth rate (%)</i> | 32.6 | 4.8 | 29.0 | 31.0 | 17.7 | |
| Shops..... | 28,602 | 32,464 | 38,574 | 44,655 | 51,915 | 16.1 |
| <i>Growth rate (%)</i> | 15.9 | 13.5 | 18.8 | 15.8 | 16.3 | |

Note: All units in RM million, except percentages.

(Source: Valuation and Property Services Department, Ministry of Finance)

- Between 2008 and 2012, the loans to purchase land and shops in Malaysia have registered strong AAGR of 20.1% and 16.1% respectively.
- The continuing growth in the loans for the purchase of residential and commercial properties will continue to support demand for such properties, and sustaining property developers who are developing these types of properties.

8. COMPETITIVE ANALYSIS

8.1 Nature of Competition in the Industry

- The competitive nature of the Property Development Industry within the residential sector can be segmented into two categories:
 - Government Mandated Low-Cost Housing;
 - Non-Government Mandated Housing.
- Government mandated low-cost housing is not subjected to competitive forces, but is regarded as Universal Service Obligations required of property developers.
- Development of non-government mandated housing is subjected to **normal competitive conditions**.

6. INDUSTRY OVERVIEW (Cont'd)



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- Development of non-residential properties is also subjected to **normal competitive conditions**.
- The competition in the Property Development Industry is predicated by the number of players in the industry:
 - As at 28 February 2013, the Real Estate and Housing Developers' Association of Malaysia had approximately 1,000 members, most of which were property developers.
 - In 2010, there were 22,140 establishments in the construction industry of which:
 - 3,989 were in Residential Construction;
 - 4,970 were in Non-residential Construction.

(Source: Department of Statistics)

8.2 Factors of Competition

- As with most free enterprise environments, competition among non-government mandated housing is based on a number of factors, including, among others:
 - Location;
 - Quality of development;
 - Track record and reputation of developer;
 - Branding.

Location

- Location is a key factor of competition. Properties located in growth areas, close to amenities and are highly sought after would be in greater demand and would normally command higher pricing.

Quality of Development

- The quality of development is an important factor of competition. Quality also affects the reputation of developers, which may have an impact on the take-up rates of their future developments. In addition, buyers also seek properties where their quality commensurate with pricing. As such, quality of development is important for developers to command higher prices to enhance profits.

Track Record and Reputation of Developer

- A developer with a proven track record and established reputation provides confidence to buyers on the quality of its developments as well as the confidence that its developments will be completed in a timely manner. In addition, track record and reputation are also beneficial for property developers in building up reference sites.

6. INDUSTRY OVERVIEW (Cont'd)



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Branding

- With a large number of property developers in Malaysia, branding is important for property developers to differentiate themselves from competitors and to create awareness among buyers. In addition, a strong brand name creates a direct positive impact on the properties.

8.3 Operators in the Industry

- As at 28 February 2013, there were approximately 50 and 110 property developers in Negeri Sembilan and Johor respectively that are registered with the Real Estate and Housing Developers' Association of Malaysia. However, there are many other property developers in Negeri Sembilan and Johor that are not registered with the Association, and these are mainly smaller operators or opportunistic operators that may develop small-scale properties on an ad-hoc basis.
- Competition within the Property Development Industry in Malaysia occurs in various forms. Among others, these include different sectors of property development such as residential, commercial, industrial, agricultural, development land and leisure. Within the residential and commercial sectors, there are various areas of competition in terms of size, price range and types of properties, such as condominiums, terraced houses and bungalows for residential properties. As for commercial properties, there are shop offices, multipurpose offices and shopping complexes.
- For residential property development, there are many players competing in this sector. In addition, some of them may also undertake other related and non-related activities. Some of these activities related to property development may include, among others, in-house engineering and architectural design, building and construction, interior design as well as property management.
- As at 28 February 2013, some of the players involved in residential property development in Negeri Sembilan include the following (listed in alphabetically order):
 - Bagan Pinang Development Sdn Bhd;
 - Dataran Segar Sdn Bhd;
 - GD Development Sdn Bhd;
 - GUH Properties Sdn Bhd (*subsidiary of GUH Holdings Bhd*);
 - IJM Land Berhad;
 - KCC Development (M) Sdn Bhd;
 - Labuhills Properties Sdn Bhd;
 - **Matrix Concepts Group**;
 - Mega 3 Housing Sdn Bhd;
 - Nilai Resources Group Sdn Bhd;
 - Seri Pajam Development Sdn Bhd;
 - Seriemas Development Sdn Berhad (*holding company is PNB Development Sdn Bhd, which is a subsidiary of Permodalan Nasional Berhad*);

6. INDUSTRY OVERVIEW (*Cont'd*)**VITAL FACTOR CONSULTING**

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- Sime Darby Group;
- Sunrise MCL Land Sdn Bhd;
- TH Properties Sdn Bhd (*subsidiary of Lembaga Tabung Haji*).

Note: This is not an exhaustive list.

(Source: Vital Factor Consulting Sdn Bhd)

- As at 28 February 2013, some of the players involved in residential property development in Johor include the following (listed in alphabetically order):
 - BCB Bhd;
 - Bandar Raya Developments Bhd;
 - Berinda Properties Group;
 - Binaik Equity Bhd;
 - Country View Bhd;
 - Crescendo Corporation Bhd;
 - Daiman Development Bhd;
 - Danga Bay Sdn Bhd;
 - Uniphoenix Jaya Sdn Bhd (*subsidiary of Fiamma Holdings Bhd*);
 - Focal Aims Holdings Bhd;
 - Glomac Bhd;
 - Horizon Hills Development Sdn Bhd;
 - Hua Yang Bhd;
 - IJM Land Bhd;
 - IOI Properties Bhd;
 - Johor Land Bhd;
 - KCC Development (M) Sdn Bhd;
 - KSL Holdings Bhd;
 - Mah Sing Group Bhd;
 - Mahabuilders Bhd;
 - Malaysia Land Properties Sdn Bhd;
 - **Matrix Concepts Group**;
 - Melati Ehsan Holdings Bhd;
 - Mulpha International Bhd;
 - Plenitude Bhd;
 - S P Setia Bhd;
 - Scientex Bhd;
 - Scudai Development Sdn Bhd;
 - Southern Gateway (M) Sdn Bhd;
 - Tanah Sutera Development Sdn Bhd;
 - UEM Land Holdings Bhd;
 - United Malayan Land Bhd.

Note: This is not an exhaustive list.

(Source: Vital Factor Consulting Sdn Bhd)

6. INDUSTRY OVERVIEW (Cont'd)



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9. GOVERNMENT REGULATIONS

9.1 Different Levels of Government

- The Property Development Industry is regulated at 3 levels of authority:
 - Federal Government;
 - State Government;
 - Local Government.
- The Federal Government regulates on matters such as:
 - control and licensing of developers;
 - protection of environment;
 - formulation of national housing policy;
 - control of foreign investment.
- The State Government has sole jurisdiction over land matters covering
 - issuance of titles;
 - conversion;
 - amalgamation and subdivision;
 - imposition of conditions for foreign ownership of property.
- The Local Government administers all aspects of:
 - building plans approval;
 - building inspection; and
 - provides maintenance service of infrastructure such as roads and street lighting, refuse disposal, etc.
- The principal submitting person (PSP) of a building plan, a professional architect, engineer or building draftsman of the project, is responsible for the issuance of the certificate of completion and compliance (CCC). However, the Local Government may inspect the building site at any time and has the authority to issue written notice to PSP to rectify any non-compliance or withhold the issuance of CCC until such non-compliance is rectified.
- Before starting any project, the developer is required to obtain the following license and permit from the Ministry of Housing and Local Government:
 - Housing Developer Licence;
 - Advertisement and Sales Permit.

9.2 Low Cost Housing Policy

- Since 1982, the Malaysian government has imposed a 30% quota for low cost housing as a social obligation by developers to complement the efforts of the government to provide affordable housing for all. However, the policy varies across states and is governed by the relevant state government and local authorities.

6. INDUSTRY OVERVIEW (Cont'd)



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9.2.1 Negeri Sembilan

- In Negeri Sembilan, housing developers are required to provide low cost housing as follows:
 - For projects on private land with development area of more than five acres, at least 30% of the total number of units developed has to be low-cost;
 - For projects on private land with development area of less than five acres, at least 10% of the total number of units developed has to be low-cost single storey house with a minimum area of 20' x 60' for each unit.
- However, application for reduction or exemption from the low cost housing policy will only be approved on a case-by-case basis. If the application is approved, the payment for the relevant reduction or exemption are as follows:
 - For projects approved before 21 June 2006, developers have to pay RM5,000 for each unit that are exempted;
 - For projects approved after 21 June 2006, developers have to pay RM500 per unit multiplied by the number of units of the development.

(Source: Negeri Sembilan State Secretariat Office)

9.2.2 Johor

- In Johor, housing developers are required to provide low cost housing as follows:
 - For projects with development area of more than five acres, 40% of the number of units have to be low-cost;
 - For projects with development area between three and five acres, 20% of the number of units have to be low-cost;
 - For projects with development area of less than three acres, they are exempted from the low-cost housing policy.

6. INDUSTRY OVERVIEW (Cont'd)

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- In addition, the housing composition and price controls are different between Johor Bahru City Council (MBJB) and other Local Authorities (PBT), which are as follows:

| Category | Price Control (RM) | Composition | |
|----------------------------|-------------------------------|-------------------------|------------------------------|
| | | MBJB ⁽¹⁾ (%) | Other PBT ⁽²⁾ (%) |
| House – Low Cost | According to the set price | 50 | 30 |
| House - Medium Low Cost | < RM50,000 | 20 | 30 |
| House - Medium Low Cost | < RM80,000 | 20 | 30 |
| Shop – Medium Low Cost | < RM150,000 | 10 | 10 |

(1) Applies to development in Johor Bahru city only; (2) Applies to development in Johor, but outside Johor Bahru city. (Source: Johor State Government)

- The prices of low cost housing are also controlled, which are as follows:

| Category | Floor Area (sq ft) | Sales Price (RM) |
|--|-----------------------|---------------------|
| Within Johor Bahru District | 680 | 35,000 |
| Within Muar, Batu Pahat, Kluang, Segamat, Pontian, Kota Tinggi and Mersing District | 680 | 30,000 |
| Small cities/towns within Muar, Batu Pahat, Kluang, Segamat, Pontian, Kota Tinggi and Mersing District | 680 | 28,000 |
| All Districts where developers are approved with Planning Permission (SBKS) for 500 units and above, the Low Cost Housing is required to be 10% of the development | 680 | 25,000 |

Notes: SBKS = Surrender and Re-alienation (Source: Ministry of Housing and Local Government and Johor State Government)

9.3 Housing Developer Licence

- According to the Housing Development (Control and Licensing) Act 1966, any housing development undertaken by a housing developer must possess a licence issued by the Ministry of Housing and Local Development.

9.4 Advertisement and Sale Permit

- According to the Housing Development (Control and Licensing) Regulations 1989, any advertisement or sale made by a licensed housing developer requires an advertisement and sale permit issued by the Ministry of Housing and Local Development.

6. INDUSTRY OVERVIEW (Cont'd)



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9.5 Registration of Contractors - CIDB

- Under the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994, it is mandatory for all builders, contractors and sub-contractors, whether local or foreign, to register with the Construction Industry Development Board (CIDB), before undertaking or executing any construction work in Malaysia.
- The Certification of Registration issued by the CIDB is valid for a minimum period of 1 year and a maximum term not exceeding 3 years, unless cancelled, suspended or revoked earlier by CIDB.
- There are three categories of registration as follows:
 - Building Construction;
 - Civil Engineering Construction;
 - Mechanical and Electrical.
- The scope of registration is further classified into seven grades and is differentiated by their respective tender capacities:

| Grade | Tender Capacity (RM) |
|-------|--------------------------|
| G1 | Not exceeding 200,000 |
| G2 | Not exceeding 500,000 |
| G3 | Not exceeding 1 million |
| G4 | Not exceeding 3 million |
| G5 | Not exceeding 5 million |
| G6 | Not exceeding 10 million |
| G7 | No limit |

(Source: Construction Industry Development Board)

9.6 Participation in Government Projects

- It is compulsory for any company intending to participate in Government projects as a contractor of works to be registered with the Contractor Services Centre (PKK), which falls under the purview of the Ministry of Works, and CIDB. Registration for contractor of works, construction and electrical contractors are registered separately.

(Source: Ministry of Finance)

9.7 Government Incentives

- There are no specific incentives relating to the Property Development Industry.

6. INDUSTRY OVERVIEW (*Cont'd*)



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9.8 Environmental Regulations

- Under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987, housing development covering an area of 50 hectares or more is required by the Department of Environment to carry out an Environmental Impact Assessment (EIA) study, which has to be submitted to the Department of Environment for approval.
- This ensures that efforts are made to adequately address environmental concerns. It also ensures that environmental factors are given due consideration by integrating environmental aspects into local plans.

10. BARRIERS TO ENTRY

10.1 Government Policies

- With the exception of various Government approvals, permits and licences for all acquisitions, development and sale of land and properties, there are no material barriers or impediments to any individual or organisation to develop properties.
- In addition, operators who are involved in the building and construction as part of Property Development activities also have to register with the CIDB.

10.2 Capital Cost

- Generally, the capital set-up cost can be segmented into two categories.

Category 1

- At its basic, this group of property developers undertake joint-ventures with land owners, who in return will normally be entitled to some of the developed properties or share in the proceeds of the sales.
- The property developers in this category would normally sell properties 'off the plan' to obtain working capital for construction.
- Construction can be outsourced to third parties on a full turnkey basis. Therefore initial outlay to develop any property can be low.
- As such, the barrier to entry in terms of capital cost is low for this category of property developers.

Category 2

- This category of property developers is normally larger and more established organisations. They would normally purchase the land prior to selling off the plan or construction. As such, the capital requirements are significantly higher depending on the value of the land.

6. INDUSTRY OVERVIEW (Cont'd)



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- In addition, it is common for this group of property developers to purchase land bank for future developments when timing is deemed to be appropriate to maximise profits. This further increases the requirements for capital.
- Thus, the barrier to entry in terms of capital cost is high for this category of property developers.

10.3 Track Record

- Track record and reputation also form one of the barriers to entry for new entrants. A proven track record is required to demonstrate that the property developer has the ability to develop quality properties.
- Track record also provides confidence to potential buyers that the developer is able to complete projects on time. This aspect of buyer confidence is important as there are cases of developers abandoning projects where buyers have very little recourse to recover their initial payments.
- In addition, the reputation of the property developer is important in ensuring fast sales.

10.4 Land

- Most land may be purchased at the right price based on a 'willing buyer willing seller' basis. Since there is no scarcity of land, any individual can purchase land to develop property.
- Thus, land may be purchased easily for property development, which forms a relatively low barrier to entry. However, barriers to entry start to escalate for larger and/or more expensive land, especially for land located in major built-up areas or in prime locations.

11. THREAT OF SUBSTITUTES

- There are no practical substitutes for residential and commercial properties:
 - **Residential:** While there are no practical substitutes for residential housing, there are choices of different types of properties such as low-cost houses or flats, medium-cost terrace houses and higher-end properties like condominiums, semi-detached or bungalow houses.
 - **Commercial:** While there are no practical substitutes for commercial properties, there are choices of different types of commercial properties such as purpose-built offices, shop houses or shop offices and higher-end shops or shopping complexes. In addition, in a very small number of cases, residential homes are converted into small offices, workshops or showrooms.

6. INDUSTRY OVERVIEW (Cont'd)



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12. RELIANCE ON AND VULNERABILITY TO IMPORTS

- As building materials are key inputs for construction of buildings, structures and infrastructures, their supply will affect property developers.
- Generally, major raw materials used in property development such as piles, tiles, iron and steel materials, and cement and concrete materials are widely available locally and overseas.
- Most of the bulky and basic raw materials like iron and steel materials, earth, sand, bricks, roofing tiles and cement are locally available. As such, developers are normally not vulnerable to imports as most common materials are available locally, and if not, there are many alternative sources of supply overseas.

13. INDUSTRY PROSPECTS AND OUTLOOK IN MALAYSIA

- The outlook of the Property Development Industry in Malaysia is generally dependent on the performance of the following:
 - Malaysian economy and the construction sector;
 - Performance of the property sector;
 - Malaysian Government's initiatives;
 - Policies for housing loans;
 - Population growth.

13.1 Malaysian Economy and the Construction Sector

- A growing economy provides the impetus for private and public spending, which will have a positive flow-on effect to the Property Development Industry.
 - Between 2008 and 2012, real GDP of the Malaysian economy grew by an AAGR of 4.0%;
 - In 2012, the Malaysian economy registered a real GDP growth of 5.6%. In 2013, the Malaysian economy is expected to grow between 5.0% and 6.0%.

(Source: Bank Negara Malaysia)

6. INDUSTRY OVERVIEW (Cont'd)

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- The performance of the construction industry in the recent years are as follows:

Performance of the Construction Industry

| | 2008 | 2009 | 2010 | 2011 | 2012 | AAGR 2008-12 (%) |
|---|--------|--------|--------|--------|--------|------------------------|
| Nominal GDP of Construction Industry* | 21,156 | 23,187 | 25,893 | 28,306 | 34,862 | 13.3 |
| Real GDP Growth of Construction Industry (%) | 4.4 | 6.2 | 6.0 | 4.6 | 18.5 | 8.7 |

*Units in RM million. (Source: Bank Negara Malaysia)

- The construction industry in Malaysia showed robust growth with the nominal GDP of the construction industry growing at an AAGR of 13.3% between 2008 and 2012.
- In 2013, the real GDP of the construction industry in Malaysia is expected to grow by 15.9%.

(Source: Bank Negara Malaysia)

- The continuing growth in the Malaysian economy and in the construction sector in particular will augur well for operators within the Property Development Industry in Malaysia.

13.2 Performance of the Property Sector

- The performances of the property sector in Malaysia in recent years provide some indications on the Property Development Industry, which are as follows:

AAGR of Property Transactions Sales Value and Volume between 2008 and 2012

| | Sales Value (%) | Volume (%) |
|----------------|--------------------|---------------|
| Malaysia | 12.8 | 5.9 |

(Source: Valuation and Property Services Department, Ministry of Finance)

6. INDUSTRY OVERVIEW (Cont'd)



Malaysia - Growth Rate in 2012

| | 2012 | |
|------------------------------------|--------------------|---------------------|
| | Planned Supply (%) | Incoming Supply (%) |
| Residential Units | 0.6 | 11.9 |
| Shop Units..... | 4.4 | 15.4 |
| Industrial Units..... | 6.5 | 10.2 |
| Space in Shopping Complexes... | (10.8) | (19.8) |
| Space in Purpose-Built Offices ... | (15.7) | (14.0) |

(Source: Valuation and Property Services Department, Ministry of Finance)

- In 2012, the number of new sales and advertising permits for properties in Malaysia grew by 11.9% to reach 1,387 permits. The increase in the number of new sales and advertising permits indicates increased building activities;
- In 2012, there were 235,249 housing approvals in Malaysia representing a growth of 47.4% compared to 2011. The increase in the number of housing approvals indicates increased building activities.

(Source: Bank Negara Malaysia)

13.3 Government Initiatives

- The various initiatives undertaken by the Malaysian Government would also benefit operators in the Property Development Industry. These initiatives are listed as follows:
 - On-going development of the five regional economic corridors signals a potential growth in the economy and the property market in these regions: Iskandar Malaysia, Northern Corridor Economic Region, East Coast Economic Region, Sabah Development Corridor and Sarawak Corridor.
 - The Government had launched the My First Home Scheme programme under the 2012 Budget to help young adults with earnings below RM3,000 per month to purchase their first home. Subsequently in the 2013 Budget, the Government announced that the income limit would be raised to RM5,000 per month for individual loans and RM10,000 per month for joint loans of husband and wife. Home buyers under this programme are allowed to obtain 100% financing loan from financial institutions and they do not have to pay a 10% down payment. In the 2012 Budget, the maximum property value allowed under the scheme had been increased from RM220,000 to RM400,000 effective from 1 January 2012.

6. INDUSTRY OVERVIEW (Cont'd)



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- In 2013, a total of 80,000 houses will be built in major locations in Malaysia, including Seremban, Johor Bahru, Kuala Lumpur, Shah Alam and Kuantan, via the 1Malaysia People's Housing Programme (PR1MA). In addition, a Housing Facilitation Fund amounting to RM500 million will be provided by Perumahan Rakyat 1Malaysia (PR1MA) Berhad to build houses in collaboration with private housing developers.

(Sources: Performance Management and Delivery Unit (PEMANDU), 2012 Budget and 2013 Budget)

13.4 Policies for Housing Loans

- In November 2010, Bank Negara Malaysia announced the implementation of the maximum loan-to-value (LTV) ratio of 70% on the third housing loan onwards for individuals. However, financing facilities for first and second house are not affected by this new policy. This new policy is implemented to prevent speculative activity and to moderate excessive investment in residential property.
- In addition, from 1 January 2012 onwards, financial institutions are required to assess borrower's net income and debt obligations before approval.

(Source: Bank Negara Malaysia)

- These loan policies with tighter borrowing guidelines may have an impact on the Property Development Industry.

13.5 Population Growth

- Population growth will drive the demand for new property development projects, particularly residential projects.
- Between 2010 and 2012, the population of Malaysia increased at an AAGR of 1.3% to reach 29.3 million people based on estimated figures.

(Source: Department of Statistics)

14. INDUSTRY PROSPECTS AND OUTLOOK IN NEGERI SEMBILAN

- The outlook of the Property Development Industry in Negeri Sembilan is generally dependent on the performance of the following:
 - Negeri Sembilan's economy and the construction sector;
 - Performance of the property sector;
 - Malaysian Government's initiatives;
 - Population growth;
 - Synergistic growth led by surrounding developments.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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14.1 Economy and the Construction Sector of Negeri Sembilan

- A state that experiences economic expansion will provide the impetus for private and public spending, which will have a positive flow-on effect to the Property Development Industry in Negeri Sembilan.
 - Between 2006 and 2010, real GDP of Negeri Sembilan grew at an AAGR of 4.1%;
 - In 2012, the economy in Negeri Sembilan is expected to grow by 7.4%.

(Sources: Economic Planning Unit, Prime Minister's Department)

- The performance of the Construction Industry in Negeri Sembilan in recent years were as follows:

Performance of the Construction Industry in Negeri Sembilan

| | 2006 | 2007 | 2008 | 2009 | 2010 | AAGR 2006-10 (%) |
|--|-------|------|------|------|------|------------------------|
| Real GDP Growth of Construction Industry (%)..... | (1.9) | 7.6 | 13.1 | 9.1 | 7.1 | 9.2 |

(Sources: Economic Planning Unit, Prime Minister's Department)

- The construction industry in Negeri Sembilan showed robust growth with real GDP of the construction industry growing at an AAGR of 9.2% between 2006 and 2010.
- Between 2011 and 2015, the real GDP of the construction industry in Negeri Sembilan is forecasted to grow at an AAGR of 4.0%.

(Sources: Economic Planning Unit, Prime Minister's Department)

- The continuing growth in the economy and construction sector of Negeri Sembilan will augur well for operators within the Property Development Industry in Negeri Sembilan.

6. INDUSTRY OVERVIEW (Cont'd)

**VITAL FACTOR CONSULTING**

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14.2 Performance of the Property Sector

- The performances of the property sector in Negeri Sembilan in recent years provide some indications on the Property Development Industry, which are as follows:

**AAGR of Property Transactions Sales Value and
Volume between 2008 and 2012**

| | Sales Value (%) | Volume (%) |
|--------------------|--------------------|---------------|
| Negeri Sembilan... | 18.7 | 9.8 |

*(Source: Valuation and Property Services Department,
Ministry of Finance)*

Negeri Sembilan - Growth Rate in 2012

| | 2012 | |
|------------------------------------|--------------------------|---------------------------|
| | Planned Supply (%) | Incoming Supply (%) |
| Residential Units | (1.1) | 5.6 |
| Shop Units..... | 4.6 | 22.2 |
| Industrial Units..... | (0.3) | 0.8 |
| Space in Shopping Complexes... | (28.3) | 55.2 |
| Space in Purpose-Built Offices ... | (6.8) | 135.9 |

(Source: Valuation and Property Services Department, Ministry of Finance)

14.3 Government Initiatives

- Various initiatives undertaken by the Malaysian Government in Negeri Sembilan would also benefit operators in the Property Development Industry. These initiatives are as follows:
 - Under the Second Rolling Plan (RP2), the Gemas-Johor Bahru double tracking rail project will be developed. A developed infrastructure network will enhance the socio-economic status of the respective vicinity.
 - The Educuity@KLEC (Kuala Lumpur Education City) will be developed in Negeri Sembilan and Klang Valley to establish Malaysia as a regional hub for higher education. Some of the initiatives located in KLEC include the setting up of Epsom College, Asia International Skills Academy and Cambridge Judge Business School.
- (Source: PEMANDU)*

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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14.4 Population Growth

- Between 2010 and 2012, the population of Negeri Sembilan increased at an AAGR of 1.3%.
- In 2012, Negeri Sembilan had a population of 1.06 million, which was the 12th largest population out of 16 states and territories* in Malaysia.

*Note: *The population of Selangor includes Wilayah Persekutuan Putrajaya.*

(Source: Department of Statistics)

14.5 Synergistic Growth led by Surrounding Developments

- Large-scale projects within close proximity to a property development site will provide flow-on benefits and enable synergistic growth to the properties developed. Some of the major developments in Negeri Sembilan are provided below.

- **Bandar Sri Sendayan** is a new integrated township located on a 5,233-acre plot of land in Seremban, Negeri Sembilan. As an integrated township, Bandar Sri Sendayan comprises a mixed development of residential, commercial, industrial, leisure and institutional properties as well as government and agriculture properties and undeveloped land.

In addition, within Bandar Sri Sendayan township, there will be schools and kindergarten, police station and beat houses for police taskforce patrol services, fire department, petrol station, mosque and surau, supermarket and shopping centres, medical centre and health clinic, multi-purpose hall, a 26-acre green park as well as clubhouse with various sporting and recreation facilities as well as pedestrian-friendly walkways and pavements, landscaping, fibre-optic backbone to cater for high speed broadband as well as access roads linked to highways and surrounding areas.

- **Bandar Enstek** is an integrated development with residential areas, industrial hub, commercial hub and institutional zones. Among others, it incorporates the MedicalCity@enstek to establish a biotechnology development centre including university hospital, medical health research centre, medical complex, commercial centre, convention centre and student hostels. In addition, techpark@enstek is expected to become a world-class industrial hub, focusing on the specialised fields of Biotechnology, Advanced Manufacturing Technology and Information and Communication Technology industries. To complement techpark@enstek, a complete logistic facility namely logispark@enstek is being established to provide integrated logistics solutions.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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- **Oakland Commercial Centre and Industrial Park** comprise commercial and industrial areas. Various businesses as well as international companies from United States and Japan set-up their tobacco processing facility and cultured drink manufacturing facility in these areas. Public amenities such as a hospital and hypermarket as well as highways are located close to the Oakland Commercial Centre and Industrial Park.
- **Bandar Ainsdale** is an affordable housing area for the 1Malaysia Housing Programme. The township will incorporate residential and commercial developments as well as a proposed train station to serve as its public transportation terminal.
- **Seremban 2** is a township comprising residential communities, several schools, a 15-acre city lake park, a sports complex, a modern shopping centre and commercial business parks. It is also home to the state government and local authorities.
- **S2 Heights** is an extension of Seremban 2 which comprises mainly residential properties as well as a 6.6 acre linear park for social, community and recreational activities.
- Some of the nearby **industrial areas** include Tuanku Jaafar Industrial Park, Senawang Industrial Park and Nilai Industrial Estate. These industrial areas are home to various international companies and conglomerates from South Korea, United Kingdom, United States, Switzerland, Netherlands, India and Japan. These companies are mainly involved in the manufacturing of electronic and electrical products and components, manufacturing of machinery, processing of food products, manufacturing of polyester products as well as manufacturing of adhesive, abrasive, laminates, dental, medical and car care products.
- All these existing, on-going and new developments and townships will provide flow-on benefits to each other, and at the same time create critical mass to spur local economic growth to encourage business and industrial investments, as well as residential living in Negeri Sembilan.

15. INDUSTRY PROSPECTS AND OUTLOOK IN JOHOR

- The outlook of the Property Development Industry in Johor is generally dependent on the performance of the following:
 - Johor's economy and the construction sector;
 - Performance of the property sector;
 - Malaysian Government's initiatives;
 - Population growth;
 - Synergistic growth led by surrounding developments.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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15.1 Economy and the Construction Sector of Johor

- A growing state economy provides the impetus for private and public spending, which will have a positive flow-on effect to the Property Development Industry in Johor.
 - Between 2006 and 2010, real GDP of Johor grew at an AAGR of 3.4%;
 - In 2012, the economy in Johor is expected to grow by 6.4%.

(Sources: Economic Planning Unit, Prime Minister's Department)

- The performance of the Construction Industry in Johor in recent years are as follows:

Performance of the Construction Industry in Johor

| | 2006 | 2007 | 2008 | 2009 | 2010 | AAGR 2006-10 (%) |
|--|-------|-------|------|------|------|------------------------|
| Real GDP Growth of Construction Industry (%)..... | (5.7) | (0.1) | 0.9 | 13.5 | 7.7 | 5.4 |

(Sources: Economic Planning Unit, Prime Minister's Department)

- The construction industry in Johor showed robust growth with the real GDP of the construction industry growing at an AAGR of 5.4% between 2006 and 2010.
- Between 2011 and 2015, the real GDP of the construction industry in Johor is forecasted to grow at an AAGR of 4.1%.

(Sources: Economic Planning Unit, Prime Minister's Department)
- The continuing growth in the economy and construction sector of Johor will augur well for operators within the Property Development Industry in Johor.

15.2 Performance of the Property Sector

- The performances of the property sector in Johor in recent years provide some indications on the Property Development Industry, which are as follows:

AAGR of Property Transactions Sales Value and Volume between 2008 and 2012

| | Sales Value (%) | Volume (%) |
|------------|--------------------|---------------|
| Johor..... | 8.9 | 4.1 |

(Source: Valuation and Property Services Department, Ministry of Finance)

6. INDUSTRY OVERVIEW (Cont'd)

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Johor - Growth Rate in 2012

| | 2012 | |
|------------------------------------|--------------------------|---------------------------|
| | Planned Supply (%) | Incoming Supply (%) |
| Residential Units | 2.3 | 11.9 |
| Shop Units..... | (5.0) | 19.2 |
| Industrial Units..... | 2.8 | 25.2 |
| Space in Shopping Complexes... | 0.0 | (51.8) |
| Space in Purpose-Built Offices ... | - | (0.8) |

(Source: Valuation and Property Services Department, Ministry of Finance)

15.3 Government Initiatives

- Some of the government initiatives include developments in Johor:
 - Construction of Johor Bahru-Nusa Jaya coastal highway;
 - Flood Mitigation Plan (RTB) will be implemented. The project costing RM1 billion will improve the infrastructure for flood prevention in several states, including Johor. In Johor, RTB projects will be implemented in the town and Sungai Segamat;
 - Development of the electrified double-track railway project from Johor Bahru to Padang Besar in Perlis.

(Sources: 2012 Budget and Tenth Malaysia Plan)

- The improved infrastructure under these government initiatives will benefit operators in the Property Development Industry in Johor.

15.4 Population Growth

- Between 2010 and 2012, the population of Johor increased at an AAGR of 1.1%.
- In 2012, Johor had a population of 3.44 million, which was the second largest population out of 16 states and territories* in Malaysia.

Note: *The population of Selangor includes Wilayah Persekutuan Putrajaya.

(Source: Department of Statistics)

- The growing population will provide growth opportunities to the Property Development Industry in Johor.

6. INDUSTRY OVERVIEW (Cont'd)



15.5 Synergistic Growth led by Surrounding Developments

- Five flagship zones have been identified as the key development areas in Iskandar Malaysia. The economic growth in the following zones are targeted to be strengthened and diversified:

| Flagship Zone | Area | Selected Key Developments |
|---------------|--------------------------|--|
| A | Johor Bahru City Centre | <ul style="list-style-type: none"> - New financial district - Danga Bay Integrated Waterfront City - Upgrading of CBD - Austin Hill Development |
| B | Nusajaya and Medini | <ul style="list-style-type: none"> - Johor New State's Admin Centre - EduCity - Afiat Healthpark - International Destination Resort - Southern Industrial Logistic Clusters |
| C | Western Gate Development | <ul style="list-style-type: none"> - Port of Tanjung Pelepas - RAMSAR World Heritage Park - Second Link Access - Tanjung Piai |
| D | Eastern Gate Development | <ul style="list-style-type: none"> - Tanjung Langsat Industrial Park - Pasir Gudang Port - Tanjung Langsat Port |
| E | Senai-Skudai | <ul style="list-style-type: none"> - Senai International Airport - Senai Cargo Hub - Kulai MSC Cyberport - Universiti Teknologi Malaysia - Senai Hi-Tech Park |

(Source: Iskandar Regional Development Authority)

- Under the Comprehensive Development Plan 2006 – 2025 for South Johor Economic Region (now known as Iskandar Malaysia), a few industries were identified as the main economic pillars where local and foreign direct investment are targeted to increase in order to achieve stable long term economic growth:
 - Electrical and electronics;
 - Petrochemicals and oleo chemicals;
 - Food and agro processing;
 - Logistics and related services;
 - Tourism;
 - Health services;
 - Educational services;
 - Financial services;
 - Creative and ICT industries.

6. INDUSTRY OVERVIEW (Cont'd)



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- For the education sector, EduCity in Iskandar Malaysia is developed to position Malaysia as a world-class education destination. Some of the universities in EduCity Iskandar include Newcastle University Medical Malaysia, Netherlands Maritime Institute of Technology and Raffles University Iskandar.
- The development of these industries will increase the population and commercial activities in Johor and thus increasing the demand for properties in Johor.

(Source: Iskandar Regional Development Authority and Comprehensive Development Plan 2006 – 2025 for South Johor Economic Region, Khazanah Nasional Berhad)

16. DRIVERS OF GROWTH

- Some of the drivers of growth for the Property Development Industry are:
 - **Socio-economic growth** such as Gross Domestic Product growth and population growth will increasingly boost the requirements for housing and ultimately increase the demand for property development. In addition, it will also drive commercial activities to increase demand for commercial properties.
 - **Increasing affluence** of consumers as reflected in the increase in Gross National Product per capita and disposal income, which will increase affordability and stimulate the demand for the purchase of properties.
 - **Government spending on the residential housing sector** as reflected in the Tenth Malaysia Plan will continue to provide opportunities for operators in the Property Development Industry.
 - **Low interest rate for property buyers** will enable more people to be able to buy residential properties.
 - **Government spending on development of infrastructures** such as new highways and transportation links will attract development of residential and commercial properties in the nearby areas. For instance, the construction of Gemas-Johor Bahru double tracking rail project will provide opportunities for property developers with land bank located in the surrounding areas.

6. INDUSTRY OVERVIEW (Cont'd)



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17. THREATS AND RISKS ANALYSIS

17.1 Fluctuations in Prices of Iron and Steel Materials

- In 2010, the use of iron and steel materials including steel bars and rods, steel sheets, cast iron pipes and tubes, hardware materials and others represented 26.2% of the total cost of building materials used for the residential and non-residential constructions (Source: Department of Statistics).
- As iron and steel raw materials are commodities, the prices of these raw materials are subject to fluctuations in global market prices. In some situations, an increase in the price of these raw materials may not be easily passed onto customers. This could have an impact on profit margins. Alternatively, if an increase in cost is passed onto customers, the price competitiveness of the operator may be eroded.

Mitigating Factors

- Operators with strong financial strength may be able to purchase and maintain stocks of key raw materials to create a cushion against price fluctuations.
- As these raw materials are commodities and therefore subjected to world prices, all operators that use these materials are equally affected.

17.2 Global Economic Slowdown

- Any prolonged and/or widespread economic slowdown may affect consumer and business confidence and spending. Any increased in uncertainties in the global and local economies will further reduce the level of investments. This will in turn reduce demand on consumer spending, including investment in properties.

Mitigating Factors

- As evidenced in the past, the Malaysian Government's continued prompt policy flexibility in implementing pro-growth measures to sustain the country's growth momentum, by raising domestic demand to compensate for slower external growth, has helped Malaysian companies to counter some of the effects of the slowdown in the global economy.
- This is supported by the relatively high real GDP growth of 5.6% for Malaysian economy in 2012 as compared to the real GDP growth of 1.3% for advanced economies⁽¹⁾.
- In 2013, real GDP of the Malaysian economy is forecasted to grow between 5.0% to 6.0%, while advanced economies⁽¹⁾ are projected to experience a growth of 1.4%. The Malaysian economy is expected to be better off compared to many of the more advanced economies.

6. INDUSTRY OVERVIEW (Cont'd)



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Note:

(1) *Advance economies include Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan Province of China, United Kingdom and United States.*

(Sources: Bank Negara Malaysia and International Monetary Fund)

- It is expected that the continuing GDP growth in Malaysia will help to generate domestic business activities and domestic consumption, which will in turn help to counter the slowdown in the local economy.

17.3 Property Overhang

- The increase in property overhang is commonly due to over-supply and/or low take-up of new launches by developers. The continuing rise in property overhang will have an impact on property developers within the industry.
- In 2012, the number of completed and unsold residential units reached 15,000 units, amounting to RM4.7 billion in Malaysia *(Source: Valuation and Property Services Department, Ministry of Finance)*

Mitigating Factors

- The Government had launched the My First Home Scheme programme under the 2012 Budget to help young adults with earnings below RM3,000 to purchase their first home. Subsequently in the 2013 Budget, the Government announced that the income limit would be raised to RM5,000 per month for individual loans and RM10,000 per month for joint loans of husband and wife. Home buyers under this programme are allowed to obtain 100% financing loan from financial institutions and they do not have to pay a 10% down payment.
- According to the Budget 2012, the maximum property value allowed under the scheme had been increased from RM220,000 to RM400,000 effective from 1 January 2012.
- The above is aimed at stimulating the demand for properties and house ownership in Malaysia. This is expected to have a favourable impact on the Property Development Industry in Malaysia.

17.4 Implementation of Tighter Housing Loan Policies

- On 3 November 2010, Bank Negara Malaysia announced with immediate effect the implementation of a maximum loan-to-value (LTV) ratio of 70%, which will be applicable to financing facility taken out by borrowers on the third home onwards.

6. INDUSTRY OVERVIEW (*Cont'd*)



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- In addition, from 1 January 2012 onwards, financial institutions are required to assess borrower's net income and debt obligations before approval.
- These housing loan policies imposed by Bank Negara Malaysia may discourage demand on residential properties from potential home buyers.

Mitigating Factors

- Financing facilities for the purchase of the first and second homes by individuals are not affected and borrowers will continue to be able to obtain financing for these purchases at the present prevailing LTV level applied by individual banks based on their internal credit policies. (*Source: Bank Negara Malaysia*)
- As such, demand from individuals purchasing their first or second homes using financing facilities will not be affected by the new ruling.
- Furthermore, the new method to assess a borrower's debt paying ability will curb speculative activities in property transactions that create large number of unoccupied homes. This in turn protects the interest of property developers by preventing property bubble.
- In addition, all operators within the Property Development Industry in Malaysia are equally affected by the new ruling imposed.

18. CRITICAL SUCCESS FACTORS

- **Quality of Property Development:** To ensure business sustainability, property developers must be able to continually meet and deliver quality property development to customers. Those who adopt stringent controls in their construction processes and have attained internationally recognised quality management system certifications are in a better position to compete effectively.
- **Established Track Record:** The track record and reputation of a property developer determine the level of confidence in property investors towards the developer. In addition, these aspects are important in securing bank loans for property development projects. As such, other than possessing a prime project location, a reputable track record is significant to attract property buyers.
- **Design and Architectural Capabilities:** A property developer's design and architectural capabilities are important to ensure business sustainability and growth. Customers are more likely to be attracted to properties with superior architecture and interior designs that will provide the buyer with a better lifestyle and living environment.

6. INDUSTRY OVERVIEW (Cont'd)



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- **Financial Stability:** Property developers who are in a healthy financial position are more likely to complete and deliver quality property development projects to customers. Potential property investors may emphasize financial stability as a key criterion in the evaluation of property purchases as they would not want any disruption during the construction process. In addition, a financially strong property developer would be in a better position to deliver quality products to compete with other industry players.

19. MARKET SIZE

19.1 Market Size – Malaysia

Market Size of Total Property Market in Malaysia

- In 2012, the size of the total property market in Malaysia in terms of total value of property transactions (including all types of land and building) was **RM142.8 billion**.

Market Size of Residential Property in Malaysia

- In 2012, the size of the residential property market in Malaysia in terms of total value of residential property (including residential land and buildings) transactions was **RM67.8 billion**.

Market Size of Commercial Property in Malaysia

- In 2012, the size of the commercial property market in Malaysia in terms of total value of commercial property (including commercial plots and buildings) transactions was **RM27.8 billion**.

Market Size of Industrial Property in Malaysia

- In 2012, the size of the industrial property market in Malaysia in terms of total value of industrial property (including industrial plots and buildings) transactions was **RM12.0 billion**.

(Source: Valuation and Property Services Department, Ministry of Finance)

19.2 Market Size – Negeri Sembilan

Market Size of Total Property Market in Negeri Sembilan

- In 2012, the size of the total property market in Negeri Sembilan in terms of total value of property transactions (including all types of land and building) was **RM5.3 billion**.

6. INDUSTRY OVERVIEW (Cont'd)



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Market Size of Residential Property in Negeri Sembilan

- In 2012, the size of the residential property market in Negeri Sembilan in terms of total value of residential property (including residential land and buildings) transactions was **RM2.5 billion**.

Market Size of Commercial Property in Negeri Sembilan

- In 2012, the size of the commercial property market in Negeri Sembilan in terms of total value of commercial property (including commercial plots and buildings) transactions was **RM1.0 billion**.

Market Size of Industrial Property in Negeri Sembilan

- In 2012, the size of the industrial property market in Negeri Sembilan in terms of total value of industrial property (including industrial plots and buildings) transactions was **RM0.6 billion**.

(Source: Valuation and Property Services Department, Ministry of Finance)

19.3 Market Size - Johor

Market Size of Total Property Market in Johor

- In 2012, the size of the total property market in Johor in terms of total value of property transactions (including all types of land and building) was **RM16.8 billion**.

Market Size of Residential Property in Johor

- In 2012, the size of the residential property market in Johor in terms of total value of residential property (including residential land and buildings) transactions was **RM5.7 billion**.

Market Size of Commercial Property in Johor

- In 2012, the size of the commercial property market in Johor in terms of total value of commercial property (including commercial plots and buildings) transactions was **RM3.0 billion**.

Market Size of Industrial Property in Johor

- In 2012, the size of the industrial property market in Johor in terms of total value of industrial property (including industrial plots and buildings) transactions was **RM2.2 billion**.

(Source: Valuation and Property Services Department, Ministry of Finance)

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

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20. MARKET SHARE

20.1 Market Share – Malaysia

Total Property Market

- In 2012, Matrix Concepts Group's market share of the total property market in Malaysia was estimated at **less than 1%**. This was based on the Group's revenue of RM456.1 million from its sales of land and property development for the financial year ended 31 December 2012.

Residential Property Market

- In 2012, Matrix Concepts Group's market share of the residential property market in Malaysia was estimated at **less than 1%**. This was based on the Group's revenue of RM328.1 million from residential properties for the financial year ended 31 December 2012.

Commercial Property Market

- In 2012, Matrix Concepts Group's market share of the commercial property market in Malaysia was estimated at **less than 1%**. This was based on the Group's revenue of RM15.2 million from commercial properties for the financial year ended 31 December 2012.

Industrial Property Market

- In 2012, Matrix Concepts Group's market share of the industrial property market in Malaysia was estimated at **less than 1%**. This was based on the Group's revenue of RM79.8 million from industrial properties for the financial year ended 31 December 2012.

20.2 Market Share – Negeri Sembilan

Total Property Market

- In 2012, Matrix Concepts Group's market share of the total property market in Negeri Sembilan was estimated at **7%**. This was based on the Group's revenue of RM375.1 million from its sales of land and property development in Negeri Sembilan for the financial year ended 31 December 2012.

Residential Property Market

- In 2012, Matrix Concepts Group's market share of the residential property market in Negeri Sembilan was estimated at **10%**. This was based on the Group's revenue of RM247.1 million from residential properties in Negeri Sembilan for the financial year ended 31 December 2012.

Commercial Property Market

- In 2012, Matrix Concepts Group's market share of the commercial property market in Negeri Sembilan was estimated at **2%**. This was based on the Group's revenue of RM15.2 million from commercial properties in Negeri Sembilan for the financial year ended 31 December 2012.

6. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

Industrial Property Market

- In 2012, Matrix Concepts Group's market share of the industrial property market in Negeri Sembilan was estimated at **13%**. This was based on the Group's revenue of RM79.8 million from industrial properties for the financial year ended 31 December 2012.

20.3 Market Share – Johor

Total Property Market

- In 2012, Matrix Concepts Group's market share of the total property market in Johor was estimated at **less than 1%**. This was based on the Group's revenue of RM81.0 million from property development in Johor for the financial year ended 31 December 2012.

Residential Property Market

- In 2012, Matrix Concepts Group's market share of the residential property market in Johor was estimated at **1%**. This was based on the Group's revenue of RM81.0 million from residential properties in Johor for the financial year ended 31 December 2012.

Note: For the financial year ended 31 December 2012, Matrix Concepts Group did not recognise revenue from commercial and industrial property in Johor.

We, Vital Factor Consulting Sdn Bhd, have prepared this report in an independent and objective manner and have taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

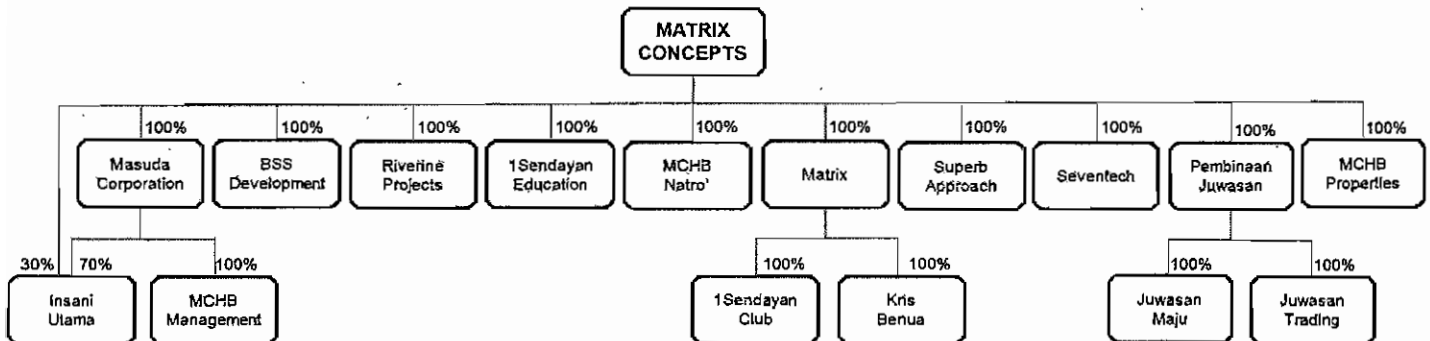
Wooi Tan
Managing Director

7. INFORMATION ON OUR GROUP

7.1 HISTORY AND BUSINESS

Our Company was established as Brilliant Radical Sdn Bhd in Malaysia on 24 December 1996, as a private limited company under the Act. Subsequently on 13 January 2003, we changed our name to Matrix Concepts Holdings Sdn Bhd. On 22 November 2004, we were converted into a public limited company and assumed our present name.

Our principal business is in the sales of land and property development. Our sales of land include large tracts of undeveloped land. Our property development currently includes residential, commercial, industrial and leisure properties. Our Group structure as at the LPD is set out below:



Our Group was founded by our Group Managing Director / Chief Executive Officer, Dato' Lee Tian Hock who brings with him approximately 30 years of experience in the property development industry. He has been instrumental in the success, growth and development of our Group since we commenced operations. He is supported by Mr Ho Kong Soon, our Group Deputy Managing Director / Chief Operating Officer who brings with him more than 20 years of experience in the property development industry.

The history of our Group can be traced back to 1997 when our subsidiary Matrix, commenced operations as a property development company. Our maiden property development project was in Taman Bahau, Negeri Sembilan, a mixed residential and commercial development comprising 581 units of terrace houses and 14 units of shop offices. This was a joint-venture project between Matrix and the landowner, Beg Development Sdn Bhd on a land with an area of approximately 50 acres. The total GDV for this project was approximately RM34.9 million. We completed this property development in 1999 with all units sold.

In 1998, our other property development arm, Masuda Corporation acquired 21 acres of land in Kuala Pilah, Negeri Sembilan to develop a mixed residential and commercial property which commenced in 1999. This development was completed in 2000 with 98% of units sold.

In 1999, through Masuda Corporation, we embarked on a joint-venture arrangement with MBI to develop a land area of approximately 39 acres. This was for the Taman Andalas (Phase 1 and 2) project. Phase 1 of Taman Andalas was a mixed residential and commercial development comprising 369 units of terrace houses, 4 units of single-storey semi-detached houses and 8 units of single-storey shop offices. We launched Phase 1 of Taman Andalas in the same year with 90% of units sold within 6 months and thereafter all units were sold. Phase 1 of Taman Andalas was completed in 2000.

During the same year in 1999, we acquired 100% stake in 1 Sendayan Club, a property development company and 50% stake in Kris Benua, a plantation company. Kris Benua became a wholly-owned subsidiary in 2004. In 2006, Kris Benua disposed of its plantation land to focus on property development. Kris Benua had since been inactive until 2008 when it changed its business activity to project management which mainly involves project sales administrative work, such as assisting customers to liaise with lawyers and banks to facilitate the sale and to obtain bank loans.

7. INFORMATION ON OUR GROUP (Cont'd)

In 2000, we acquired a 70% stake of Insani Utama, a property development company that has entered into a joint-venture arrangement with Yayasan Negeri Sembilan to develop Taman Gadong Jaya, a mixed residential and commercial development in Seremban. We commenced on the development of Phase 1 and 2 in 2001 of Taman Gadong Jaya and this was followed by Phase 3 and 4 in 2002 and 2003 respectively. The last phase of the development was completed in 2003 with 99% of units sold. Insani Utama became a wholly owned subsidiary in 2002.

Since then, we have completed various property development projects in Negeri Sembilan between 2000 and 2002. These included the following:

- Taman Sri Telawi, a residential development in Seremban, and Taman Pedas Indah, a mixed residential and commercial development in Pedas. Both developments were undertaken by Matrix in 2000 and completed in 2000 with all units sold. Taman Pedas Indah was the result of a joint-venture arrangement between Matrix and the landowner, Omega Touch Sdn Bhd.
- Phase 1 of Taman Intan Perdana 1, 2 and 3 in Port Dickson, a mixed residential and commercial development under our subsidiaries, 1 Sendayan Club and Masuda Corporation which commenced in 2000 and completed in 2001 with all units sold.
- Phase 2 of Taman Andalas in Mantin, which was the result of a joint-venture between Masuda Corporation and MBI for the development of low cost flats. This development commenced in 2000 and completed in 2001 with all units sold.
- Intan Court in Port Dickson, a residential development of low cost flats under our subsidiary, 1 Sendayan Club. This development commenced in 2000 and completed in 2002 with all units sold.
- Taman Sri Anggerik in Rantau, a residential development under Matrix commenced in 2001 and completed in 2002 with all units sold.

In 2002, through our property development subsidiary, Riverine Projects, we entered into a joint-venture agreement with Majlis Agama Islam Negeri Sembilan for the development of Kota Gadong Perdana on 295 acres of land which forms part of our future residential property project which we expect to commence development by early 2016. As the location of the development is next to Bandar Sri Sendayan, our Group had included the project in its larger plan for the development of Bandar Sri Sendayan. In the same year in 2002, Matrix acquired 109 acres of land in Port Dickson with the intention to develop Taman Politeknik, a mixed residential and commercial development. During the same year in 2002, we acquired a 100% stake in 1 Sendayan Education, a dormant company to undertake property development and a 100% stake in MCHB Natro', a property development company. MCHB Natro' changed its business activity to landscape management in 2007.

Between 2002 and 2004, some of the other property development projects that we embarked on included the following:

- Taman Intan Perdana V(a) and (b), and Taman Bukit Perdana in Port Dickson, primarily residential developments under 1 Sendayan Club commenced in 2002 and completed in 2003 with all units sold.
- Taman Sendayan Indah in Seremban, which was the result of a joint-venture between Insani Utama and MBI for a mixed residential and commercial development which commenced in 2002 and completed in 2003 with all units sold.
- Arowana Impian in Seremban 2, a mixed residential and commercial development under Masuda Corporation commenced in 2003 and completed in 2004 with all units sold.

7. INFORMATION ON OUR GROUP (Cont'd)

- Matahari Height in Bandar Senawang, and Taman Politeknik in Port Dickson, both projects were mixed residential and commercial developments under Matrix. Both projects commenced in 2003 and completed in 2004 with all units sold.

In 2003, Matrix acquired approximately 110 acres of land with the intention to develop Taman Desa PD in Port Dickson, Negeri Sembilan.

As part of our Group's expansion to other states, we acquired 100% stake of Seventech, a property development company in 2004. Through Seventech, which had a joint-venture arrangement with South East Johore Development Authority under the Ministry of Rural Development, we developed our first project in Johor namely Taman Anggerik Tenggara in Bandar Tenggara on a land measuring approximately 200 acres. We commenced the development of Phase 1 in 2004. The development, which included Phase 1 and 2 were completed in 2009 with all units sold. During the same year in 2004, Masuda Corporation acquired 55 acres of land in Seremban with the intention to develop Taman Pulai Impian, a residential development.

Some of the other developments that we embarked on during 2004 included Taman Bukit Perdana II in Port Dickson, a residential development and Taman Permai Impian in Seremban, a mixed development undertaken by subsidiaries, 1 Sendayan Club and Superb Approach respectively. Taman Permai Impian was the result of a joint-venture arrangement with Yayasan Negeri Sembilan. Both developments commenced in July 2004 and were completed in 2004 and 2005 respectively with all units sold.

In 2005, Matrix entered into a joint-venture with KKTNJB to develop our first flagship township development in Taman Seri Impian in Kluang, Johor. In the same year in 2005, BSS Development entered into a joint-venture with MBI to develop our second flagship integrated development project in Bandar Sri Sendayan in Seremban.

During the same year in 2005, our subsidiaries, Matrix and MCHB Management were accredited with ISO 9001:2000 status for provision of project management and administrative management services in property development by BM TRADA Certification Ltd, a certification body accredited by United Kingdom Accreditation Service.

In 2006, we launched the first two phases of the Taman Seri Impian township development, namely the launching of Taman Seri Impian 1 and Impiana Avenue 1 which comprised 487 units of terrace houses and 33 units of shop offices respectively. The developments were completed in 2008 and 2009 respectively. This was followed by the commencement of Taman Seri Impian 2 – Parcel 1 and 2 in 2007, which were completed in 2009 and 2010 respectively. In 2009, we commenced on the development of Taman Seri Impian 3 which was undertaken in different phases, as well as Impiana Avenue 2 and Impiana Villa 1 in 2010, all of which were completed in 2011 and 2012. In 2010, Matrix also began development of Taman Seri Impian 4 – Impiana Casa 1. The completed development of the phases until 2012 comprised 2,498 units of terrace houses and bungalows as well as 69 units of shop offices which 99.9% were sold. As at LPD, the township has an estimated total GDV of approximately RM490.0 million, including completed and on-going projects.

Between 2005 and 2006, some of the other developments that we have undertaken in Negeri Sembilan were:

- Taman Pulai Impian, our first gated and guarded residential development in Seremban developed by Masuda Corporation in 2005 and completed in 2006;
- Taman Desa PD 1 in Port Dickson, a mixed development developed by Matrix in 2005 and completed in 2006;
- Matrix Point, a small commercial development in Seremban developed by Superb Approach in 2006 and completed in 2007;
- Taman Bukit Sendayan in Seremban, a residential development developed by Masuda Corporation in 2006 and completed in 2008; and

7. INFORMATION ON OUR GROUP (Cont'd)

- Arowana Indah, a residential and commercial development developed by Masuda Corporation in 2006 and completed in 2007.

Between 2007 and 2008, some of the other developments that we have undertaken in Negeri Sembilan were:

- Matahari Indah, a residential development developed by Masuda Corporation in 2007 and completed in 2008;
- Matrix Court, a commercial development developed by Superb Approach in 2007 and completed in 2009; and
- Taman Sri Intan, a residential and commercial development undertaken by 1 Sendayan Club through a joint-venture arrangement with the Housing and Local Government Unit of Negeri Sembilan. The project commenced development in 2007 and was completed in 2008.

In 2008, we launched the first two phases of developments in Bandar Sri Sendayan, a residential area namely Nusari Bayu 1 with 1,159 units of terrace houses and 18 lots of commercial plots at Sendayan Metropark. Nusari Bayu 1 as well as the infrastructure for the commercial plots at Sendayan Metropark was completed in 2010.

In addition, we also completed and delivered 500 units of bungalows for Idaman Villa as part of the joint-venture agreement with MBI in 2008. The handover ceremony was officiated by the Chief Minister of Negeri Sembilan, YAB Dato' Seri Utama Haji Mohamad bin Haji Hasan on 28 February 2008.

In the same year of 2008, we also entered into a joint-venture with Reka Property Venture Sdn Bhd to develop a mixed development namely Taman Pulau Perdana in Seremban. This development commenced in 2008 and was completed in 2009 with all units sold.

In 2009, we commenced on the next phase of our flagship integrated township development in Bandar Sri Sendayan, Seremban comprising 359 units of terrace houses namely Nusari Bayu 2A which were completed in 2011 with all units sold. During the same year, we also continued with the further residential development of Taman Desa PD II (Phase 1) in Port Dickson through Matrix. This was also completed in the 2011 with all units sold.

During the same year in 2009, our subsidiaries, Matrix, MCHB Management and Juwasan Maju upgraded their Quality Management System from ISO 9001:2000 to ISO 9001:2008 for project management, provision of construction and administrative management services in property development from BM TRADA Certification Ltd.

In 2010, BSS Development continued to develop seven different phases of Bandar Sri Sendayan which comprised 916 units of terrace houses, 74 units of semi-detached houses, 51 lots of industrial plots and 46 units of shop offices. In 2011, BSS Development continued the development of five new phases in Bandar Sri Sendayan. Of the developments commenced in 2010 and 2011, seven phases were completed between 2011 and February 2013 with all units sold. As at LPD, our Group has completed 2,653 units of terrace houses, 74 units of semi-detached houses, 71 units of shop offices and 18 lots of commercial plots in Bandar Sri Sendayan. As at LPD, this township has an estimated total GDV of RM1.7 billion, including completed and on-going projects.

In 2011, we completed and delivered 320 units of single-storey bungalow in Taman Impiana Kopketa as part of our fulfilment of the joint-venture agreement with the KKTNJB.

In 2011, we acquired the remaining 25% stake in BSS Development and the company became a 100% subsidiary of our Group, with one share held by MBI. During the same year, we disposed a piece of land measuring 750 acres to 1MDB for the purpose of setting-up a new academia and training centre for the Royal Malaysian Air Force and the relocation of the Sungai Besi base to Bandar Sri Sendayan in Negeri Sembilan.

7. INFORMATION ON OUR GROUP (Cont'd)

In 2012, together with MBI, we signed various sales and purchase agreements with the following companies for the sale of industrial lots at Sendayan Tech Valley 1 and 2:

- Akashi-Kikai Industry (M) Sdn Bhd for the sale of 6 industrial lots at Sendayan Tech Valley 1 measuring 113,016 square metres for the construction of an electronic automation transmission system plant;
- Messier-Bugatti-Dowty Malaysia Sdn Bhd for the sale of an of industrial plot at Sendayan TechValley 2 measuring 555,278 square feet for the construction of an aero brake disc plant;
- Hino Motors Manufacturing (Malaysia) Sdn Bhd for the sale of an industrial plot at Sendayan TechValley 2 measuring 171,397 square metres for the construction of a plant involved in manufacturing of trucks and buses;
- Keen Point (M) Sdn Bhd for the sales of 3 lots of industrial plots at Sendayan TechValley 2 measuring 481,911 square feet for the construction of an electroplating plant;
- Meditop Corporation (M) Sdn Bhd for the sales of 3 industrial plots at Sendayan TechValley 2 measuring 857,378 square feet for the construction of a medical equipment plant;
- TMC Metal (Malaysia) Sdn Bhd for the sale of an industrial plot at Sendayan TechValley 1 measuring 17,778 square metres for the construction of a metal casting plant.

In 2012, BSS Development began the development of six new phases in Bandar Sri Sendayan, which comprised 1,184 units of terrace houses, 10 units of semi-detached houses and a clubhouse. During the same year, Matrix also began development on Taman Seri Impian 4 – Impiana Casa 2 which comprised 288 units of terrace houses. In 2012, through Matrix, our Group also began the development of Taman Desa PD 3, a residential property project in Port Dickson, Negeri Sembilan.

In January 2013, together with MBI, we signed a sales and purchase agreement with MBMR Properties Sdn Bhd for the sale of 4 lots of industrial plots at Sendayan TechValley 2 measuring 20.26 acres for the construction of an automotive plant. In February 2013, we signed a sales and purchase agreement with Resort & Leisure Homes Sdn Bhd for the purchase of a piece of vacant land of approximately 5 acres in Port Dickson, Negeri Sembilan, which is to be used for a residential condominium building.

Over the past 13 years, our Group had been involved in joint-venture with MBI for the development of the following projects:

- Taman Andalas in Mantin, Negeri Sembilan for the development of low cost flats in 2000;
- Taman Sendayan Indah in Seremban, Negeri Sembilan for a mixed residential and commercial development in 2002;
- our second flagship integrated development project, namely, Bandar Sri Sendayan, Seremban, Negeri Sembilan in 2005; and
- Third 9 Residence, Seremban, Negeri Sembilan for the development of residential properties in 2011.

Our Non-Independent Non-Executive Chairman, Dato' Haji Mohamad Haslah bin Mohamad Amin is also the Chief Executive Officer of MBI. He was appointed to the board of BSS Development in 2005 as one of the representatives of MBI pursuant to our joint-venture with MBI for the Bandar Sri Sendayan integrated development project.

For the past four (4) FYE 31 December 2009 to 2012, we have sold 12 plots of undeveloped land amounting to RM350.2 million. As at LPD, we have sold 20,056 out of a total of 20,079 residential and commercial properties completed since the commencement of our Group. As at LPD, the total GDV of the properties completed since our Group's commencement amounted to RM2.1 billion.

7. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, based on our on-going projects, our Group has launched 3,128 units of residential, commercial and industrial properties, of which 93 lots are industrial plots, with an estimated total GDV of RM1.4 billion. Of these, 2,807 units of properties including 57 lots of industrial plots were sold, which represented 89.7% of the total number of properties launched by our Group under our on-going projects.

As at the LPD, our Group has a land bank of approximately 1,568 acres located mainly in Seremban and Port Dickson, Negeri Sembilan and Kluang, Johor for future development, of which 1,457 acres of the land bank are owned by our joint-venture partners. All our land bank has been approved for development of residential, commercial, industrial, institutional and leisure properties.

Since the commencement of our Group's operations in 1997, we have established ourselves as a reputable property developer in Negeri Sembilan and Johor with revenues of RM456.1 million for the FYE 31 December 2012.

7.2 LISTING SCHEME

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on the Main Market of Bursa Securities, we undertook the following exercises:

7.2.1 Bonus Issue

Our Company implemented a bonus issue of 186,399,060 new Shares to our existing shareholders on the basis of approximately 3.65 new Shares for every 1 existing Share held by way of capitalisation of RM186,399,060 from our retained profits based on our audited financial statements for the FYE 31 December 2012.

Upon completion of the Bonus Issue on 18 March 2013, the issued and paid-up share capital of our Company was increased from RM51,100,940 comprising 51,100,940 Shares to RM237,500,000 comprising 237,500,000 Shares.

The new Shares issued pursuant to the Bonus Issue ranked *pari passu* in all respects with our then existing issued and fully paid-up ordinary shares, except that they will not be entitled to any dividend, rights, allotment or other distribution, the entitlement date of which is prior to the date of allotment of the said Shares.

7.2.2 IPO

7.2.2.1 Public Issue

To facilitate the listing of and quotation for our Company's entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities and to comply with the Listing Requirements with regard to shareholding spread, our Company shall undertake a Public Issue of 62,500,000 new Shares representing approximately 20.83% of our enlarged issued and paid-up share capital at the Issue Price.

Upon completion of the Public Issue, our Company's issued and paid-up share capital will be further increased from RM237,500,000 comprising 237,500,000 Shares to RM300,000,000 comprising 300,000,000 Shares.

Further details on the Public Issue are set out in Section 3.3.1 of this Prospectus.

7. INFORMATION ON OUR GROUP (Cont'd)

7.2.2.2 Offer for Sale

The Offerors will collectively make an Offer for Sale of 37,500,000 Offer Shares, representing 12.50% of our enlarged issued and paid-up share capital at the Offer Price.

The details of the Offerors are as follows:

| Name of Offerors | No. of Offer Shares |
|-------------------------|----------------------------|
| Ambang Kuasa | 15,000,000 |
| Magnitude Point | 8,500,000 |
| Target Venue | 4,000,000 |
| Dato' Lee Tian Hock | 4,000,000 |
| Meridian Effect | 3,000,000 |
| Fine Approach | 2,000,000 |
| Datin Yong Chou Lian | 1,000,000 |

Further details on the Offer for Sale are set out in Section 3.3.2 of this Prospectus.

7.2.3 ESOS

In conjunction with the Listing, we are implementing an ESOS which entails the issuance of up to 10.0% of our issued and paid-up share capital (excluding treasury shares) at any one time pursuant to the options to be granted under the ESOS to our Group's eligible Directors and employees, in the manner set out in Section 3.3.4 of this Prospectus.

Details of the ESOS are set out in the ESOS By-Laws in Section 15 of this Prospectus.

7.2.4 Listing

Our Company will seek the listing of and quotation for our entire enlarged share capital of RM300,000,000 comprising 300,000,000 Shares on the Main Market of Bursa Securities. The board lot size for our enlarged issued and paid-up share capital upon listing will be standardised at 100 Shares per board lot.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.3 SHARE CAPITAL

Our Company's present authorised share capital is RM2,000,000,000 comprising 2,000,000,000 Shares. As at the LPD, the issued and paid-up share capital of our Company is RM237,500,000 comprising 237,500,000 Shares.

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|---|--|
| 24 December 1996 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 4 March 1997 | 99,998 | 1.00 | Cash | 100,000 |
| 26 December 2002 | 935,000 | 1.00 | Other than cash (Acquisition of subsidiaries) | 1,035,000 |
| 25 August 2003 | 9,315,000 | 1.00 | Other than cash (Capitalisation of retained profits by way of special bonus issue) | 10,350,000 |
| 15 September 2003 | 600,000 | 1.00 | Cash | 10,950,000 |
| 23 December 2003 | 10,950,000 | 1.00 | Other than cash (Capitalisation of investment revaluation reserve by way of bonus issue) | 21,900,000 |
| 18 June 2004 | 10,637,143 | 1.00 | Other than cash (Capitalisation of investment revaluation reserve by way of bonus issue) | 32,537,143 |
| 9 December 2008 | 8,134,286 | 1.00 | Other than cash (Capitalisation of retained profits by way of special bonus issue) | 40,671,429 |
| 4 November 2011 | 1 | 1.00 | Cash | 40,671,430 |
| 9 November 2011 | 3,985,800 | 1.00 | Other than cash (Capitalisation of retained profits by way of special bonus issue) | 44,657,230 |
| 20 December 2011 | 6,443,710 | 1.00 | Other than cash (Acquisition of subsidiary) | 51,100,940 |
| 18 March 2013 | 186,399,060 | 1.00 | Other than cash (Capitalisation of retained profits by way of bonus issue) | 237,500,000 |

7. INFORMATION ON OUR GROUP (Cont'd)

7.4 INFORMATION ON OUR SUBSIDIARIES

7.4.1 BSS Development

(i) Incorporation and principal activities

BSS Development was incorporated in Malaysia as a private limited company under the Act on 27 April 2005 under the name of Formasi Bestari Sdn Bhd. Subsequently, on 16 January 2006, it changed its name to BSS Development. BSS Development commenced operations on 1 June 2005. BSS Development is principally involved in property development and sales of land.

(ii) Share capital

The present authorised share capital of BSS Development is RM5,000,000 comprising 4,999,999 ordinary shares of RM1.00 each and 1 Redeemable Preference Share of RM1.00 each of which 2,500,000 ordinary shares of RM1.00 each and 1 Redeemable Preference Share of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of BSS Development since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|--|--|
| 27 April 2005 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 29 August 2005 | 999,998 | 1.00 | Cash | 1,000,000 |
| 29 August 2005 | *1 | 1.00 | Cash | 1,000,001 |
| 14 November 2012 | 1,500,000 | 1.00 | Other than cash (Capitalisation of the amount owing to holding company) | 2,500,001 |

Note:

* Redeemable Preference Share held by MBI.

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in BSS Development. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiaries and associated companies

As at the LPD, BSS Development does not have any subsidiary and associated companies.

(iv) Substantial shareholders

BSS Development is a wholly-owned subsidiary of Matrix Concepts.

7. INFORMATION ON OUR GROUP (Cont'd)

7.4.2 Masuda Corporation

(i) Incorporation and principal activities

Masuda Corporation was incorporated in Malaysia as a private limited company under the Act on 21 January 1997 under its present name. Masuda Corporation commenced operations since incorporation. Masuda Corporation is principally involved in property development and investment holding. The principal activities of its subsidiaries are set out in Sections 7.4.11 and 7.4.12 below.

(ii) Share capital

The present authorised share capital of Masuda Corporation is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Masuda Corporation since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 21 January 1997 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 15 September 1997 | 299,998 | 1.00 | Cash | 300,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Masuda Corporation. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

Masuda Corporation is the holding company of a 70%-owned and a wholly-owned subsidiary, being Insani Utama and MCHB Management respectively, further details of which are set out in Sections 7.4.11 and 7.4.12 below.

(iv) Substantial shareholders

Masuda Corporation is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.3 Matrix

(i) Incorporation and principal activities

Matrix was incorporated in Malaysia as a private limited company under the Act on 15 April 1994 under its present name. Matrix commenced operations in year 1997. Matrix is principally involved in property development and investment holding. The principal activities of its subsidiaries are set out in Sections 7.4.13 and 7.4.14 below.

(ii) Share capital

The present authorised share capital of Matrix is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which 2,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Matrix since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|--|--|
| 15 April 1994 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 7 April 1997 | 249,998 | 1.00 | Cash | 250,000 |
| 15 September 1997 | 500,000 | 1.00 | Cash | 750,000 |
| 1 November 2006 | 1,250,000 | 1.00 | Other than cash (Capitalisation of amount owing to holding company) | 2,000,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Matrix. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

Matrix is the holding company of two wholly-owned subsidiaries, being 1 Sendayan Club and Kris Benua, further details of which are set out in Sections 7.4.13 and 7.4.14 below.

(iv) Substantial shareholders

Matrix is a wholly-owned subsidiary of Matrix Concepts.

7. INFORMATION ON OUR GROUP (Cont'd)

7.4.4 MCHB Natro'

(i) Incorporation and principal activities

MCHB Natro' was incorporated in Malaysia as a private limited company under the Act on 19 December 1996 under the name of Demi Sejati Sdn Bhd. Subsequently, on 28 December 2007, it changed its name to MCHB Natro'. MCHB Natro' commenced operations since incorporation. MCHB Natro' is principally involved in landscape management. MCHB Natro' was previously involved in property development.

(ii) Share capital

The present authorised share capital of MCHB Natro' is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of MCHB Natro' since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 19 December 1996 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 7 April 1997 | 299,998 | 1.00 | Cash | 300,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in MCHB Natro'. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, MCHB Natro' does not have any subsidiary and associated companies.

(iv) Substantial shareholders

MCHB Natro' is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.5 1 Sendayan Education

(i) Incorporation and principal activities

1 Sendayan Education was incorporated in Malaysia as a private limited company under the Act on 21 June 1996 under the name of Omega Ciptaan Sdn Bhd. Subsequently, on 12 October 2011, it changed its name to 1 Sendayan Education. 1 Sendayan Education commenced operations in June 2002. 1 Sendayan Education's intended principal activity is in the provision of education services. The company was previously involved in property development.

(ii) Share capital

The present authorised share capital of 1 Sendayan Education is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 100,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of 1 Sendayan Education since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 21 June 1996 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 13 February 1998 | 18 | 1.00 | Cash | 20 |
| 30 October 2000 | 80 | 1.00 | Cash | 100 |
| 2 March 2012 | 99,900 | 1.00 | Cash | 100,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in 1 Sendayan Education. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, 1 Sendayan Education does not have any subsidiary and associated companies.

(iv) Substantial shareholders

1 Sendayan Education is a wholly-owned subsidiary of Matrix Concepts.

7. INFORMATION ON OUR GROUP (Cont'd)

7.4.6 Riverine Projects

(i) Incorporation and principal activities

Riverine Projects was incorporated in Malaysia as a private limited company under the Act on 16 August 2002 under its present name. Riverine Projects commenced operations since incorporation. Riverine Projects is principally involved in property development.

(ii) Share capital

The present authorised share capital of Riverine Projects is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Riverine Projects since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|-----------------|----------------------------------|---|
| 16 August 2002 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Riverine Projects. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Riverine Projects does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Riverine Projects is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.7 Superb Approach

(i) Incorporation and principal activities

Superb Approach was incorporated in Malaysia as a private limited company under the Act on 2 October 1996 under its present name. Superb Approach commenced operations on 15 September 1997. Superb Approach is principally involved in property development and investment holding.

(ii) Share capital

The present authorised share capital of Superb Approach is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 250,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Superb Approach since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 2 October 1996 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 27 September 1997 | 99,998 | 1.00 | Cash | 100,000 |
| 11 June 2004 | 150,000 | 1.00 | Cash | 250,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Superb Approach. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Superb Approach does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Superb Approach is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.8 Seventech

(i) Incorporation and principal activities

Seventech was incorporated in Malaysia as a private limited company under the Act on 29 April 1994 under its present name. Seventech commenced operations in December 2003. Seventech is principally involved in property development.

(ii) Share capital

The present authorised share capital of Seventech is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 250,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Seventech since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 29 April 1994 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 18 January 1996 | 99,998 | 1.00 | Cash | 100,000 |
| 9 September 2004 | 150,000 | 1.00 | Cash | 250,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Seventech. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Seventech does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Seventech is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)**7.4.9 Pembinaan Juwasan****(i) Incorporation and principal activities**

Pembinaan Juwasan was incorporated in Malaysia as a private limited company under the Act on 30 December 1996 under its present name. Pembinaan Juwasan commenced operations since incorporation. Pembinaan Juwasan is principally involved in project management. The principal activities of its subsidiaries are set out in Sections 7.4.15 and 7.4.16 below.

(ii) Share capital

The present authorised share capital of Pembinaan Juwasan is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Pembinaan Juwasan since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|--------------------------|----------------------|---------------------|-------------------------------|---|
| 30 December 1996 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 25 February 1997 | 49,998 | 1.00 | Cash | 50,000 |
| 18 September 1999 | 250,000 | 1.00 | Cash | 300,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Pembinaan Juwasan. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

Pembinaan Juwasan is the holding company of two wholly-owned subsidiaries, being Juwasan Maju and Juwasan Trading, further details of which are set out in Sections 7.4.15 and 7.4.16 below.

(iv) Substantial shareholders

Pembinaan Juwasan is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.10 MCHB Properties

(i) Incorporation and principal activities

MCHB Properties was incorporated in Malaysia as a private limited company under the Act on 19 December 2011 under its present name. MCHB Properties is presently dormant. MCHB Properties' intended principal activity is that of property investment and rental of properties.

(ii) Share capital

The present authorised share capital of MCHB Properties is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of MCHB Properties since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 19 December 2011 | 2 | 1.00 | Cash (Subscribers' Shares) | 2.00 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in MCHB Properties. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, MCHB Properties does not have any subsidiary and associated companies.

(iv) Substantial shareholders

MCHB Properties is a wholly-owned subsidiary of Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.11 Insani Utama

(i) Incorporation and principal activities

Insani Utama was incorporated in Malaysia as a private limited company under the Act on 21 September 1990 under its present name. Insani Utama commenced operations on 18 June 1992. Insani Utama is principally involved in property development.

(ii) Share capital

The present authorised share capital of Insani Utama is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 250,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Insani Utama since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 21 September 1990 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 20 March 1992 | 1 | 1.00 | Cash | 3 |
| 20 April 1993 | 249,997 | 1.00 | Cash | 250,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Insani Utama. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Insani Utama does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Insani Utama is a 70%-owned subsidiary of Masuda Corporation. The remaining thirty percent (30%) equity interest of Insani Utama is held by Matrix Concepts.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.12 MCHB Management

(i) Incorporation and principal activity

MCHB Management was incorporated in Malaysia as a private limited company under the Act on 26 September 1997 under the name of Masuda Property Services Sdn Bhd. Subsequently, on 28 December 2007, it changed its name to MCHB Management. MCHB Management commenced operations since incorporation. MCHB Management is principally involved in the provision of management and administrative services.

(ii) Share capital

The present authorised share capital of MCHB Management is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 10,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of MCHB Management since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 29 September 1997 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 2 March 1998 | 9,998 | 1.00 | Cash | 10,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in MCHB Management. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, MCHB Management does not have any subsidiary and associated companies.

(iv) Substantial shareholders

MCHB Management is a wholly-owned subsidiary of Masuda Corporation.

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7. INFORMATION ON OUR GROUP (Cont'd)**7.4.13 1 Sendayan Club****(i) Incorporation and principal activities**

1 Sendayan Club was incorporated in Malaysia as a private limited company under the Act on 20 November 1998 under the name of Sepadu Intan Sdn Bhd. Subsequently, on 28 October 2011, it changed its name to 1 Sendayan Club. 1 Sendayan Club commenced operations since incorporation. 1 Sendayan Club's intended activity is principally involved in clubhouse operations. The company was previously involved in property development.

(ii) Share capital

The present authorised share capital of 1 Sendayan Club is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of 1 Sendayan Club since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|--------------------------|----------------------|---------------------|-------------------------------|---|
| 20 November 1998 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 16 August 1999 | 299,998 | 1.00 | Cash | 300,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in 1 Sendayan Club. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, 1 Sendayan Club does not have any subsidiary and associated companies.

(iv) Substantial shareholders

1 Sendayan Club is a wholly-owned subsidiary of Matrix.

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7. INFORMATION ON OUR GROUP (Cont'd)**7.4.14 Kris Benua****(i) Incorporation and principal activities**

Kris Benua was incorporated in Malaysia as a private limited company under the Act on 19 September 1992 under its present name. Kris Benua commenced operations in year 1994. Kris Benua is principally involved in project management. Kris Benua was previously involved in plantation.

(ii) Share capital

The present authorised share capital of Kris Benua is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which 500,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Kris Benua since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|--------------------------|----------------------|---------------------|-------------------------------|---|
| 19 September 1992 | 2 | 1.00 | Cash (Subscribers' Shares) | 2 |
| 22 October 1992 | 998 | 1.00 | Cash | 1,000 |
| 20 October 1998 | 499,000 | 1.00 | Cash | 500,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Kris Benua. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Kris Benua does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Kris Benua is a wholly-owned subsidiary of Matrix.

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7. INFORMATION ON OUR GROUP (Cont'd)

7.4.15 Juwasan Maju

(i) Incorporation and principal activities

Juwasan Maju was incorporated in Malaysia as a private limited company under the Act on 28 June 1993 under the name of Dermawan Tetap Sdn Bhd. Subsequently, on 26 May 2001, it changed its name to Juwasan Maju. Juwasan Maju commenced operations on 10 July 1993. Juwasan Maju is principally involved in project management and procurement of building materials.

(ii) Share capital

The present authorised share capital of Juwasan Maju is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which 750,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Juwasan Maju since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-----------------------------|--|
| 28 June 1993 | 2 | 1.00 | Cash (Subscriber shares) | 2 |
| 25 October 1993 | 24,998 | 1.00 | Cash | 25,000 |
| 31 March 1994 | 30,000 | 1.00 | Cash | 55,000 |
| 21 December 2000 | 245,000 | 1.00 | Cash | 300,000 |
| 7 November 2003 | 450,000 | 1.00 | Cash | 750,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Juwasan Maju. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Juwasan Maju does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Juwasan Maju is a wholly-owned subsidiary of Pembinaan Juwasan.

7. INFORMATION ON OUR GROUP (Cont'd)

7.4.16 Juwasan Trading

(i) Incorporation and principal activities

Juwasan Trading was incorporated in Malaysia as a private limited company under the Act on 27 March 2001 under its present name. Juwasan Trading commenced operations since incorporation. Juwasan Trading is principally involved in procurement of building materials.

(ii) Share capital

The present authorised share capital of Juwasan Trading is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 50,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Details of the changes in the issued and fully paid-up share capital of Juwasan Trading since its incorporation are as follows:

| Date of allotment | No. of shares | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|---------------|--------------|-------------------------------|--|
| 27 March 2001 | 3 | 1.00 | Cash (Subscribers' Shares) | 3 |
| 30 April 2001 | 49,997 | 1.00 | Cash | 50,000 |

As at the LPD, there are no other outstanding warrants, options, convertible securities or uncalled capital in Juwasan Trading. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(iii) Subsidiary and associated companies

As at the LPD, Juwasan Trading does not have any subsidiary and associated companies.

(iv) Substantial shareholders

Juwasan Trading is a wholly-owned subsidiary of Pembinaan Juwasan.

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8. PROPERTIES, PLANT AND EQUIPMENT**8.1 PROPERTIES OWNED BY OUR GROUP**

As at the LPD, details of the land and buildings owned by us are as follows:

| Property identification / Location | Registered owner | Description & existing use | Category of land use | Land/ Built up area | Tenure / Approximate age of building | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 | Market value / | |
|--|--|----------------------------|----------------------|---------------------|--------------------------------------|-----------------------------------|------------------------------|------------------------------------|--|-------------|
| | | | | | | | | | RM'000 | RM'000 |
| 1. Lot No. 769 (Geran 71271), Mukim Pasir Panjang, Port Dickson, Negeri Sembilan / Off 18 th Milepost, Jalan Pasir Panjang – Pengkalan Kempas | MCHB Natro' | Vacant agricultural land | Nil | 20.06 acres / - | Freehold | Charged to Hong Leong Bank Berhad | N/A | 1,506 | 1,900 / 28 February 2013 / Comparison method | (1) 394 |
| 2. Lot No. 847 (Geran 68386), Mukim Pasir Panjang, Port Dickson, Negeri Sembilan / Off 18 th Milepost, Jalan Pasir Panjang – Pengkalan Kempas | (2) MCHB Natro' and Tan Bon Sek @ Tan Boon Kow | Vacant agricultural land | Nil | (2) 7.48 acres / - | Freehold | Nil | N/A | (2) 427 | 710 / 28 February 2013 / Comparison method | (1) (2) 283 |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| Property identification No. / Location | Registered owner | Description & existing use | Category of land use | Land/ Built up area acres/sqm | Tenure / Approximate age of building | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 | Market value / Date of valuation / Method of valuation | Valuation surplus / (deficit) |
|---|------------------|--|----------------------|-------------------------------|---|------------------------------|---|------------------------------------|---|---------------------------------|
| | | | | | | | | | | |
| 3. Lot No. 23185 (Geran 186419), Bandar Seremban, Seremban, Negeri Sembilan / Wisma Matrix, No. 57A & B, Jalan Tun Dr Ismail, 70200 Seremban, Negeri Sembilan | MCHB Management | Commercial land with a four-and-a-half storey office block used as our Group's head office | Building | 550 sqm / 2,319 sqm | Freehold / 13 years (old block) and 3 years (new block) | Charged to AmBank (M) Berhad | 21 June 1999 (old block) and 5 May 2009 (new block) | 3,058 | 4,800 / 28 February 2013 / Comparison and investment method | RM'000 (¹)1,742 |
| 4. Lot No. 63414 (Geran 355881), Mukim Kluang, Johor / No. 69, Impiana Avenue, Jalan Seri Impian 1/2, Taman Seri Impian, 86000 Kluang, Johor | MCHB Management | Commercial land with a double-storey shop office used by the Group as our Kluang branch | Building | 242 sqm / 483 sqm | Freehold / 3 years | Nil | 7 April 2009 | 238 | N/A | N/A |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| Property identification No. / Location | Registered owner | Description & existing use | Category of land use | Land/ Built up area acres/sqm | Tenure / Approximate age of building | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 | Market value / Date of valuation / Method of valuation | Valuation surplus / (deficit) |
|---|------------------|---|----------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------|------------------------------------|--|-------------------------------|
| | | | | | | | | RM'000 | RM'000 | RM'000 |
| 5. Lot No. 23191 (Geran 172845), Lot No. 23192 (Geran 172846), Lot No. 23193 (Geran 172847), Lot No. 23194 (Geran 172848) Bandar Seremban, Daerah Seremban, Negeri Sembilan / Jalan Tuanku Munawir, Seremban, Negeri Sembilan | MCHB Management | Vacant commercial lots used as our Group's staff car park | Building | 611 sqm / - | Freehold | Charged to AmBank (M) Berhad | N/A | 890 | N/A | N/A |

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8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. / Location | Property identification | Registered owner | Description & existing use | Category of land use | Land/ Built up area acres/sqm | Tenure / Approximate age of building | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|----------------|--|-------------------|---|----------------------|-------------------------------|---|-------------------------------|------------------------------|---|---|--------------------------------------|
| 6. | Lot 1140 PN 12104 (formerly known as PT 615 HSD 113373), Pekan Panchor, Daerah Seremban, Negeri Sembilan / No. 20, Jalan Sri Telawi 1, Taman Sri Telawi, 70400 Seremban, Negeri Sembilan | Pembinaan Juwasan | Commercial land with a double-storey shop office of which the ground floor is currently being rented out while the first floor is for own use | Building | 129 sqm / 260 sqm | Leasehold (until 5 September 2096) / 13 years | Charged to Public Bank Berhad | 11 October 1999 | 150 | N/A | N/A |

Notes:

- (1) The revaluation surplus based on the valuation carried out on the respective dates have not and will not be incorporated in the financial statements of the respective companies in the Group.
- (2) MCHB Natro' and Tan Bon Sek @ Tan Boon Kow both own a half share of the said land bearing the address Lot No. 847 (Geran 68386), Jalan Pasir Panjang – Pengkalan Kempas, Mukim Pasir Panjang, Port Dickson, Negeri Sembilan. As such, only half the NBV and market value of the said land is taken into account.

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8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

8.2 PROPERTIES HELD FOR DEVELOPMENT

As at the LPD, details of the properties which are held for development activities by our Group are as follows:

| No. | Property identification / Location | Registered owner / Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / | |
|-----|--|-------------------------------------|--|----------------------|-----------------|-----------------------|-------------|------------------------------|---|--|--------------------------------------|
| | | | | | | | | | | Date of valuation / Method of valuation | Valuation surplus / (deficit) RM'000 |
| 1. | Bandar Sri Sendayan | MBI / BSS Development | | Building | | Freehold / Perpetuity | Nil | N/A | 313,177 | 552,000 / 28 | (¹)238,823 |
| (i) | Lot No. PT 871-883, 906-927, 948-968, 1687-1703, 1720-1782, 1797-1809, 1818-1985, 1991-2282, 3176-3690, 6872-6904, 6906-7000, 7004-7058, 7060-7143 and 8362-8389, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant residential and commercial lands used for the on-going development of Nusari Aman 1B, 2, 2D, 3A, Idaman Bayu 2 and Nusari Bayu 2B | | 120.2 | | | | | February 2013 / Residual and comparison method | |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner/ Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|-------|---|------------------------------------|---|----------------------|-----------------|--------|-------------|------------------------------|---|---|--------------------------------------|
| (ii) | Lot No. PT 6450-6730, 6733-6751, 6753-6854, 7301-8195, 8391-10241, 10875-10876, 10878-10884, 10887-10890, 10919-11589 and 12667, , Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant residential and commercial lands used for the on-going development of Hijayu 1B and 3D and future development of Hijayu 1A, 3A, 3B, 3C, Hijayu Resort Homes, Hijayu Resort Villa, Hijayu Residence and Idaman Yu 1 | | 490.4 | | | | | | |
| (iii) | Lot No. PT 1018-1049, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial lands used for the future development of Sendayan Metropark Shop 1B | | 2.5 | | | | | | |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner/ Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|------|--|------------------------------------|---|----------------------|-----------------|--------|-------------|------------------------------|---|---|--------------------------------------|
| (iv) | Lot No. PT 7148-7194 and 7196-7298, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial lands used for the future development of Sendayan Metropark Shop 2 | | 15.0 | | | | | | |
| (v) | Lot No. PT 4894-4895 and 12662-12663, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial lands used for the on-going development of a Sub Centre @ Nusari Bayu | | 20.0 | | | | | | |
| (vi) | Lot No. PT 12664-12665, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial lands used for the on-going development of a Sub Centre @ Nusari Hijayu | | 8.1 | | | | | | |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner / Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|--------|---|-------------------------------------|--|----------------------|-----------------|--------|-------------|------------------------------|---|---|--------------------------------------|
| (vii) | Lot No. PT 6140-6163, 6165-6173, 6175-6186, 6189-6214, 6216-6253, 6255, 6257-6284, 10271-10278 and 12671, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial and industrial lands used for the future development of a Sub Centre @ Sendayan Tech Valley 1A | | 46.4 | | | | | | |
| (viii) | Lot No. PT 6127, 6130-6132, 6135-6138, 6286-6293, 6295-6302, 6307, 6310-6313, 6315-6321, 6326-6333, 6336-6337, 10279-10280, 11633-11635 and 11690, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant agricultural, commercial and industrial lands used for the on-going development of Sendayan Tech Valley 1 | | 232.0 | | | | | | |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner / Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|------|---|-------------------------------------|--|----------------------|-----------------|--------|---|------------------------------|---|---|--------------------------------------|
| (ix) | Lot No. PT 5665, 6377-6383, 6385-6386, 6389-6402, 6406-6410, 6428-6433, 6435-11636, 12627-12630 and 12637, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant industrial lands used for the on-going development of Sendayan Tech Valley 2 | | 302.9 | | PT 6377-6383, PT 6389-6396, PT 6401-6402 and PT 6407-6409 is charged to Amlslamic Bank Berhad | | | | |
| (x) | Lot No. PT 6868, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial land used for the future development of Sendayan Icon Park | | 116.0 | | | | | | |
| (xi) | Lot No. PT 11639-11680, Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant commercial and industrial lands used for the future development of Sendayan Auto City | | 115.2 | | PT 11644-11646 is charged to Amlslamic Bank Berhad | | | | |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner/ Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 | Market value / valuation / Method of valuation | Valuation surplus / (deficit) |
|-------|--|------------------------------------|---|----------------------|-----------------|----------|-------------|------------------------------|------------------------------------|--|-------------------------------|
| | | | | | | | | | RM'000 | RM'000 | RM'000 |
| (xii) | Lot No. PT 8196-8320, 8328-8329, 8339, 10690-10865, and 12652-12660 Bandar Sri Sendayan, Seremban, Negeri Sembilan | | Vacant agricultural, commercial and institution lands used for the on-going development of 1 Sendayan Clubhouse and the future development of Sendayan Merchant Square and 1 Sendayan Clubhouse | | 107.4 | | | | | | |
| 2. | Lot No. PT 11691-11814, 11820-12595 Bandar Sri Sendayan, Seremban, Negeri Sembilan | BSS Development | Vacant residential and commercial lands for the future development of Idaman Yu 2 | Building | 101.7 | Freehold | Nil | N/A | 35,795 | - | - |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner/ Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|-----|--|------------------------------------|--|----------------------|-----------------|-----------------------|---|------------------------------|---|---|--------------------------------------|
| 3. | Lot No. PT 8698-8709, 8711-8724, 8726-8727 and Lot 23142 (Geran 211910), Bandar Seremban, Daerah Seremban, Negeri Sembilan | Matrix | Vacant commercial lands for the future development of Lobak Commercial Centre | Building | 7.1 | Freehold / Perpetuity | PT 8711-8727 and Lot 23142 is charged to Maybank Islamic Berhad | N/A | 14,107 | 15,770 / 28 February 2013 / Comparison method | (1)1,663 |
| 4. | Lot No. PT 3098-3121, 3172-3203 and 3030, Taman Desa PD, Mukim Linggi, Port Dickson, Negeri Sembilan | Matrix | Vacant residential lands for the on-going development of Taman Desa PD 3 and the future development of Taman Desa PD 4 | Building | 9.0 | Freehold / Perpetuity | Nil | N/A | 628 | N/A | N/A |
| 5. | Lot 4789, Geran Mukim 1956, Mukim Pedas, Rembau, Negeri Sembilan | Matrix | Vacant commercial lot | Building | 0.3 | Freehold / Perpetuity | Nil | N/A | 184 | N/A | N/A |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. | Property identification / Location | Registered owner / Beneficial owner | Description & existing use | Category of land use | Land area acres | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 | Market value | |
|-----|--|-------------------------------------|----------------------------|----------------------|-----------------|-----------------------|-------------|------------------------------|------------------------------------|--------------|--------|
| | | | | | | | | | | RM'000 | RM'000 |
| 6. | PN34796, Lot 18243, Mukim Ulu Sungai Johor, Daerah Kota Tinggi, Negeri Johor | Seventech | Vacant residential land | Building | 18.4 | Freehold / Perpetuity | Nil | N/A | 172 | N/A | N/A |

Note:

(1) The revaluation surplus based on the valuation carried out on the respective dates have not and will not be incorporated in the financial statements of the respective companies in the Group.

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8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

8.3 PROPERTIES HELD FOR SALE

As at the LPD, details of the properties which are held for sale by our Group are as follows:

| No. | Property identification / Location | Registered owner | Description & existing use | Category of land use | Land/ Built up area acres/sqm | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|-----|---|--------------------|--|----------------------|-------------------------------|-----------------------|-----------------------------|------------------------------|---|---|--------------------------------------|
| 1. | Lot 6880 (GRN 160388), Lot 6881 (GRN 160387), Lot 6888 (GRN 160380), Lot 6890 (GRN 160378) and Lot 6891 (GRN 160377) (formerly known as PT 1587, 1586, 1579, 1577 and 1576 respectively), Mukim Juasseh, Kuala Pilah, Negeri Sembilan / Taman Putra, Kuala Pilah, Negeri Sembilan | Masuda Corporation | Commercial lands with five units of single-storey shop offices | Building | 0.2 acres / 615 sqm | Freehold / Perpetuity | Charged to CIMB Bank Berhad | 26 June 2000 | 382 | N/A | N/A |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| No. / Location | Property identification | Registered owner | Description & existing use | Category of land use | Built up area / acres/sqm | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|----------------|---|------------------|--|----------------------|---------------------------|-----------------------|-------------|------------------------------|---|---|--------------------------------------|
| 2. | PT 23671, 23683-23686, Lot 32453 (Geran 3890), Lot 32458 (Geran 3896), Lot 32459 (Geran 3897), Lot 32461 (Geran 3899), and PT 23696-23698, Lot 32465 (Geran 3903) Mukim Labu, Daerah Seremban, Negeri Sembilan / Taman Gadong Jaya, Seremban, Negeri Sembilan | Insani Utama | Residential lands with thirteen units of low cost houses | Building | 0.3 acres / 888 sqm | Freehold / Perpetuity | Nil | 18 September 2003 | 383 | N/A | N/A |
| 3. | PT 4942, Bandar Sri Sendayan, Seremban, Negeri Sembilan | MBI | Single-storey stall | Building | 247.5 sqm / 247.5 spm | Freehold / Perpetuity | Nil | 28 December 2011 | 600 | N/A | N/A |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

| Property identification No. / Location | Registered owner | Description & existing use | Category of land use | Land/ Built up area acres/sqm | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / | |
|--|---------------------|---|-------------------------|-------------------------------------|--------------------------|-------------|---------------------------------------|--|---|---|
| | | | | | | | | | Date of valuation / Method of valuation | Valuation surplus / (deficit) RM'000 |
| 4. PTD 71605 and PTD 71739, Taman Sri Impian, Kluang, Johor | Matrix | 1 unit single- storey bungalow and 1 unit double-storey bungalow | Building | 899 sqm / 603 sqm | Freehold / Perpetuity | Nil | 21 November 2012 | 441 | N/A | N/A |

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8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)**8.4 PROPERTIES HELD FOR INVESTMENT**

As at the LPD, details of the properties which are held for investment by our Group are as follows:

| No. / Location | Property identification | Registered owner / Beneficial owner | Description & existing use | Category of land use | Built up area / Land/ sqm | Tenure | Encumbrance | Date of issuance of CF / CCC | Audited NBV as at 31 December 2012 RM'000 | Market value / Date of valuation / Method of valuation RM'000 | Valuation surplus / (deficit) RM'000 |
|----------------|--|-------------------------------------|---|----------------------|---------------------------|-----------------------|-------------|------------------------------|---|---|--------------------------------------|
| 1. | Lot 26736 (Geran 92972 M1/2/27-29, 31,33,35,37, 38); Lot 26739 (Geran 92973, M1/2/14-22; M2/2/37-38,40-50; M3/2/58-64; M4/2/73-80; M5/2/93-99, 101-104), Mukim Labu, Daerah Seremban, Negeri Sembilan / Taman Gadong Jaya, Seremban, Negeri Sembilan | Juwasan Maju | Residential lands with 56 vacant low cost townhouse units | Building | 6,354 sqm / 3,621 sqm | Freehold / Perpetuity | Nil | 11 January 2003 | 1,400 | N/A | N/A |

8. PROPERTIES, PLANT AND EQUIPMENT (Cont'd)

As at the LPD, the properties disclosed above in Sections 8.1 to 8.4 are in compliance with the relevant land use conditions / permissible land use, land laws and building regulations where applicable.

8.5 ACQUISITION OF PROPERTIES DURING THE TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed below, our Group had not acquired any properties during the last two (2) years preceding the date of this Prospectus:

| Details of transaction | Purchase consideration RM'000 |
|--|--|
| BSS Development had entered into a sales and purchase agreement with Gardenia Success Sdn Bhd on 29 September 2011 for the purchase of two (2) freehold commercial lands held under HS(D) 199823 PT 5607 (now known as Geran 218970 Lot 1118), Bandar Sri Sendayan, Daerah Seremban, State of Negeri Sembilan Darul Khusus measuring approximately 101.7 acres and HS(D) 199824 PT 5608 (now known as Geran 218971 Lot 1119), Bandar Sri Sendayan, Daerah Seremban, State of Negeri Sembilan measuring approximately 58.3 acres. The acquisitions were completed on 4 August 2012. | 52,264 |
| Matrix had entered into a sales and purchase agreement with Resort & Leisure Homes Sdn Bhd on 20 February 2013 for the purchase of one (1) piece of freehold residential land held under GRN 18485, Lot 921, Mukim of Si Rusa, Port Dickson, Negeri Sembilan Darul Khusus measuring approximately 5.0 acres . | 11,560 |

As at the LPD, there is no material plant and equipment held or properties leased by our Group. The revaluation surpluses based on the valuations carried out on the respective dates have not and will not be incorporated in the financial statements of the respective companies in the Group.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Promoters and substantial shareholders' shareholdings

The promoters and substantial shareholders' shareholdings in our Company before and after the IPO are as follows:

| Name | Nationality / Place of Incorporation | Before the IPO | | | After the IPO | | | Upon full exercise of ESOS Options | | | | | |
|-------------------------|--|-----------------------|-------|-----------------------|-----------------------|------------|-----------------------|------------------------------------|-------|-----------------------|-------|---------------|-------|
| | | No. of Shares held | % | No. of Shares held | No. of Shares held | % | No. of Shares held | No. of Shares held | % | No. of Shares held | | | |
| Dato' Lee Tian Hock | Malaysian | 63,884,052 | 26.90 | (1)110,047,370 | 46.34 | 59,884,052 | 19.96 | (1)85,547,370 | 28.52 | ^60,084,052 | 18.21 | (1)85,547,370 | 25.92 |
| Shining Term | Malaysia | 48,335,706 | 20.35 | - | - | 48,335,706 | 16.11 | - | - | 48,335,706 | 14.65 | - | - |
| Ambang Kuasa | Malaysia | 29,948,199 | 12.61 | - | - | 14,948,199 | 4.98 | - | - | 14,948,199 | 4.53 | - | - |
| Magnitude Point | Malaysia | 27,620,407 | 11.63 | - | - | 19,120,407 | 6.37 | - | - | 19,120,407 | 5.79 | - | - |
| Target Venue | Malaysia | 15,191,220 | 6.40 | - | - | 11,191,220 | 3.73 | - | - | 11,191,220 | 3.39 | - | - |
| Fine Approach | Malaysia | 14,500,712 | 6.11 | - | - | 12,500,712 | 4.17 | - | - | 12,500,712 | 3.79 | - | - |
| Ho Kong Soon | Malaysian | 6,946,752 | 2.92 | (2)15,191,220 | 6.40 | 6,946,752 | 2.32 | (2)15,191,220 | 5.06 | ^7,146,752 | 2.17 | (2)15,191,220 | 4.60 |
| Datin Yong Chou Lian | Malaysian | 2,071,529 | 0.87 | (3)50,407,235 | 21.22 | 1,071,529 | 0.36 | (3)50,407,235 | 16.80 | 1,071,529 | 0.32 | (3)50,407,235 | 15.27 |
| Ah Sam | Malaysian | - | - | (4)15,191,220 | 6.40 | - | - | (4)11,191,220 | 3.73 | - | - | (4)11,191,220 | 3.39 |
| Lee Tian Huat | Malaysian | - | - | (5)14,500,712 | 6.11 | - | - | (5)12,500,712 | 4.17 | - | - | (5)12,500,712 | 3.79 |
| Yong Soi Mee | Malaysian | - | - | (6)14,500,712 | 6.11 | - | - | (6)12,500,712 | 4.17 | - | - | (6)12,500,712 | 3.79 |

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

| Name | Nationality / Place of Incorporation | Before the IPO | | After the IPO | | Upon full exercise of ESOS Options | |
|-------------------------------------|--|-----------------------|-------|-----------------------|------|------------------------------------|--------------|
| | | No. of Shares held | % | No. of Shares held | % | No. of Shares held | % |
| Promoters | | | | | | | |
| Meridian Effect | Malaysia | 11,738,674 | 4.94 | 8,738,674 | 2.91 | 8,738,674 | 2.65 |
| Yakin Teladan | Malaysia | 2,071,529 | 0.87 | 2,071,529 | 0.69 | 2,071,529 | 0.63 |
| Lee Tian Onn | Malaysian | (6)11,738,674 | 4.94 | *100,000 | 0.03 | ^200,000 | 0.06 |
| Tan Bee Ling | Malaysian | (6)11,738,674 | 4.94 | - | - | - | (6)8,738,674 |
| Lee Geok Lin | Malaysian | - | - | *70,000 | 0.02 | ^140,000 | 0.04 |
| Lee Geok Hoon | Malaysian | - | - | *70,000 | 0.02 | ^140,000 | 0.04 |
| Lee Yoke Bee | Malaysian | - | - | *30,000 | 0.01 | ^60,000 | 0.02 |
| Lee Yoke Fong | Malaysian | - | - | - | - | - | - |
| Teh Wei Cin | Malaysian | - | - | - | - | - | - |
| Cheong Yong Chieh | Malaysian | - | - | *50,000 | 0.02 | ^120,000 | 0.04 |
| Yong Ghee Kiat | Malaysian | - | - | - | - | - | - |
| Yong Ing Kiat | Malaysian | - | - | - | - | - | - |
| Substantial shareholders | | | | | | | |
| Supreme Interest | Malaysia | 15,191,220 | 6.40 | 15,191,220 | 5.06 | 15,191,220 | 4.60 |
| Tan Wan Fook | Malaysian | (7)29,948,199 | 12.61 | - | - | (7)14,948,199 | 4.53 |
| Alice Tan Khiam Chow | Malaysian | (2)15,191,220 | 6.40 | - | - | (2)15,191,220 | 4.60 |

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

Notes:

- (1) Deemed interested by virtue of his direct shareholdings in Shining Term, Ambang Kuasa, Magnitude Point and Yakin Teladan pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.
- (2) Deemed interested by virtue of their direct shareholdings in Supreme Interest pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of her direct shareholdings in Shining Term and Yakin Teladan pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of her direct shareholdings in Target Venue pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of their direct shareholdings in Fine Approach pursuant to Section 6A of the Act.
- (6) Deemed interested by virtue of their direct shareholdings in Meridian Effect pursuant to Section 6A of the Act.
- (7) Deemed interested by virtue of his direct shareholdings in Ambang Kuasa pursuant to Section 6A of the Act.
- * Assuming that the Public Issue Shares allocated to them under the pink form allocations being eligible employees are fully subscribed.
- ^ Assuming that the ESOS Options allocated to them under the ESOS are fully exercised.

9.1.2 Profiles of promoters and substantial shareholders

The profiles of our promoters and substantial shareholders are as follows:

(i) Dato' Lee Tian Hock

Please refer to Section 9.2.2 for the profile of Dato' Lee Tian Hock.

(ii) Shining Term

Shining Term was incorporated as a private limited company on 17 May 2002 in Malaysia under the Act. Shining Term has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of Shining Term is investment holding.

The directors and substantial shareholders of Shining Term and their respective shareholdings in Shining Term as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Dato' Lee Tian Hock | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |
| Datin Yong Chou Lian | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |

Note:

- (1) Deemed interested by virtue of his/her spouse's substantial interest in Shining Term.

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

(iii) Ambang Kuasa

Ambang Kuasa was incorporated as a private limited company on 5 August 2005 in Malaysia under the Act. Ambang Kuasa has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of Ambang Kuasa is investment holding.

The directors and substantial shareholders of Ambang Kuasa and their respective shareholdings in Ambang Kuasa as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|---|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Director and substantial shareholder | | | | | |
| Tan Wan Fook | Malaysian | 1 | 50.00 | - | - |
| Director | | | | | |
| Tiong Chin Soon | Malaysian | - | - | - | - |
| Substantial shareholder | | | | | |
| Dato' Lee Tian Hock | Malaysian | 1 | 50.00 | - | - |

(iv) Magnitude Point

Magnitude Point was incorporated as a private limited company on 8 May 2002 in Malaysia under the Act. Magnitude Point has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM1,000 comprising 1,000 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activities of Magnitude Point is investment holding.

The directors and substantial shareholders of Magnitude Point and their respective shareholdings in Magnitude Point as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|---|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Lee Tian Onn | Malaysian | 135 | 13.50 | - | - |
| Tung Ah Qui | Malaysian | 90 | 9.00 | - | - |
| Tiong Ting Hap | Malaysian | 60 | 6.00 | - | - |
| Substantial shareholders | | | | | |
| Dato' Lee Tian Hock | Malaysian | 210 | 21.00 | - | - |
| Lee Yoke Bee | Malaysian | 100 | 10.00 | - | - |
| Ah Sam | Malaysian | 100 | 10.00 | - | - |
| Target Venue Sdn Bhd | Malaysia | 130 | 13.00 | - | - |
| Yong Ghee Kiat | Malaysian | 60 | 6.00 | - | - |

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

(v) Target Venue

Target Venue was incorporated as a private limited company on 11 July 2002 in Malaysia under the Act. Target Venue has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM100 comprising 100 ordinary shares of RM1.00 each have been fully issued and paid-up. The company is principally involved in investment holding.

The directors and substantial shareholders of Target Venue and their respective shareholdings in Target Venue as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Teh Wei Cin | Malaysian | 10 | 10.00 | ⁽¹⁾ 10 | 10.00 |
| Lee Geok Lin | Malaysian | 10 | 10.00 | ⁽¹⁾ 10 | 10.00 |
| Lee Geok Hoon | Malaysian | 10 | 10.00 | ⁽¹⁾ 10 | 10.00 |
| Substantial shareholders | | | | | |
| Ah Sam | Malaysian | 40 | 40.00 | - | - |
| Lee Yoke Bee | Malaysian | 10 | 10.00 | - | - |
| Lee Yoke Fong | Malaysian | 10 | 10.00 | - | - |
| Cheong Yong Chieh | Malaysian | 10 | 10.00 | ⁽¹⁾ 10 | 10.00 |

Note:

(1) Deemed interested by virtue of his/her spouse's substantial interest in Target Venue.

(vi) Fine Approach

Fine Approach was incorporated as a private limited company on 16 September 2002 in Malaysia under the Act. Fine Approach has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of Fine Approach is investment holding.

The directors and substantial shareholders of Fine Approach and their respective shareholdings in Fine Approach as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Lee Tian Huat | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |
| Yong Soi Mee | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |

Note:

(1) Deemed interested by virtue of his/her spouse's substantial interest in Fine Approach.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**(vii) Ho Kong Soon**

Please refer to Section 9.2.2 for the profile of Ho Kong Soon.

(viii) Datin Yong Chou Lian

Datin Yong Chou Lian, a Malaysian aged 51, started her career as a clerk at the Mini Post Office in Bukit Pelandok, Negeri Sembilan from 1980 to 1987. In 2010, she started her own business and currently holds various business interests including in the property investment holding, operation of petrol station and convenience store, food and beverages as well as trading of building materials. Datin Yong Chou Lian is presently a shareholder and director of Strategic Castle Sdn Bhd, Takrif Maksimum Sdn Bhd, Varia Lumayan Sdn Bhd, Bidara Pesona Sdn Bhd and Sumix Concrete Products Sdn Bhd. She is also a shareholder of Y&Y Mix Sdn Bhd.

(ix) Ah Sam

Ah Sam, a Malaysian aged 77, had managed her family business in livestock farming since 1970. She has since retired from managing the said business in 1996. She is currently a shareholder in Matrix Hiasan Sdn Bhd which is involved in interior design and renovation works.

(x) Lee Tian Huat

Lee Tian Huat, a Malaysian aged 52, is a businessman. He obtained a Bachelor of Science in 1984 and a Masters of Science in 1989, both from Universiti Malaya. He began his career in 1987 as a Production Supervisor with Asahi Electronics (M) Sdn Bhd in Kluang, Johor. In 1990 he resigned from Asahi Electronics (M) Sdn Bhd and was appointed as a Senior Production Control Officer with Tamura Electronics (M) Sdn Bhd in Sungai Way Free Trade Zone, Selangor. He resigned from Tamura Electronics (M) Sdn Bhd in 1992. From 1992 to 1993 he was with Nuboard Mah Fah (M) Sdn Bhd in Sg Gadut, Negeri Sembilan as a Production Manager.

In 1994, he joined Matrix as a Sales Co-ordination and Credit Manager. In 1997, he was appointed as a Director of Matrix and was subsequently appointed as our Executive Director in early 2003. He resigned from his position as our Executive Director in October 2010 and joined Matrix Hiasan Sdn Bhd. He is presently a shareholder and director of Chuan Song Electrical Sdn Bhd, Progressive Flow Sdn Bhd, Matrix Hiasan Sdn Bhd and LTH Plantations Sdn Bhd which are mainly involved in provision of electrical engineering services, property investment holding, interior design and renovation works as well as plantation.

(xi) Yong Soi Mee

Yong Soi Mee, a Malaysian aged 45, is a shareholder and director of Progressive Flow Sdn Bhd, a property investment holding company and LTH Plantations Sdn Bhd, a plantation company.

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

(xii) Meridian Effect

Meridian Effect was incorporated as a private limited company on 2 July 2002 in Malaysia under the Act. Meridian Effect has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of Meridian Effect is investment holding.

The directors and substantial shareholders of Meridian Effect and their respective shareholdings in Meridian Effect as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Lee Tian Onn | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |
| Tan Bee Ling | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |

Note:

(1) Deemed interested by virtue of his/her spouse's substantial interest in Meridian Effect.

(xiii) Yakin Teladan

Yakin Teladan was incorporated as a private limited company on 4 April 2002 in Malaysia under the Act. Yakin Teladan has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been fully issued and paid-up. The principal activity of Yakin Teladan is investment holding.

The directors and substantial shareholders of Yakin Teladan and their respective shareholdings in Yakin Teladan as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Dato' Lee Tian Hock | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |
| Datin Yong Chou Lian | Malaysian | 1 | 50.00 | ⁽¹⁾ 1 | 50.00 |

Note:

(1) Deemed interested by virtue of his/her spouse's substantial interest in Yakin Teladan.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**(xiv) Lee Tian Onn**

Lee Tian Onn, a Malaysian aged 54, was appointed to the Board in February 1997 and resigned as our Director on 2 April 2012. However, he still maintains a role in our Company as director of certain subsidiaries of our Group. In his current capacity, his responsibility includes overseeing the Group's project management. He has nearly 30 years of experience in various industries ranging from plantation, electronics and business development. He started his career in 1979 by assisting in his family's livestock farming business until 1995. In 1996, he set up Rekalight Sdn Bhd, a lighting shop, in Seremban as a partner.

(xv) Tan Bee Ling

Tan Bee Ling, a Malaysian aged 53, was previously involved in the family's business of livestock farming, assisting Ah Sam. She is currently a homemaker.

(xvi) Lee Geok Lin

Lee Geok Lin, a Malaysian aged 42, holds a Diploma in Commerce (Management Accounting) from Kolej Tunku Abdul Rahman which she obtained in 1995. She started her career as an Account Assistant with Arab-Malaysian Construction Sdn Bhd in 1995 and left after 1 year to join Inter Merger Project Management Sdn Bhd as an Account Executive. Subsequently, she left to join MCHB Management in 2000 whereby she is currently an Assistant Account Manager.

(xvii) Lee Geok Hoon

Lee Geok Hoon, a Malaysian aged 42, holds a London Chamber of Commerce and Industry Certificate from Locke Academy, Seremban which she obtained in 1990. She started her career as an Accounts Clerk with Allson Klana Resort, Seremban in 1992 and resigned in 1995. In 1995, she joined Concorde Inn, Sepang as an Accounts Assistant before leaving in 1996 to join Inverfin Sdn Bhd, which is part of the Lion Group Berhad's property division. She resigned in 1999 from Inverfin Sdn Bhd and joined MCHB Management in 2000 and is currently an Assistant Sales and Administration Manager.

(xviii) Lee Yoke Bee

Lee Yoke Bee, a Malaysian aged 51, joined Pembinaan Juwasan in 2005 as an administration executive and still holds that position to this present day.

(xix) Lee Yoke Fong

Lee Yoke Fong, a Malaysian aged 49, is a homemaker.

(xx) Teh Wei Cin

Teh Wei Cin, a Malaysian aged 42, holds a Certificate in Accounting with Business Computing from Kolej Tunku Abdul Rahman which he obtained in 1992. He started his career with Up-Trend Chair Line Sdn Bhd in 1996 and left as a Sales Executive in 2000 to join MCHB Management. He resigned from the Company in July 2011.

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

(xxi) Cheong Yong Chieh

Cheong Yong Chieh, a Malaysian aged 41, was previously an Executive Chef with City Bayview Hotel, Malacca and Executive Sous Chef with Costa Rica Hotel, Port Dickson between 1999 and 2000. He joined Integrated Food System and Services, Glenmarie, Shah Alam in 2000 as Production Chef and he subsequently resigned in 2002. He joined MCHB Management in 2002 as a Site Executive and is currently a Sales and Administration Manager. He also owns businesses in the food and beverage industry.

(xxii) Yong Ghee Kiat

Yong Ghee Kiat, a Malaysian aged 58, is a businessman. Prior to his present business endeavours, he was mainly involved in his own livestock farming and agriculture business. His current business interests are principally involved in the trading of building materials, construction, rental of construction machineries and investment holding. He is currently a shareholder of Y&Y Mix Sdn Bhd, Tong Swee Long Holdings Sdn Bhd and TSL Supplies Sdn Bhd. At present, he is also a shareholder and director of several private limited companies.

(xxiii) Yong Ing Kiat

Yong Ing Kiat, a Malaysian aged 43, is a businessman. He holds a Diploma in Graphic Design from Saito College which he obtained in 1991. He commenced his career in 1993 as a draftman with Juruhiasan Construction Sdn Bhd. He resigned from Juruhiasan Construction Sdn Bhd in 1995. Subsequently in 1995, he joined BT Interior Design Sdn Bhd as a Designer. After 2 years, he left to set up his own business which is involved in the trading of exercise equipment. His business interests are mainly involved in the trading of building materials, trading of exercise equipment, investment holding, trading and transportation. He is currently a shareholder and director of Y&Y Mix Sdn Bhd, Tong Swee Long Holdings Sdn Bhd, Leisure Scheme Sdn Bhd and TSL Supplies Sdn Bhd. At present, he is also a shareholder and director of several private limited companies.

(xxiv) Supreme Interest

Supreme Interest was incorporated as a private limited company on 9 September 2002 in Malaysia under the Act. Supreme Interest has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM100.00 comprising 100 ordinary shares of RM1.00 each have been fully issued and paid-up. The company is principally involved in investment holding.

The directors and substantial shareholders of Supreme Interest and their respective shareholdings in Supreme Interest as at the LPD are as follows:

| Name | Nationality | Shareholding | | | |
|---|-------------|----------------------------|-------|------------------------------|-------|
| | | Direct No. of shares | % | Indirect No. of shares | % |
| Directors and substantial shareholders | | | | | |
| Ho Kong Soon | Malaysian | 80 | 80.00 | ⁽¹⁾ 20 | 20.00 |
| Alice Tan Khiam Chow | Malaysian | 20 | 20.00 | ⁽¹⁾ 80 | 80.00 |

Note:

(1) Deemed interested by virtue of his/her spouse's substantial interest in Supreme Interest.

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

(xxv) Tan Wan Fook

Tan Wan Fook, a Malaysian aged 53, was appointed as a director of Ambang Kuasa in August 2005 and still holds that position to this present day. He obtained his Bachelor of Science with Honours in Computer Science from Universiti Sains Malaysia in 1984. He was previously with Mesiniaga Berhad for 22 years since 1985 before he left in 2006 to set up his own business. His last position with Mesinaga Berhad was as a General Manager, Marketing and Sales Division. He is also a director of CTH Builders Sdn Bhd which is involved in development and construction and Mikayla Hunt Sdn Bhd which is a manpower agency.

(xxvi) Alice Tan Khiam Chow

Alice Tan Khiam Chow, a Malaysian aged 44, is an architect by training. She obtained her London Chambers of Commerce and Industry Certificate in 1997 and subsequently a Diploma of Architecture in 1990 and Bachelor of Architecture (Hons) in 1993, both from Universiti Teknologi Malaysia. In 1993, she obtained her qualification as a Corporate Architect from the Board of Architects Malaysia and as a corporate member of Malaysian Institute of Interior Designers in 1997.

She commenced her career in 1993 with A&A Rekarancang Sdn Bhd as a Graduate Architect and was promoted to an Associate Director before she left the firm in 1997. From 1997 to 2000, she was a Director of AA Arkitek Studio and from 1997 to 2006, she was a Principal of Arkitek Alice Tan. Amongst others, she is currently a director of Anexco Sdn Bhd since 2006.

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

9.1.3 Changes in shareholdings of our promoters and substantial shareholders during the past 3 years

The significant changes in the shareholdings of our promoters and substantial shareholders for the past 3 years up to the LPD are as follows:

| Name | As at 31 December 2010 | | | As at 31 December 2011 | | | As at 31 December 2012 | | | As at the LPD | | | | | |
|--|----------------------------|-------|------------------------------|----------------------------|-------|------------------------------|----------------------------|------------|------------------------------|----------------------------|-------|------------------------------|-------|----------------------------|-------|
| | Direct No. of Shares | % | Indirect No. of Shares | Direct No. of Shares | % | Indirect No. of Shares | Direct No. of Shares | % | Indirect No. of Shares | Direct No. of Shares | % | Indirect No. of Shares | % | | |
| Promoter and substantial shareholders | | | | | | | | | | | | | | | |
| Dato' Lee Tian Hock | 11,254,286 | 27.67 | ⁽¹⁾ 17,234,286 | 13,745,411 | 26.90 | ⁽¹⁾ 23,677,996 | 46.34 | 13,745,411 | 26.90 | ⁽¹⁾ 23,677,996 | 46.34 | 63,884,052 | 26.90 | ⁽¹⁾ 110,047,370 | 46.34 |
| Shining Tern | 10,400,000 | 25.57 | - | 10,400,000 | 20.35 | - | - | 10,400,000 | 20.35 | - | - | 48,335,706 | 20.35 | - | - |
| Ambang Kuasa | - | - | - | 6,443,710 | 12.61 | - | - | 6,443,710 | 12.61 | - | - | 29,948,199 | 12.61 | - | - |
| Magnitude Point | 5,942,858 | 14.61 | - | 5,942,858 | 11.63 | - | - | 5,942,858 | 11.63 | - | - | 27,620,407 | 11.63 | - | - |
| Target Venue | 3,268,571 | 8.04 | - | 3,268,571 | 6.40 | - | - | 3,268,571 | 6.40 | - | - | 15,191,220 | 6.40 | - | - |
| Fine Approach | 3,120,000 | 7.67 | - | 3,120,000 | 6.11 | - | - | 3,120,000 | 6.11 | - | - | 14,500,712 | 6.11 | - | - |
| Ho Kong Soon | - | - | ⁽²⁾ 3,268,571 | 1,494,676 | 2.92 | ⁽²⁾ 3,268,571 | 6.40 | 1,494,676 | 2.92 | ⁽²⁾ 3,268,571 | 6.40 | 6,946,752 | 2.92 | ⁽²⁾ 15,191,220 | 6.40 |
| Datin Yong Chou Lian | 445,714 | 1.10 | ⁽³⁾ 10,845,714 | 445,714 | 0.87 | ⁽³⁾ 10,845,714 | 21.22 | 445,714 | 0.87 | ⁽³⁾ 10,845,714 | 21.22 | 2,071,529 | 0.87 | ⁽³⁾ 50,407,235 | 21.22 |
| Ah Sam | - | - | ⁽⁴⁾ 3,268,571 | - | - | ⁽⁴⁾ 3,268,571 | 6.40 | - | - | ⁽⁴⁾ 3,268,571 | 6.40 | - | - | ⁽⁴⁾ 15,191,220 | 6.40 |
| Lee Tian Huat | - | - | ⁽⁵⁾ 3,120,000 | - | - | ⁽⁵⁾ 3,120,000 | 6.11 | - | - | ⁽⁵⁾ 3,120,000 | 6.11 | - | - | ⁽⁵⁾ 14,500,712 | 6.11 |
| Yong Soi Mee | - | - | ⁽⁵⁾ 3,120,000 | - | - | ⁽⁵⁾ 3,120,000 | 6.11 | - | - | ⁽⁵⁾ 3,120,000 | 6.11 | - | - | ⁽⁵⁾ 14,500,712 | 6.11 |
| Promoters | | | | | | | | | | | | | | | |
| Meridian Effect | 2,525,715 | 6.21 | - | 2,525,715 | 4.94 | - | - | 2,525,715 | 4.94 | - | - | 11,738,674 | 4.94 | - | - |
| Yakin Teladan | 445,714 | 1.10 | - | 445,714 | 0.87 | - | - | 445,714 | 0.87 | - | - | 2,071,529 | 0.87 | - | - |
| Lee Tian Onn | - | - | ⁽⁶⁾ 2,525,715 | - | - | ⁽⁶⁾ 2,525,715 | 4.94 | - | - | ⁽⁶⁾ 2,525,715 | 4.94 | - | - | ⁽⁶⁾ 11,738,674 | 4.94 |
| Tan Bee Ling | - | - | ⁽⁶⁾ 2,525,715 | - | - | ⁽⁶⁾ 2,525,715 | 4.94 | - | - | ⁽⁶⁾ 2,525,715 | 4.94 | - | - | ⁽⁶⁾ 11,738,674 | 4.94 |
| Lee Geok Lin | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lee Geok Hoon | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lee Yoke Bee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lee Yoke Fong | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Teh Wei Cin | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cheong Yong Chieh | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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

| Name | As at 31 December 2010 | | | As at 31 December 2011 | | | As at 31 December 2012 | | | As at the LPD | | |
|-------------------------------------|----------------------------|------------------------------|------|----------------------------|------------------------------|-------|----------------------------|------------------------------|--------------|----------------------------|------------------------------|----------------|
| | Direct No. of Shares | Indirect No. of Shares | % | Direct No. of Shares | Indirect No. of Shares | % | Direct No. of Shares | Indirect No. of Shares | % | Direct No. of Shares | Indirect No. of Shares | % |
| Promoters (cont'd) | | | | | | | | | | | | |
| Yong Ing Kiat | - | - | - | - | - | - | - | - | - | - | - | - |
| Yong Ghee Kiat | - | - | - | - | - | - | - | - | - | - | - | - |
| Substantial shareholders | | | | | | | | | | | | |
| Supreme Interest | 3,268,571 | - | 8.04 | 3,268,571 | - | 6.40 | 3,268,571 | - | 6.40 | 15,191,220 | - | 6.40 |
| Tan Wan Fook | - | - | - | - | (7)6,443,710 | 12.61 | - | - | (7)6,443,710 | 12.61 | - | (7) 29,948,199 |
| Alice Tan Khiam Chow | - | (2)3,268,571 | 8.04 | - | (2)3,268,571 | 6.40 | - | - | (2)3,268,571 | 6.40 | - | (2) 15,191,220 |

Notes:

- (1) Deemed interested by virtue of his direct shareholdings in Shining Term, Ambang Kuasa, Magnitude Point and Yakin Teladan pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.
- (2) Deemed interested by virtue of their direct shareholdings in Supreme Interest pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of her direct shareholdings in Shining Term and Yakin Teladan pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of her direct shareholdings in Target Venue pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of their direct shareholdings in Fine Approach pursuant to Section 6A of the Act.
- (6) Deemed interested by virtue of their direct shareholdings in Meridian Effect pursuant to Section 6A of the Act.
- (7) Deemed interested by virtue of his direct shareholdings in Ambang Kuasa pursuant to Section 6A of the Act.

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

9.2 DIRECTORS

9.2.1 Directors' shareholdings

The Directors' shareholdings in our Company before and after the IPO are as follows:

| Name | Designation | Before the IPO | | | After the IPO | | | Upon full exercise of ESOS Options | | |
|--|--|--------------------|--------------------|-------|--------------------|--------------------|-------|------------------------------------|--------------------|-------|
| | | Direct | Indirect | % | Direct | Indirect | % | Direct | Indirect | % |
| | | No. of Shares held | No. of Shares held | % | No. of Shares held | No. of Shares held | % | No. of Shares held | No. of Shares held | % |
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Non-Independent Chairman | - | - | - | *150,000 | - | 0.05 | ^350,000 | - | 0.11 |
| Dato' Lee Tian Hock | Group Managing Director / Chief Executive | 63,884,052 | (1) 10,047,370 | 46.34 | 59,884,052 | (1) 85,547,370 | 28.52 | ^60,084,052 | (1) 85,547,370 | 25.92 |
| Ho Kong Soon | Group Deputy Managing Director / Chief Operating Officer | 6,946,752 | (2) 15,191,220 | 6.40 | 6,946,752 | (2) 15,191,220 | 5.06 | ^7,146,752 | (2) 15,191,220 | 4.60 |
| Dato' Firdaus Mohamad Rom bin Harun | Independent Director | - | - | - | *150,000 | - | 0.05 | ^250,000 | - | 0.08 |
| Rezai Zain bin Abdul Rashid | Independent Non-Executive Director | - | - | - | *150,000 | - | 0.05 | ^250,000 | - | 0.08 |
| Dato' Ir. Batumalai a/l Ramasamy | Independent Non-Executive Director | - | - | - | *150,000 | - | 0.05 | ^250,000 | - | 0.08 |

Notes:

(1) Deemed interested by virtue of his direct shareholdings in Shining Term, Ambang Kuasa, Magnitude Point and Yakin Teladan and the shareholdings of his spouse, Datin Yong Chou Lian.

(2) Deemed interested by virtue of his direct shareholdings in Supreme Interest.

* Assuming that the Public Issue Shares allocated to them under the pink form allocations being eligible Directors are fully subscribed.

^ Assuming that the ESOS Options allocated to them under the ESOS are fully exercised.

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

9.2.2 Profiles of Directors

The profiles of our Directors are set out below:

(i) Dato' Haji Mohamad Haslah bin Mohamad Amin

Dato' Haji Mohamad Haslah bin Mohamad Amin, a Malaysian aged 60, is our Non-Independent Non-Executive Chairman. He was appointed to the Board on 2 April 2012. He holds a Diploma in Banking from the Institute of Bankers, London, United Kingdom, which he obtained in 1975.

Dato' Haji Mohamad Haslah started his career with the Malayan Banking Berhad ("**Maybank**") group as a trainee in 1974. Some of the key positions held by Dato' Haji Mohamad Haslah during his 20 years with the Maybank group were Branch Manager and Regional Manager of Malayan Banking Berhad, Malaysia and President Director of PT Maybank Nusa International, Indonesia. In 1995, he resigned from the Maybank Group and was appointed as the Executive Director of Peregrine Fixed Income Limited, Hong Kong. He subsequently resigned in 1999 and joined Fleet Boston NA, Singapore, as Country Director from 1999 to 2000. He then joined Pacific Plywood Holdings Limited, Hong Kong, as Financial Advisor from 2000 to 2001. From 2001 to 2004, he was appointed as Director of several private limited companies.

He is presently the Chief Executive Officer of MBI, a Negeri Sembilan State owned entity, since 2004. He also sits on the boards of numerous private limited companies.

(ii) Dato' Lee Tian Hock

Dato' Lee Tian Hock, a Malaysian aged 55, is our Group Managing Director / Chief Executive Officer and is also the founder of the Matrix Concepts Group. He was appointed to the Board on 4 March 1997. He is a graduate in Housing, Building and Planning, having obtained his degree from Universiti Sains Malaysia in 1983. He currently spearheads the Group's business direction and overall strategies and policies.

He has approximately 30 years of experience in the property development industry. In 1983, he started his career as a Project Executive with Johor-based South Pacific Textile Industries Sdn Bhd where he was involved in the development of a mixed housing development scheme known as Taman Kalimas in Batu Pahat and Condominium Fontana Heights in Singapore with a GDV of approximately RM30 million. His main responsibilities were to supervise the project as well as assist in liaising with the authorities. He resigned from South Pacific Textile Industries Sdn Bhd in 1985. From 1985 to 1988, he was an Assistant Project Manager with Menang Holdings Sdn Bhd where he was involved in the development of Taman Rasah Jaya. The said housing scheme, which had a GDV of RM400 million, was the largest housing scheme in Negeri Sembilan at that point in time.

Subsequently, he held the position of a Construction Manager with Chong Ah Chai Constructions which constructed estate quarters and bungalows in Bukit Lawang Estate near Kulai, Johor for Golden Hope Plantation Berhad from 1988 to 1990.

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

In 1990, he found employment as a Project Manager with N.S. Industrial Development Corporation Sdn Bhd where he was involved in the development of Nilai Industrial Development Phase II and Taman Semarak, both in Negeri Sembilan. In 1992, he was promoted to General Manager and was seconded to NS Township Development Sdn Bhd where he was involved in the general management of the development of the Bandar Baru Nilai Township (now known as Putra Nilai) which covers an area of approximately 6,000 acres and with a GDV of approximately RM5.5 billion.

In 1995, Dato' Lee Tian Hock resigned from N.S. Industrial Development Corporation Sdn Bhd and was appointed as the Managing Director of Semangat Tinggi Sdn Bhd which developed 260 units of luxurious bungalows with a total estimated GDV of RM55 million known as Sikamat Acasia Country Heights in Seremban. After the successful launch of the said project whereby 80% of the bungalow units were sold, he sold off his equity interest in the company in 1997, comprising 50,000 ordinary shares representing 20% of the issued and paid-up capital of Semangat Tinggi Sdn Bhd, to set-up Matrix Concepts.

He founded the Matrix Concepts Group in 1997 and was appointed as our Managing Director. He oversaw the development of the first 595 units of medium cost mixed housing scheme known as Taman Bahau in Bahau, Negeri Sembilan. Taman Bahau was launched by the then Menteri Besar of Negeri Sembilan on 7 August 1997 and was completed within a year and a half with a GDV of approximately RM35 million. Since then, he has successfully led the Group to become a reputable developer in Negeri Sembilan and Johor including two major townships which are flagship developments of the Group among many other mixed residential and commercial developments.

He is also a shareholder and Director of Strategic Castle Sdn Bhd, Takrif Maksimum Sdn Bhd, Varia Lumayan Sdn Bhd and Bidara Pesona Sdn Bhd.

(iii) Ho Kong Soon

Ho Kong Soon, a Malaysian aged 46, is our Group Deputy Managing Director / Chief Operating Officer. He was appointed to the Board on 30 December 2002. He obtained a Bachelor of Engineering degree from University of Malaya in 1992. His current responsibilities include overall project management as well as overseeing the daily operations of the Group.

He started his career in 1992 as a Project Engineer in NS Industrial Development Sdn Bhd and was involved in the development of the Allson Klana Resort Hotel, Kasturi Klana Park Condominium and the Taman Semarak housing scheme, all in Negeri Sembilan. In 1994, he was promoted to Project Manager in the same company and was put in charge of project feasibility study and the initial planning of the 6,000-acre Nilai New Township in Negeri Sembilan. In 1995, he resigned from NS Industrial Development Sdn Bhd and joined Potential Region Sdn Bhd as Project Manager and was involved in the development of a 220-acre orchard homestead resort in Port Dickson, Negeri Sembilan and 600 units of residential houses in Sri Senawang, Negeri Sembilan. Ho Kong Soon resigned from Potential Region Sdn Bhd in 1997.

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

He joined our Group in 1997 as a Director and General Manager of Matrix and oversaw the implementation of the Taman Bahau and Seri Telawi projects in Negeri Sembilan. He was appointed in his current tenure as Group Deputy Managing Director / Chief Operating Officer of our Group in 2012. He is also a Director of Anexco Sdn Bhd, a company involved in property rental and provision of maintenance.

(iv) Dato' Firdaus Muhammad Rom bin Harun

Dato' Firdaus Muhammad Rom bin Harun, a Malaysian aged 63, is our Independent Non-Executive Director. He was appointed to the Board on 2 April 2012. He is currently the Chairman of the Nomination Committee and a Member of the Audit Committee and Remuneration Committee. He holds a certificate in Public Relations from the Institute of Public Relations, London, which he obtained in year 1974 and a diploma in Marketing from the Chartered Institute of Marketing, United Kingdom, which he obtained in year 1990.

Dato' Firdaus Muhammad Rom bin Harun has over 39 years of experience in the corporate sector and civil service. He began his career as a Public Relation Officer in the Fisheries Development Authority in the Ministry of Agriculture in year 1973 until 1980. In year 1981, he joined Amanah Saham Nasional Berhad ("ASNBS") as a Marketing Executive based at ASNBS's headquarters in Kuala Lumpur. In year 1982, he was appointed as a Manager of ASNBS's Negeri Sembilan Branch. He was then promoted in year 1984 to Regional Manager of the Southern Region, covering Negeri Sembilan, Melaka and Johor. In year 1987, he was promoted to the Head of Analysis and Research Unit and Assistant Manager of the Marketing Department of ASNBS. He was further promoted to Manager and Senior Manager of the Marketing Department of ASNBS in year 1991 and year 1994 respectively. In year 1994, he held the position of Senior Manager in the Branch Operations Department of ASNBS. He subsequently resigned from ASNBS in 1995.

In year 1995, Dato' Firdaus Muhammad Rom bin Harun became a Member of the Negeri Sembilan State Legislative Assembly for Chembong. In year 2004, he was elected as a Member of Parliament for the Constituency of Rembau. In year 2008, he was appointed as the Political Secretary to the Menteri Besar of Negeri Sembilan. Presently, Dato' Firdaus Muhammad Rom bin Harun is a training consultant.

(v) Rezal Zain bin Abdul Rashid

Rezal Zain bin Abdul Rashid, a Malaysian aged 46, is our Independent Non-Executive Director. He was appointed to the Board on 8 August 2012. He is currently the Chairman of the Audit Committee and Remuneration Committee and a Member of the Nomination Committee. He holds a Bachelor of Arts (Accounting) degree from the University of Canberra, Australia, which he obtained in year 1989. He is a member of the Malaysian Institute of Accountants and CPA Australia.

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

He began his career in audit with KPMG Desa Megat in 1989 until 1993. He then subsequently joined Peat Marwick Consultants in 1993 where he was involved in numerous assignments ranging from the development of policies and procedures, market studies as well as privatisation studies. In 1995, he resigned from Peat Marwick Consultants and joined Arab Malaysian Merchant Bank Bhd ("AMMB") as an Assistant Manager in the corporate finance department where he participated in numerous merger and acquisition exercises.

He left AMMB in 1996 and joined TDM Berhad as a Business Development Manager where he successfully completed several acquisition exercises. In year 1999, he was promoted to Chief Operating Officer of TDM Berhad where he supported the Board of Directors and Chief Executive Officer of TDM Berhad.

Subsequently in 2000, Rezal Zain bin Abdul Rashid successfully completed a management buyout of TD Technologies Sdn Bhd, then a subsidiary of TDM Berhad. Presently, he is a director of TD Technologies Sdn Bhd and also an Independent Non-Executive Director of Fima Corporation Berhad and PJI Holdings Berhad.

(vi) Dato' Ir. Batumalai a/l Ramasamy

Dato' Ir. Batumalai a/l Ramasamy, a Malaysian aged 66, is our Independent Non-Executive Director. He was appointed to the Board on 28 December 2012. He holds a Diploma in Civil Engineering from Universiti Teknologi Malaysia, which he obtained in 1970. He further obtained a Bachelor of Science in Civil Engineering from the University of Aberdeen, Aberdeen, Scotland in 1975. He is a Fellow Member of the Institute of Engineers, Malaysia since 1997 and a Registered Professional Engineer with the Board of Engineers, Malaysia.

Dato' Ir. Batumalai started his career as a Technical Assistant with the Department of Irrigation and Drainage ("DID"), Kuala Lumpur in 1969. During his 5 years there, his main responsibilities were to assist in the planning and designing of drainage and irrigation schemes. He assumed the role of Engineer with the DID, Kuala Lumpur in 1975 prior to being promoted to Project Engineer with the DID, Kedah in 1976. After 12 years with the DID, Kedah, he was promoted to District Engineer with the DID, Perak in 1989 and was subsequently transferred to the DID, Johor in 1991.

He was appointed as Director of the DID, Negeri Sembilan in 1994. After 35 years of service in the DID, he retired in 2003. Presently, he is an Associate Director of O&L Jurutera Perunding, Melaka.

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

9.2.3 Principal directorships and principal business activities outside our Company

Save as disclosed below, none of our Directors has any involvement in business activities performed outside our Company for the past 5 years prior to the LPD:

| Name | Name of business/corporation | Principal activity | Nature of interest or involvement |
|--|--|---|-----------------------------------|
| Dato' Haji Mohamad Haslah bin Mohamad Amin | Present directorships: | | |
| | • Anjuran Utama Sdn Bhd | Management Consultancy and Marketing Coordination Services | Director/ shareholder |
| | • Emerald Spirit Sdn Bhd | Hotel management | Director |
| | • Hoben Jang Hoben Sdn Bhd | Trading of all kinds of sportswear | Director/ shareholder |
| | • HR Systems & Consulting Sdn Bhd | Consulting services and general trading | Director/ shareholder |
| | • KL Metro Sdn Bhd | Property development | Director |
| | • Klana Management Sdn Bhd | Providing hotel management and consultancy services | Director |
| | • MAINS Holdings Sdn Bhd | Administrating property development business of MAINS and general trading | Director |
| | • MAINS Hotel Sdn Bhd | Hotel operations | Director |
| | • Negeri Roadstone Sdn Bhd | Quarry operations | Director |
| | • NSB Venture Holdings Sdn Bhd | Dormant | Director |
| | • Sains ICT Sdn Bhd | Dormant | Director |
| | • Syarikat Air Negeri Sembilan Sdn Bhd | Distribution and supply of treated water in Negeri Sembilan | Director |
| | Past directorships: | | |
| | • Citymax Consulting Sdn Bhd (<i>dissolved</i>) | General trading | Director |
| | • Home Protection Sdn Bhd | Maintenance services | Director |
| | • Karya Vista Sdn Bhd (<i>dissolved</i>) | General trading | Director/ shareholder |
| | • Meteoric Alliance Sdn Bhd | Construction | Director |
| | • One Solutions (Negeri Sembilan) Sdn Bhd (<i>dissolved</i>) | General trading | Director |
| • Pancut Bumi Sdn Bhd | Dormant | Director | |
| • Seremban Specialist Hospital Sdn Bhd | Specialist medical centre | Director | |

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

| Name | Name of business/corporation | Principal activity | Nature of interest or involvement |
|--------------------------------------|---|--|-----------------------------------|
| Dato' Lee Tian Hock | Present directorships: | | |
| | • Bidara Pesona Sdn Bhd | Dormant | Director/ shareholder |
| | • Matrix IBS Sdn Bhd | Dormant | Director/ shareholder |
| | • Shining Term | Investment holding | Director/ shareholder |
| | • Strategic Castle Sdn Bhd | Property investment holding | Director/ shareholder |
| | • Takrif Maksimum Sdn Bhd | Operators of petrol station and convenience store | Director/ shareholder |
| | • Varia Lumayan Sdn Bhd | Operators of food and beverage | Director/ shareholder |
| | • Yakin Teladan | Investment holding | Director/ shareholder |
| | Past directorships: | | |
| | • 5G Multimedia Sdn Bhd | Provision of information services | Director |
| | • CTH Builders Sdn Bhd | Building construction and development | Director |
| | • Konstrado Sdn Bhd (dissolved) | Construction | Director/ shareholder |
| | • Kukup Laut Resort Hotel Sdn Bhd (dissolved) | Resort management | Director/ shareholder |
| | • Kukup Laut Resort Management Services Sdn Bhd (dissolved) | Resort management | Director/ shareholder |
| • Natgas Sdn Bhd (dissolved) | Dealing in gas products | Director/ shareholder | |
| Ho Kong Soon | Present directorships: | | |
| | • Anexco Sdn Bhd | Property letting and provision of maintenance services | Director/ shareholder |
| | • Matrix IBS Sdn Bhd | Dormant | Director/ shareholder |
| | • Supreme Interest | Investment holding | Director/ shareholder |
| | Past directorships: | | |
| | • 5G Multimedia Sdn Bhd | Provision of information services | Director |
| Dato' Firdaus Muhammad Rom bin Harun | Present directorship: | | |
| | • Lensa Prisma Sdn Bhd | Project management and property investment | Director |
| | Past directorship: | | |
| | • Smart Chance Sdn Bhd (Dissolved) | Dormant | Director/ shareholder |

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

| Name | Name of business/corporation | Principal activity | Nature of interest or involvement |
|--|--|--|-----------------------------------|
| Rezal Zain bin Abdul Rashid | Present directorships: | | |
| | • Arroz Management Sdn Bhd | Dormant | Director/ shareholder |
| | • Darul Iman Medical Centre Sdn Bhd | Provision of medical and healthcare services | Director/ shareholder |
| | • Electro Activated Water Technologies (M) Sdn Bhd | Manufacturing and trading | Director/ shareholder |
| | • Fima Corporation Berhad | Property management and investment holding | Director |
| | • First Zanzibar Sdn Bhd | Develop accounting software, trading or computer hardware and software | Director/ shareholder |
| | • PJI Holdings Berhad | Investment holding and provision of management services | Director/ shareholder |
| | • TD Technologies Sdn Bhd | Develop accounting software, trading of computer hardware and software | Director/ shareholder |
| | • TDM Siewert and Soehne Sdn Bhd | General trading | Director/ shareholder |
| | • Three Hundred Sixty Sdn Bhd | Interior design | Director/ shareholder |
| | • Turkish Kitchen (M) Sdn Bhd | Operator of restaurants | Director/ shareholder |
| | Past directorships: | | |
| | • Ultimate Building Machine (Malaysia) Sdn Bhd | Dormant | Director |
| | • P.J. Indah Sdn Bhd | Mechanical and electrical engineering and construction | Director |
| | Dato' Ir. Batumalai a/ Ramasamy | Past directorships: | |
| • Agensi Pekerjaan PFA Asia Sdn Bhd | | Recruitment services | Director / shareholders |
| • Oscar Calibre Sdn Bhd (<i>dissolved</i>) | | General contractor | Director |

Our Directors are of the view that their involvement in other business activities outside our Company will not affect their contributions to our Group, and hence is not expected to affect the operations of our Group.

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

9.2.4 Directors' remuneration and material benefits in-kind

The aggregate remuneration and material benefits in-kind paid and proposed to be paid for services rendered to our Group for FYE 31 December 2012 and 2013 are as follows:

| Directors | Remuneration band | |
|--|----------------------------|----------------------------|
| | FYE 31 December 2012 RM | FYE 31 December 2013 RM |
| Dato' Haji Mohamad Haslah bin Mohamad Amin | 450,000-500,000 | 450,000-500,000 |
| Dato' Lee Tian Hock | 5,850,000-5,900,000 | 3,300,000-3,350,000 |
| Ho Kong Soon | 3,400,000-3,450,000 | 2,800,000-2,850,000 |
| Dato' Firdaus Muhammad Rom bin Harun | 0-50,000 | 0-50,000 |
| Rezal Zain bin Abdul Rashid | 0-50,000 | 0-50,000 |
| Dato' Ir. Batumalai a/l Ramasamy | 0-50,000 | 0-50,000 |

The remuneration of our Directors, which includes salaries, bonuses, fees and allowances as well as other benefits, must be recommended by our Remuneration Committee and subsequently be approved by the Board, subject to the provisions of our Articles of Association. Our Directors' fees must be further approved or endorsed by our shareholders in a general meeting.

9.2.5 Board practices

According to our Articles of Association, at least 1/3 of our Directors shall retire from office at each annual general meeting, provided always that all Directors shall retire from office at least once every 3 years. An election of Directors shall take place each year. However, a retired Director is eligible for re-election at the next subsequent annual general meeting.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

(i) Directors' term of office

As at the LPD, the date of appointment and the date of expiration of the current term of office of our Directors are set out below:

| Director | Date of appointment | No. of years in service | Date of expiration of the current term in office |
|--|---------------------|-------------------------|--|
| Dato' Haji Mohamad Haslah bin Mohamad Amin | 2 April 2012 | 1 | At our annual general meeting in 2014 |
| Dato' Lee Tian Hock | 4 March 1997 | >16 | At our annual general meeting in 2014 |

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

| Director | Date of appointment | No. of years in service | Date of expiration of the current term in office |
|--------------------------------------|---------------------|-------------------------|--|
| Ho Kong Soon | 31 December 2002 | >10 | At our annual general meeting in 2016 |
| Dato' Firdaus Muhammad Rom bin Harun | 2 April 2012 | 1 | At our annual general meeting in 2015 |
| Rezal Zain bin Abdul Rashid | 8 August 2012 | <1 | At our annual general meeting in 2015 |
| Dato' Ir. Batumalai a/l Ramasamy | 28 December 2012 | <1 | At our annual general meeting in 2016 |

(ii) Audit Committee

The main functions of the Audit Committee fall within the ambit of the Listing Requirements. The Audit Committee is responsible to review and provide recommendation on the appointment or reappointment of external auditors, to review the scope of audit and audit reports and to evaluate and maintain effective systems of internal audit and internal control. In addition, the Audit Committee will review the quarterly and annual financial statements prior to submission to the Board. The Audit Committee is also responsible for assessment of financial risk and matters relating to related party transactions and conflict of interests.

The members of the Audit Committee are as follows:

| Name | Designation | Directorship |
|--------------------------------------|-------------|------------------------------------|
| Rezal Zain bin Abdul Rashid | Chairman | Independent Non-Executive Director |
| Dato' Ir. Batumalai a/l Ramasamy | Member | Independent Non-Executive Director |
| Dato' Firdaus Muhammad Rom bin Harun | Member | Independent Non-Executive Director |

(iii) Remuneration Committee

The main function of the remuneration committee is to recommend the remuneration package for our Directors including salaries, directors fees, allowances, bonuses and benefits-in-kind. The remuneration committee will also assist the Board on matters relating to management development, compensation strategy and compensation arrangement.

The members of the Remuneration Committee are as follows:

| Name | Designation | Directorship |
|--------------------------------------|-------------|---|
| Rezal Zain bin Abdul Rashid | Chairman | Independent Non-Executive Director |
| Dato' Lee Tian Hock | Member | Group Managing Director / Chief Executive Officer |
| Dato' Firdaus Muhammad Rom bin Harun | Member | Independent Non-Executive Director |

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

(iv) Nomination Committee

The main function of the Nomination Committee is to recommend appropriate size of our Board and the appointment of Directors and committee members to our Company. Other roles of the Nomination Committee include, amongst others, assisting our Board in reviewing on an annual basis the required mix of skills, experience and other qualities, including core competencies of Non-Executive Directors and assessing the effectiveness of our Board as a whole as well as the contribution of each Director and Board committee member.

The composition of the Nomination Committee are as follows:

| Name | Designation | Directorship |
|--------------------------------------|--------------------|------------------------------------|
| Dato' Firdaus Muhammad Rom bin Harun | Chairman | Independent Non-Executive Director |
| Rezal Zain bin Abdul Rashid | Member | Independent Non-Executive Director |
| Dato' Ir. Batumalai a/l Ramasamy | Member | Independent Non-Executive Director |

The recommendations of the Nomination Committee are subject to the approval of the Board.

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

9.3 KEY MANAGEMENT

9.3.1 Key management's shareholdings in our Company

The key management's shareholdings in our Company before and after the IPO are as follows:

| Name | Designation | Before the IPO | | | After the IPO | | | Upon full exercise of ESOS Options | | | | |
|--------------|---|----------------|----------|--------------------|---------------|----------|--------------------|------------------------------------|----------|--------------------|---|---|
| | | Direct | Indirect | No. of Shares held | Direct | Indirect | No. of Shares held | Direct | Indirect | No. of Shares held | | |
| | | % | % | % | % | % | % | % | % | % | | |
| Lee Fah Pin | General Manager, Projects | - | - | - | *100,000 | 0.03 | - | - | ^200,000 | 0.06 | - | - |
| Tan Say Kuan | Group Accountant | - | - | - | *80,000 | 0.03 | - | - | ^180,000 | 0.05 | - | - |
| Tee Kam Mee | General Manager, Human Resources and Administration | - | - | - | *100,000 | 0.03 | - | - | ^200,000 | 0.06 | - | - |
| How Giok Wah | General Manager, Sales | - | - | - | *50,000 | 0.02 | - | - | ^150,000 | 0.05 | - | - |

Notes:

* Assuming that the Public Issue Shares allocated to them under the pink form allocation being eligible employees are fully subscribed.

^ Assuming that the ESOS Options allocated to them under the ESOS are fully exercised.

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

9.3.2 Profiles of key management

The profiles of our key management are set out below:

(i) Lee Fah Pin

Lee Fah Pin, a Malaysian aged 47, is our General Manager, Projects. He graduated with a Bachelor of Science in Civil Engineering from the California State University of Fresno in 1990 and subsequently obtained his Masters of Science in Civil Engineering from the same university in 1992. He is a Graduate of the Institution of Engineers, Malaysia, since 1993 and is a Member of the Technological Association of Malaysia and Structural Engineers Institution, United States since 1994 and 2000 respectively. He is also an Associate Member of the American Society of Civil Engineers since 1998. He began his career in 1989 as a trainee in Penang Development Corporation where he was exposed to minor site supervision and draughting. From September 1989 to May 1992, he was a part-time student assistant in the Civil and Surveying Engineering Department at the California State University at Fresno, U.S.A. where he was responsible for grading scholars' assignments in Statics, Strength of Material and Intermediate Structural Analysis courses. From January 1990 to June 1991 and January 1992 to April 1992, he was a permanent Junior Engineer/ Draftsman in the Parrish Engineering (Structural Consultant Inc.) at Clovis, California, U.S.A. Responsibilities of the position involved preparation of structural engineering design calculations and drawings for commercial, industrial and residential buildings in steel, timber and concrete design and also checking shop drawings for steel buildings.

From July 1992 to April 1999, he was a Senior Civil and Structural Engineer with Reka Engineering Consultant in Seremban. Services included preliminary design, analysis and design calculations, working drawings in structural steel, timber and reinforced concrete. He was also involved in planning, design and execution of Sewerage Reticulations, water reticulations and drainage works. Services rendered also involved construction inspection of Civil and Contractor's works, verifying contractor's progress claim, site visit, organise and attend meeting with clients, authorities, contractors and relevant consultants and preparation of tender documents and specifications, etc. From May 1999 to June 2000 he was a Senior Civil and Structural Engineer in A.O. Perunding in Seremban. In 2000, he joined MCHB Management as Project Manager, Design and Planning, and was later promoted to Senior Project Manager in 2001 and to General Manager in 2004.

(ii) Tan Say Kuan

Tan Say Kuan, a Malaysian aged 39, is our Group Accountant. He has been an affiliate of the Association of Chartered Certified Accountants since 2001, and obtained his certificate of membership as a Member of the Malaysian Institute of Accountants and Member of the Association of Chartered Certified Accountants since 2002. In 2007, he was admitted as a Fellow Member of the Association of Chartered Certified Accountants. His career started in 1994 as an Audit Junior at Siva Tan & Co, an audit firm. Subsequently in 2000, he left to join Douglas Loh and Associates as Audit Manager and in 2004, he left and joined Kris Benua as Group Accountant before taking up the position in his current tenure as Group Accountant. He is mainly responsible for the overall accounting and financial aspects of our Group. He is presently a director of BSS Development and Matrix.

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

(iii) Tee Kam Mee

Tee Kam Mee, a Malaysian aged 38, is our General Manager, Human Resource and Administration. She graduated in 1997 with a Bachelor of Commerce Degree from Monash University, Australia and has been a member of the Australian Society of Certified Practising Accountants (CPA Australia) and the Malaysian Institute of Accountants since 2003. Her career started in 1998 as an Accounts Executive at Pembinaan Juwasaan. She was subsequently promoted to Senior Accounts cum Administrative Executive in 2001, and Accounts Manager in 2003. She became Senior Accounts Manager in 2006 before she was appointed as General Manager, Accounts and Administration in 2008. In 2012, she was appointed in her current tenure as General Manager, Human Resource and Administration of our Group.

(iv) How Giok Wah

How Giok Wah, a Malaysian aged 61, is our General Manager, Sales of our Group. He graduated from University of Malaya in 1976 with a Bachelor of Science (Honours) Degree in Electrical and Electronics Engineering. His career started in 1976 as an Engineer in the investment and promotions department at MIDA where he was mainly involved in market and feasibility studies of manufactured goods. He left and joined Yee Chong Management Consultants Sdn Bhd in 1983 as Advisor and Consultant and was providing advice on starting and implementation of manufacturing companies. He joined our Group in 2007 in his current tenure as Advisor and General Manager, Sales, and is directly involved in the sales of industrial and commercial land.

9.4 INVOLVEMENT OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT IN OTHER BUSINESSES/ CORPORATIONS

Save as disclosed below, our Executive Directors and key management are not involved in other principal business activities outside our Group:

| Director/ Key management | Company | Principal activities | Designation |
|--------------------------|----------------------------|---|--------------------------|
| Dato' Lee Tian Hock | • Ambang Kuasa | Investment Holding | Shareholder |
| | • Bidara Pesona Sdn Bhd | Dormant | Director |
| | • Matrix IBS Sdn Bhd | Dormant | Director/ shareholder |
| | • Shining Term | Investment holding | Director/ shareholder |
| | • Strategic Castle Sdn Bhd | Property investment holding | Director/ shareholder |
| | • Takrif Maksimum Sdn Bhd | Operators of petrol station and convenience store | Director/ shareholder |
| | • Varia Lumayan Sdn Bhd | Operators of food and beverage | Director/ shareholder |
| | • Yakin Teladan | Investment Holding | Director/ shareholder |

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

| Director/ Key management | Company | Principal activities | Designation |
|--------------------------|----------------------|--|-----------------------|
| Ho Kong Soon | • Anexco Sdn Bhd | Property letting and provision of maintenance services | Director/ shareholder |
| | • Matrix IBS Sdn Bhd | Dormant | Director/ shareholder |
| | • Supreme Interest | Investment holding | Director/ shareholder |

Our Directors are of the view that our Directors' involvement in the above businesses will not have a conflict of interest situation as the principal businesses are not similar to those of our Group. In addition, our Directors are of the view that their involvement in the abovementioned businesses do not affect their contribution to our Group or negatively impact their ability to act as our Directors.

9.5 DECLARATION FROM THE PROMOTERS, DIRECTORS AND KEY MANAGEMENT

None of our Promoters, Directors and key management or any person nominated to become a Director or key management is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any corporation of which he was a partner or any corporation of which he was a director or key personnel; or
- (ii) a person disqualified from acting as a director of any corporation, from taking part directly or indirectly in the management of any corporation; or
- (iii) a charge and/or convict in a criminal proceeding or being named as subject of a pending criminal proceeding; or
- (iv) any judgement entered involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

9.6 FAMILY RELATIONSHIP AND ASSOCIATION

Based on the declaration by our Promoters, substantial shareholders, Directors and key management, save as disclosed below, there are no family relationships or associations between or amongst our Promoters, substantial shareholders, Directors or key management:

- (i) Dato' Lee Tian Hock, Lee Tian Huat, Lee Tian Onn, Lee Geok Lin, Lee Geok Hoon, Lee Yoke Bee and Lee Yoke Fong are siblings.
- (ii) Ah Sam is the mother of Dato' Lee Tian Hock, Lee Tian Huat, Lee Tian Onn, Lee Geok Lin, Lee Geok Hoon, Lee Yoke Bee and Lee Yoke Fong.
- (iii) Datin Yong Chou Lian, Yong Ghee Kiat and Yong Ing Kiat are siblings.

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

- (iv) Datin Yong Chou Lian is the spouse of Dato' Lee Tian Hock.
- (v) Yong Soi Mee is the spouse of Lee Tian Huat.
- (vi) Tan Bee Ling is the spouse of Lee Tian Onn.
- (vii) Alice Tan Khiam Chow is the spouse of Ho Kong Soon.
- (viii) Lee Geok Lin is the spouse of Teh Wei Cin.
- (ix) Lee Geok Hoon is the spouse of Cheong Yong Chieh.
- (x) Ah Sam and How Giok Wah are step siblings.

9.7 AMOUNTS/BENEFITS PAID OR INTENDED TO BE PAID OR GIVEN TO ANY PROMOTERS, DIRECTORS OR SUBSTANTIAL SHAREHOLDERS

Save for remuneration and benefits paid to the Promoters and Directors of our Company for services rendered in all their capacities within our Group as set out in Section 9.2.4 of this Prospectus, there is no other amount or benefit paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholder, within the 2 years preceding the date of this Prospectus.

9.8 SERVICE CONTRACTS

As at the LPD, there are no existing and proposed service contract between our Group and our Directors and key management.

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

9.9 EMPLOYEES

As at the LPD, our Group has a total of 547 employees. Our Group has not encountered any major problems with staff turnover and there has been no labour and/or industrial dispute taken against our Group. All employees of our Group are not members of any trade union.

The table below sets out the number of employees segmented by business function as at the end of each of the past 3 financial years and as at the LPD:

| Function | No. of employees | | | | | | | |
|------------------------------|---------------------------|--|------------|--|------------|--|---------------|--|
| | ←----- 31 December -----> | | | | | | | |
| | 2010 | Proportion of total no. of employees (%) | 2011 | Proportion of total no. of employees (%) | 2012 | Proportion of total no. of employees (%) | As at the LPD | Proportion of total no. of employees (%) |
| Management and professionals | 15 | 12.6 | 13 | 9.9 | 15 | 10.1 | 16 | 10.4 |
| Technical and supervisory | 33 | 27.7 | 38 | 29.0 | 47 | 31.8 | 50 | 32.5 |
| Sales and marketing | 33 | 27.7 | 31 | 23.7 | 30 | 20.3 | 31 | 20.1 |
| General workers | 7 | 5.9 | 10 | 7.6 | 12 | 8.1 | 12 | 7.8 |
| Clerical and administrative | 31 | 26.1 | 39 | 29.8 | 44 | 29.7 | 45 | 29.2 |
| Sub-total | 119 | 100.0 | 131 | 100.0 | 148 | 100.0 | 154 | 100.0 |
| Contract workers | 205 | - | 346 | - | 327 | - | 393 | - |
| Total | 324 | - | 477 | - | 475 | - | 547 | - |

As at the LPD, management and professional employees comprising directors, accountants, managers and executive secretary to chairman represented 10.4% of our total permanent employees. As at the LPD, technical professionals and personnel represented 32.5% of our total permanent employees and these comprised mainly contract managers, project managers, land coordinator manager, project and site engineers, site and maintenance supervisors, contractors, site maintenance, property and administration executives, draught persons and other technical personnel such as site clerk and technical assistants. Our sales and marketing personnel, and clerical and administrative personnel represented 20.1% and 29.2% of our total permanent employees respectively. Other personnel accounted for the remaining 7.8% of our total permanent employees.

All contract workers are of foreign nationalities and their work carried out includes landscaping, painting, masonry, carpentry, concreting, infrastructure works, bar bending and other general works. The number of contract workers required is normally dependent on the level of work required for our property development projects. As at the FYE 31 December 2011, there was a substantial increase in the number of contract workers due to the higher level of development activities during the end of 2011. The number of contract workers remained fairly consistent during the FYE 31 December 2012 as compared to the previous financial year but increased to 393 as at the LPD.

Training and development

We regard our employees as crucial assets to our organisation and place great emphasis on the cultivation of their skills as a means for us to remain competitive in the industry. Our training plans consist of on-the-job training and external training.

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

Some of the past and current external training programmes undertaken by the employees of our Group are as follows:

| External training programmes | Organised by |
|--|--|
| 1. Taklimat Pelaksanaan Lembaga Rayuan dan Pertandingan Mock Trial Lembaga Rayuan Negeri Sembilan | Jabatan Perancangan Bandar dan Desa Negeri Sembilan |
| 2. Skim Perlindungan Insurans Kesihatan Pekerja Asing (SPIKPA) | AXA Affin General Insurance |
| 3. Foreign Worker Hospitalisation & Surgical Scheme (SKHPPA) | Jerneh Insurance Berhad |
| 4. Green Tour – A REHDA Youth Initiative | REHDA Malaysia |
| 5. Green Tour 2 – A REHDA Youth Initiative | REHDA Malaysia |
| 6. Corporate Tax Issues for Year of Assessment 2011 | CPA Australia Ltd |
| 7. Highlight on Income Tax for Year of Assessment 2010 | TCMK Associated |
| 8. Executive Talk 2011 | Lembaga Hasil Dalam Negeri Malaysia |
| 9. REHDA Property Market Outlook 2011 | REHDA Malaysia |
| 10. Seminar Akta-akta dan Peraturan Perumahan untuk Pemaju-pemaju Perumahan | MIMC Sdn Bhd |
| 11. Taxation Issues for Property Developers / Contractors | CPA Australia Ltd |
| 12. Invest Malaysia 2011 | Malaysian Industrial Development Authority |
| 13. Kerja-kerja Ubahsuai Dewan, Tadika dan Sekolah Dalam Program Khidmat Komuniti di Ayer Keroh Heights | Lembaga Pembangunan Industri Permbinaan Malaysia (Negeri Melaka) |
| 14. Workshop on Micro-Emission Earth Strategy and China Solar Valley City and the Related Solar Products and Technology, Including Building Integrated Photovoltaic (BIPV) and Development | TS Solar Energy Sdn Bhd |
| 15. Insoft System | Insoft Solutions Sdn Bhd |
| 16. Tribunal of Homebuyers | REHDA Malaysia |
| 17. Seminar Pengurusan Bangunan Berstrata Majlis Perbandaran Nilai | Majlis Perbandaran Nilai |
| 18. Professional Selling Techniques | REHDA Malaysia |
| 19. CIMB – Internet Banking | CIMB Bank Berhad |
| 20. One-Day Seminar on Technical Talks on Infrastructure Design | MES Innovation Sdn Bhd |

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

| External training programmes | Organised by |
|--|---|
| 21. WCSC 2011 3 rd International Conference on World Class Sustainable Cities 2011 | Malaysian Institute of Planners / Malaysian Institute of Architects / REHDA Malaysia |
| 22. Tatacara Perlantikan Perunding untuk Projek RMK 10 | Lembaga Juruukur Bahan Malaysia |
| 23. Budget 2012 Proposals & Recent Developments | Malaysian Institute of Accountants |
| 24. Roof System Components | Monier Sdn Bhd |
| 25. Seminar Keselamatan Kebakaran | Jabatan Bomba dan Penyelamat Malaysia |
| 26. Competition Act 2010 & the Impact on Your Business | REHDA Malaysia |
| 27. 14 th International Surveyors' Congress & CASLE Regional Conference 2012 | Commonwealth Association of Surveying & Land Economy |
| 28. Seminar Ke Arah Bandaraya: Implementasi Teknologi Hijau dan Pembangunan Mapan | Majlis Perbandaran Nilai |
| 29. PR1MA and PR1MA Act | REHDA Malaysia |
| 30. KS System – Advance Trainings | KS Computer |
| 31. Scaffolding 3 in 1 (Basic) | National Institute of Occupational Safety and Health |
| 32. Housing Law: Recession of sale and purchase agreement & related issues | REHDA Malaysia |
| 33. Land transaction: Guidance from Recent Case Law, and Tax Appeal Process | REHDA Malaysia |
| 34. One day seminar on traffic safety engineering and road safety audit | Highway & Transportation Engineering Technical Division at the Youth Engineers section, IEM |
| 35. The 15 th National Housing & Property Summit 2012: Sustainability of the Housing & Property Industry | Asian Strategy & Leadership institute |
| 36. One Stop Centre & Certificate of Completion and Compliance - Reforms in the housing industry. | REHDA Malaysia |
| 37. Seminar on feasibility study, planning law, joint venture on property development, documentation and legal issues of the sale and purchase for real estate | Best Practices Search Sdn Bhd |
| 38. National Tax Seminar 2012 | Lembaga Hasil Dalam Negeri |
| 39. 2 Day seminar on "Technical Talk on MSMA 2 nd Edition using MES Software | MES Innovation |

9. **INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

Management succession plan

Our Group acknowledges that our business sustainability and success will depend on the continued efforts of our Directors and key management personnel. Nevertheless, to ensure smooth succession planning, our Group has taken steps to promote long term commitment among our key personnel by:

- (i) offering attractive remuneration as well as opportunities for career development within our Group;
- (ii) provide equity participation such as IPO Shares and employee share option scheme to key management personnel and employees of our Group;
- (iii) training and development of key management personnel and employees of our Group to continuously improve competence level, productivity, skills and knowledge. This has allowed our Group to operate even without the direct involvement of our Directors as our project managers and senior staff are capable of performing their job functions effectively;
- (iv) continuously monitoring our Group's employees to identify their performance, level of commitment and working attitude for potential career development opportunities; and
- (v) seeking out suitable management trainees candidates or assistant manager candidates.

In addition to the above, by having a pool of skilled, experienced and committed staff, a structured organisation and an established system of operation in place, our Directors are of the view that disruptions to our operations will be minimal in the event of any departure of our Group Managing Director, Group Deputy Managing Director or key management.

The listing of our Company on the Main Market of Bursa Securities would also be beneficial in attracting, retaining and motivating its key management personnel and employees to continue their services with our Group.

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10. APPROVALS AND CONDITIONS

10.1 APPROVALS FROM RELEVANT AUTHORITIES

The listing of our Company on the Main Market of Bursa Securities was approved by the relevant authorities as follows:

- (i) SC via its letter dated 30 November 2012 under Section 212(5) of the CMSA and equity requirement for public companies;
- (ii) MITI via its letter dated 8 March 2013; and
- (iii) Bursa Securities via its letter dated 30 April 2013, for the following:
 - (a) admission to the Official List and the listing and quotation of the entire issued and paid-up share capital of Matrix Concepts of RM300,000,000 comprising 300,000,000 Shares on the Main Market of Bursa Securities; and
 - (b) listing of such number of additional new Shares, representing up to 10% of the issued and paid-up ordinary share capital of Matrix Concepts to be issued pursuant to the exercise of options under the ESOS.

The Shariah Advisory Council of the SC has, via its letters dated 2 October 2012 and 2 May 2013, classified our Shares as Shariah compliant.

10.2 CONDITIONS ON THE APPROVALS

The conditions imposed by the SC and the status of compliance are as follows:

| No. | Details on conditions imposed | Status of compliance |
|-----|---|----------------------|
| 1. | Matrix Concepts to allocate at least 12.5% of its enlarged issued and paid-up share capital to Bumiputera public investors at the point of Listing. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputera investors. In the event that MITI is unable to allocate the shares to Bumiputera investors, the unsubscribed shares shall be offered to the Bumiputera public investors via balloting; and | To be complied. |
| 2. | HLIB/Matrix Concepts to fully comply with the relevant requirements under the SC's <i>Equity Guidelines</i> and <i>Prospectus Guidelines – Equity</i> pertaining to the implementation of the proposal. | Noted. |
| 3. | HLIB/Matrix Concepts must inform the SC upon completion of the proposal. | To be complied. |

The SC has via its letter dated 30 November 2012, noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the listing as follows:

| Shareholders | Before the Listing % held | After the Listing % held |
|--------------------------------------|------------------------------|-----------------------------|
| Bumiputera | | |
| - To be nominated & approved by MITI | - | 10.83 |
| - Via public balloting | - | 1.67 |
| Total Bumiputera | - | 12.50 |
| Non-Bumiputera | 100.00 | 87.50 |
| Foreign | - | - |
| Total | 100.00 | 100.00 |

10. APPROVALS AND CONDITIONS (Cont'd)

The conditions imposed by Bursa Securities for the Listing and the status of compliance are as follows:

| No. | Details on conditions imposed | Status of compliance |
|------------|--|-----------------------------|
| 1. | Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements; | To be complied. |
| 2. | Furnish Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire issued and paid up share capital of Matrix Concepts on the first day of Listing; and | To be complied. |
| 3. | Submission prior to Listing, the following information in respect of the moratorium on the shareholdings of Promoters to Bursa Securities and Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium of each block of shares. | To be complied. |

The conditions imposed by Bursa Securities for the listing of such number of additional new Shares, representing up to 10% of the issued and paid-up ordinary share capital of Matrix Concepts to be issued pursuant to the exercise of options under the ESOS and the status of compliance are as follows:

| No. | Details on conditions imposed | Status of compliance |
|------------|--|-----------------------------|
| 1. | HLIB is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation; and | To be complied. |
| 2. | Matrix Concepts is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS shares listed as at the end of each quarter together with a detailed computation of listing fees payable. | To be complied. |

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10. APPROVALS AND CONDITIONS (Cont'd)**10.3 MORATORIUM ON SHARES**

Pursuant to Paragraph 5.29 of the SC Guidelines, a moratorium will be imposed on the sale, transfer or assignment of the entire 184,808,780 Shares held by our Promoters, representing 61.6% of the enlarged issued and paid-up capital of our Company held at the date of listing for a period of 6 months from the date of admission of our Company to the Official List.

Details of our Promoters whose Shares are subject to moratorium are as follows:

| Promoters | No. of Shares held after the IPO | | | |
|-------------------------------------|----------------------------------|-------|---------------------------|-------|
| | Direct | % | Indirect | % |
| Dato' Lee Tian Hock | 59,884,052 | 19.96 | ⁽¹⁾ 85,547,370 | 28.52 |
| Shining Term | 48,335,706 | 16.11 | - | - |
| Ambang Kuasa | 14,948,199 | 4.98 | - | - |
| Magnitude Point | 19,120,407 | 6.37 | - | - |
| Target Venue | 11,191,220 | 3.73 | - | - |
| Fine Approach | 12,500,712 | 4.17 | - | - |
| Ho Kong Soon | 6,946,752 | 2.32 | ⁽²⁾ 15,191,220 | 5.06 |
| Datin Yong Chou Lian ⁽⁷⁾ | 1,071,529 | 0.36 | ⁽³⁾ 50,407,235 | 16.80 |
| Ah Sam | - | - | ⁽⁴⁾ 11,191,220 | 3.73 |
| Lee Tian Huat | - | - | ⁽⁵⁾ 12,500,712 | 4.17 |
| Yong Soi Mee | - | - | ⁽⁵⁾ 12,500,712 | 4.17 |
| Meridian Effect | 8,738,674 | 2.91 | - | - |
| Yakin Teladan | 2,071,529 | 0.69 | - | - |
| Lee Tian Onn ⁽⁷⁾ | - | - | ⁽⁶⁾ 8,738,674 | 2.91 |
| Tan Bee Ling | - | - | ⁽⁶⁾ 8,738,674 | 2.91 |
| Lee Geok Lin ⁽⁷⁾ | - | - | - | - |
| Lee Geok Hoon ⁽⁷⁾ | - | - | - | - |
| Lee Yoke Bee ⁽⁷⁾ | - | - | - | - |
| Lee Yoke Fong | - | - | - | - |
| Teh Wei Cin | - | - | - | - |
| Cheong Yong Chieh ⁽⁷⁾ | - | - | - | - |
| Yong Ghee Kiat ⁽⁷⁾ | - | - | - | - |
| Yong Ing Kiat ⁽⁷⁾ | - | - | - | - |

Notes:

- (1) Deemed interested by virtue of his direct shareholdings in Shining Term, Ambang Kuasa, Magnitude Point and Yakin Teladan pursuant to Section 6A of the Act and the shareholdings of his spouse, Datin Yong Chou Lian pursuant to Section 134(12)(c) of the Act.
- (2) Deemed interested by virtue of his direct shareholdings in Supreme Interest pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of her direct shareholdings in Shining Term and Yakin Teladan pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of her direct shareholdings in Target Venue pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of their direct shareholdings in Fine Approach pursuant to Section 6A of the Act.
- (6) Deemed interested by virtue of their direct shareholdings in Meridian Effect pursuant to Section 6A of the Act.
- (7) Excluding the Public Issue Shares allocated to them directly or indirectly under the pink form allocation.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

11.1 RELATED PARTY TRANSACTIONS

Save for the following transactions and the amount disclosed which are transacted for the past 3 financial years up to the FYE 31 December 2012, there are no existing or proposed related party transactions that we have entered into which involved the interest, direct or indirect, of our Directors, substantial shareholder and/or persons connected to them as defined under the Listing Requirements:

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the | | |
|----------------------------------|--------------------------|---|---|-------------------------------|--------|--------|
| | | | | <----- FYE 31 December -----> | | |
| | | | | 2010 | 2011 | 2012 |
| | | | | RM'000 | RM'000 | RM'000 |
| <u>RECURRENT</u> | | | | | | |
| Juwasan Maju | Y&Y Mix Sdn Bhd | Datin Yong Chou Lian, who is a substantial shareholder of Y&Y Mix Sdn Bhd, is a shareholder of Matrix Concepts and the wife of Dato' Lee Tian Hock. Yong Moi Noi, who is a director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato' Lee Tian Hock. Yong Ing Kiat, who is a substantial shareholder and director of Y&Y Mix Sdn Bhd, is the brother-in-law of Dato' Lee Tian Hock. Yong Ghee Kiat, Yong Ah Chek and Yong Hwah Kiat who are substantial shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law of Dato' Lee Tian Hock. | Purchase of ready mix concrete | 9,074 | 12,959 | 16,809 |
| Juwasan Maju and Juwasan Trading | T&T Cahaya Murni Sdn Bhd | Tung Kwi Hoiu and Tung Kew Tiong, who are substantial shareholders and directors of T&T Cahaya Murni Sdn Bhd, are the brothers of Tung Ah Qui, a director of Pembinaan Juwasan, Juwasan Maju and Juwasan Trading. | Purchase of cements, ceiling, steel bar, steel mesh, ceramic tiles, reinforced concrete piles | 9,608 | 14,352 | 16,608 |

10. APPROVALS AND CONDITIONS (Cont'd)

The Promoters will not be allowed to sell, transfer or assign their entire shareholdings in the enlarged issued and paid-up capital of our Company held at the date of listing for a period of 6 months from the date of listing on Bursa Securities.

Supreme Interest is not deemed as a promoter. However, its individual shareholder, namely Ho Kong Soon is a Promoter. Hence, Supreme Interest has provided an undertaking that it will not sell, transfer or assign its entire shareholdings in the enlarged issued and paid-up capital of our Company held at the date of listing for a period of 6 months from the date of listing on Bursa Securities. A moratorium will be imposed on the 15,191,220 Shares held by Supreme Interest after the IPO.

The moratorium is specifically endorsed on our share certificates representing the shareholdings of our Promoters to ensure that our registrar will not register any transfer not in compliance with the moratorium restrictions. In compliance with the restrictions, Bursa Depository will, on our registrar's instructions in the prescribed forms, ensure that trading of these shares is not permitted during the moratorium period.

The ultimate shareholders of Shining Term (namely Dato' Lee Tian Hock and Datin Yong Chou Lian), Yakin Teladan (namely Dato' Lee Tian Hock and Datin Yong Chou Lian), Ambang Kuasa (namely Dato' Lee Tian Hock and Tan Wan Fook), Magnitude Point (namely Dato' Lee Tian Hock, Lee Tian Onn, Lee Yoke Bee, Tung Ah Qui, Tiong Ting Hap, Yong Ghee Kiat, Tung Kwi Hoiu, Yong Ing Kiat, Ah Sam, Target Venue and Tan Seng Heng), Target Venue (namely Ah Sam, Lee Geok Lin, Lee Geok Hoon, Lee Yoke Bee, Lee Yoke Fong, Teh Wei Cin and Cheong Yong Chieh), Meridian Effect (namely Lee Tian Onn and Tan Bee Ling), Fine Approach (namely Lee Tian Huat and Yong Soi Mee) and Supreme Interest (namely Ho Kong Soon and Alice Tan Khiam Chow) have furnished letters of undertaking prior to the listing that they will not sell, transfer or assign any of their entire shareholdings in the respective companies for 6 months from the date of listing on Bursa Securities.

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11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the <---- FYE 31 December ----> | | |
|----------------------------------|-------------------------------|---|---|---|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Juwasan Maju and Juwasan Trading | TSL Supplies Sdn Bhd | <p>Yong Ah Chek and Yong Ling Kiat who are directors of TSL Supplies Sdn Bhd, are the brother-in-laws of Dato' Lee Tian Hock.</p> <p>TSL Supplies Sdn Bhd is a wholly-owned subsidiary of Tong Swee Long Holdings Sdn Bhd ("TSL Holdings").</p> <p>Yong Ah Chek, Yong Ling Kiat and Yong Hwah Kiat, who are substantial shareholders and directors of TSL Holdings, are the brother-in-laws of Dato' Lee Tian Hock.</p> <p>Yong Ghee Kiat, Yong Soon Kiat and Yong Hwah Kiat, who are substantial shareholders of TSL Holdings, are brother-in-laws of Dato' Lee Tian Hock.</p> | Purchase of cements, ceiling, steel bar, steel mesh, ceramic tiles, reinforced concrete piles | 6,262 | - | - |
| Juwasan Maju and Juwasan Trading | Y&N Hardware Trading | Nyo Eng Kiak, who is the joint-owner of Y&N Hardware Trading, is the brother-in-law of Dato' Lee Tian Hock. | Purchase of white lime | 25 | 213 | 159 |
| Juwasan Maju | Chuan Song Electrical Sdn Bhd | Lee Tian Huat, who is a director and substantial shareholder of Chuan Song Electrical Sdn Bhd, is a substantial shareholder of our Company and the brother of Dato' Lee Tian Hock. | Sub-contractor of electrical works | 1,702 | 803 | - |
| BSS Development | Low Kim Fong | Low Kim Fong is the sister-in-law of Lee Tian Onn. | Rental of single-storey shop office by BSS Development from Low Kim Fong utilised as the Bandar Sri Sendayan site office. (Note i) | - | - | 24 |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the <----- FYE 31 December -----> | | |
|-----------------------------|-------------------------|---|---|---|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| BSS Development | Takrif Maksimum Sdn Bhd | Dato' Lee Tian Hock, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is our substantial shareholder and Group Managing Director / Chief Executive Officer. Datin Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Lee Tian Hock. | Rental of a retail space by BSS Development from Takrif Maksimum Sdn Bhd utilised as its sales gallery. (Note ii) | 45 | 60 | 60 |
| <u>NON-RECURRENT</u> | | | | | | |
| Matrix | Datin Yong Chou Lian | Datin Yong Chou Lian is a shareholder of Matrix Concepts and the spouse of Dato' Lee Tian Hock. | Purchase of property from Matrix (Note iii) | 585 | - | - |
| BSS Development | Datin Yong Chou Lian | Datin Yong Chou Lian is a shareholder of Matrix Concepts and the spouse of Dato' Lee Tian Hock. | Purchase of property from BSS Development (Note iv) | 3,669 | 800 | - |
| BSS Development | Anexco Sdn Bhd | Ho Kong Soon is a substantial shareholder and director of Anexco Sdn Bhd. Alice Tan Khiam Chow, who is the spouse of Ho Kong Soon, is a substantial shareholder and director of Anexco. | Purchase of property from BSS Development (Note v) | 2,652 | - | - |
| BSS Development | Lee Tian Huat | Lee Tian Huat is the brother of Dato' Lee Tian Hock. | Purchase of property from BSS Development (Note vi) | 1,300 | - | - |
| Matrix | Low Kim Fong | Low Kim Fong is the sister-in-law of Lee Tian Onn. | Purchase of property from Matrix (Note vii) | - | 238 | - |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the <---- FYE 31 December ----> | | |
|----------------------------|--|---|---|---|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| BSS Development | Lee Fah Pin and Toh Ger Poh | Lee Fah Pin is a director of Juwasan Maju and MCHB Management as well as one of the key management of Matrix Concepts. Toh Ger Poh is the spouse of Lee Fah Pin. | Purchase of property from BSS Development (Note viii) | 630 | - | - |
| BSS Development | Tung Ah Qui | Tung Ah Qui is a director of Pembinaan Juwasan, Juwasan Maju and Juwasan Trading | Purchase of property from BSS Development (Note ix) | - | 360 | - |
| BSS Development | Tan Say Kuan and Fang Siok Ern | Tan Say Kuan is one of the key management of Matrix Concepts. Fang Siok Ern is the spouse of Tan Say Kuan. | Purchase of property from BSS Development (Note x) | 360 | - | - |
| BSS Development | Tan Say Kuan and Teow Kim Siong | Tan Say Kuan is one of the key management of Matrix Concepts. Teow Kim Siong is a director of MCHB Management. | Purchase of property from BSS Development. (Note xi) | - | 360 | - |
| BSS Development | Ho Siew Heng | Ho Siew Heng is the sister of Ho Kong Soon. | Purchase of property from BSS Development (Note xii) | 420 | - | - |
| BSS Development | Lee Tian Onn | Lee Tian Onn is the brother of Dato' Lee Tian Hock. | Purchase of property from BSS Development (Note xiii) | - | 360 | - |
| BSS Development | Tan Seng Heng and Low Kim Fong | Tan Seng Heng is the brother-in-law of Dato' Lee Tian Hock. Low Kim Fong is the spouse of Tan Seng Heng. | Purchase of property from BSS Development (Note xiv) | 360 | - | - |
| BSS Development | Dato' Haji Mohamad Haslah bin Mohamad Amin | Dato' Haji Mohamad Haslah bin Mohamad Amin is a director of BSS Development and our Non-Independent Non-Executive Chairman. | Purchase of property from BSS Development (Note xv) | - | 400 | - |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the <---- FYE 31 December ----> | | |
|----------------------------|---|--|--|---|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| BSS Development | Dato' Lee Tian Hock | Dato' Lee Tian Hock is our substantial shareholder and Group Managing Director / Chief Executive Officer | Purchase of property from BSS Development (Note xvi) | - | 400 | 438 |
| BSS Development | Leisure Scheme Sdn Bhd | Yong Ing Kiat, who is a shareholder and director of Leisure Scheme Sdn Bhd, is the brother-in-law of Dato' Lee Tian Hock. Soo Li Ping, who is a substantial shareholder and director of Leisure Scheme, is the spouse of Yong Ing Kiat. | Purchase of property from BSS Development (Note xvii) | 1,155 | - | - |
| BSS Development | Tee Kam Mee | Tee Kam Mee is a director of Pembinaan Juwasan and one of the key management of Matrix Concepts. | Purchase of property from BSS Development (Note xviii) | 135 | 360 | - |
| BSS Development | Mustaza bin Musa, Aishia Binti Hussain and Amirah Binti Mustaza | Mustaza bin Musa is previously a director of Matrix Concepts, Matrix, BSS Development, 1 Sendayan Education, Seventech, Riverine Projects, Superb Approach and Insani Utama. | Purchase of property from BSS Development (Note xix) | - | 357 | - |
| BSS Development | Ah Sam and Dato' Lee Tian Hock | Ah Sam is the mother of Dato' Lee Tian Hock. Dato' Lee Tian Hock is our substantial shareholder and Group Managing Director / Chief Executive Officer. | Purchase of property from BSS Development (Note xx) | - | 470 | - |
| BSS Development | Low Kim Fong | Low Kim Fong is the sister-in-law of Lee Tian Onn. | Purchase of property from BSS Development (Note xxi) | 225 | - | - |
| BSS Development | Tan Seng Hut | Tan Seng Hut is the brother-in-law of Lee Tian Onn. | Purchase of property from BSS Development (Note xxii) | 135 | - | - |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the ←----- FYE 31 December -----> | | |
|----------------------------|---|--|--|--|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Riverine Projects | Dato' Jaaffar bin Sahadan and Jamaludin Bin Ahmad | Dato' Jaaffar bin Sahadan is a director of Riverine Projects. | Payment of coordinator fees to Dato' Jaaffar bin Sahadan as the coordinators for the Kota Gadong Perdana project. (Note xxiii) | - | 100 | - |
| Matrix | Restu Pertiwi Sdn Bhd | Mustaza bin Musa, who is a substantial shareholder and director of Restu Pertiwi, is previously our Executive Director. Mohammad Ramly bin Hamzah, who is a substantial shareholder and director of Restu Pertiwi, is an employee of MCHB Management. | Deed of assignment of the Third 9 Residence development project. (Note xxiv) | - | - | - |
| BSS Development | Ho Kong Soon | Ho Kong Soon is our substantial shareholder and Group Deputy Managing Director / Chief Operating Officer. | Purchase of property from BSS Development (Note xxv) | - | 600 | - |
| BSS Development | Lee Fah Pin and Toh Ger Poh | Lee Fah Pin is a director of Juwasan Maju and MCHB Management as well as one of the key management of Matrix Concepts. Toh Ger Poh is the spouse of Lee Fah Pin. | Purchase of property from BSS Development (Note xxvi) | - | 380 | - |
| BSS Development | Tan Seng Heng and Low Kim Fong | Tan Seng Heng is the brother-in-law of Lee Tian Onn. Low Kim Fong is the spouse of Tan Seng Heng. | Purchase of property from BSS Development (Note xxvii) | - | 380 | - |
| BSS Development | Lee Tian Onn and Lee Kwun Ping | Lee Tian Onn is the brother of Dato' Lee Tian Hock. Lee Kwun Ping is the son of Lee Tian Onn. | Purchase of property from BSS Development (Note xxviii) | - | 250 | - |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

| Companies within the Group | Transacting parties | Nature of relationship | Nature of transaction | Transaction value for the <---- FYE 31 December ----> | | |
|----------------------------|---|--|---|--|----------------|----------------|
| | | | | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| BSS Development | Lee Yoke Bee and Tiong Chang Lun | Lee Yoke Bee is the sister of Dato' Lee Tian Hock. Tiong Chang Lun is the son of Lee Yoke Bee. | Purchase of property from BSS Development (Note xxix) | - | 250 | - |
| BSS Development | Hor Chai Hock, Hor Chee Hoong and Heow Kian Moi | Hor Chai Hock is the brother of Ho Kong Soon, our substantial shareholder and Group Deputy Managing Director / Chief Operating Officer | Purchase of property from BSS Development (Note xxx) | - | 180 | - |
| BSS Development | Lee Geok Hoon and Cheong Yong Chieh | Lee Geok Hoon is the sister of Dato' Lee Tian Hock. Cheong Yong Chieh is the spouse of Lee Geok Hoon. | Purchase of property from BSS Development (Note xxxi) | - | - | 200 |
| BSS Development | Dato' Lee Tian Hock and Datin Yong Chou Lian | Dato' Lee Tian Hock is our substantial shareholder and Group Managing Director / Chief Executive Officer Datin Yong Chou Lian is a shareholder of Matrix Concepts and the spouse of Dato' Lee Tian Hock. | Purchase of property from BSS Development (Note xxxii) | - | - | 912 |
| Matrix Concepts | Ambang Kuasa | Ambang Kuasa is a substantial shareholder of Matrix Concepts. Dato' Lee Tian Hock, who is substantial shareholder and Director of Ambang Kuasa, is our Group Managing Director / Chief Executive Officer. | Disposal of 250,000 ordinary shares of RM1.00 each in BSS Development to Matrix Concepts. (Note xxxiii) | - | 6,444 | - |
| Matrix Concepts | Ah Sam | Ah Sam is a substantial shareholder of Matrix Concepts and the mother of Dato' Lee Tian Hock, our Group Managing Director / Chief Executive Officer. | Purchase of 15,000 ordinary shares of RM1.00 each in Matrix Hiasan Sdn Bhd from Matrix Concepts. (Note xxxiv) | - | 15 | - |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Notes:

- (i) BSS Development had on 15 November 2011 entered into a tenancy agreement with Low Kim Fong whereby Low Kim Fong agreed to let and BSS Development agreed to accept a tenancy of the gallery space at No. 773A, Jalan Nusari Aman 3/1, Medan Nusari, 71900 Bandar Sri Sendayan, Negeri Sembilan Darul Khusus, for a period commencing on 1 January 2012 till 31 December 2014 at a monthly rental of RM2,000.
- (ii) BSS Development had on 12 March 2010 entered into a tenancy arrangement with Takrif Maksimum Sdn Bhd whereby Takrif Maksimum Sdn Bhd agreed to let and BSS Development agreed to accept a tenancy of the gallery space at PT1055, Jalan Metro Sendayan 1, 71900 Bandar Sri Sendayan Negeri Sembilan Darul Khusus, for a period commencing on 1 April 2010 and renewable annually at a monthly rental of RM5,000, of which has been renewed on 12 March 2013.
- (iii) Koperasi Kemajuan Tanah Negeri Johor Berhad (as proprietor) and Matrix (as vendor) had on 14 May 2010 entered into a sale and purchase agreement with Datin Yong Chou Lian whereby Matrix agreed to sell and Datin Yong Chou Lian agreed to purchase a piece of freehold petrol station commercial land held under HS(D) 54616 PTD 72465, Mukim Kluang, Daerah Kluang, Negeri Johor Darul Takzim being a piece of vacant petrol station commercial land at a purchase consideration of RM1,169,525.
- (iv) MBI (as landowner) and BSS Development (as vendor) had on 25 March 2010, 22 December 2010 and 19 July 2011 entered into five (5) separate sale and purchase agreements with Datin Yong Chou Lian whereby BSS Development agreed to sell and Datin Yong Chou Lian agreed to purchase a piece of freehold land held under HS(D) 193554 PT 1056 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus being a vacant commercial lot at a purchase consideration of RM1,633,675, a piece of freehold land held under HS(D) 193554 PT 1057 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus being a vacant commercial lot at a purchase consideration of RM1,633,675, a piece of freehold land held under HS(D) 193477 PT 980 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM702,888, a piece of freehold land held under HS(D) 193478 PT 981 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together a double-storey shop office constructed on the said land at a purchase consideration of RM518,888 and a piece of freehold land held under HS(D) 198702 PT 4892 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM800,000 of which the normal selling price of the said property is RM1,754,000.
- (v) MBI (as landowner) and BSS Development (as vendor) had on 25 March 2010, 29 March 2010 and 27 December 2010 entered into three (3) separate sale and purchase agreements with Anexco Sdn Bhd whereby BSS Development agreed to sell and Anexco Sdn Bhd agreed to purchase a piece of freehold land held under HS(D) 193555 PT 1058 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus being a vacant commercial lot at a purchase consideration of RM1,633,675, a piece of freehold land held under HS(D) 198728 PT 4918 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM350,888 and a piece of freehold land held under HS(D) 193514 PT 1017 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM994,888.
- (vi) MBI (as landowner) and BSS Development (as vendor) had on 12 November 2010, transferred, via Borang 14A to Lee Tian Huat, a piece of freehold land held under HS(D) 193557 PT 1060 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus being a vacant commercial lot at a purchase consideration of RM1,300,000. The normal selling price of the said property is RM1,633,675.
- (vii) Matrix had on 27 July 2011 entered into a sale and purchase agreement with Low Kim Fong whereby Matrix agreed to sell and Low Kim Fong agreed to purchase a piece of freehold land held under HS(D) 53825 PTD 71674 Mukim Kluang, Daerah Kluang, Negeri Johor Darul Takzim together with a single-storey bungalow constructed on the said land at a purchase consideration of RM419,888.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (viii) MBI (as landowner) and BSS Development (as vendor) had on 30 March 2010 and 22 December 2010 entered into two (2) separate sale and purchase agreements with Lee Fah Pin and Toh Ger Poh whereby BSS Development agreed to sell and Lee Fah Pin and Toh Ger Poh agreed to purchase a piece of freehold land held under HS(D) 198738 PT 4928 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM367,888 and a piece of freehold land held under HS(D) 193479 PT 982 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (ix) MBI (as landowner) and BSS Development (as vendor) had on 1 April 2011 entered into a sale and purchase agreement with Tung Ah Qui whereby BSS Development agreed to sell and Tung Ah Qui agreed to purchase a piece of freehold land held under HS(D) 193482 PT 985 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (x) MBI (as landowner) and BSS Development (as vendor) had on 22 December 2010 entered into a sale and purchase agreement with Tan Say Kuan and Fang Siok Ern whereby BSS Development agreed to sell and Tan Say Kuan and Fang Siok Ern agreed to purchase a piece of freehold land held under HS(D) 193488 PT 991 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xi) MBI (as landowner) and BSS Development (as vendor) had on 10 January 2011 entered into a sale and purchase agreement with Teow Kim Siong and Tan Say Kuan whereby BSS Development agreed to sell and Teow Kim Siong and Tan Say Kuan agreed to purchase a piece of freehold land held under HS(D) 193487 PT 990 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xii) MBI (as landowner) and BSS Development (as vendor) had on 22 December 2010 entered into a sale and purchase agreement with Ho Siew Heng whereby BSS Development agreed to sell and Ho Siew Heng agreed to purchase a piece of freehold land held under HS(D) 193490 PT 993 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xiii) MBI (as landowner) and BSS Development (as vendor) had on 5 August 2011 entered into a sale and purchase agreement with Lee Tian Onn whereby BSS Development agreed to sell and Lee Tian Onn agreed to purchase a piece of freehold land held under HS(D) 193495 PT 998 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xiv) MBI (as landowner) and BSS Development (as vendor) had on 22 December 2010 entered into a sale and purchase agreement with Tan Seng Heng and Low Kim Fong whereby BSS Development agreed to sell and Tan Seng Heng and Low Kim Fong agreed to purchase a piece of freehold land held under HS(D) 193497 PT 1000 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xv) MBI (as landowner) and BSS Development (as vendor) had on 14 July 2011 entered into a sale and purchase agreement with Dato' Mohamad Haslah Bin Mohamad Amin whereby BSS Development agreed to sell and Dato' Mohamad Haslah Bin Mohamad Amin agreed to purchase a piece of freehold land held under HS(D) 193501 PT 1004 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM800,000. The normal selling price of the said property is RM902,888.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (xvi) MBI (as landowner) and BSS Development (as vendor) had on 14 July 2011 and 25 July 2012 entered into two (2) separate sale and purchase agreements with Dato' Lee Tian Hock whereby BSS Development agreed to sell and Dato' Lee Tian Hock agreed to purchase a piece of freehold land held under HS(D) 193502 PT 1005 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM800,000 of which the normal selling price of the said property is RM902,888 and a piece of freehold land held under HS(D) 209474 PT 8383 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey semi-detached house constructed on the said land at a purchase consideration of RM559,888.
- (xvii) MBI (as landowner) and BSS Development (as vendor) had on 31 March 2010 and 22 December 2010 entered into three (3) separate sale and purchase agreements with Leisure Scheme Sdn Bhd whereby BSS Development agreed to sell and Leisure Scheme Sdn Bhd agreed to purchase a piece of freehold land held under HS(D) 198750 PT 4940 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM209,888, a piece of freehold land held under HS(D) 198751 PT 4941 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM469,888 and a piece of freehold land held under HS(D) 193507 PT 1010 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM730,888.
- (xviii) MBI (as landowner) and BSS Development (as vendor) had on 29 March 2010 and 11 January 2011 entered into two (2) separate sale and purchase agreements with Tee Kam Mee whereby BSS Development agreed to sell and Tee Kam Mee agreed to purchase a piece of freehold land held under HS(D) 198733 PT 4923 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM209,888 and a piece of freehold land held under HS(D) 193508 PT 1011 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xix) MBI (as landowner) and BSS Development (as vendor) had on 14 July 2011 entered into a sale and purchase agreement with Mustaza Bin Musa, Aishia Binti Hussain and Amirah Binti Mustaza whereby BSS Development agreed to sell and Mustaza Bin Musa, Aishia Binti Hussain and Amirah Binti Mustaza agreed to purchase a piece of freehold land held under HS(D) 193511 PT 1014 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a three-storey shop office constructed on the said land at a purchase consideration of RM713,888.
- (xx) MBI (as landowner) and BSS Development (as vendor) had on 13 January 2011 entered into a sale and purchase agreement with Ah Sam and Dato' Lee Tian Hock whereby BSS Development agreed to sell and Ah Sam and Dato' Lee Tian Hock agreed to purchase a piece of freehold land held under HS(D) 193512 PT 1015 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM518,888.
- (xxi) MBI (as landowner) and BSS Development (as vendor) had on 29 March 2010 entered into a sale and purchase agreement with Low Kim Fong whereby BSS Development agreed to sell and Low Kim Fong agreed to purchase a piece of freehold land held under HS(D) 198729 PT 4919 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM313,888.
- (xxii) MBI (as landowner) and BSS Development (as vendor) had on 29 March 2010 entered into a sale and purchase agreement with Tan Seng Hut whereby BSS Development agreed to sell and Tan Seng Hut agreed to purchase a piece of freehold land held under HS(D) 198732 PT 4922 Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan Darul Khusus together with a single-storey shop office constructed on the said land at a purchase consideration of RM209,888.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (xxiii) Riverine Projects had on 21 July 2011 entered into a coordinator agreement with Jamaludin Bin Ahmad and Dato' Jaafar Bin Sahadan (collectively, the "Coordinators") whereby the Coordinators endeavoured to assist the Company in the successful development of two (2) parcels of land in the Mukim of Gadong Jaya and the Mukim of Labu as part of a joint-venture agreement entered into between Riverine Projects and MAINS for a total sum of RM2.0 million.
- (xxiv) Matrix had on 26 January 2011 entered into a joint venture agreement with Restu Pertiwi Sdn Bhd for the assignment of all Restu Pertiwi Sdn Bhd's rights title interest and liability arising from the joint venture agreement between MBI and Restu Pertiwi Sdn Bhd dated 26 January 2011 for the development of the land measuring approximately 17 hectares in Pekan Paroi Jaya, District of Seremban, Negeri Sembilan.
- (xxv) MBI (as landowner) and BSS Development (as vendor) had on 19 July 2011 entered into a sale and purchase agreement with Ho Kong Soon whereby BSS Development agreed to sell and Ho Kong Soon agreed to purchase a piece of freehold land held under HS(D) 198678 PT 4868 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM600,000. The normal selling price of the said property is RM1,355,000.
- (xxvi) MBI (as landowner) and BSS Development (as vendor) had on 19 July 2011 entered into a sale and purchase agreement with Lee Fah Pin and Toh Ger Poh whereby BSS Development agreed to sell and Lee Fah Pin and Toh Ger Poh agreed to purchase a piece of freehold land held under HS(D) 198679 PT 4869 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM508,000.
- (xxvii) MBI (as landowner) and BSS Development (as vendor) had on 18 July 2011 entered into a sale and purchase agreement with Tan Seng Heng and Low Kim Fong whereby BSS Development agreed to sell and Tan Seng Heng and Low Kim Fong agreed to purchase a piece of freehold land held under HS(D) 198683 PT 4873 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM508,000.
- (xxviii) MBI (as landowner) and BSS Development (as vendor) had on 12 August 2011 entered into a sale and purchase agreement with Lee Tian Onn and Lee Kwun Ping whereby BSS Development agreed to sell and Lee Tian Onn and Lee Kwun Ping agreed to purchase a piece of freehold land held under HS(D) 198687 PT 4877 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM508,000.
- (xxix) MBI (as landowner) and BSS Development (as vendor) had on 27 September 2011 entered into a sale and purchase agreement with Lee Yoke Bee and Tiong Chang Lun whereby BSS Development agreed to sell and Lee Yoke Bee and Tiong Chang Lun agreed to purchase a piece of freehold land held under HS(D) 198693 PT 4883 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey shop office constructed on the said land at a purchase consideration of RM508,000.
- (xxx) MBI (as landowner) and BSS Development (as vendor) had on 8 March 2011 entered into a sale and purchase agreement with Hor Chai Hock, Hor Chee Hoong and Heow Kian Moi whereby BSS Development agreed to sell and Hor Chai Hock, Hor Chee Hoong and Heow Kian Moi agreed to purchase a piece of freehold land held under HS(D) 196163 PT 1230 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey terrace house constructed on the said land at a purchase consideration of RM303,888.
- (xxxi) MBI (as landowner) and BSS Development (as vendor) had on 29 March 2012 entered into a sale and purchase agreement with Lee Geok Hoon and Cheong Yong Chieh whereby BSS Development agreed to sell and Lee Geok Hoon and Cheong Yong Chieh agreed to purchase a piece of freehold land held under HS(D) 208092 PT 6980 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey terrace house constructed on the said land at a purchase consideration of RM438,888.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (xxxii) MBI (as landowner) and BSS Development (as vendor) had on 12 November 2012 entered into two (2) separate sale and purchase agreement with Dato' Lee Tian Hock and Datin Yong Chou Lian whereby BSS Development agreed to sell and Dato' Lee Tian Hock and Datin Yong Chou Lian agreed to purchase a piece of freehold land held under HS(D) 193376 PT 880 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey terrace house constructed on the said land for a purchase consideration of RM603,888 and a piece of freehold land held under HS(D) 193375 PT 879 Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus together with a double-storey terrace house constructed on the said land for a purchase consideration of RM468,888.
- (xxxiii) Matrix Concepts had on 16 December 2011 entered into a share sale agreement with Ambang Kuasa whereby Ambang Kuasa agreed to sell and Matrix Concepts agreed to purchase 250,000 ordinary shares of RM1.00 each in BSS Development, representing 25.0% of the issued and paid-up share capital of BSS Development for a purchase consideration of RM6,443,710 to be fully settled via the issuance of new Shares at par.
- (xxxiv) Matrix Concepts had on 12 April 2011 disposed of its entire equity interest in Matrix Hiasan Sdn Bhd comprising 15,000 ordinary shares of RM1.00 each in Matrix Hiasan Sdn Bhd, representing 15.0% of the issued and paid-up share capital of Matrix Hiasan Sdn Bhd for a cash consideration of RM15,000.

Save for discounts granted to the employees and shareholders of the Group and the Deed of Assignment for the Third 9 Residence development project, our Directors are of the opinion that the above related party transactions have been entered into on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties.

We anticipate that our Group would, in the ordinary course of business, continue to enter into certain transactions as disclosed above with the related parties as the transactions are necessary for our day-to-day operations. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time.

Based on our Group's past discount policies, the total discount allowed to employees ranges from 7.5% to 25.0%, depending on the years of service while the total discount allowed to shareholders is 10.0%. However, it is up to the management's discretion that an additional discount be allowed on a case-to-case basis. As at 1 April 2012, the Group had reviewed its discount policies and decided that shareholders of the Company will no longer qualify for any discounts while any discounts to be granted to employees by the management will go through a more stringent qualifying process and will be capped at 25.0% and any additional discount will be subject to the approval of our Board. Our Audit Committee will supervise the terms of the related party transactions, and the Directors of our Company will report such related party transactions, if any, annually in our Company's annual report.

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed corporation may seek a shareholders' mandate in respect of related party transactions which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed corporation or its subsidiaries subject to, amongst others, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements; and

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

- (c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

11.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITIONS

As at the LPD, we have not entered into any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we, or any of our subsidiaries, was a party in respect of the past 3 FYE 31 December 2010 to 2012.

11.3 OUTSTANDING LOANS (INCLUDING GUARANTEES OF ANY KIND) MADE BY US OR ANY OF OUR SUBSIDIARIES TO OR FOR THE BENEFIT OF THE RELATED PARTIES

As at the LPD, there are no outstanding loans (including guarantees of any kind) made by us or any of our subsidiaries to or for the benefit of the related parties in respect of the past 3 FYE 31 December 2010 to 2012.

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11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)**11.4 INTERESTS IN SIMILAR BUSINESS**

Save as disclosed below, as at the LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in any other businesses and corporations carrying on a similar trade as our Group:

| Name of Director / Substantial Shareholder | Name of company | Principal activities | Position (Director / Shareholder) | Shareholding | | Mitigating factor |
|--|----------------------|---------------------------------------|-----------------------------------|--------------|------------|---|
| | | | | Direct % | Indirect % | |
| Tan Wan Fook | CTH Builders Sdn Bhd | Property development and construction | Director and shareholder | 50.0 | - | He is a substantial shareholder of Matrix Concepts (via Ambang Kuasa). However, he is not a controlling shareholder of Matrix Concepts and neither is he involved in the management of Matrix Concepts Group. |

11.5 INTERESTS IN OTHER BUSINESSES OR CORPORATIONS WHICH ARE CUSTOMERS OR SUPPLIERS OF OUR GROUP

Save as disclosed below, as at the LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in any other businesses and corporations which are customers or suppliers of our Group:

| Name of Director / Substantial Shareholder | Name of company | Principal activities | Position (Director / Shareholder) | Shareholding | | Mitigating factor |
|--|-------------------------------|-------------------------------------|-----------------------------------|--------------|------------|--|
| | | | | Direct % | Indirect % | |
| Lee Tian Huat | Chuan Song Electrical Sdn Bhd | Sub-contracting of electrical works | Director and shareholder | 45.0 | - | He is a Promoter (via Fine Approach) and substantial shareholder of Matrix Concepts. He resigned as an Executive Director of Matrix Concepts in October 2010 and is no longer involved in the management of the Matrix Concepts Group. |
| Datin Yong Chou Lian | Y&Y Mix Sdn Bhd | Purchase of ready mix concrete | Shareholder | 30.0 | - | She is a Promoter and substantial shareholder of Matrix Concepts. The transactions entered into between our Group and Y&Y Mix Sdn Bhd were on an arms' length basis and on normal commercial terms which are not more favourable compared to those of other parties. |

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

11.6 CONFLICT OF INTERESTS

- (i) HLIB declares that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Managing Underwriter, Co-Underwriter and Co-Placement Agent for our Listing;
- (ii) KIBB declares that there is no existing or potential conflict of interest in its capacity as the Co-Underwriter and Co-Placement Agent for our Listing;
- (iii) Messrs Cheang & Ariff declares that there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing;
- (iv) Messrs Wong Weng Foo & Co. declares that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants for our Listing;
- (v) Vital Factor Consulting Sdn Bhd declares that there is no existing or potential conflict of interest in its capacity as the independent business and market research consultants for our Listing; and
- (vi) Henry Butcher Malaysia (NS) Sdn Bhd declares that there is no existing or potential conflict of interest in its capacity as the independent valuer for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL PROFORMA CONSOLIDATED FINANCIAL INFORMATION

The following table sets out a summary of the audited consolidated financial statements of our Group for the past four (4) financial years up to the FYE 31 December 2012.

Our proforma consolidated financial information has been derived from the audited consolidated financial information of Matrix Concepts after incorporating such adjustments considered necessary and which have been highlighted and disclosed in Section 12.2 of this Prospectus.

The bases and accounting policies used for the purpose of preparing our proforma consolidated financial information are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group, which are set out in the notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 12.2 of this Prospectus. Our proforma consolidated financial information has been prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board and has been reviewed by our Reporting Accountants.

The proforma consolidated financial information are prepared for illustrative purposes only and should be read together with the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 12.2 of this Prospectus, Accountants' Report as set out in Section 13 of this Prospectus and the management discussion and analysis of financial conditions and results in operations as set out in Section 12.4 of this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)

| | <-----FYE 31 December-----> | | | |
|--|-----------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Revenue | 204,046 | 195,633 | 624,250 | 456,069 |
| Cost of sales | (157,688) | (138,917) | (475,828) | (263,341) |
| GP | 46,358 | 56,716 | 148,422 | 192,728 |
| Operating and administrative expenses | (19,586) | (24,369) | (46,776) | (47,267) |
| Other operating income | 55 | 478 | 7,300 | 653 |
| EBITDA | 26,827 | 32,825 | 108,946 | 146,114 |
| Finance costs | (539) | (1,060) | (568) | (1,012) |
| Depreciation | (1,891) | (1,804) | (2,040) | (2,338) |
| Share of (loss)/ profit of an associated company | 1 | - | (1) | - |
| PBT | 24,398 | 29,961 | 106,337 | 142,764 |
| Taxation | (5,266) | (7,946) | (26,401) | (39,279) |
| PAT | 19,132 | 22,015 | 79,936 | 103,485 |
| Attributable to: | | | | |
| Equity holders of the Company | 18,553 | 20,512 | 69,411 | 103,485 |
| Minority interests | 579 | 1,503 | 10,525 | - |
| Effective tax rate (%) | 21.6 | 26.5 | 24.8 | 27.5 |
| No. of Shares assumed in issue ('000) ⁽¹⁾ | 237,500 | 237,500 | 237,500 | 237,500 |
| Gross EPS (sen) ⁽²⁾ | 10.3 | 12.6 | 44.8 | 60.1 |
| Net EPS (sen) ⁽³⁾ | 7.8 | 8.6 | 29.2 | 43.6 |
| Fully diluted net EPS (sen) ⁽⁴⁾ | 6.2 | 6.8 | 23.1 | 34.5 |
| GP margin (%) | 22.7 | 29.0 | 23.8 | 42.3 |
| PBT margin (%) | 12.0 | 15.3 | 17.0 | 31.3 |
| PAT margin (%) | 9.4 | 11.3 | 12.8 | 22.7 |

Notes:

- (1) Based on the number of Shares assumed in issue after the Bonus Issue but immediately prior to the Public Issue.
- (2) Gross EPS is calculated based on PBT before non-controlling interests for the relevant financial year divided by the number of Shares in (1) above.
- (3) Net EPS is calculated based on PAT after non-controlling interests for the relevant financial year divided by the number of Shares in (1) above.
- (4) Fully diluted EPS is calculated based on PAT after non-controlling interests for the relevant financial year divided by the enlarged issued and paid-up share capital after the Listing Scheme of 300,000,000 Shares (excluding ESOS).
- (5) There were no exceptional items in all the financial years under review.

12. FINANCIAL INFORMATION (Cont'd)

12.2 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

(Prepared for inclusion in this Prospectus)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Date: **22 APR 2013**

The Board of Directors
MATRIX CONCEPTS HOLDINGS BERHAD
Wisma Matrix
No.57A&B,
Jalan Tun Dr Ismail,
70200 Seremban,
Negeri Sembilan Darul Khusus.

Dear Sirs,

LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

(Prepared for inclusion in this Prospectus)

We have reviewed the Proforma Consolidated Financial Information of MATRIX CONCEPTS HOLDINGS BERHAD (hereinafter referred to as "Matrix Concepts" or "the Company") and its subsidiary companies namely Superb Approach Sdn Bhd, Pembinaan Juwasan Sdn Bhd, 1 Sendayan Education Sdn Bhd, Riverine Projects Sdn Bhd, Masuda Corporation Sdn Bhd, Matrix Concepts Sdn Bhd, Seventech Sdn Bhd, MCHB Natro' Green Sdn Bhd, BSS Development Sdn Bhd, Juwasan Maju Sdn Bhd, Juwasan Trading Sdn Bhd, MCHB Management Services Sdn Bhd, Insani Utama Sdn Bhd, 1 Sendayan Club Sdn Bhd, Kris Benua Sdn Bhd and MCHB Properties Sdn Bhd (collectively known as "Matrix Concepts Group" or "the Group") for the financial year ended 31 December 2012 together with the notes and assumptions thereto, as set out in this Prospectus, which we have stamped for the purpose of identification, in connection with the listing of and quotation for the entire enlarged issued and fully paid-up share capital of Matrix Concepts on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Proforma Consolidated Financial Information have been prepared for illustrative purposes solely for the purpose of inclusion in this Prospectus on the basis of assumptions as set out below and after making certain adjustments to show :-

- i) the financial position of the Matrix Concepts Group as at 31 December 2012 adjusted for the bonus issue, public issue and utilisation of listing proceeds;
- ii) the consolidated cash flows of the Matrix Concepts Group for the financial year ended 31 December 2012 adjusted for the bonus issue, public issue and utilisation of listing proceeds.

The Proforma Consolidated Financial Information, because of its nature may not give a true picture of the Matrix Concepts Group's actual financial position and cash flows. Further, such information does not predict the Group's future financial position and cash flows.

12. FINANCIAL INFORMATION (Cont'd)



It is the sole responsibility of the Directors of the Matrix Concepts Group to prepare the Proforma Consolidated Financial Information in accordance with the requirements of the Prospectus Guidelines – Equity issued by the Securities Commission (“Prospectus Guidelines”). Our responsibility is to form an opinion as required by the Prospectus Guidelines on the Proforma Consolidated Financial Information and our letter is given to you solely for this, and no other purpose.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Proforma Consolidated Financial Information, nor do we accept responsibility for such reports or opinions beyond that is owed to whom those reports or opinions were addressed by us at the date of their issues.

Our work, which involved no independent examination of any of the underlying financial information, is primarily comparing the Proforma Consolidated Financial Information with the audited financial statements, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Financial Information with the Directors of the Matrix Concepts Group.

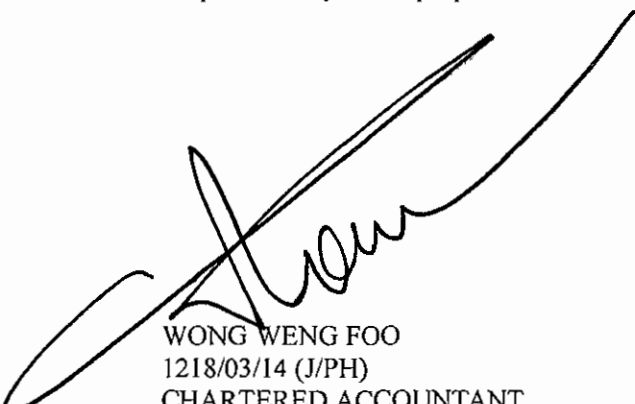
In our opinion, the Proforma Consolidated Financial Information together with the accompanying notes which are provided solely for illustrative purposes only,

- (a) have been properly compiled on a basis of preparation as stated in the notes thereto; such basis is consistent with the accounting policies adopted by the Matrix Concepts Group in the audited financial statements, unless otherwise stated;
- (b) the adjustments made to the information used in the preparation of the Proforma Consolidated Financial Information are appropriate for the purposes of the Proforma Consolidated Financial Information; and
- (c) the audited financial statements used in the preparation of the Proforma Consolidated Financial Information were prepared in accordance with the provisions of the Companies Act, 1965 in Malaysia and Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”) and in manner consistent with both the format of the financial statements and the accounting policies of the Matrix Concepts Group.

Our letter on the Proforma Consolidated Financial Information of the Matrix Concepts Group as at 31 December 2012 is prepared solely for inclusion in this Prospectus. This letter is not to be reproduced, referred to in any document, or used or relied upon for any other purpose without our prior written consent.

Yours faithfully,


WONG WENG FOO & CO
AF: 0829
CHARTERED ACCOUNTANTS


WONG WENG FOO
1218/03/14 (J/PH)
CHARTERED ACCOUNTANT

12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. INTRODUCTION**

The Proforma Consolidated Financial Information has been prepared based on the audited consolidated financial statements of Matrix Concepts Holdings Berhad ("Matrix Concepts" or "the Company") for the financial year ended 31 December 2012 using the bases and accounting principles consistent with those adopted in the audited financial statements of Matrix Concepts after giving effect to the proforma adjustments which are considered appropriate.

The Proforma Consolidated Financial Information has been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the actual financial position, financial results and cash flows of Matrix Concepts.

2. LISTING SCHEME

The transactions in conjunction with and as an integral part of the listing and quotation of the entire enlarged issued and paid-up share capital of Matrix Concepts on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") are as follow:-

(i) Bonus Issue

Bonus Issue of 186,399,060 new ordinary shares of RM1.00 each in Matrix Concepts ("Shares") to the existing shareholders on the basis of 3.6477 new Shares for every 1 existing Shares held in the Company through the capitalization of capital reserves and retained profits.

(ii) Initial Public Offering

Initial Public Offering ("IPO") of 100,000,000 ordinary shares in the Company ("IPO Shares") comprising 62,500,000 new Shares ("Public Issue") and 37,500,000 existing shares ("Offer for Sale") at an IPO Price of RM2.20 per Share, representing 33.33% of the enlarged issued and paid up capital of the Company and shall be allocated in the following manner:-

Public Issue**a) Malaysian Public via balloting**

10,000,000 IPO Shares, representing 3.33% of the enlarged issued and paid-up capital of the Company, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions by way of balloting.

b) Eligible Directors and Employees of Matrix Concepts and its subsidiaries ("Group") and persons who have contributed to the success of the Group.

8,808,000 IPO Shares, representing 2.94% of the enlarged issued and paid-up capital of the Company, will be made available for application by eligible directors and employees of the Group and persons who have contributed to the success of the Group.



12. FINANCIAL INFORMATION (Cont'd)

LISTING SCHEME ("CONTINUED")

c) Selected Investors by way of Private Placement

43,692,000 IPO Shares, representing 14.56% of the enlarged issued and paid-up capital of the Company will be made available for application by way of private placement to selected investors.

Offer for Sale

a) Bumiputera Investors by way of Private Placement

32,500,000 IPO Shares, representing approximately 10.83% of the enlarged issued and paid-up share capital, will be made available for application by way of private placement to eligible Bumiputera investors approved by the Ministry of International Trade and Industry.

b) Selected Investors by way of Private Placement

5,000,000 IPO Shares, representing approximately 1.67% of the enlarged issued and paid-up share capital, will be made available for application by way of private placement to selected investors.

(iii) Employee Share Option Scheme ("ESOS")

In conjunction with the Listing, Matrix Concepts proposes to implement an ESOS which entails the issuance of up to ten percent (10%) of Matrix Concepts' issued and paid-up share capital at any one time pursuant to the options to be granted under the ESOS, to eligible Directors and employees of the Group.

Thereafter, the entire enlarged issued and paid-up share capital of the Company comprising 300,000,000 Shares shall be listed on the Main Market of Bursa Securities.

3. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION

The Proforma Consolidated Financial Information has been prepared to illustrate that:-

- a) the financial position of the Company at 31 December 2012 adjusted for the Bonus Issue, Public Issue and utilisation of gross proceeds arising from Public Issue ("Utilisation of Listing Proceeds"); and
- b) the consolidated cash flows of the Company for the financial year ended 31 December 2012 adjusted for the Bonus Issue, Public Issue and Utilisation of Listing Proceeds.

The Proforma Consolidated Financial Information has been prepared in accordance with the provisions of the Companies Act, 1965 in Malaysia and Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB") after incorporating adjustments that are appropriate for the preparation of the Proforma Consolidated Financial Information.

There were no extraordinary or exceptional items in all the financial years under review.



12. FINANCIAL INFORMATION (Cont'd)**BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION ("CONTINUED")**

The Proforma Consolidated Statement of Financial Position together with accompanying notes thereon, have been prepared based on accounting principles and bases consistent with those adopted in the preparation of audited financial statements of Matrix Concepts Group to illustrate the Consolidated Statement of Financial Position of Matrix Concepts Group assuming that all the transactions mentioned below had taken place on 31 December 2012:

(i) Proforma I

After incorporating the effect of Bonus Issue as stated in Section 2 (i).

(ii) Proforma II

After incorporating the effect of Proforma I and Public Issue as stated in Section 2 (ii).

(iii) Proforma III

After incorporating the effect of Proforma I, Proforma II, and Utilisation of Listing Proceeds amounting to RM137,500,000 as follows:

| | RM'000 |
|--------------------------------------|----------------|
| Working capital | 55,000 |
| Infrastructure and common facilities | 55,000 |
| Construction of clubhouse | 10,000 |
| Repayment of bank borrowings | 11,000 |
| Estimated listing expenses | 6,500 |
| | <u>137,500</u> |



12. FINANCIAL INFORMATION (Cont'd)

5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Proforma Consolidated Statement of Financial Position of Matrix Concepts Group as at 31 December 2012 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in the Basis of Preparation of Proforma Consolidated Financial Information on the assumption that these transactions were completed on 31 December 2012:-

| | Note | Matrix Concepts Group | | | |
|---|------|-----------------------|-------------------------|--------------------------|---------------------------|
| | | RM'000 Audited | RM'000 Proforma I | RM'000 Proforma II | RM'000 Proforma III |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 5.1 | 11,517 | 11,517 | 11,517 | 21,517 |
| Investments properties | 5.2 | 1,400 | 1,400 | 1,400 | 1,400 |
| Development properties | 5.3 | 30,314 | 30,314 | 30,314 | 30,314 |
| Deferred tax assets | 5.4 | 2,017 | 2,017 | 2,017 | 2,017 |
| Goodwill arising on consolidation | 5.5 | * | * | * | * |
| | | 45,248 | 45,248 | 45,248 | 55,248 |
| Current Assets | | | | | |
| Development properties in progress | 5.6 | 373,764 | 373,764 | 373,764 | 428,764 |
| Inventories | 5.7 | 2,401 | 2,401 | 2,401 | 2,401 |
| Trade receivables | 5.8 | 101,040 | 101,040 | 101,040 | 101,040 |
| Amount due from contract customers | 5.9 | 18,818 | 18,818 | 18,818 | 18,818 |
| Other receivables, deposits and prepayments | 5.10 | 15,125 | 15,125 | 15,125 | 15,125 |
| Deposits, cash and bank balances | 5.11 | 30,727 | 30,727 | 168,227 | 85,727 |
| | | 541,875 | 541,875 | 679,375 | 651,875 |
| Total Assets | | 587,123 | 587,123 | 724,623 | 707,123 |

* Represents RM1



12. FINANCIAL INFORMATION (Cont'd)

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")

| | Note | Matrix Concepts Group | | | |
|---|---------|-----------------------|-------------------------|--------------------------|---------------------------|
| | | RM'000 Audited | RM'000 Proforma I | RM'000 Proforma II | RM'000 Proforma III |
| EQUITY | | | | | |
| Share capital | 5.12 | 51,101 | 237,500 | 300,000 | 300,000 |
| Retained profits | 5.13 | 290,529 | 104,130 | 104,130 | 101,597 |
| Capital reserves | 5.14 | 303 | 303 | 303 | 303 |
| Share premium | 5.15 | - | - | 75,000 | 71,033 |
| Shareholders' equity | | 341,933 | 341,933 | 479,433 | 472,933 |
| Non-Controlling interest | 5.16 | * | * | * | * |
| Total Equity | | 341,933 | 341,933 | 479,433 | 472,933 |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Hire-purchase payables | 5.17 | 288 | 288 | 288 | 288 |
| Term loans | 5.18(a) | 17,575 | 17,575 | 17,575 | 6,575 |
| | | 17,863 | 17,863 | 17,863 | 6,863 |
| Current Liabilities | | | | | |
| Trade payables | 5.19 | 48,038 | 48,038 | 48,038 | 48,038 |
| Progress billings | 5.20 | 14,005 | 14,005 | 14,005 | 14,005 |
| Retention sums | 5.21 | 486 | 486 | 486 | 486 |
| Other payables, deposits and accruals | 5.22 | 127,634 | 127,634 | 127,634 | 127,634 |
| Amount due to directors | 5.23 | 8,000 | 8,000 | 8,000 | 8,000 |
| Amount due to contract customers | 5.9 | 12,611 | 12,611 | 12,611 | 12,611 |
| Hire-purchase payables | 5.17 | 582 | 582 | 582 | 582 |
| Term loans | 5.18(a) | 3,565 | 3,565 | 3,565 | 3,565 |
| Bank overdrafts | 5.18(b) | 333 | 333 | 333 | 333 |
| Current income tax liabilities | 5.24 | 12,073 | 12,073 | 12,073 | 12,073 |
| | | 227,327 | 227,327 | 227,327 | 227,327 |
| Total Liabilities | | 245,190 | 245,190 | 245,190 | 234,190 |
| Total Equity and Liabilities | | 587,123 | 587,123 | 724,623 | 707,123 |
| Number of ordinary shares in issue ('000) | | 51,101 | 237,500 | 300,000 | 300,000 |
| Net Tangible Assets per ordinary shares of RM1.00 each (RM) | | 6.7 | 1.4 | 1.6 | 1.6 |
| Net Assets per ordinary shares of RM1.00 each (RM) | | 6.7 | 1.4 | 1.6 | 1.6 |
| * Represents RM1 | | | | | |



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")****5.1 Property, plant and equipment**

The movement of the property, plant and equipment is as follows:-

| | RM'000 |
|---|---------------|
| Carrying amount at 31 December 2012/ Proforma I and II | 11,517 |
| Addition: Construction of clubhouse Proforma III | 10,000 |
| | <u>21,517</u> |

5.2 Investment properties

| | RM'000 |
|---|---------------|
| At 31 December 2012/ Proforma I, II and III | <u>1,400</u> |

5.3 Development Properties

| | RM'000 |
|--|---------------|
| Land at cost | 1,398 |
| Land at group cost | 21,890 |
| Development cost | 6,956 |
| | <u>30,244</u> |
| Add: Cost incurred during the year Development cost | 70 |
| At 31 December 2012/ Proforma I, II and III | <u>30,314</u> |

5.4 Deferred Tax Assets

| | RM'000 |
|--|---------------|
| Balance at 1 January | 2,014 |
| Transferred from statement of comprehensive income | 3 |
| At 31 December 2012/ Proforma I, II and III | <u>2,017</u> |



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")****5.5 Goodwill Arising on Consolidation**

| | RM'000 |
|--|---------------|
| Goodwill arising on consolidation | 18 |
| Less: Accumulated amortization during the year | <u>(18)</u> |
| At 31 December 2012/ Proforma I, II and III | <u>*</u> |

* Represents RM1

5.6 Development Properties in Progress

| | RM'000 |
|--|------------------|
| Land at cost | 37,291 |
| Development cost | <u>308,442</u> |
| Add: Cost incurred during the year | 345,733 |
| Land at cost | 54,814 |
| Development cost | 277,793 |
| Less: Cost recognized as expense in statement of comprehensive income | <u>(304,576)</u> |
| At 31 December 2012/ Proforma I to II | 373,764 |
| Add: Infra and common facilities | <u>55,000</u> |
| Proforma III | <u>428,764</u> |

5.7 Inventories

These comprise completed properties at cost balance at 31 December 2012/
Proforma I, II and III

5.8 Trade receivables

Trade receivables mainly consist of amount due from property buyers' balance at
31 December 2012/ Proforma I, II and III



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")****5.9 Amount Due From Contracts Customers**

| | RM'000 |
|--|-----------------|
| Contract cost incurred to date at 31 December 2012 | 31,308 |
| Proportion of estimated profit accrued | - |
| | <u>31,308</u> |
| Less: Progress billings received and receivable | <u>(25,101)</u> |
| At 31 December 2012/ Proforma I, II and III | <u>6,207</u> |
| Represented by: | |
| Amount due from customers for construction contracts | 18,818 |
| Amount due to customers for construction contracts | <u>(12,611)</u> |
| At 31 December 2012/ Proforma I, II and III | <u>6,207</u> |

5.10 Other Receivables, Deposits and Prepayments

| | RM'000 |
|---|---------------|
| Other receivables | 12,818 |
| Deposits | 610 |
| Prepayments | <u>1,697</u> |
| At 31 December 2012/ Proforma I, II and III | <u>15,125</u> |

5.11 Deposits, Cash and Bank Balances

The movement of the deposits, cash and bank balances is as follows:-

| | RM'000 |
|---------------------------------------|----------------|
| Fixed deposits with licensed banks | 5,155 |
| Cash and bank balances | <u>25,572</u> |
| At 31 December 2012/ Proforma I | 30,727 |
| Listing Proceeds | <u>137,500</u> |
| Proforma II | 168,227 |
| Utilization of Listing Proceeds | |
| -Infrastructure and common facilities | (55,000) |
| -Construction of clubhouse | (10,000) |
| -Repayment of bank borrowings | (11,000) |
| -Estimated listing expenses | <u>(6,500)</u> |
| Proforma III | <u>85,727</u> |



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")****5.12 Share Capital**

The movement of the share capital is as follows:-

| | RM'000 |
|-------------------------|----------------|
| Issued and fully paid:- | |
| At 31 December 2012 | 51,101 |
| Bonus Issue | 186,399 |
| Proforma I | <u>237,500</u> |
| Public Issue | 62,500 |
| Proforma II and III | <u>300,000</u> |

5.13 Retained Profits

The movement of the retained profits is as follows:-

| | RM'000 |
|--------------------------------------|------------------|
| Distributable:- | |
| Retained profits at 31 December 2012 | 290,529 |
| Utilised for Bonus Issue | <u>(186,399)</u> |
| Proforma I and II | 104,130 |
| Less: Estimated listing expenses | <u>(2,533)</u> |
| Proforma III | <u>101,597</u> |

Estimated listing expenses of RM2,533,000 is expensed off to the Statements of Comprehensive Income and this represents a one-off expenditure pursuant to Listings.

The remaining estimated listing expenses for issuance of new shares of RM3,967,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965.

5.14 Capital Reserves

| | RM'000 |
|---|------------|
| Non Distributable:- | |
| At 31 December 2012/ Proforma I, II and III | <u>303</u> |

5.15 Share Premium

The movement of the share premium is as follows:-

| | RM'000 |
|---|----------------|
| Non Distributable:- | |
| Share premium at 31 December 2012/ Proforma I | - |
| Arising from Public Issue | <u>75,000</u> |
| Proforma II | 75,000 |
| Less: Estimated listing expenses (5.13) | <u>(3,967)</u> |
| Proforma III | <u>71,033</u> |



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")****5.16 Non-Controlling Interest**

Non-controlling interest at 31 December 2012/ Proforma I, II and III

5.17 Hire Purchase Payables

| | RM'000 |
|---|---------------|
| Minimum payments | |
| - not later than 1 year | 743 |
| - later than 1 year and not later than 5 years | 238 |
| | <u>981</u> |
| Less: Future hire-purchase charges | (111) |
| Present value at 31 December 2012/ Proforma I, II, and III | <u>870</u> |
| Total payable at 31 December 2012/ Proforma I, II, and III | 870 |
| Less: Payable within 1 year after 31 December 2012 | <u>(582)</u> |
| Payable after 1 year from 31 December 2012 | <u>288</u> |

5.18 Term Loans and Bank Overdrafts (Secured)

The movement of the term loans and bank overdrafts (secured) is as follows:-

| | RM'000 |
|--|----------------|
| (a) Non-current | |
| At 31 December 2012/ Proforma I and II | 17,575 |
| Less: Repayment | (11,000) |
| Proforma III | <u>6,575</u> |
| Current | |
| At 31 December 2012/Proforma I, II and III | <u>3,565</u> |
| (b) Bank overdrafts at 31 December 2012/ Proforma I, II and III | <u>333</u> |



12. FINANCIAL INFORMATION (Cont'd)**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
("CONTINUED")**

| | |
|--|----------------|
| 5.19 Trade payables | RM'000 |
| Trade debts payable at 31 December 2012/ Proforma I, II and III | <u>48,038</u> |
| 5.20 Progress Billings | RM'000 |
| Progress Billings at 31 December 2012/ Proforma I, II and III | <u>14,005</u> |
| 5.21 Retention Sums | RM'000 |
| Retention sums at 31 December 2012/ Proforma I, II and III | <u>486</u> |
| 5.22 Other Payables, Deposits and Accruals | RM'000 |
| Other payables | 1,960 |
| Deposits | 29,578 |
| Accruals | 96,096 |
| At 31 December 2012/ Proforma I, II and III | <u>127,634</u> |
| 5.23 Amount Due To Directors | RM'000 |
| At 31 December 2012/ Proforma I, II and III | <u>8,000</u> |
| 5.24 Current Income Tax Liabilities | |
| Current income tax liabilities represent provision for income tax payable to the Inland Revenue at 31 December 2012/ Proforma I, II and III | |



12. FINANCIAL INFORMATION (Cont'd)**6. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS**

The Proforma Consolidated Statement of Cash Flows of Matrix Concepts Group for the financial year ended 31 December 2012 as set out below:-

| | RM'000 |
|---|-----------------|
| | Proforma |
| Cash flows From Operating Activities | |
| Profit before income tax | 142,764 |
| Adjustments for:- | |
| Depreciation | 2,338 |
| Interest income | (438) |
| Interest expense | 1,545 |
| Gain on disposal of property, plant and equipment | (64) |
| Operating profit before working capital changes | <u>146,145</u> |
| Working capital changes: | |
| Increase in inventories | (1,639) |
| Increase in development properties | (70) |
| Increase in development properties in progress | (83,031) |
| Increase in receivables | (33,755) |
| Decrease in payables | (7,785) |
| Cash generated from operations | <u>19,865</u> |
| Interest received | 438 |
| Interest paid | (1,545) |
| Tax paid | (39,163) |
| Tax refunded | 20 |
| <i>Net cash used in operating activities</i> | <u>(20,385)</u> |
| Cash Flows From Investing Activities | |
| Purchase of property, plant and equipment | (12,848) |
| Proceeds from disposal of property, plant and equipment | 64 |
| <i>Net cash used in investing activities</i> | <u>(12,784)</u> |

12. FINANCIAL INFORMATION (Cont'd)

**PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS
("CONTINUED")**

| | Note | RM'000 Proforma |
|---|------|--------------------|
| Cash Flows From Financing Activities | | |
| Proceeds from term loan | | 11,000 |
| Dividends paid | | (20,132) |
| Proceeds from issuance of shares | | 137,500 |
| Repayment of term loan | | (16,603) |
| Hire purchase instalments paid | | (665) |
| Payment of listing expenses | | <u>(6,500)</u> |
| <i>Net cash generated from financing activities</i> | | <u>104,600</u> |
| | | |
| Net changes in cash & cash equivalents | | 71,431 |
| Cash & cash equivalents brought forward | | <u>13,963</u> |
| Cash & cash equivalents carried forward | 6.1 | <u>85,394</u> |

6.1 Cash and Cash Equivalents

| | RM'000 |
|---|---------------|
| Fixed deposits with licensed banks | 5,155 |
| Cash and bank balances | <u>80,572</u> |
| | 85,727 |
| Less: Bank overdrafts | <u>(333)</u> |
| Cash & cash equivalents carried forward | <u>85,394</u> |

The Proforma Consolidated Statement of Cash Flows has been prepared based on the audited consolidated financial statements of Matrix Concept Group as at 31 December 2012, with the assumption that Bonus Issue, Public Issue and Utilisation of Listing Proceeds have been completed as at 31 December 2012.

The Proforma Consolidated Statement of Cash Flows has been prepared based on accounting principles and basis consistent with those normally adopted in the preparation of the audited financial statement of Matrix Concepts Group.



12. FINANCIAL INFORMATION (Cont'd)**12.3 CAPITALISATION AND INDEBTEDNESS**

The table below sets out our proforma cash and bank balances, fixed deposits placed with licensed banks, capitalisation and indebtedness:

- (a) as at 31 December 2012 based on our consolidated statements of financial position after the Bonus Issue but before the IPO; and
- (b) as adjusted for the net proceeds from the Public Issue and the utilisation of proceeds from the Public Issue.

| | Audited FYE 31 December 2012 RM'000 | Proforma I After the Bonus Issue RM'000 | Proforma II After Proforma I, IPO and utilisation of proceeds RM'000 |
|--|--|--|---|
| Fixed deposits placed with licensed banks | 5,155 | 5,155 | 5,155 |
| Cash and bank balances | 25,572 | 25,572 | 80,572 |
| | 30,727 | 30,727 | 85,727 |
| Indebtedness | | | |
| Secured and guaranteed | | | |
| <u>Long term</u> | | | |
| Term loans | 17,575 | 17,575 | 6,575 |
| Hire purchases | 288 | 288 | 288 |
| | 17,863 | 17,863 | 6,863 |
| <u>Short term</u> | | | |
| Term loans | 3,565 | 3,565 | 3,565 |
| Bank overdraft | 333 | 333 | 333 |
| Hire purchases | 582 | 582 | 582 |
| | 4,480 | 4,480 | 4,480 |
| Total indebtedness | 22,343 | 22,343 | 11,343 |
| Capitalisation | | | |
| Shareholders' equity | 341,933 | 341,933 | 472,933 |
| Total capitalisation and indebtedness | 364,276 | 364,276 | 484,276 |

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12. FINANCIAL INFORMATION (Cont'd)

12.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following management's discussion and analysis of our Group's past financial performances and results of operations should be read in conjunction with the consolidated financial information and the related notes thereon for the FYE 31 December 2009, FYE 31 December 2010, FYE 31 December 2011 and FYE 31 December 2012 as set out in Section 12.2 of this Prospectus.

The consolidated financial statements of our Group for the FYE 31 December 2009, FYE 31 December 2010, FYE 31 December 2011 and FYE 31 December 2012 are prepared based on the audited financial statements of the respective companies in our Group. In this section, unless otherwise indicated, figures shown in respect of the FYE 31 December 2009, FYE 31 December 2010, FYE 31 December 2011 and FYE 31 December 2012 are derived from our consolidated financial statements as disclosed.

Unless otherwise indicated, statistical and certain other information relating to the industry in which we operate and contained in this section are based on or derived from data prepared by the IMR. Much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution. This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

12.4.1 Overview of operations

We are principally an investment holding company, while our subsidiary companies are mainly involved in property development, investment holding, project management and procurement of building materials and administrative services. Our revenue is derived primarily from property development activities and sales of land.

(i) Revenue

Property development revenue is recognised in respect of all development units that have been sold and commences when the sale of the development units is effected i.e. upon signing of the sale and purchase agreement, upon the commencement of the development activities and when the financial outcome can be reliably measured and specific recognition criteria have been met. Revenue from sale of development properties is accounted for by the stage of completion method in respect of all property units which have been sold. The attributable portion of property development cost is recognised as an expense in which the related revenue is recognised. The stage of completion is determined by reference to the project costs incurred to date to the estimated total property development costs where the outcome of the projects can be reliably estimated.

12. FINANCIAL INFORMATION (Cont'd)

In the event of a termination of a sale and purchase agreement involving uncompleted landed residential property whereby the customer is able to prove that he is unable to obtain a loan from a financier due to ineligibility of income, our Group is entitled to forfeit a maximum of 1% of the purchase price of the development property from the deposit sum paid, in accordance with Schedule G of the *Housing Development (Control and Licensing) Regulations 1989*. In the event of a termination of a sale and purchase agreement involving our commercial and industrial development properties which is not governed under the aforementioned regulation, we are entitled to forfeit the entire 10% deposit sum paid, in accordance with the sale and purchase agreement entered into with the customers. Notwithstanding this, it is our policy for the house buyers to obtain a preliminary approval for the financing of their purchase of our residential development properties upon the signing of the sale and purchase agreement.

(ii) Cost of sales, GP and GP Margin

Our cost of sales mainly comprises property development expenses which include land cost, purchase of building materials and sub-contracting costs, amongst others. We outsource the building and construction activities to external sub-contractors. However, we have our own internal procurement arm to source most of the building and construction materials for the building and construction of our own property development projects.

Purchase of building materials comprise mainly of purchases of steel bars and metal, concrete, clay materials, concrete materials, premix, crusher run, aggregates, quarry dust, cement, wood materials and others. We engage various services and sub-contractors for all of our projects. Purchase of services and sub-contracted works were mainly for building and construction works, earthworks, civil engineering works, interior works, mechanical and electrical works and others. We have implemented internal control procedures for the selection of our suppliers and contractors to ensure they meet certain criteria in terms of pricing, track record, financial strength, quality, efficiency, reliability and capacity.

The time taken for various stages of construction work such as the earthworks, piling, structural and architectural works is critical in determining the completion of projects which affects our revenue recognition. Timely completion of each of the stages is essential to ensure the completion of projects according to the schedule and consequently, the revenue generation for each project.

Included in cost of sales are, amongst others, labour costs, developer license fees, professional fees including architectural, civil and structural fees, surveyor fees, legal fees, valuation fees and payment to the authorities for purposes such as development and building plan approvals.

The main factors that affect our cost of sales include amongst others, the fluctuation on the prices of building materials, our ability to source for building materials and sub-contractors at reasonable prices and our ability to execute our projects in a timely and cost effective manner.

(iii) Other operating income

Our other operating income mainly represents interest income earned from fixed deposits with financial institutions and rental income derived from properties owned by our Group. Interest income is recognised as it accrues, using the effective interest method whilst rental income is recognised on an accrual basis.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Operating and administrative expenses**

Our general and administrative expenses comprise mainly of salary and staff related expenses including bonuses, allowances, director's remuneration and other staff incentives as well as other operating expenses such as audit fees and rental of premises.

The main factors that affect our operating expenses include amongst others, our level of operations, staff strength, prevailing wage rates, rental rates and our ability to manage our business operations and control our operating expenses.

(v) Finance costs

Finance costs are mainly interest charged for bank borrowings, which consist of term loans, bank overdrafts and hire purchase utilised by our Group.

(vi) Taxation

The statutory tax rate for our Group for FYE 31 December 2009 to 2012 was 25%.

12.4.2 Revenue**(i) Analysis of revenue by companies**

The revenue analysis by companies is as set out below:

| | ----- Audited -----> | | | | | | | |
|---|------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | ----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Matrix Concepts | - | - | - | - | - | - | 206,393 | 18.8 |
| BSS Development | 91,490 | 21.5 | 101,797 | 27.9 | 500,064 | 56.4 | 372,654 | 33.9 |
| Masuda Corporation | - | - | - | - | - | - | 52,413 | 4.8 |
| Matrix | 69,969 | 16.4 | 93,733 | 25.7 | 101,643 | 11.5 | 92,939 | 8.5 |
| MCHB Natro' | 463 | 0.1 | 863 | 0.2 | 855 | 0.1 | 380 | * |
| MCHB Properties | - | - | - | - | - | - | - | - |
| 1 Sendayan Education | - | - | - | - | 22,500 | 2.5 | - | - |
| Pembinaan Juwasan | 3,248 | 0.8 | 2,853 | 0.8 | 3,986 | 0.4 | 41,079 | 3.7 |
| Riverine Projects | - | - | - | - | - | - | - | - |
| Seventech | 42,190 | 9.9 | 339 | 0.1 | - | - | - | - |
| Superb Approach | (20) | -* | - | - | - | - | - | - |
| Insani Utama | - | - | - | - | - | - | - | - |
| MCHB Management | 20,132 | 4.7 | 21,434 | 5.9 | 46,432 | 5.2 | 40,833 | 3.7 |
| Kris Benua | 2,703 | 0.6 | 3,917 | 1.1 | 7,613 | 0.9 | 16,596 | 1.5 |
| 1 Sendayan Club | 44 | -* | - | - | - | - | - | - |
| Juwasan Maju | 177,371 | 41.7 | 124,929 | 34.3 | 184,337 | 20.8 | 214,174 | 19.5 |
| Juwasan Trading | 18,133 | 4.3 | 14,388 | 4.0 | 19,908 | 2.2 | 60,322 | 5.5 |
| Sub-total | 425,723 | 100.0 | 364,253 | 100.0 | 887,338 | 100.0 | 1,097,783 | 100.0 |
| Less: Consolidation adjustment ⁽¹⁾ | (221,677) | (52.1) | (168,620) | (46.3) | (263,088) | (29.6) | (641,714) | (58.5) |
| Total | 204,046 | 47.9 | 195,633 | 53.7 | 624,250 | 70.4 | 456,069 | 41.5 |

Notes:

* Negligible.

(1) The consolidation adjustments are in relation to inter-company transactions.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Analysis of revenue by projects**

The revenue analysis by projects is as set out below:

| | <----- Audited -----> | | | | | | | |
|--|-------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | <----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Taman Seri Impian 1 | 236 | 0.1 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 1) | 17,063 | 8.4 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 2) | 23,466 | 11.5 | 20,986 | 10.7 | - | - | - | - |
| Taman Pulai Perdana | 29,059 | 14.2 | - | - | - | - | - | - |
| Taman Desa PD 1 | 93 | -* | - | - | - | - | - | - |
| Taman Desa PD 2 (Phase 1) | - | - | 31,151 | 15.9 | 12,742 | 2.0 | 2,326 | 0.5 |
| Taman Seri Impian 3 (Impiana Garden 1 & 2) | - | - | 33,073 | 16.9 | 46,869 | 7.5 | (35) | -* |
| Impiana Avenue | - | - | 7,937 | 4.1 | 2,946 | 0.5 | - | - |
| Taman Seri Impian 4 (Impiana Casa 1) | - | - | - | - | 11,865 | 1.9 | 45,521 | 10.0 |
| Impiana Villa 1 | - | - | - | - | 27,220 | 4.4 | 35,482 | 7.8 |
| Taman Seri Intan | 44 | -* | - | - | - | - | - | - |
| Taman Anggerik Tenggara 2 | 42,190 | 20.7 | 339 | 0.2 | - | - | - | - |
| Nusari Bayu 1 | 90,776 | 44.5 | 22,394 | 11.4 | - | - | - | - |
| Nusari Bayu 2A | - | - | 42,402 | 21.7 | - | - | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | - | - | 39,145 | 6.3 | 93,163 | 20.4 |
| Atiya | - | - | 5,209 | 2.7 | - | - | - | - |
| Cosmoxia | - | - | - | - | 11,651 | 1.9 | - | - |
| Idaman Bayu | - | - | 21,528 | 11.0 | 18,013 | 2.9 | - | - |
| Nusari Aman 1A & 1B | - | - | - | - | 34,191 | 5.5 | 98,202 | 21.5 |
| Nusari Aman 2 & 2A | - | - | - | - | 66,361 | 10.6 | 60,983 | 13.3 |
| Sendayan Metro Park Shop 1A | - | - | - | - | 6,224 | 1.0 | 7,573 | 1.7 |
| Sendayan Metro Park | 719 | 0.4 | 10,338 | 5.3 | 9,104 | 1.4 | - | - |
| Sendayan Tech Valley 1 & 2 | - | - | - | - | 21,389 | 3.4 | 79,830 | 17.5 |
| Sales of land | 400 | 0.2 | 276 | 0.1 | 316,530 | 50.7 | 33,024 | 7.3 |
| Total | 204,046 | 100.0 | 195,633 | 100.0 | 624,250 | 100.0 | 456,069 | 100.0 |

Note:

* Negligible.

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12. FINANCIAL INFORMATION (Cont'd)**(iii) Analysis of revenue by activities**

Our property development products can be categorised into commercial, residential and industrial properties as set out below:

| | ----- Audited ----- | | | | | | | |
|---------------|-----------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | ----- FYE 31 December ----- | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Residential | 187,405 | 91.8 | 176,743 | 90.4 | 254,719 | 40.8 | 328,060 | 71.9 |
| Commercial | 16,241 | 8.0 | 18,614 | 9.5 | 31,612 | 5.1 | 15,155 | 3.3 |
| Industrial | - | - | - | - | 21,389 | 3.4 | 79,830 | 17.5 |
| Sales of land | 400 | 0.2 | 276 | 0.1 | 316,530 | 50.7 | 33,024 | 7.3 |
| Total | 204,046 | 100.0 | 195,633 | 100.0 | 624,250 | 100.0 | 456,069 | 100.0 |

(iv) Analysis of revenue by geographical market

Our Group's revenue for the financial years under review were all derived from Negeri Sembilan and Johor, the breakdown of which is as follows:

| | ----- Audited ----- | | | | | | | |
|-----------------|-----------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | ----- FYE 31 December ----- | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Negeri Sembilan | 121,091 | 59.3 | 133,022 | 68.0 | 535,350 | 85.8 | 375,101 | 82.2 |
| Johor | 82,955 | 40.7 | 62,611 | 32.0 | 88,900 | 14.2 | 80,968 | 17.8 |
| Total | 204,046 | 100.0 | 195,633 | 100.0 | 624,250 | 100.0 | 456,069 | 100.0 |

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12. FINANCIAL INFORMATION (Cont'd)**12.4.3 Cost of sales****(i) Analysis of cost of sales by companies**

The cost of sales analysis by companies is as set out below:

| | ←----- Audited -----> | | | | | | | |
|---|-------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | ←----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Matrix Concepts | - | - | - | - | - | - | - | - |
| BSS Development | 86,589 | 23.4 | 83,490 | 27.8 | 418,341 | 58.3 | 247,749 | 43.7 |
| Masuda Corporation | 26 | -* | 4 | -* | 16 | -* | 4 | -* |
| Matrix | 61,233 | 16.6 | 78,058 | 26.0 | 80,681 | 11.2 | 58,631 | 10.3 |
| MCHB Natro' | 193 | 0.1 | 339 | 0.1 | 427 | 0.1 | 93 | -* |
| MCHB Properties | - | - | - | - | - | - | - | - |
| 1 Sendayan Education | - | - | - | - | 21,426 | 3.0 | - | - |
| Pembinaan Juwasan | - | - | - | - | - | - | - | - |
| Riverine Projects | - | - | - | - | - | - | - | - |
| Seventech | 36,847 | 9.9 | 173 | 0.1 | ^(534) | (0.1) | 1 | -* |
| Superb Approach | 2 | -* | 2 | -* | - | - | - | - |
| Insani Utama | - | - | - | - | - | - | - | - |
| MCHB Management | 8,151 | 2.2 | 9,763 | 3.2 | 13,183 | 1.8 | 14,236 | 2.5 |
| Kris Benua | - | - | - | - | - | - | - | - |
| 1 Sendayan Club | 26 | -* | 3 | -* | 3 | -* | 2 | -* |
| Juwasan Maju | 162,478 | 43.9 | 115,958 | 38.7 | 165,562 | 23.1 | 188,562 | 33.3 |
| Juwasan Trading | 14,359 | 3.9 | 12,226 | 4.1 | 18,299 | 2.6 | 57,941 | 10.2 |
| Sub-total | 369,904 | 100.0 | 300,016 | 100.0 | 717,404 | 100.0 | 567,219 | 100.0 |
| Less: Consolidation adjustment ⁽¹⁾ | (212,216) | (57.4) | (161,099) | (53.7) | (241,576) | (33.7) | (303,878) | 53.6 |
| Total | 157,688 | 42.6 | 138,917 | 46.3 | 475,828 | 66.3 | 263,341 | 46.4 |

Notes:

* Negligible.

^ Due to the reversal of costs for the completed Taman Anggerik Tenggara 2 development project.

(1) The consolidation adjustments are in relation to inter-company transactions.

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12. FINANCIAL INFORMATION (Cont'd)**(ii) Analysis of cost of sales by projects**

The cost of sales analysis by projects is as set out below:

| | ←----- Audited -----> | | | | | | | |
|--|-------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | ←----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Taman Seri Impian 1 | 174 | 0.1 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 1) | 12,649 | 8.1 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 2) | 16,104 | 10.2 | 17,187 | 12.4 | - | - | - | - |
| Taman Pulau Perdana | 23,034 | 14.6 | - | - | - | - | - | - |
| Taman Desa PD 1 | 78 | -* | - | - | - | - | - | - |
| Taman Desa PD 2 (Phase 1) | - | - | 22,608 | 16.3 | 6,370 | 1.3 | 1,492 | 0.6 |
| Taman Seri Impian 3 (Impiana Gardén 1 & 2) | - | - | 22,466 | 16.2 | 36,713 | 7.7 | - | - |
| Impiana Avenue | - | - | 4,886 | 3.5 | 1,736 | 0.4 | - | - |
| Taman Seri Impian 4 (Impiana Casa 1) | - | - | - | - | 6,528 | 1.4 | 29,533 | 11.2 |
| Impiana Villa 1 | - | - | - | - | 16,153 | 3.4 | 22,280 | 8.5 |
| Taman Seri Intan | - | - | - | - | - | - | - | - |
| Taman Anggerik Tenggara 2 | 30,914 | 19.6 | 173 | 0.1 | (534) | (0.1) | - | - |
| Nusari Bayu 1 | 73,283 | 46.5 | 15,690 | 11.3 | - | - | - | - |
| Nusari Bayu 2A | - | - | 30,342 | 21.8 | - | - | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | - | - | 23,462 | 4.9 | 53,330 | 20.3 |
| Atiya | - | - | 2,714 | 2.0 | - | - | - | - |
| Cosmoxia | - | - | - | - | 5,834 | 1.2 | - | - |
| Idaman Bayu | - | - | 15,902 | 11.4 | 13,097 | 2.8 | - | - |
| Nusari Aman 1A & 1B | - | - | - | - | 20,231 | 4.3 | 59,510 | 22.6 |
| Nusari Aman 2 & 2A | - | - | - | - | 39,275 | 8.3 | 38,002 | 14.4 |
| Sendayan Metro Park Shop 1A | - | - | - | - | 3,629 | 0.8 | 4,790 | 1.8 |
| Sendayan Metro Park | 1,032 | 0.7 | 6,672 | 4.8 | 3,859 | 0.8 | - | - |
| Sendayan Tech Valley 1& 2 | - | - | - | - | 12,037 | 2.5 | 29,025 | 11.0 |
| Sales of land | 405 | 0.2 | 277 | 0.2 | 287,438 | 60.4 | 25,379 | 9.6 |
| Others | 15 | -* | - | - | - | - | - | - |
| Total | 157,688 | 100.0 | 138,917 | 100.0 | 475,828 | 100.0 | 263,341 | 100.0 |

Note:

* Negligible.

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12. FINANCIAL INFORMATION (Cont'd)**(iii) Analysis of cost of sales by activities**

Our cost of sales by property development products can be categorised into commercial, residential and industrial properties as set out below:

| | ----- Audited -----> | | | | | | | |
|---------------|------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | ----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Residential | 144,906 | 91.9 | 126,909 | 91.4 | 159,070 | 33.4 | 199,327 | 75.7 |
| Commercial | 12,362 | 7.8 | 11,731 | 8.4 | 17,817 | 3.7 | 9,610 | 3.7 |
| Industrial | - | - | - | - | 12,037 | 2.5 | 29,025 | 11.0 |
| Sales of land | 405 | 0.3 | 277 | 0.2 | 287,438 | 60.4 | 25,379 | 9.6 |
| Others | 15 | -* | - | - | (534) | (0.1) | - | - |
| Total | 157,688 | 100.0 | 138,917 | 100.0 | 475,828 | 100.0 | 263,341 | 100.0 |

Note:

* Negligible.

12.4.4 GP and GP margin**(i) Analysis of GP and GP margin by companies**

The GP analysis by companies is as set out below:

| | ----- Audited -----> | | | | | | | |
|---|------------------------------|-------------|---------------|-------------|----------------|-------------|----------------|-------------|
| | ----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Matrix Concepts | - | - | - | - | - | - | 206,393 | 38.9 |
| BSS Development | 4,901 | 8.8 | 18,307 | 28.5 | 81,723 | 48.1 | 124,905 | 23.5 |
| Masuda Corporation | (26) | -* | (4) | -* | (16) | -* | 52,409 | 9.9 |
| Matrix | 8,736 | 15.6 | 15,675 | 24.4 | 20,962 | 12.3 | 34,308 | 6.5 |
| MCHB Natro' | 270 | 0.5 | 524 | 0.8 | 428 | 0.3 | 287 | 0.1 |
| MCHB Properties | - | - | - | - | - | - | - | - |
| 1 Sendayan Education | - | - | - | - | 1,074 | 0.6 | - | - |
| Pembinaan Juwasan | 3,248 | 5.8 | 2,853 | 4.4 | 3,986 | 2.4 | 41,079 | 7.7 |
| Riverine Projects | - | - | - | - | - | - | - | - |
| Seventech | 5,343 | 9.6 | 166 | 0.3 | 534 | 0.3 | (1) | -* |
| Superb Approach | (22) | -* | (2) | -* | - | - | - | - |
| Insani Utama | - | - | - | - | - | - | - | - |
| MCHB Management | 11,981 | 21.5 | 11,671 | 18.2 | 33,249 | 19.6 | 26,597 | 5.0 |
| Kris Benua | 2,703 | 4.8 | 3,917 | 6.1 | 7,613 | 4.5 | 16,596 | 3.1 |
| 1 Sendayan Club | 18 | -* | (3) | -* | (3) | -* | (2) | -* |
| Juwasan Maju | 14,893 | 26.7 | 8,971 | 14.0 | 18,775 | 11.0 | 25,612 | 4.8 |
| Juwasan Trading | 3,774 | 6.7 | 2,162 | 3.3 | 1,609 | 0.9 | 2,381 | 0.5 |
| | 55,819 | 100.0 | 64,237 | 100.0 | 169,934 | 100.0 | 530,564 | 100.0 |
| Less: Consolidation adjustment ⁽¹⁾ | (9,461) | (16.9) | (7,521) | (11.7) | (21,512) | (12.7) | (337,836) | (63.7) |
| Total | 46,358 | 83.1 | 56,716 | 88.3 | 148,422 | 87.3 | 192,728 | 36.3 |

Notes:

* Negligible.

(1) The consolidation adjustments are in relation to inter-company transactions.

12. FINANCIAL INFORMATION (Cont'd)

The GP margin analysis by projects is as set out below:

| | ----- Audited ----- --> | | | |
|--|------------------------------------|-------------|-------------|-------------|
| | ----- FYE 31 December ----- --> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | % | % | % | % |
| Taman Seri Impian 1 | 26.3 | - | - | - |
| Taman Seri Impian 2 (Parcel 1) | 25.9 | - | - | - |
| Taman Seri Impian 2 (Parcel 2) | 31.4 | 18.1 | - | - |
| Taman Pulau Perdana | 20.7 | - | - | - |
| Taman Desa PD 1 | 16.1 | - | - | - |
| Taman Desa PD 2 (Phase 1) | - | 27.4 | 50.0 | 35.9 |
| Taman Seri Impian 3 (Impiana Garden 1 & 2) | - | 32.1 | 21.7 | - |
| Impiana Avenue | - | 38.4 | 41.1 | - |
| Taman Seri Impian 4 (Impiana Casa 1) | - | - | 45.0 | 35.1 |
| Impiana Villa 1 | - | - | 40.7 | 37.2 |
| Taman Seri Intan | 100.0 | - | - | - |
| Taman Anggerik Tenggara 2 | 26.7 | 49.0 | - | - |
| Nusari Bayu 1 | 19.3 | 29.9 | - | - |
| Nusari Bayu 2A | - | 28.4 | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | 40.1 | 42.8 |
| Atiya | - | 47.9 | - | - |
| Cosmoxia | - | - | 49.9 | - |
| Idaman Bayu | - | 26.1 | 27.3 | - |
| Nusari Aman 1A & 1B | - | - | 40.8 | 39.4 |
| Nusari Aman 2 & 2A | - | - | 40.8 | 38.9 |
| Sendayan Metro Park Shop 1A | - | - | 41.7 | 36.7 |
| Sendayan Metro Park | (43.5) | 25.5 | 57.6 | - |
| Sendayan Tech Valley 1 & 2 | - | - | 43.7 | 63.6 |
| Sales of land | (1.3) | (0.4) | 9.2 | 23.1 |
| Overall GP Margin | 22.7 | 29.0 | 23.8 | 42.3 |

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12. FINANCIAL INFORMATION (Cont'd)

(ii) Analysis of GP and GP margin by projects

The GP analysis by projects is as set out below:

| | ←----- Audited -----> | | | | | | | |
|--|-------------------------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|
| | ←----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Taman Seri Impian 1 | 62 | 0.1 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 1) | 4,414 | 9.5 | - | - | - | - | - | - |
| Taman Seri Impian 2 (Parcel 2) | 7,362 | 15.9 | 3,799 | 6.7 | - | - | - | - |
| Taman Pulai Perdana | 6,025 | 13.0 | - | - | - | - | - | - |
| Taman Desa PD 1 | 15 | * | - | - | - | - | - | - |
| Taman Desa PD 2 (Phase 1) | - | - | 8,543 | 15.0 | 6,372 | 4.3 | 834 | 0.4 |
| Taman Seri Impian 3 (Impiana Garden 1 & 2) | - | - | 10,607 | 18.7 | 10,156 | 6.8 | (35) | * |
| Impiana Avenue | - | - | 3,051 | 5.4 | 1,210 | 0.8 | - | - |
| Taman Seri Impian 4 (Impiana Casa 1) | - | - | - | - | 5,337 | 3.6 | 15,988 | 8.3 |
| Impiana Villa 1 | - | - | - | - | 11,067 | 7.5 | 13,202 | 6.8 |
| Taman Seri Intan | 44 | 0.1 | - | - | - | - | - | - |
| Taman Anggerik Tenggara 2 | 11,276 | 24.3 | 166 | 0.3 | 534 | 0.4 | - | - |
| Nusari Bayu 1 | 17,493 | 37.8 | 6,704 | 11.8 | - | - | - | - |
| Nusari Bayu 2A | - | - | 12,060 | 21.3 | - | - | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | - | - | 15,683 | 10.6 | 39,833 | 20.7 |
| Atiya | - | - | 2,495 | 4.4 | - | - | - | - |
| Cosmoxia | - | - | - | - | 5,817 | 3.9 | - | - |
| Idaman Bayu | - | - | 5,626 | 9.9 | 4,916 | 3.3 | - | - |
| Nusari Aman 1A & 1B | - | - | - | - | 13,960 | 9.4 | 38,692 | 20.1 |
| Nusari Aman 2 & 2A | - | - | - | - | 27,086 | 18.2 | 22,981 | 11.9 |
| Sendayan Metro Park Shop 1A | - | - | - | - | 2,595 | 1.9 | 2,783 | 1.4 |
| Sendayan Metro Park | (313) | (0.7) | 3,666 | 6.5 | 5,245 | 3.5 | - | - |
| Sendayan Tech Valley 1 & 2 | - | - | - | - | 9,352 | 6.3 | 50,805 | 26.4 |
| Sales of land | (5) | * | (1) | * | 29,092 | 19.6 | 7,645 | 4.0 |
| Others | (15) | * | - | - | - | - | - | - |
| Total | 46,358 | 100.0 | 56,716 | 100.0 | 148,422 | 100.0 | 192,728 | 100.0 |

Note:

* Negligible.

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12. FINANCIAL INFORMATION (Cont'd)

The GP margin analysis by projects is as set out below:

| | <----- Audited -----> | | | |
|--|-------------------------------|-------------|-------------|-------------|
| | --> | | | |
| | <----- FYE 31 December -----> | | | |
| | -> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | % | % | % | % |
| Taman Seri Impian 1 | 26.3 | - | - | - |
| Taman Seri Impian 2 (Parcel 1) | 25.9 | - | - | - |
| Taman Seri Impian 2 (Parcel 2) | 31.4 | 18.1 | - | - |
| Taman Pulau Perdana | 20.7 | - | - | - |
| Taman Desa PD 1 | 16.1 | - | - | - |
| Taman Desa PD 2 (Phase 1) | - | 27.4 | 50.0 | 35.9 |
| Taman Seri Impian 3 (Impiana Garden 1 & 2) | - | 32.1 | 21.7 | - |
| Impiana Avenue | - | 38.4 | 41.1 | - |
| Taman Seri Impian 4 (Impiana Casa 1) | - | - | 45.0 | 35.1 |
| Impiana Villa 1 | - | - | 40.7 | 37.2 |
| Taman Seri Intan | 100.0 | - | - | - |
| Taman Anggerik Tenggara 2 | 26.7 | 49.0 | - | - |
| Nusari Bayu 1 | 19.3 | 29.9 | - | - |
| Nusari Bayu 2A | - | 28.4 | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | 40.1 | 42.8 |
| Atiya | - | 47.9 | - | - |
| Cosmoxia | - | - | 49.9 | - |
| Idaman Bayu | - | 26.1 | 27.3 | - |
| Nusari Aman 1A & 1B | - | - | 40.8 | 39.4 |
| Nusari Aman 2 & 2A | - | - | 40.8 | 38.9 |
| Sendayan Metro Park Shop 1A | - | - | 41.7 | 36.7 |
| Sendayan Metro Park | (43.5) | 25.5 | 57.6 | - |
| Sendayan Tech Valley 1 & 2 | - | - | 43.7 | 63.6 |
| Sales of land | (1.3) | (0.4) | 9.2 | 23.1 |
| Overall GP Margin | 22.7 | 29.0 | 23.8 | 42.3 |

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12. FINANCIAL INFORMATION (Cont'd)**(ii) Analysis of GP and GP margin by activities**

The GP analysis by our property development products is as set out below:

| | <----- Audited -----> | | | | | | | |
|---------------|-------------------------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|
| | <----- FYE 31 December -----> | | | | | | | |
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Residential | 42,499 | 91.7 | 49,834 | 87.9 | 95,649 | 64.4 | 128,733 | 66.8 |
| Commercial | 3,879 | 8.3 | 6,883 | 12.1 | 13,795 | 9.3 | 5,545 | 2.9 |
| Industrial | - | - | - | - | 9,352 | 6.3 | 50,805 | 26.3 |
| Sales of land | (5) | *- | (1) | *- | 29,092 | 19.6 | 7,645 | 4.0 |
| Others | (15) | *- | - | - | 534 | 0.4 | - | - |
| Total | 46,358 | 100.0 | 56,716 | 100.0 | 148,422 | 100.0 | 192,728 | 100.0 |

Note:

* Negligible.

The GP margin analysis by our property development products is as set out below:

| | <----- Audited -----> | | | |
|--------------------------|-------------------------------|-------------|-------------|-------------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | % | % | % | % |
| Residential | 22.7 | 28.2 | 37.6 | 39.2 |
| Commercial | 23.9 | 37.0 | 43.6 | 36.6 |
| Industrial | - | - | 43.7 | 63.6 |
| Sales of land | *- | *- | 9.2 | 23.1 |
| Others | *- | - | - | - |
| Overall GP margin | 22.7 | 29.0 | 23.8 | 42.3 |

Note:

* Negligible.

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12. FINANCIAL INFORMATION (Cont'd)**12.4.5 Other operating income**

| | <----- Audited -----> | | | |
|---|-------------------------------|------------|--------------|------------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gain on disposal of property, plant and equipment | - | 119 | 128 | 64 |
| Reserve on consolidation written off | - | - | 6,163 | - |
| Interest income | 66 | 209 | 520 | 438 |
| Rental income | 23 | 23 | 59 | 51 |
| Others | (34) | 127 | 430 | 100 |
| Total | 55 | 478 | 7,300 | 653 |

12.4.6 Operating and administrative expenses

| | <----- Audited -----> | | | |
|--------------------------------------|-------------------------------|---------------|---------------|---------------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Directors remuneration | 4,150 | 4,538 | 17,194 | 9,812 |
| Staff costs | 9,522 | 11,389 | 16,971 | 20,334 |
| Upkeep of motor vehicles | 805 | 1,058 | 1,226 | 1,577 |
| Architectural fees | 599 | 787 | 1,193 | 1,404 |
| Engineering works | 590 | 470 | 544 | 456 |
| Donation | 696 | 549 | 2,034 | 810 |
| Sales gallery and promotion expenses | 683 | 1,642 | 2,761 | 3,145 |
| Company advertisement and awareness | - | - | - | 2,529 |
| Provision of project incentive | - | - | - | 2,046 |
| Landscaping expenses | - | 301 | 319 | 159 |
| Others | 2,541 | 3,635 | 4,534 | 4,995 |
| Total | 19,586 | 24,369 | 46,776 | 47,267 |

12.4.7 Finance costs

| | <----- Audited -----> | | | |
|--|-------------------------------|--------------|------------|--------------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Bank overdraft and term loans interest | 460 | 871 | 412 | 882 |
| Hire purchase interest | 68 | 102 | 86 | 78 |
| Other interest | 11 | 87 | 70 | 52 |
| Total | 539 | 1,060 | 568 | 1,012 |

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12. FINANCIAL INFORMATION (Cont'd)**12.4.8 PBT and taxation**

| | <----- Audited -----> | | | |
|----------|-------------------------------|---------|----------|----------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PBT | 24,398 | 29,961 | 106,337 | 142,764 |
| Taxation | (5,266) | (7,946) | (26,401) | (39,279) |
| PAT | 19,132 | 22,015 | 79,936 | 103,485 |

12.4.9 Commentary on historical financial performance**Revenue****FYE 31 December 2009**

Revenue for the FYE 31 December 2009 amounted to RM204.0 million, an increase of 16.8% as compared to the previous financial year. The increase was mainly due to the launch of new projects namely Nusari Bayu 1 by BSS Development and Taman Anggerik Tenggara 2 by Seventech where each of the projects contributed RM90.8 million and RM42.2 million of sales respectively to the Group. Nusari Bayu 1 has launched a total of 1,159 units of single-storey terrace houses worth approximately RM113.2 million, while Taman Anggerik Tenggara 2 launched 359 units of single-storey terrace houses and 63 units of single-storey shop offices worth a total of approximately RM42.5 million. The growth of revenue was partially offset by the contribution from Matrix as the revenue reduced from RM157.7 million to RM70.7 million during the current year under review, due to the completion of Taman Seri Intan project by Matrix's subsidiary namely 1 Sendayan Club (formerly known as Sepadu Intan Sdn Bhd).

FYE 31 December 2010

Revenue for the FYE 31 December 2010 amounted to RM195.6 million, a decline of 4.1% as compared to the previous financial year. The reduction was mainly due to the completion of project in Taman Anggerik Tenggara 2 by Seventech. In addition, the Group through its wholly owned subsidiary, Matrix continued to launch new projects such as in Port Dickson (Taman Desa PD 2) and Kluang (Impiana Garden and Impiana Avenue), which collectively contributed RM72.1 million of revenue for the current financial year. Taman Desa PD 2 had 483 units of single-storey terrace houses, Impiana Garden launched 597 units of single-storey terrace houses, while Impiana Avenue introduced 36 units of double-storey shop offices worth RM10.9 million. As a result of the new launches, our Group was able to only recognize a small portion of our revenue due to the early stage progress billings of our projects. However, with the good response for Nusari Bayu 1 in FYE 31 December 2009 which was completed in January 2010, BSS Development continued to launch Nusari Bayu 2A by introducing additional 359 units of single-storey terrace houses, which also received good response from the consumers. In addition, the properties launched as part of our Nusari Bayu 2A and Idaman Bayu developments experienced an appreciation in prices, which in turn, offset the said low revenue recognition.

12. FINANCIAL INFORMATION (Cont'd)***FYE 31 December 2011***

Revenue for the FYE 31 December 2011 increased significantly from RM195.6 million to RM624.3 million, an increase of more than 100% as compared to the previous financial year. The increase was mainly due to the sale of development land by BSS Development to 1MDB for RM294.0 million and sale of agricultural land by 1 Sendayan Education for RM22.5 million. By excluding the sales of these two properties, the Group still achieved a revenue growth of 57.3% over the preceding financial year. Over the years, the Group transformed itself from development of lower range properties such as single-storey terrace houses to middle and higher end properties such as double-storey houses, semi-detached houses and bungalow houses as well as shop offices and developed industrial land. During the year, the Group's sales in bungalow houses, semi-detached houses, and shop lots amounted to RM27.2 million, RM21.0 million and RM22.5 million respectively. With the launch of Sendayan Tech Valley, the sales of developed industrial land recorded RM21.4 million. Overall, the growth in revenue was the results from the development in Bandar Sri Sendayan, whereby the Group continued its launching of new projects with multiple variety of properties. Projects in Kluang also received continuous support from the customers that the Group launched new projects such as Impiana Casa and Impiana Villa for the sales of higher end properties. Impiana Villa in Kluang, Johor offered 161 units of bungalow houses in the single-storey and double-storey variants with a total development value of RM64.9 million. Nusari Aman 2A and Cosmoxia offered a total of 56 units of semi-detached houses in Bandar Sri Sendayan.

FYE 31 December 2012

Revenue for the FYE 31 December 2012 decreased from RM624.3 million to RM456.1 million, a decrease of approximately 27.0% as compared to the previous financial year. The decrease was mainly due to the substantially lower revenue contribution from the sales of land segment of RM33.0 million compared with the previous financial year of RM316.5 million which included sales of land to 1MDB of RM294.0 million. Sales of commercial development properties also decreased by 52.1% or RM16.5 million compared with the previous financial year mainly due to lower number of units available for sale as there were no new launches for commercial development properties during the financial year. Notwithstanding this, our Group's revenue from sales of residential development properties increased by 28.8% or RM73.3 million for the FYE 31 December 2012. The increase were mainly due to the completion of Nusari Bayu 3 (Phase 1 and 2) which contributed RM93.2 million to the total revenue as well as the higher revenue recognition for Nusari Aman 1B of RM98.2 million which is expected to be completed by the second quarter of 2013. Sales of industrial development properties also increased by 273.2% or RM58.4 million mainly due to the increase in selling prices of our Group's Sendayan Tech Valley industrial development properties in line with general increase in land/property prices.

Cost of sales***FYE 31 December 2009***

Cost of sales for the FYE 31 December 2009 amounted to RM157.7 million, an increase of 16.3% over the previous financial year. The increase was slightly lower than the increase in revenue, which resulted the GP margin to increase from 22.4% to 22.7%.

12. FINANCIAL INFORMATION (Cont'd)***FYE 31 December 2010***

In line with the decline in revenue, cost of sales reduced to RM138.97 million. The decline was much more than the decline in revenue as selling prices of properties in most places experienced appreciation. Cost of sales, on the other hand, reduced by 12%, which resulted in it to be lower than the previous year.

FYE 31 December 2011

As a result of the growth in revenue, cost of sales increased to RM475.8 million. The increase in cost of sales of 242.5% was much more than the increase in revenue of 219.1%. However, without the cost of sales for the sales of land as mentioned above which amounted to RM287.4 million. The net increase of the cost of sales is RM49.5 million or approximately 35.6%. The growth in cost of sales was lower than the growth in revenue.

FYE 31 December 2012

Cost of sales decreased by RM212.5 million or approximately 44.7%, which is higher than the decline in revenue. The decrease in the cost of sales was mainly attributable to the decrease in the cost of sales for the sales of land segment of RM262.1 million or approximately 91.2%.

GP and GP margin***FYE 31 December 2009***

GP of the Group increased to RM46.4 million, an increase of 18.3% over the previous financial year, mainly due to the launch of new projects namely Nusari Bayu 1 and Taman Anggerik Tenggara 2 during the financial year. The GP margin for the current financial year increased marginally from 22.4% in FYE 31 December 2008 to 22.7% for the current FYE 31 December 2009.

FYE 31 December 2010

GP of the Group increased to RM56.7 million, an increase of 22.3% over the previous financial year, mainly due to the launch of new projects as mentioned above, whereby the new projects, generally fetched higher selling prices as compared to the previous projects launched. Coupled with the on-going efforts in controlling costs with improved efficiency, the GP margin for the current financial year improved significantly to 29.0%. Our efforts to improve efficiency include undertaking land clearing works on the site of the development project as well as its surrounding area during the beginning of a development project as well as building the infrastructure, namely roads, reservoir and sewerage, amongst others, for the whole said project instead of by phases to reduce the overall costs of the project developments.

FYE 31 December 2011

GP of the Group increased to RM148.4 million, an increase of more than 100% over the previous financial year. However, GP margin declined from 29.0% to 23.8% for the current financial year. With the exclusion of the disposal of land, which contributed approximately RM29.1 million of gross profit, the GP margin of the group improved to 38.8%. The improvement in GP margin was largely due to the launch of new projects with higher selling prices as compared to the previous projects. The higher selling prices were made possible due to the launch of higher value properties such as double-storey houses, semi-detached houses, bungalow houses and shop offices.

12. FINANCIAL INFORMATION (Cont'd)***FYE 31 December 2012***

GP of the Group increased to RM192.7 million, an increase of 29.9% over the previous financial year mainly due to the increase in GP for the industrial development properties of more than 400% compared with the previous financial year. The Group's GP margin improved significantly to 42.3% in the FYE 31 December 2012 from 23.8% in the previous financial year. The improvement was mainly due to the higher GP margin of 63.6% for the industrial development properties as the average selling price for the Group's industrial development properties in Sendayan TechValley increased between 50% to 70% during the FYE 31 December 2012 compared with the previous financial year.

Other operating income***FYE 31 December 2009***

Other operating income for the financial year under review mainly represents interest income earned from fixed deposits and rental income collected by Pembinaan Juwasan for a double-storey shop office.

FYE 31 December 2010

Other operating income increased to RM478,000 mainly due to interest income of RM209,000 representing interest income earned from deposits held in the housing development account and late payment interest charged to customers and gain on disposal of property, plant and equipment of RM119,000.

FYE 31 December 2011

Other operating income increased to RM7.3 million mainly due to reserve on consolidation written off amounted to RM6.2 million resulting from the acquisition of the remaining 25% equity interests in BSS Development. After the acquisition, BSS Development became a wholly owned subsidiary of the Group.

FYE 31 December 2012

Other operating income decreased to RM0.6 million compared with RM7.3 million in the previous financial year mainly due to the reserve on consolidation written off which amounted to RM6.2 million during the FYE 31 December 2011.

Operating and administrative expenses***FYE 31 December 2009***

Operating and administrative expenses increased by RM2.2 million to RM19.6 million for the current financial year. The increase was mainly due to the increase in staff costs by RM1.9 million due to a deferment of incentive paid to staff.

12. FINANCIAL INFORMATION (Cont'd)***FYE 31 December 2010***

Operating and administrative expenses increased by RM4.8 million to RM24.4 million for the current financial year. The increase was mainly due to annual increments to existing staff and the increase in the head count of existing staff which caused staff costs to increase by RM1.9 million in view of the expected increase in volume of operation. In addition, we incurred an additional RM1.1 million in administrative expenses due to the increase of our promotional activities. We also incurred an additional RM0.5 million in other overhead costs.

FYE 31 December 2011

As a result of the significant growth in revenue, operating and administrative expenses increased by RM22.4 million to RM46.8 million for the current financial year. The increase was mainly due to the increase in staff costs by RM5.6 million and directors remuneration by RM12.6 million a result of the increase in volume of operation and an one-off employment service reward to employees and performance incentive to Directors. In addition, in order to promote the Group's projects, sales gallery and promotion expenses also increased by RM1.1 million. As part of corporate social responsibility, the Group continued to contribute to the society by giving donation amounting to RM2.0 million to several organisations during the financial year.

FYE 31 December 2012

Operating and administrative expenses increased by RM0.5 million from RM46.8 million in the previous financial year. The increase was mainly due to the increase in staff costs by RM2.7 million resulting from the increase in volume of operation as well as provision of project incentives for directors and employees of RM2.0 million. As part of the Group's promotional activities to create brand awareness on its projects, the Group incurred expenses of RM2.5 million for advertisement and brand awareness campaigns. Other expenses of RM5.9 million include professional fees incurred by the Group such as tax advisory fees and legal, valuation and processing fees for our additional loans, amongst others, and other administrative and operating expenses.

Finance costs***FYE 31 December 2009***

Interest expense during the FYE 31 December 2009 amounted to RM0.5 million which was lower than that of the previous financial year of RM0.8 million. The decline was due to the reduction in interest rates charged by bankers, where the base lending rate reduced from 6.75% to 5.55% per annum, and the under-utilisation of our overdraft facilities over the period which caused a decrease in interest payments for our term loans, bank overdrafts and hire purchase loans amounting to a total of RM0.3 million.

FYE 31 December 2010

Finance costs increased from RM539,000 to RM1.1 million was mainly due to the increase in borrowings drawn down by our Group in the undertaking of our new Nusari Bayu 2 and Idaman Bayu developments. The increase in finance costs was also attributed to the rise in base lending rates charged from 5.6% in the prior year to 6.3% per annum for the current year.

12. FINANCIAL INFORMATION (Cont'd)

FYE 31 December 2011

With the good results achieved during the year, the Group managed to repay certain bank borrowings. The amount of bank borrowings reduced from RM30.9 million to RM17.3 million. As a result, finance costs reduced from RM1.1 million to approximately RM0.6 million.

FYE 31 December 2012

Finance costs during the FYE 31 December 2012 increased to RM1.0 million as compared to RM0.6 million during the FYE 31 December 2011 mainly due to the RM11.0 million loan obtained from Amlslamic Bank Berhad and the partial drawdown of the RM30.0 million overdraft facility during the financial year.

PBT and PBT margin***FYE 31 December 2009***

As a result of the growth in revenue and the marginal growth in GP margin, the Group achieved a growth in PBT from RM23.0 million to RM24.4 million for the current financial year. However, the PBT margin declined marginally from 13.2% to 12.0% principally due to the drop in other income whereby there was gain on disposal of an agricultural land amounted to RM3.1 million in the previous financial year.

FYE 31 December 2010

As a result of the growth in GP and GP margin, PBT of the Group increased from RM24.4 million to RM30.0 million. PBT margin also increased accordingly from 12.0% to 15.3%.

FYE 31 December 2011

With the significant growth in revenue, PBT of the Group increased significantly from RM30.0 million to RM106.3 million. PBT margin also increased accordingly from 15.3% to 17.0%.

FYE 31 December 2012

In view of our Group's improved GP and GP margins, the Group managed to record an increase in PBT to RM142.8 million during the financial year as compared to RM106.3 million during the FYE 31 December 2011. This represents an increase of RM36.4 million or approximately 34.3%.

Taxation***FYE 31 December 2009***

Taxation for the current financial year reduced from RM5.6 million to RM5.3 million for the current financial year, even with the marginal growth in PBT, this was mainly due to the utilisation of brought forward tax losses and capital allowances in certain subsidiaries. As such, the effective tax rate declined slightly from 24.3% to 21.6% accordingly.

12. FINANCIAL INFORMATION (Cont'd)***FYE 31 December 2010***

Taxation for the current financial year increased to RM7.9 million mainly due to the increase in PBT. Effective tax rate also rose to 26.5% principally due to certain expenses which were disallowed for tax deduction.

FYE 31 December 2011

Taxation for the current financial year increased from RM7.9 million to RM26.4 million mainly due to the increase in PBT. Effective tax rate for the current financial year was 24.8% which is slightly lower than the statutory tax rate of 25% due to the utilisation of unabsorbed tax losses and capital allowances.

FYE 31 December 2012

In line with the increase in PBT, taxation for the FYE 31 December 2012 increased from RM26.4 million for the FYE 31 December 2011 to RM39.3 million. In addition, the effective tax rate increased to 27.5% for the current financial year as compared to 24.8% in the previous financial year, mainly due to certain expenses which were non-tax deductible.

12.4.10 Significant factors affecting our financial performance

Our Group's financial position and results of operations have been, and will continue to be affected by, amongst others, the main factors which may not be within our control, as set out below:

(i) Ability to execute our projects in a timely and cost effective manner

The timely completion of property development projects may be subject to external factors which may be beyond the control of our Group. Any delay in the completion of our property development projects may have an adverse effect on our Group. As at the LPD, our Group has not experienced any delays in the completion of our development projects. Going forward, we will continue to monitor the project schedules closely to minimise any delay in the completion of our projects. Further details are set out in Section 4.1.2 of this Prospectus.

(ii) Competition

Our Group is exposed to competition from other property development companies in Malaysia. The competition arises in respect of the availability of strategically located and reasonably priced land for development, the supply of labour and building materials and the selling prices of properties. Intense competition may result in highly competitive pricing which may consequently affect our Group's financial performance. Our Group constantly reviews our marketing strategies and monitor market conditions to remain competitive. Further details are set out in Section 4.1.6 of this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)

(iii) Fluctuations in prices of building materials

As building materials are key inputs for construction of buildings, structures and infrastructures, fluctuations in its prices will affect our Group. Any increase in building materials costs may adversely affect our Group's profit margin where the selling prices of our properties are fixed. In a situation where we have already launched our project and the cost of raw materials increased more than what we had planned for, then it will result in a lower gross profit margin for us. This is because we are unable to change our selling prices once we have published them and taken sales bookings. However, it is projected that an increase in construction costs by 10% will cause our GP margins to decrease by approximately 5%. Further details are set out in Section 4.1.4 of this Prospectus.

(iv) Performance of the property market and general economic condition

As our Group's principal activity is focused on property development, our business prospects are also dependent on the general prospects and outlook of the Property Development Industry in Malaysia, which are subject to the Malaysian economy and the construction sector, sustainability of the property sector, Malaysian government's initiatives, policies for housing loans and synergistic growth led by surrounding developments. Further details are set out in Sections 4.1.1 and 6 of this Prospectus.

The factors affecting our financial position and operations as set out above are not exhaustive. Please refer to Section 4 of this Prospectus for further factors that may have an impact on our Group's financial position and results of operations.

12.4.11 Material changes in sales or revenue

A discussion on the reasons on material changes in our revenue and profits for the past 4 FYE 31 December 2009 to 2012 is set out in Section 12.4.9 of this Prospectus.

12.4.12 Impact of foreign exchange / interest rates / commodity prices on operating profits

Our business operations and customers are located in Malaysia. Therefore, our Group is not directly affected by fluctuations in foreign exchange rates.

As at the LPD, our Group's total short-term and long-term borrowings amounted to approximately RM22.7 million. All the bank borrowings of our Group are interest bearing. Given that the interest charged on bank borrowings is dependent on interest rates and the total outstanding loans, future fluctuation of interest rates could affect our Group's profitability.

Our Group's building materials mainly consists of steel bars, pre-mixed and ready mixed concrete, sand, cement, plywood, timber and building materials. Certain building materials used by our Group are commodities of which the prices fluctuate according to world prices. In some situations, increases in the price of building materials might not be immediately passed on the end-users. If costs of building materials escalate after the sale of the properties to the customers, we are unable to factor such increase in our selling prices. This may impact on the margins of our Group. However, in order to ensure constant supply of our building materials and to ensure our purchases are made at competitive rates, our Group endeavours to maintain long-term relationships with our suppliers.

There was no material impact of foreign exchange, interest rates and commodity prices on our historical profits for the financial years under review.

12. FINANCIAL INFORMATION (Cont'd)

12.4.13 Impact of inflation

There was no material impact of inflation on our Group's financial performance for the past 4 FYE 31 December 2009 to 2012.

12.4.14 Government / economic / fiscal or monetary policies

Risks relating to the government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 4 of this Prospectus.

Save for the risks above and as disclosed in Section 4 of this Prospectus, there was no government, economic, fiscal or monetary policies or factors that have had a material impact on our Group's financial performance for the past 4 FYE 31 December 2009 to 2012.

12.4.15 Exceptional and extraordinary items

There were no exceptional and extraordinary items during the past 4 FYE 31 December 2009 to 2012.

12.5 LIQUIDITY AND CAPITAL RESOURCES

12.5.1 Working capital

Our Group has been financing our growth through a combination of shareholders' equity, cash generated from our operations and external borrowings from financial institutions. Our principal utilisation of these funds are for working capital purposes such as purchase of land, purchase of building materials, payment to suppliers, repayment of bank borrowings and operating and administrative expenses.

As at 31 December 2012, our Group has cash and bank balances of RM25.6 million and total borrowings of RM22.3 million. Our Group's debt to equity ratio as at 31 December 2012 is 0.07 times and current ratio of 2.4 times.

Having made all reasonable enquiries, our Board is of the opinion that, after taking into consideration our cash flow position, banking facilities available and the net proceeds from the Public Issue, our Group will have sufficient working capital for a period of 12 months from the date of this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)

12.5.2 Cash flow

The following table sets out the summary of our consolidated statement of cash flows for the FYE 31 December 2012 and should be read together with the Accountants' Report as set out in Section 13 of this Prospectus.

| | FYE 31 December 2012 RM'000 |
|--|--------------------------------------|
| Net cash generated from operating activities | 34,615 |
| Net cash used in investing activities | (2,784) |
| Net cash used in financing activities | (15,400) |
| Net increase in cash and cash equivalents | 16,431 |
| Cash and cash equivalent at the beginning of the financial year | 13,963 |
| Cash and cash equivalent at the end of the financial year | 30,394 |

We have no legal, financial or economic restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet our cash obligations.

Net cash flow generated used in operating activities

During the FYE 31 December 2012, the Group achieved a PBT of RM142.8 million, which was higher than that of the preceding financial year of RM106.3 million. This represents an increase of 34.3%. The improved performance was largely due to the higher gross profit generated during the year which amounted to RM192.7 million as compared to RM148.4 million in the FYE 31 December 2011. However, the net cash flow generated from operating activities decreased from RM335.8 million in the FYE 31 December 2011 to RM34.6 million in the FYE 31 December 2012. This decrease was mainly attributable to the higher revenue generated in the FYE 31 December 2011 contributed by the sales of land to 1MDB of RM294 million.

Furthermore, for the FYE 31 December 2012, the Group's inventories increased by RM1.6 million. Both the trade receivables turnover period and trade payables turnover period increased during the FYE 31 December 2012 as compared to the FYE 31 December 2011. The trade receivables turnover period increased from 43.92 days in the FYE 31 December 2011 to 80.86 days in the FYE 31 December 2012 whilst the trade payables turnover period increased from 42.68 days for the FYE 31 December 2011 to 66.58 days for the FYE 31 December 2012. Accordingly, the cash generated from operating activities amounted to RM34.6 million.

Net cash flow generated used in investing activities

Net cash used in investing activities amounted to RM2.8 million during the year under review mainly due to the purchase of property, plant and equipment of RM2.8 million.

Net cash flow generated used in financing activities

Net cash used in financing activities amounted to RM15.4 million for the year under review. This was mainly due to the payment of dividend in the FYE 31 December 2012, which was declared on 31 October 2011 and the repayment of RM5.6 million on the term loan of RM20.1 million. The Group had also drawdown RM11.0 million from our new term loan facility.

12. FINANCIAL INFORMATION (Cont'd)**12.5.3 Borrowings**

As at 31 December 2012, our Group had total outstanding local borrowings amounting to approximately RM22.3 million comprising the following:

| | As at 31 December 2012 |
|---|-------------------------------|
| Interest-bearing borrowings: | RM'000 |
| Long-term borrowings | |
| Term loans | 17,575 |
| Hire purchase | 288 |
| Short-term borrowings | |
| Term loans | 3,565 |
| Bank overdraft | 333 |
| Hire purchase | 582 |
| Total | 22,343 |
| Gearing ratio | 0.07 |
| Gearing ratio after the IPO and utilisation of proceeds | 0.02 |

We do not have any non-interest bearing borrowing or foreign currency borrowing.

We have not defaulted on any payment of interest and/or principal sums throughout the FYE 31 December 2012 and the subsequent financial period up to the LPD.

12.5.4 Breach of terms and conditions/ covenants associated with credit arrangement/ bank loans

As at the LPD, after making all reasonable enquiries and to the best of our Board's knowledge, we are not aware of any breach of terms and conditions or covenants associated with credit arrangements or bank loans, which can materially affect our financial position and results or business operations, or the investments by holders of securities of our Company.

12.5.5 Type of financial instruments used

As at the LPD, save for the bank borrowings as disclosed in Section 12.5.3 of this Prospectus, we do not use any other financial instruments.

As at the LPD, our Group does not have any exposure or use any financial instruments for hedging purposes. Our management will continue to assess the need for the use of any hedging instruments, if necessary, in the future.

12.5.6 Treasury policies and objectives

We have been financing our operations through a combination of cash generated from our operations and external source of funds. Our external source of funds mainly consists of credit terms provided by our suppliers and sub-contractors as well as credit facilities from financial institutions. The normal credit terms granted by our trade suppliers is disclosed in Section 12.6 of this Prospectus.

We have short term and long term borrowings. Our short term borrowings comprise mainly overdrafts and term loans which are used for working capital purpose. Our long term borrowings comprise mainly of term loans which are used for property development and purchase of land. We also utilised hire purchase facilities for purchase of motor vehicles.

12. FINANCIAL INFORMATION (Cont'd)

The interest rates for our overdraft, term loan and hire purchase facilities are based on a combination of fixed rates and prevailing base lending rate plus a margin agreed upon with our bankers at the point when the facilities were granted.

Our business is mainly transacted in RM. Accordingly, we do not have any hedging policies or any forward contracts to hedge against any foreign exchange exposure. We maintain our cash and cash equivalents in RM.

12.5.7 Material commitments or contingent liability

Save as disclosed below, as at the LPD, our Directors, after having made all reasonable enquiries, are not aware of any material commitment or contingent liability incurred or to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on our financial position.

| Material Commitments | RM'000 |
|--|---------------|
| (i) Riverine Projects had on 23 October 2002 entered into a joint venture agreement with MAINS to develop a piece of land measuring approximately 294.6 acres for a development project located in Kota Gadong Jaya, Seremban, Negeri Sembilan. | 7,900 |
| (ii) Riverine Projects had on 21 July 2011 entered into a coordinator agreement with Jamaludin Bin Ahmad and Dato' Jaafar Bin Sahadan (collectively, the "Coordinators") whereby the Coordinators endeavored to assist the Company in the successful development of two (2) parcels of land in the Mukim of Gadong Jaya and the Mukim of Labu as part of a joint-venture agreement entered into between Riverine Projects and MAINS. | 1,800 |
| (iii) Matrix had on 14 May 2005 entered into a joint-venture agreement with KKTNJB to develop a piece of land measuring 900 acres for a mixed development project being part of PT 10772 and PT 10773, HS(D) 4066 and HS(D) 4067, Mukim and District of Kluang, Johor. | 26,000 |
| (iv) Matrix had on 26 January 2011 entered into a joint venture agreement with Restu Pertiwi Sdn Bhd for the assignment of all Restu Pertiwi Sdn Bhd's rights title interest and liability arising from the joint venture agreement between MBI and Restu Pertiwi Sdn Bhd dated 26 January 2011, for the development of the land measuring approximately 42 acres in Pekan Paroi Jaya, District of Seremban, Negeri Sembilan. | 9,500 |
| (v) Matrix had on 20 February 2013 entered into a sale and purchase agreement with Resort & Leisure Homes Sdn Bhd for the purchase of one (1) freehold residential land held under GRN 18485, Lot 921, Mukim of Si Rusa, Port Dickson, Negeri Sembilan Darul Khusus measuring approximately 5.0 acres. | 10,404 |

Please refer to Section 31 of the Accountants' Report in Section 13 of the Prospectus for further information in relation to our material commitments. The anticipated cost of funds for the material commitment will be from our Group's internally generated funds and bank borrowings.

12. FINANCIAL INFORMATION (Cont'd)**12.5.8 Material litigation**

As at the LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has or might have material effects on our business or financial position, and our Directors, after having made all reasonable enquiries, do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

12.6 KEY FINANCIAL RATIOS

We set out the key financial ratios based on our proforma consolidated financial statements for the FYE 31 December 2009 to 2011 in the table below:

| | <----- Audited -----> | | | |
|---|-------------------------------|--------|-------|-------|
| | <----- FYE 31 December -----> | | | |
| | 2009 | 2010 | 2011 | 2012 |
| Trade receivables turnover period ⁽¹⁾ (days) | 25.85 | 46.64 | 43.92 | 80.86 |
| Trade payables turnover period ⁽²⁾ (days) | 95.44 | 111.97 | 42.68 | 66.58 |
| Inventory turnover period ⁽³⁾ (days) | 2.13 | 2.00 | 0.57 | 3.33 |
| Current ratio (times) | 0.35 | 0.42 | 1.81 | 2.38 |
| Gearing ratio (times) | 1.82 | 1.61 | 0.07 | 0.07 |

Notes:

- (1) Calculated based on the consolidated trade receivables' balances as at their respective balance sheet date over total revenue.
- (2) Calculated based on the consolidated trade payables' balances as at their respective balance sheet date over total cost of sales.
- (3) Calculated based on the consolidated inventories' balances as at their respective balance sheet date over total cost of sales.

Trade receivables

The ageing analysis of our trade receivables as at 31 December 2012 is set out as follows:

| | Within credit | <----- Exceeding credit period -----> | | | | Total |
|------------------------------|-------------------------------|---------------------------------------|-----------------|-----------------|--------------|---------|
| | period ⁽¹⁾ days | 15 - 30 ⁽²⁾ days | 31 - 60 days | 61 - 90 days | > 90 days | |
| Trade receivables (RM'000) | 63,344 | - | 20,118 | 11,389 | 6,189 | 101,040 |
| % of total trade receivables | 62.69 | - | 19.91 | 11.27 | 6.13 | 100.00 |

Notes:

- (1) For commercial and industrial units, the normal credit terms given to customers are 14 days. For residential units, the normal credit terms given to house buyers are 21 working days or approximately 30 days.
- (2) Refers to commercial and industrial units only.

The normal credit terms given to customers are 14 days for commercial and industrial units, while residential house buyers are given 21 working days credit term.

12. FINANCIAL INFORMATION (Cont'd)

Our Group's trade receivables turnover period of between 44 to 81 days for the FYEs 31 December 2010 to 2012 is higher than our normal credit terms. Our credit terms of 14 days for commercial and industrial units are based on our Group's policies while the credit terms of 21 working days for residential house buyers is in line with the Housing Development (Control and Licensing) Act 1966 (Act 118) and Regulations 1989, as stated in the respective sale and purchase agreements. The trade receivables turnover periods of the Group over the years were higher than the credit terms given to the customers mainly due to the time taken by house buyers for loan application which could normally take up to 4 months for financial institutions or 2 months for government agencies to release the first drawdown of the loan. For customers of our industrial units, they may take an even longer period of up to 6 months to settle the amount mainly due to the longer legal documentation process including to obtain approval for transfer of title to the purchaser and to charge the title to the financial institution.

For the FYE 31 December 2011, with the exclusion of the sales of land to 1MDB which amounted to RM294.0 million, the adjusted turnover period of the Group was 83 days. The turnover period of the Group for the FYE 31 December 2012 is 81 days. The higher turnover period for the FYE 31 December 2011 and 2012 were mainly due to the change in house buyer profile where more house buyers obtained loan from financial institutions instead of government agencies. For the FYE 31 December 2009, the majority of the loans obtained by the house buyers are from government agencies whereas for the FYE 31 December 2010, 2011 and 2012, more loans were obtained from financial institutions. House buyers are also more discerning, taking a longer time to select the most attractive loan package. The turnaround time required by the financial institutions to approve the first drawdown of the loan is between 3 to 4 months compared with the turnaround time required by government agencies, i.e. for government loans where the time taken from the signing of the agreement to the first drawdown is approximately 2 months.

Furthermore, our Impiana Villa 1 development project in Taman Seri Impian was completed at the end of 2012 and the last progress billing amounting to RM6.4 million were issued in November 2012. The sales of our single-storey and double-storey terrace houses and double-storey shop offices for our Nusari Bayu 3 – Phase 2 development project in FYE 31 December 2012 contributed to the higher progress billings in December 2012 amounting to RM8.1 million whereby a significant portion of these amount are only due for payment in January 2013. For the FYE 31 December 2011, two of our projects namely, Nusari Aman 2A and Cosmoxia in Bandar Sri Sendayan were completed at the end of 2011 and the last progress billings amounting to approximately RM17.7 million were issued in December 2011. The sales of our single-storey and double-storey bungalows for the Impiana Villa development project in FYE 31 December 2011 also contributed to the higher progress billings in December 2011 amounting to RM9.8 million. A significant portion of these amount are only due for payment in January 2012.

The trade receivables turnover period in relation to our developed industrial properties i.e. Sendayan Tech Valley is approximately 3½ months for the FYE 31 December 2011 and 2012. This had also contributed to the increase in the overall trade receivables turnover period of our Group for the FYE 31 December 2011 and 2012.

There are amounts due from certain house buyers of approximately RM137,000 classified as exceeding credit period of more than 90 days, which represent differential amounts to be settled by the customers upon their collection of keys. Except for this amount which are long outstanding and may be disputed by the customers, all the other amounts due from customers are recoverable.

12. FINANCIAL INFORMATION (Cont'd)**Trade payables**

The ageing analysis of our trade payables as at 31 December 2012 is set out as follows:-

| | <-----Within credit period-----> | | | Exceeding credit period | Total |
|---------------------------|----------------------------------|--------------|--------------|-------------------------|--------|
| | 0 - 30 days | 30 - 60 days | 60 - 90 days | > 90 Days | |
| Trade payables (RM'000) | 33,446 | 10,299 | 4,085 | 208 | 48,038 |
| % of total trade payables | 69.63 | 21.44 | 8.50 | 0.43 | 100.00 |

The normal credit period given by our suppliers and sub-contractors ranges from 30 to 90 days.

During the FYE 31 December 2012, the Group's trade payables turnover period is within the credit period granted by the suppliers mainly due to our healthy cash position which enabled us to make payment to our suppliers before the end of the credit period given. This also allowed us to enjoy preferential pricing from our suppliers. During the FYE 31 December 2011, the Group's trade payables turnover period is lower than the credit period granted by the suppliers mainly due to the cost for the sales of land to 1MDB. By excluding this transaction, the adjusted trade payables turnover period is approximately 99 days. This is quite consistent with the previous financial years.

In addition, the trade payables account is inclusive of the retention sum of certain subsidiaries as well as invoices which were received from certain suppliers almost at the end of the credit period. Excluding the respective retention sums and the late invoices received, the trade payables turnover period then decreases to approximately 78 days for FYE 31 December 2009 which is within the credit period of the Group and 91 days for the FYE 31 December 2010 which is 1 day above the credit period of the Group. The increase of the Group's trade payables turnover period was due to the maximisation of the credit period extended to the Group.

As at the LPD, we do not have material long outstanding trade payables or default in payment. In view of the good relationships with our major suppliers, there were no significant matters in dispute in relation to the trade payables for the past four (4) FYE 31 December 2009 to 2012 and there was no legal action initiated by any of our suppliers to demand for payment.

Inventories

| | <-----FYE 31 December-----> | | | |
|------------------------------------|-----------------------------|----------------|--------------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Inventories | 921 | 760 | 762 ⁽¹⁾ | 2,401 |
| Cost of sales | 157,688 | 138,917 | 475,828 | 263,341 |
| Inventories turnover period (days) | 2.13 | 2.00 | 0.58 | 3.33 |

Note:

(1) Including incidental cost capitalised amounting to RM2,000.

Inventories held by the Group mainly comprise of completed development properties held for sale. As at the LPD, the developed properties held as inventory comprise of 13 units of double-storey low cost houses, 5 units of single-storey shop offices, 1 unit of single-storey stall, 1 unit of single-storey bungalow and 1 unit of double-storey bungalow.

12. FINANCIAL INFORMATION (Cont'd)

Save for the 13 units of double-storey low cost houses which have been reallocated for the resettlement of the Orang Asli in Kota Gadong Perdana, the 5 single-storey shop offices which has been reserved for block sales and the 1 unit single-storey stall and 2 bungalow units which are still being marketed, the Group's completed properties were mostly sold after its launch and during the construction stage of the development properties. Hence, the inventories turnover period are generally very low.

The inventories turnover period for the FYE 31 December 2012 increased as compared to the previous financial year due to the increase in our Group's development properties held as inventory, namely 1 unit of single-storey stall, 2 units of single-storey bungalows and 3 units of double-storey bungalows, upon the completion of our Group's development projects. As at LPD, we have sold 1 unit of the single-storey bungalow and 2 units of the double-storey bungalows. The inventories turnover period for the FYE 31 December 2011 was lower compared with the previous two financial years under review due to the higher cost of sales of RM485.9 million for the FYE 31 December 2011. The substantial growth in revenue for the FYE 31 December 2011 resulted in the corresponding increase in the cost of sales. The substantial increase in revenue for the FYE 31 December 2011 is mainly attributable to the sales of land to 1MDB. Excluding the sales of land to 1MDB, the inventories turnover period then increases to 1.33 days for FYE 31 December 2011 which is slightly lower than the inventories turnover period for the FYE 31 December 2009 and FYE 31 December 2010.

Current ratio

| | -----FYE 31 December-----> | | | |
|-----------------------|----------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Current assets | 144,422 | 181,189 | 461,696 | 541,875 |
| Current liabilities | 414,663 | 434,293 | 255,710 | 227,327 |
| Current ratio (times) | 0.35 | 0.42 | 1.81 | 2.38 |

The increase in current ratio from 1.81 times as at FYE December 2011 to 2.38 times as at FYE 31 December 2012 was primarily due to the development properties in progress which increased from RM345.7 million in FYE 31 December 2011 to RM373.8 million in FYE 31 December 2012. Trade receivables for the FYE 31 December 2012 also increased to RM101.4 million from RM75.1 million in FYE 31 December 2011, while trade payables decrease from RM56.8 million to RM48.0 million for the FYE 31 December 2012.

Gearing

| | -----FYE 31 December-----> | | | |
|-----------------------|----------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| All borrowings | 332,631 | 326,046 | 17,281 | 22,343 |
| Shareholders' equity | 182,498 | 203,010 | 237,629 | 341,933 |
| Gearing ratio (times) | 1.82 | 1.61 | 0.07 | 0.07 |

The gearing ratio of the Group has been declining from 1.82 times in 2009 to only 0.07 times in 2012. During the FYE 31 December 2010, there was no increase in the Group's borrowings and the Group had also made full settlement for a loan obtained to purchase a piece of land in Rembau, Negeri Sembilan amounting to RM4.6 million and normal instalment payments of RM2.0 million, which resulted in lower gearing levels.

12. FINANCIAL INFORMATION (Cont'd)

The gearing ratio was consistently at a very low level in 2011 and 2012 primarily due to the repayment of loan amounting to RM295.1 million to MBI in 2011. The loan was obtained for the purchase of the land pursuant to the Shareholders cum Joint Venture Agreement between MBI and Matrix Concepts dated 29 August 2005 and was repaid as the full and final settlement in FYE 31 December 2011. On another aspect, the improvement in gearing ratio is also due to the profits made over the years which have increased the level of shareholders equity.

12.7 TREND INFORMATION

As at the LPD, after making all reasonable enquiries and to the best of our Directors' knowledge and belief, our financial conditions and operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events, or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in this section, as well as Sections 4, 5 and 6 of this Prospectus;
- (ii) material commitment for capital expenditure, save as disclosed in Section 12.5.7 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations, save as disclosed in this section and in Section 4 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue and/or profits, save for those discussed in this section, as well as Sections 4, 5 and 6 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on our Group's liquidity and capital resources, save for those discussed in this section, as well as Sections 4, 5 and 6 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Section 4 of this Prospectus.

Information on our Group's business and financial prospects, significant trends in sales, costs and selling prices are set out in this section and Section 5 of this Prospectus. Discussion on the overview of the property development industry, its prospects and outlook are further elaborated in Section 6 of this Prospectus.

12.8 FUTURE PROSPECTS

Our Board is optimistic about our future prospects in view of our Group's competitive advantages and key strengths as set out in Section 5.2 of this Prospectus and our future plans as set out in Section 5.3 of this Prospectus, as well as the prospects of the property development industry as set out in the Independent Market Research Report enclosed in Section 6 of this Prospectus.

12. FINANCIAL INFORMATION *(Cont'd)*

12.9 ORDER BOOK

Due to the nature of our business as property developer, we do not maintain an order book as our Group's construction is outsourced and no external orders are taken by our project management subsidiaries. For further information on our on-going and future projects, kindly refer to Section 5.5.6, Section 5.7.1 and Section 5.7.2 of this Prospectus.

12.10 DIVIDEND POLICY

It is our Board's policy to recommend and distribute minimum dividends of 40% of our annual PAT attributable to shareholders of our Company. This will allow our shareholders to participate in our Group's profits. Any final dividends declared are subject to the approval of our shareholders at our annual general meeting.

Our ability to pay dividends or make other distributions to our shareholders is subject to various factors such as having profits and excess funds not required to be retained to fund our working capital requirements. Our Board will also take into consideration, amongst others, the following factors when recommending dividends:

- (i) the availability of adequate distributable reserves and cash flows;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- (iv) any material impact of tax laws and other regulatory requirements.

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13. ACCOUNTANTS' REPORT



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

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50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Date: **22 APR 2013**

The Board of Directors
MATRIX CONCEPTS HOLDINGS BERHAD
Wisma Matrix, No. 57, Jalan Tun Dr. Ismail,
Seremban, 70200 Negeri Sembilan

Dear Sirs,

ACCOUNTANTS' REPORT
(Prepared for inclusion in this Prospectus)

1. INTRODUCTION

- 1.1 This report has been prepared by Wong Weng Foo & Co, an approved firm of company auditors, for inclusion in the Prospectus in connection with **MATRIX CONCEPTS HOLDINGS BERHAD** (hereinafter referred to as "Matrix Concepts" or "the Company") listing of and quotation for its entire issued and paid up share capital, comprising ordinary shares of RM1.00 each on the Main Market of Bursa Malaysia Securities Berhad (hereinafter referred to as "Bursa Securities")
- 1.2 The details of the listing scheme are disclosed in paragraph 2.2 of this report.

2. GENERAL INFORMATION

2.1 BACKGROUND

Matrix Concepts was incorporated in Malaysia on 24 December 1996 as a private limited company under the name of Brilliant Radical Sdn Bhd.

The name of the Company was subsequently changed to Matrix Concepts Holdings Sdn Bhd on 13 January, 2003. On 22 November 2004, the Company was converted into a public limited company and assumed the name, Matrix Concepts Holdings Berhad.

13. ACCOUNTANTS' REPORT (Cont'd)**GENERAL INFORMATION (CONTINUED)****2.1.1 Share Capital**

The changes in the authorised and issued and paid up ordinary share capital of Matrix Concepts since its incorporation date are as follows:-

| Date of increase | Number of ordinary shares of RM 1 each | Authorised share capital | | Cumulative amount RM |
|------------------|--|-----------------------------|---------------|-------------------------|
| | | Cumulative number of shares | Amount | |
| | | | | |
| 24-12-1996 | 100,000 | 100,000 | 100,000 | 100,000 |
| 26-12-2002 | 4,900,000 | 5,000,000 | 4,900,000 | 5,000,000 |
| 25-8-2003 | 20,000,000 | 25,000,000 | 20,000,000 | 25,000,000 |
| 20-5-2004 | 25,000,000 | 50,000,000 | 25,000,000 | 50,000,000 |
| 15-12-2011 | 1,950,000,000 | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 |

| Date of allotment | Number of ordinary shares of RM 1 each | Issued and paid up share capital | | Cumulative total RM |
|-------------------|--|---|--|------------------------|
| | | Consideration | | |
| | | | | |
| 24-12-1996 | 2 | Cash (Subscribers' shares) | | 2 |
| 4-3-1997 | 99,998 | Cash | | 100,000 |
| 26-12-2002 | 935,000 | Shares issued as consideration for an acquisition of a subsidiary | | 1,035,000 |
| 25-8-2003 | 9,315,000 | Bonus issue | | 10,350,000 |
| 15-9-2003 | 600,000 | Cash | | 10,950,000 |
| 23-12-2003 | 10,950,000 | Capitalisation of Investment Revaluation Reserve for bonus issue | | 21,900,000 |
| 18-6-2004 | 10,637,143 | Capitalisation of Investment Revaluation Reserve for bonus issue | | 32,537,143 |
| 9-12-2008 | 8,134,286 | Capitalisation of Retained Profits for bonus issue | | 40,671,429 |
| 4-11-2011 | 1 | Cash | | 40,671,430 |
| 9-11-2011 | 3,985,800 | Capitalisation of Retained Profits for bonus issue | | 44,657,230 |
| 20-12-2011 | 6,443,710 | Shares issued as consideration for an acquisition of a subsidiary | | 51,100,940 |
| 18-3-2013 | 186,399,060 | Capitalisation of Retained Profits for bonus issue | | 237,500,000 |

Upon completion of the Listing Scheme, the issued and paid up share capital of Matrix Concepts will be enlarged to RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each.

13. ACCOUNTANTS' REPORT (Cont'd)**GENERAL INFORMATION (CONTINUED)****2.1.2 Principal Activities**

Since 1999, Matrix Concepts is principally involved in investment holdings.

Matrix Concepts's wholly-owned direct subsidiaries are as follows:

1. Superb Approach Sdn Bhd ("Superb Approach")
2. Pembinaan Juwasan Sdn Bhd ("Pembinaan Juwasan")
3. 1 Sendayan Education Sdn Bhd ("1 Sendayan Education")
4. Riverine Projects Sdn Bhd ("Riverine Projects")
5. Masuda Corporation Sdn Bhd ("Masuda Corporation")
6. Matrix Concepts Sdn Bhd ("Matrix")
7. Seventech Sdn Bhd ("Seventech")
8. Matrix Concepts Natro' Green Sdn Bhd ("MCHB Natro")
9. BSS Development Sdn Bhd ("BSS Development")
10. MCHB Properties Sdn Bhd ("MCHB Properties")

Matrix Concepts's wholly-owned indirect subsidiaries are as follows:

Wholly-owned subsidiaries of Pembinaan Juwasan:

1. Juwasan Maju Sdn Bhd ("Juwasan Maju")
2. Juwasan Trading Sdn Bhd ("Juwasan Trading")

Wholly-owned subsidiaries of Masuda Corporation:

1. MCHB Management Services Sdn Bhd ("MCHB Management")
2. Insani Utama Sdn Bhd ("Insani Utama")⁽¹⁾

Wholly-owned subsidiaries of Matrix:

1. 1 Sendayan Club Sdn Bhd ("1 Sendayan Club")
2. Kris Benua Sdn Bhd ("Kris Benua")

Note:

(1) *Insani Utama is a 70% owned subsidiary of Masuda Corporation. The remaining 30% interest is held by Matrix Concepts.*

The subsidiary companies are principally engaged in property development, sales of land, project management, procurement of building materials, and provision of management and administration services as described in Section 3.

13. ACCOUNTANTS' REPORT (Cont'd)**GENERAL INFORMATION (CONTINUED)****2.2 LISTING SCHEME**

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of Matrix Concepts on the Main Market of Bursa Securities, Matrix Concepts will undertake a listing scheme which involves the following transactions:-

(i) Bonus issues

Bonus issue of 186,399,060 new ordinary shares of RM1.00 each in Matrix Concepts ("Shares") to the existing shareholders on the basis of 3.6477 new Shares for every 1 existing Share held in the Company through the capitalization of capital reserves and retained profits.

(ii) Initial Public Offering

Initial Public Offering ("IPO") of 100,000,000 ordinary shares of RM1.00 each in the Company ("IPO Shares") comprising 62,500,000 new Shares ("Public Issue") and 37,500,000 existing shares ("Offer for Sale") at an IPO Price of RM2.20 per Share, representing 33.33% of the enlarged issued and paid up capital of the Company and shall be allocated in the following manner:-

Public Issue**a) Malaysian Public via balloting**

10,000,000 IPO Shares, representing 3.33% of the enlarged issued and paid-up capital of the Company, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions by way of balloting.

b) Eligible Directors and Employees of Matrix Concepts and its subsidiaries ("Group") and persons who have contributed to the success of the Group.

8,808,000 IPO Shares, representing 2.94% of the enlarged issued and paid-up capital of the Company, will be made available for application by eligible directors and employees of the Group and persons who have contributed to the success of the Group.

c) Selected Investors by way of Private Placement

43,692,000 IPO Shares, representing 14.56% of the enlarged issued and paid-up capital of the Company will be made available for application by way of private placement to selected investors.

13. ACCOUNTANTS' REPORT (Cont'd)



GENERAL INFORMATION (CONTINUED)

Offer for Sale

a) Bumiputera investors by way of private placement

32,500,000 IPO Shares, representing approximately 10.83% of the enlarged issued and paid-up share capital, will be made available for application by way of private placement to eligible Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI").

b) Selected investors by way of private placement

5,000,000 IPO Shares, representing approximately 1.67% of the enlarged issued and paid-up share capital, will be made available for application by way of private placement to selected investors.

(iii) Employee Share Option Scheme ("ESOS")

In conjunction with the Listing, Matrix Concepts proposes to implement an ESOS which entails the issuance of up to ten percent (10%) of Matrix Concepts issued and paid-up share capital at any one time pursuant to the options to be granted under the ESOS, to eligible Directors and employees of the Group.

Thereafter, the entire enlarged issued and paid-up share capital of the Company comprising 300,000,000 Shares shall be listed on the Main Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)**3. INFORMATION ON SUBSIDIARY COMPANIES**

3.1 Details of the subsidiary companies of Matrix Concepts, all of which are private limited liability companies, incorporated and domiciled in Malaysia, as at the date of this report are as follows:-

a) Direct subsidiary companies of Matrix Concepts

| Name | Date of incorporation | Authorised share capital RM | Issued and fully paid up share capital RM | Effective equity interest % | Principal activities |
|----------------------|-----------------------|-----------------------------|---|-----------------------------|---|
| Superb Approach | 2.10.1996 | 500,000 | 250,000 | 100 | Property development and investment holding |
| Pembinaan Juwasan | 30.12.1996 | 500,000 | 300,000 | 100 | Project management |
| 1 Sendayan Education | 21.6.1996 | 100,000 | 100,000 | 100 | Intended principal activity is provision of education services |
| Riverine Projects | 16.8.2002 | 100,000 | 2 | 100 | Property development |
| Masuda Corporation | 21.1.1997 | 500,000 | 300,000 | 100 | Property development and investment holding |
| Matrix | 15.4.1994 | 5,000,000 | 2,000,000 | 100 | Property development and investment holding |
| Seventech | 29.4.1994 | 500,000 | 250,000 | 100 | Property development |
| MCHB Natro | 19.12.1996 | 500,000 | 300,000 | 100 | Landscape management |
| BSS Development | 27.4.2005 | *5,000,000 | *2,500,001 | 100 | Property development and sales of land |
| MCHB Properties | 19.12.2011 | 100,000 | 2 | 100 | Intended principal activity is property investment and rental of properties |

13. ACCOUNTANTS' REPORT (Cont'd)**INFORMATION ON SUBSIDIARY COMPANIES (CONTINUED)**

* Including 1 unit redeemable preference share of RM1.00 which is held by a special shareholder, being a State Agency or any person appointed by and acting on behalf of the State Government of Negeri Sembilan Darul Khusus. Currently, the special shareholder is Menteri Besar Negeri Sembilan (Incorporation), a State Agency of Negeri Sembilan Darul Khusus.

b) Indirect subsidiary companies of Matrix Concepts**i) Subsidiary companies of Pembinaan Juwasan**

| <u>Name</u> | <u>Date of incorporation</u> | Authorised share capital <u>RM</u> | Issued and fully paid up share capital <u>RM</u> | Effective equity interest <u>%</u> | <u>Principal Activities</u> |
|-----------------|------------------------------|---------------------------------------|---|---------------------------------------|--|
| Juwasan Maju | 28.6.1993 | 1,000,000 | 750,000 | 100 | Project management and procurement of building materials |
| Juwasan Trading | 27.3.2001 | 100,000 | 50,000 | 100 | Procurement of building materials |

ii) Subsidiary companies of Masuda Corporation

| <u>Name</u> | <u>Date of incorporation</u> | Authorised share capital <u>RM</u> | Issued and fully paid up share capital <u>RM</u> | Effective equity interest <u>%</u> | <u>Principal Activities</u> |
|-----------------|------------------------------|---------------------------------------|---|---------------------------------------|---|
| MCHB Management | 26.9.1997 | 100,000 | 10,000 | 100 | Provision of management and administration services |
| Insani Utama | 21.9.1990 | 500,000 | 250,000 | 100 | Property development |

iii) Subsidiary companies of Matrix

| <u>Name</u> | <u>Date of incorporation</u> | Authorised share capital <u>RM</u> | Issued and fully paid up share capital <u>RM</u> | Effective equity interest <u>%</u> | <u>Principal Activities</u> |
|-----------------|------------------------------|---------------------------------------|---|---------------------------------------|---|
| 1 Sendayan Club | 20.11.1998 | 500,000 | 300,000 | 100 | Intended principal activity is clubhouse operations |
| Kris Benua | 19.9.1992 | 500,000 | 500,000 | 100 | Project management |

13. ACCOUNTANTS' REPORT (Cont'd)**INFORMATION ON SUBSIDIARY COMPANIES (CONTINUED)**

3.2 The information on the development projects undertaken by the respective subsidiary companies for the year ended 31 December 2009, 2010, 2011 and 2012 all of which are as follows:-

3.2.1 1 Sendayan Club

| <u>No</u> | <u>Project</u> | <u>Acreage</u> | <u>Location</u> | <u>Number of units</u> | <u>Total GDV RM (million)</u> |
|-----------|-----------------|----------------|-----------------|------------------------|-------------------------------|
| 1 | Taman Sri Intan | 63.8 | Port Dickson | 694 | 62.4 |

3.2.2 Seventech

| <u>No</u> | <u>Project</u> | <u>Acreage</u> | <u>Location</u> | <u>Number of units</u> | <u>Total GDV RM (million)</u> |
|-----------|---------------------------|----------------|-----------------|------------------------|-------------------------------|
| 1 | Taman Anggerik Tenggara 2 | 30.1 | Kota Tinggi | 422 | 42.5 |

3.2.3 Matrix

| <u>No</u> | <u>Project</u> | <u>Acreage</u> | <u>Location</u> | <u>Number of units</u> | <u>Total GDV RM (million)</u> |
|-----------|--|----------------|-----------------|------------------------|-------------------------------|
| 1 | Taman Pulai Perdana | 22.5 | Seremban | 231 | 41.6 |
| 2 | Taman Seri Impian I | 51.1 | Kluang | 487 | 38.8 |
| 3 | Taman Seri Impian 2 – Parcel 1 | 80.2 | Kluang | 907 | 91.2 |
| 4 | Taman Seri Impian 2 – Parcel 2 | 38.4 | Kluang | 346 | 45.3 |
| 5 | Taman Desa PD I | 61.3 | Port Dickson | 740 | 53.8 |
| 6 | Taman Desa PD II – Phase 1 | 41.7 | Port Dickson | 483 | 46.2 |
| 7 | Taman Seri Impian 3 (Impiana Garden 1 and 2) | 66.4 | Kluang | 597 | 81.7 |
| 8 | Impiana Avenue 1 and 2 | 6.1 | Kluang | 69 | 18 |
| 9 | Taman Seri Impian 4 (Impiana Casa 1) | 42.3 | Kluang | 465 | 80.1 |
| 10 | Impiana Villa 1 | 26.1 | Kluang | 161 | 65.7 |

13. ACCOUNTANTS' REPORT (Cont'd)**INFORMATION ON SUBSIDIARY COMPANIES (CONTINUED)**

3.2.4 BSS Development

| <u>No</u> | <u>Project</u> | <u>Acreage</u> | <u>Location</u> | <u>Number of units</u> | <u>Total GDV RM (million)</u> |
|-----------|-------------------------------|----------------|---------------------|------------------------|-------------------------------|
| 1 | Nusari Bayu 1 | 105.4 | Bandar Sri Sendayan | 1,159 | 113.2 |
| 2 | Nusari Bayu 2A | 32.6 | Bandar Sri Sendayan | 359 | 42.4 |
| 3 | Atiya | 1.4 | Bandar Sri Sendayan | 18 | 5.2 |
| 4 | Idaman Bayu | 17.7 | Bandar Sri Sendayan | 178 | 39.6 |
| 5 | Nusari Aman 1A | 15.5 | Bandar Sri Sendayan | 236 | 34.2 |
| 6 | Nusari Aman 2A | 27.5 | Bandar Sri Sendayan | 308 | 67.4 |
| 7 | Sendayan Techvalley 1 and 2 | 523.9 | Bandar Sri Sendayan | 93 | 488.9 |
| 8 | Cosmoxia | 2.7 | Bandar Sri Sendayan | 36 | 11.7 |
| 9 | Sendayan MetroPark | 35.4 | Bandar Sri Sendayan | 18 | 47.1 |
| 10 | Nusari Aman 2 | 35.4 | Bandar Sri Sendayan | 472 | 127.2 |
| 11 | Nusari Aman 1B | 38.2 | Bandar Sri Sendayan | 515 | 103.1 |
| 12 | Nusari Bayu 3 – Phase 1 and 2 | 43.3 | Bandar Sri Sendayan | 505 | 136.3 |

13. ACCOUNTANTS' REPORT (Cont'd)



4. FINANCIAL STATEMENTS AND AUDITORS

We were appointed the auditors of Matrix Concepts, Superb Approach and Pembinaan Juwasan since the financial years ended 31 December 1999.

We were appointed the auditors of 1 Sendayan Education, Juwasan Trading and Juwasan Maju since the financial year ended 31 December 2002.

We were appointed the auditors of Riverine Projects since the financial period ended 31 December 2002.

We were appointed the auditors of Seventech since the financial period ended 31 December 2003.

We were appointed the auditors of MCHB Management, MCHB Natro, Masuda Corporation, Matrix, 1 Sendayan Club, Insani Utama and Kris Benua since the financial period ended 30 June, 2004.

We were appointed the auditors of BSS Development, since financial period ended 31 December 2005.

We were appointed the auditors of MCHB Properties, since financial period ended 31 December 2012.

The auditors' reports of the Group were reported without any qualifications or modifications for the financial statements covered in this report. The auditors' reports of Matrix Concepts for the relevant financial years are attached in Appendix 1 to this report.

This report is prepared on a basis consistent with the accounting policies adopted by the Group as disclosed in Section 5 of this report and in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standard Board ("MASB").

13. ACCOUNTANTS' REPORT (Cont'd)**5. DIVIDENDS**

5.1 Details of dividend paid or declared by Matrix Concepts for the financial years ended 31 December 2009, 2010, 2011 and 2012 are as follows:

| FYE | Type of dividend | Dividend rate % | Net Amount RM |
|------------|------------------------------|------------------------|----------------------|
| 31.12.2011 | Interim, less 25% income tax | 7 | 2,135,250 |
| 31.12.2011 | Interim, less 25% income tax | 33 | 10,066,179 |
| 31.12.2011 | Interim, less 25% income tax | 26.5 | 8,083,447 |
| 31.12.2011 | Interim, less 25% income tax | 66 | 20,951,385 |

5.2 Details of dividend paid or declared by the subsidiary companies of Matrix Concepts for the financial years ended 31 December, 1999, 2000, 2011 and 2012 are as follows:

| Companies | FYE | Type of dividend | Dividend rate % | Net Amount RM |
|----------------------|------------|------------------------------|------------------------|----------------------|
| Superb Approach | 31.12.2012 | Interim, less 25% income tax | 725 | 1,359,375 |
| | 31.12.2012 | Interim, tax exempted | 120 | 300,000 |
| Pembinaan Juwasan | 31.12.2012 | Interim, less 25% income tax | 2,082 | 4,684,500 |
| | 31.12.2012 | Interim, tax exempted | 12,939 | 38,817,000 |
| 1 Sendayan Education | 31.12.2012 | Interim, tax exempted | 552 | 552,000 |
| Masuda Corporation | 31.12.2012 | Interim, less 25% income tax | 11,474 | 25,816,500 |
| | 31.12.2012 | Interim, tax exempted | 11,467 | 34,401,000 |
| Matrix | 31.12.2012 | Interim, less 25% income tax | 385 | 5,775,000 |
| | 31.12.2012 | Interim, tax exempted | 1,367 | 27,340,000 |
| Seventech | 31.12.2012 | Interim, less 25% income tax | 1,391 | 2,608,125 |
| BSS Development | 31.12.2012 | Interim, less 25% income tax | 308 | 5,775,000 |
| | 31.12.2012 | Interim, tax exempted | 1,745 | 43,625,000 |
| Juwasan Maju | 31.12.2012 | Interim, less 25% income tax | 1,005 | 5,653,125 |
| | 31.12.2012 | Interim, tax exempted | 2,787 | 20,902,500 |
| Juwasan Trading | 31.12.2012 | Interim, less 25% income tax | 6,687 | 2,507,625 |
| | 31.12.2012 | Interim, tax exempted | 9,985 | 4,992,500 |
| MCHB Management | 31.12.2012 | Interim, less 25% income tax | 258,314 | 19,373,550 |
| | 31.12.2012 | Interim, tax exempted | 265,815 | 26,581,500 |
| 1 Sendayan Club | 31.12.2012 | Interim, tax exempted | 165 | 495,000 |
| Kris Benua | 31.12.2012 | Interim, tax exempted | 1,830 | 9,150,000 |

13. ACCOUNTANTS' REPORT (Cont'd)**6. SIGNIFICANT ACCOUNTING POLICIES**

Unless otherwise stated, the following significant accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

6.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies as modified by the revaluation of an investment in a subsidiary company.

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the Companies Act, 1965 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous financial year, the financial statements of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. There are no financial impact on transition to MFRSs as disclosed in note 36 of the financial statements.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and Malaysian Financial Reporting Standards ("MFRS") in Malaysia requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported financial year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

6.2 Basis of Consolidation

The subsidiary companies have been consolidated using the merger method of accounting and in respect of subsidiary companies that do not qualify for merger method of accounting are consolidated using the acquisition method of accounting.

Under the merger method of accounting, the differences between the purchase consideration and nominal value of the share capital of the subsidiary companies acquired are taken to reserve arising from merger or deficit arising from merger. The deficit, if any, are written off against balances of capital reserve, share premium and retained profits in the financial statements of the subsidiary companies acquired.

Under the acquisition method of accounting the excess of the purchase price over the fair value of the net assets of subsidiaries at the dates of acquisition represents goodwill arising from consolidation while the shortfall represents reserve on consolidation. Goodwill and reserve arising from consolidation was amortised over a period of 5 years prior to 1 January, 2011. Goodwill arising subsequent to 1 January 2011 will be tested for impairment annually whilst reserve on consolidation is taken immediately to statement of comprehensive income.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leasehold land held by an indirect subsidiary company has been incorporated in the financial statements of the Group at a fair value representing the cost thereof to the Group. Related companies transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

6.3 Property, Plant & Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

No depreciation is provided on freehold lands and building-in-progress. Leasehold land of an indirect subsidiary company is amortised over its remaining lease.

Depreciation of other property, plant and equipment is calculated on a straight line method to write off the cost of the assets over their estimated useful lives at the following annual rates:-

| | |
|--|-----------|
| Freehold buildings | 2% |
| Leasehold buildings | 2% |
| Office equipment, furniture & fittings | 10% - 20% |
| Plant & machinery | 10% - 12% |
| Motor vehicles | 15% |

Upon the disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

6.4 Impairment**(i) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow. An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****6.5 Investment**

Investment in subsidiary companies, is stated at cost or at valuation. Where investment in subsidiary company is stated at valuation, the net increase in the aggregate amount arising from the revaluation is credited to capital reserve account as revaluation surplus. Allowance for impairment loss is made when, in the opinion of the directors, there is a permanent diminution in the value of the investment.

6.6 Investment Properties

Investment properties comprise houses and flats held for long term purposes and are valued at fair value. A gain or loss arising from a change in the fair value of investment properties is recognised in the income statement for the period in which it arises.

6.7 Associated Company

Associated company is defined as a company in which the Company has a long term equity interest of between 20% to 50% and is in a position to exercise significant influence over, and participate in, the financial and operating policy decisions of the associated company.

Investment in associated company is accounted for in the consolidated statement of comprehensive income by the equity method of accounting.

6.8 Development properties

Land and development expenditure consists of freehold lands and leasehold lands stated at cost and group cost and related development expenditure. Cost includes cost of land, all direct development properties cost and other related cost. Development properties expenditure of which significant work has been undertaken and are expected to be completed within the normal operating cycle of two to three years is classified as development properties in progress.

6.9 Inventories

Inventories of completed properties are valued at the lower of cost and net realisable value. Cost is determined on specific identification basis and includes construction costs and appropriate development overheads.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****6.10 Amount Due from/to Customers for Construction Contracts**

Amount due from customers for construction contracts is net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Amount due to customers for construction contracts is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Cost includes direct materials, labour, sub-contract sum and attributable overheads paid or payable to date.

6.11 Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified and specific allowance is made for debts considered to be doubtful of collection. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

6.12 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

6.13 Share Capital

Ordinary shares are recorded at their nominal value and are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

6.14 Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances and fixed deposits, net of outstanding bank overdrafts which have an insignificant risk of changes in value.

6.15 Hire-purchase

Property, plant and equipment acquired under hire-purchase agreements are capitalised in the financial statements and are depreciated in accordance with the policy set out in note 5.3 above. The corresponding outstanding obligations due under the hire-purchase after deducting finance charges are included as liabilities in the financial statements. Finance charges are charged to the statement of comprehensive income over the period of the plan so as to produce a constant periodical rate of charge on the remaining balance of the obligations for each accounting period.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****6.16 Interest-Bearing Borrowings**

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property, plant and equipment and construction of development properties are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

6.17 Income Tax

Income tax on the profit for the year comprises current and deferred income tax assets or liabilities. Current income tax liabilities is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred income tax liabilities is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

A deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred income tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilised, the carrying amount of the deferred income tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

6.18 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

• *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

• *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

• *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(ii) Financial Liabilities**

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation

6.19 Employee Benefits**(i) Short term employee benefits**

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group and of the Company.

(ii) Post – employee benefits**Defined contribution plan**

The Group's and the Company's contributions to the defined contribution plan ('Employee Provident Fund') are charged to the income statements in the period in which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

6.20 Provisions

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****6.21 Income Recognition**

- i) Dividend income is recognised when the shareholders' rights to receive payment is established.
- ii) Income from development properties is recognised based on percentage of completion method on the net sale proceeds after discount extended, where the outcome of the development can be reliably estimated.
- iii) Income from contract revenue is recognised using the percentage of completion method. Income is apportioned using the ratio of actual costs incurred to the estimated total costs of the respective contracts in progress less any provision for foreseeable losses.
- iv) Income from sales of logs and palm oil are recognised when transfer of risk and rewards have been completed.
- v) Income from rental and administration fees are recognised on an accrual basis.

6.22 Revenue

Revenue of the Group represents sale of development properties, contract income, rental and administration fees.

Revenue of the Company represents dividend income.

6.23 Significant Accounting Estimates and Assumptions

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

13. ACCOUNTANTS' REPORT (Cont'd)



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

6.24 Standards Issued But Not Yet Effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Issues Committee ("IC") Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2012

| | |
|------------------------|--|
| Amendments to MFRS 101 | <i>Presentation of Items of Other Comprehensive Income</i> |
|------------------------|--|

Effective for financial periods beginning on or after 1 January 2013

| | |
|----------------------|---|
| MFRS 3 | <i>Business Combinations</i> |
| MFRS 10 | <i>Consolidated Financial Statements</i> |
| MFRS 11 | <i>Joint Arrangements</i> |
| MFRS 12 | <i>Disclosure of Interests in Other Entities</i> |
| MFRS 13 | <i>Fair Value Measurement</i> |
| MFRS 119 | <i>Employee Benefits (revised)</i> |
| MFRS 127 | <i>Consolidated and Separate Financial Statements (revised)</i> |
| MFRS 128 | <i>Investments in Associates and Joint Ventures (revised)</i> |
| Amendments to MFRS 1 | <i>First-time Adoption of MFRS - Government Loans</i> |
| Amendments to MFRS 7 | <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> |

13. ACCOUNTANTS' REPORT (Cont'd)**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

| | |
|---|---|
| Amendments to MFRS 10 | <i>Consolidated Financial Statements: Transition Guidance</i> |
| Amendments to MFRS 11 | <i>Joint Arrangements: Transition Guidance</i> |
| Amendments to MFRS 12 | <i>Disclosure of Interests in Other Entities: Transition Guidance</i> |
| Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle | |

Effective for financial periods beginning on or after 1 January 2014

| | |
|------------------------|--|
| Amendments to MFRS 132 | <i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i> |
|------------------------|--|

Effective for financial periods beginning on or after 1 January 2015

| | |
|----------------------|--|
| Amendments to MFRS 9 | <i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i> |
|----------------------|--|

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

13. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARISED FINANCIAL STATEMENTS

7.1 Matrix Concepts Group

- (a) The summarised audited statement of comprehensive income of the Matrix Concepts Group for the financial years ended 31 December 2009, 2010, 2011 and 2012 as set out below:-

| Matrix Concepts Group | | | | | |
|--|-------------|---------------|---------------|---------------|---------------|
| Consolidated Statement of Comprehensive | | | | | |
| Income | | | | | |
| Financial Year Ended 31 December | | | | | |
| | Note | 2009 | 2010 | 2011 | 2012 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 1 | 204,046 | 195,633 | 624,250 | 456,069 |
| Contract expenditure | | (157,688) | (138,917) | (475,828) | (263,341) |
| Gross profit | | 46,358 | 56,716 | 148,422 | 192,728 |
| Operating and administrative expense | | (19,586) | (24,369) | (46,776) | (47,267) |
| Other operating income | | 55 | 478 | 7,300 | 653 |
| Profit before interest, depreciation and amortisation ("EBITDA") | | 26,827 | 32,825 | 108,946 | 146,114 |
| Interest | | (539) | (1,060) | (568) | (1,012) |
| Depreciation | | (1,891) | (1,804) | (2,040) | (2,338) |
| | | 24,397 | 29,961 | 106,338 | 142,764 |
| Share of profit/ (loss) of an associate | | 1 | - | (1) | - |
| Profit before taxation ("PBT") | 2 | 24,398 | 29,961 | 106,337 | 142,764 |
| Taxation | 3 | (5,266) | (7,946) | (26,401) | (39,279) |
| Profit after taxation ("PAT") | | 19,132 | 22,015 | 79,936 | 103,485 |
| Other comprehensive income for the financial year | | - | - | - | - |
| Total comprehensive income for the financial year | | 19,132 | 22,015 | 79,936 | 103,485 |
| Attributable to: | | | | | |
| Owners of the Company | | 18,553 | 20,512 | 69,411 | 103,485 |
| Non-controlling interest | | 579 | 1,503 | 10,525 | - |
| | | 19,132 | 22,015 | 79,936 | 103,485 |
| Earnings per share attributable to owners of the Company: | | | | | |
| - Basic (RM) | | 0.46 | 0.50 | 1.55 | 2.02 |
| - Fully diluted (RM) | | 0.46 | 0.50 | 1.55 | 2.02 |
| Gross profit margin (%) | | 23 | 29 | 24 | 42 |
| PBT margin (%) | | 12 | 15 | 17 | 31 |
| PAT margin (%) | | 9 | 11 | 13 | 23 |
| Effective tax rate (%) | | 22 | 27 | 25 | 28 |
| Number of ordinary shares issued | | 40,671 | 40,671 | 51,101 | 51,101 |
| Gross earnings per share (RM) | | 0.60 | 0.74 | 2.37 | 2.79 |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

- (b) The summarised audited and proforma statement of financial position of the Matrix Concepts Group for the financial years ended 31 December 2009, 2010, 2011 and 2012 as set out below:-

Matrix Concepts Group
Consolidated Statement of Financial Position
At 31 December

| | | 2009 | 2010 | 2011 | 2012 |
|---|------|----------------|----------------|----------------|----------------|
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| | | ← Audited → | | | |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 4 | 10,028 | 9,864 | 11,007 | 11,517 |
| Investment in associated company | 5 | 17 | 16 | - | - |
| Investments properties | 6 | 1,400 | 1,400 | 1,400 | 1,400 |
| Development properties | 7 | 462,944 | 461,676 | 30,244 | 30,314 |
| Deferred tax assets | 8 | 1,853 | 2,020 | 2,014 | 2,017 |
| Goodwill arising on consolidation | 9 | * | * | * | * |
| | | 476,242 | 474,976 | 44,665 | 45,248 |
| Current Assets | | | | | |
| Development properties in progress | 10 | 102,293 | 119,968 | 345,734 | 373,764 |
| Inventories | 11 | 921 | 760 | 762 | 2,401 |
| Trade receivables | 12 | 14,451 | 24,998 | 75,114 | 101,040 |
| Amount due from contract customers | 13 | 2,565 | 4,024 | 8,288 | 18,818 |
| Other receivables, deposits and prepayments | 14 | 14,861 | 21,200 | 17,831 | 15,125 |
| Amount due from a subsidiary | 15 | 1,495 | - | - | - |
| Deposits, cash and bank balances | 16 | 7,836 | 10,239 | 13,967 | 30,727 |
| | | 144,422 | 181,189 | 461,696 | 541,875 |
| Total Assets | | 620,664 | 656,165 | 506,361 | 587,123 |

* Represents RM1

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

Matrix Concepts Group
Consolidated Statement of Financial Position
At 31 December (Continued)

| | | 2009 | 2010 | 2011 | 2012 |
|--|------|----------------|----------------|----------------|----------------|
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| | Note | ← Audited → | | | |
| EQUITY | | | | | |
| Share capital | 17 | 40,671 | 40,671 | 51,101 | 51,101 |
| Reserves | 18 | 141,827 | 162,339 | 186,528 | 290,832 |
| Shareholders' equity | | 182,498 | 203,010 | 237,629 | 341,933 |
| Non-controlling interest | 19 | 579 | 2,082 | * | * |
| Total Equity | | 183,077 | 205,092 | 237,629 | 341,933 |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Hire-purchase payables | 20 | 1,360 | 960 | 870 | 288 |
| Term loans | 21 | 21,564 | 15,820 | 12,152 | 17,575 |
| Other loans | 22 | - | - | - | - |
| | | 22,924 | 16,780 | 13,022 | 17,863 |
| Current Liabilities | | | | | |
| Trade payables | 23 | 41,232 | 42,616 | 56,818 | 48,038 |
| Progress billings | 24 | 2,111 | 18,531 | 38,269 | 14,005 |
| Retention sums | 25 | 603 | 831 | 662 | 486 |
| Other payables, deposits and accruals | 26 | 41,158 | 37,583 | 114,835 | 127,634 |
| Amount due to directors | 27 | 8,011 | 10,511 | 7,975 | 8,000 |
| Amount due to customers for construction contracts | 13 | 8,212 | 9,762 | - | 12,611 |
| Hire-purchase payables | 20 | 690 | 618 | 665 | 582 |
| Dividend payable | | - | - | 20,951 | - |
| Term loans | 21 | 4,660 | 3,425 | 3,590 | 3,565 |
| Bank overdrafts | 21 | 9,217 | 10,083 | 4 | 333 |
| Other loan | 22 | 295,140 | 295,140 | - | - |
| Current income tax liabilities | 28 | 3,629 | 5,193 | 11,941 | 12,073 |
| | | 414,663 | 434,293 | 255,710 | 227,327 |
| Total Liabilities | | 437,587 | 451,073 | 268,732 | 245,190 |
| Total Equity and Liabilities | | 620,664 | 656,165 | 506,361 | 587,123 |

* Represents RM1

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

- (c) The summarised audited statement of changes in equity of the Matrix Concepts Group for the financial years ended 31 December 2009, 2010, 2011 and 2012 as set out below:-

| | Matrix Concepts Group | | | | Total RM'000 |
|--|---|------------------------------|-----------------------------------|--|-----------------|
| | Consolidated Statement of Changes in Equity | | | Distributable Retained Profits RM'000 | |
| | Non-Distributable | | Non- | | |
| | Share Capital RM'000 | Capital Reserve RM'000 | controlling Interest RM'000 | | |
| At 1 January 2009 | 40,671 | 303 | - | 122,971 | 163,945 |
| Total comprehensive Income | - | - | 579 | 18,553 | 19,132 |
| At 31 December 2009/ 1 January 2010 | 40,671 | 303 | 579 | 141,524 | 183,077 |
| Total comprehensive Income | - | - | 1,503 | 20,512 | 22,015 |
| At 31 December 2010/ 1 January 2011 | 40,671 | 303 | 2,082 | 162,036 | 205,092 |
| Allotted during the year | 6,444 | - | - | - | 6,444 |
| Bonus issue | 3,986 | - | - | (3,986) | - |
| Interim dividend of 7% less 25% income tax paid on 17 January 2011 | - | - | - | (2,135) | (2,135) |
| Interim dividend of 33% less 25% income tax paid on 23 June 2011 | - | - | - | (10,066) | (10,066) |
| Interim dividend of 6.5% less 25% income tax paid on 20 July 2011 | - | - | - | (8,084) | (8,084) |
| Interim dividend of 66% less 25% income tax declared on 31 October 2011 and payable on 29 March 2012 | - | - | - | (20,951) | (20,951) |
| Total comprehensive Income | - | - | 10,525 | 69,411 | 79,936 |
| Non-controlling interest share of net assets released on additional investment in equity stake of the subsidiary company | - | - | (12,607) | - | (12,607) |
| At 31 December 2011/ 1 January 2012 c/f | 51,101 | 303 | * | 186,225 | 237,629 |

* Represents RM1

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

| | Matrix Concepts Group | | | | Total |
|--|---|------------------------------|---|-------------------------------|---------|
| | Consolidated Statement of Changes in Equity (Continued) | | | | |
| | ← Non-Distributable → | | Distributable | | |
| | Share Capital RM'000 | Capital Reserve RM'000 | Non- controlling Interest RM'000 | Retained Profits RM'000 | RM'000 |
| At 31 December 2011/ 1 January 2012 b/f | 51,101 | 303 | * | 186,225 | 237,629 |
| Adjustment on proposed dividend | - | - | - | 819 | 819 |
| Total comprehensive Income | - | - | - | 103,485 | 103,485 |
| At 31 December 2012 | 51,101 | 303 | * | 290,529 | 341,933 |

* Represents RM1

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

- (d) The summarised audited statement of cash flows of the Matrix Concepts Group for the financial years ended 31 December 2009, 2010, 2011 and 2012 as set out below:-

| Matrix Concepts Group | | | | |
|--|---------------|---------------|---------------|---------------|
| Consolidated Statements of Cash Flows | | | | |
| Financial Years Ended | | | | |
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash flows From Operating Activities | | | | |
| Profit before taxation | 24,398 | 29,961 | 106,337 | 142,764 |
| Adjustments for:- | | | | |
| Share of (profit)/loss of an associated company | (1) | - | 1 | - |
| Reserve on consolidation recognised | - | - | (6,163) | - |
| Depreciation | 1,891 | 1,804 | 2,040 | 2,338 |
| Interest income | (66) | (209) | (520) | (438) |
| Interest expense | 659 | 1,643 | 1,208 | 1,545 |
| Loss/(Gain) on disposal of property, plant and equipment | 14 | (119) | (128) | (64) |
| Loss of property, plant and equipment | - | 63 | - | - |
| Other receivables written off | - | 79 | 100 | - |
| Operating profit before working capital changes | 26,895 | 33,222 | 102,875 | 146,145 |
| (Increase)/Decrease in inventories | 97 | 161 | (2) | (1,639) |
| (Increase)/Decrease in development properties | 1,726 | 3,449 | 441,239 | (70) |
| Increase in development properties in progress | (40,499) | (19,856) | (235,572) | (28,031) |
| Increase in receivables | (54,252) | (30,036) | (51,081) | (33,755) |
| Increase/(Decrease) in payables | 58,426 | 18,508 | 98,724 | (7,785) |
| Cash generated (absorbed by)/from operations | (7,607) | 5,448 | 356,183 | 74,865 |
| Interest received | 66 | 209 | 519 | 438 |
| Interest paid | (659) | (1,643) | (1,208) | (1,545) |
| Tax paid | (4,097) | 6,558 | (19,676) | (39,163) |
| Tax refunded | - | - | - | 20 |
| <i>Net cash (used in)/provided by operating activities</i> | (12,297) | 10,572 | 335,818 | 34,615 |
| Cash Flows From Investing Activities | | | | |
| Investment in an associated company | (15) | - | - | - |
| Purchase of property, plant and equipment | (1,708) | (2,177) | (3,529) | (2,848) |
| Proceeds from disposal of property, plant and equipment | 11 | 594 | 474 | 64 |
| Proceeds from disposal of associated company | - | - | 15 | - |
| <i>Net cash used in investing activities</i> | (1,712) | (1,583) | (3,040) | (2,784) |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

Matrix Concepts group
Consolidated Statements of Cash Flows
(Continued)

Financial Years Ended

| Note | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|------|----------------|----------------|----------------|----------------|
|------|----------------|----------------|----------------|----------------|

Cash Flows From Financing Activities

| | | | | |
|--|------------|---------|-----------|----------|
| Proceeds from term loans | 14,300 | 1,000 | - | 11,000 |
| Dividend paid | - | - | (20,285) | (20,132) |
| Proceeds from issuance of shares | - | - | * | - |
| Repayment of term loan | (3,640) | (7,980) | (3,503) | (5,603) |
| Proceeds from hire purchase payables | - | 500 | 865 | - |
| Repayment of other loan | - | - | (295,140) | - |
| Hire purchase installments paid | (915) | (972) | (908) | (665) |
| <i>Net cash provided by/(used in) financing activities</i> | 9,745 | (7,452) | (318,971) | (15,400) |
| Net changes in cash & cash equivalents | (4,264) | 1,537 | 13,807 | 16,431 |
| Cash & cash equivalents brought forward | 2,883 | (1,381) | 156 | 13,963 |
| Cash & cash equivalents carried forward | 29 (1,381) | 156 | 13,963 | 30,394 |

* Represents RM1

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****(e) Notes to financial statements****1. Revenue**

The summarised Matrix Concepts Group income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 as set out above have been prepared on actual basis.

Analysis of Group revenue by subsidiary companies is set out below:

| | Financial Year Ended 31 December | | | |
|---------------------------------|---|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Matrix Concepts | - | - | - | 206,393 |
| Superb Approach | (20) | - | - | - |
| Juwasan Maju | 177,371 | 124,929 | 184,337 | 214,174 |
| Masuda Corporation | - | - | - | 52,413 |
| Matrix | 69,969 | 93,733 | 101,643 | 92,939 |
| Seventech | 42,190 | 339 | - | - |
| MCHB Natro | 463 | 863 | 855 | 380 |
| BSS Development | 91,490 | 101,797 | 500,064 | 372,654 |
| MCHB Management | 20,132 | 21,434 | 46,432 | 40,833 |
| Pembinaan Juwasan | 3,248 | 2,853 | 3,986 | 41,079 |
| Juwasan Trading | 18,133 | 14,388 | 19,908 | 60,322 |
| 1 Sendayan Club | 44 | - | - | - |
| Kris Benua | 2,703 | 3,917 | 7,613 | 16,596 |
| 1 Sendayan Education | - | - | 22,500 | - |
| | <u>425,723</u> | <u>364,253</u> | <u>887,338</u> | <u>1,097,783</u> |
| Less: Consolidation adjustments | (221,677) | (168,620) | (263,088) | (641,714) |
| Total external revenue | <u>204,046</u> | <u>195,633</u> | <u>624,250</u> | <u>456,069</u> |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

2. Profit Before Taxation ("PBT")

| Profit before income tax is arrived at after charging/ (crediting):- | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Audit fees | 286 | 464 | 452 | 441 |
| Depreciation | 1,891 | 1,804 | 2,040 | 2,338 |
| Hiring charges | 133 | 129 | 7 | - |
| Rental of premises | 15 | 28 | 69 | 29 |
| Rental of site office & lorry | 12 | 11 | 119 | 25 |
| Other receivable written off | - | 79 | 100 | - |
| Sales gallery rental | - | 45 | 60 | 60 |
| Realised loss on foreign exchange | - | 31 | - | - |
| Rental of land | - | 1 | 6 | 4 |
| (Gain)/Loss of property, plant and equipment | - | 63 | - | - |
| Staff costs | | | | |
| Directors' remuneration and other emoluments | | | | |
| - current directors | 3,021 | 3,495 | 15,916 | 8,749 |
| - past director | - | - | 220 | - |
| Directors' fees | | | | |
| - current directors | 1,127 | 1,043 | 1,058 | 1,063 |
| - past director | 2 | - | - | - |
| Salaries, bonus & allowances | 8,284 | 9,586 | 13,901 | 16,900 |
| EPF & SOCSO | 1,084 | 1,347 | 1,680 | 2,627 |
| Staff messing, medical fees and other benefits | 154 | 456 | 1,390 | 807 |
| | 13,672 | 15,927 | 34,165 | 30,146 |
| Rental income | (23) | (23) | (59) | (51) |
| Rental of motor vehicle | 9 | 4 | 20 | - |
| Reserve on consolidation recognised | - | - | (6,163) | - |
| Loss/(Gain) on disposal of property, plant & equipment | | | | |
| - current year | 14 | (119) | (128) | (64) |
| - overprovision in prior years | 397 | - | - | - |
| Interest income | | | | |
| - fixed deposits | (66) | (51) | (89) | (88) |
| - Bank interest received | - | (20) | (76) | (129) |
| - overdue interest received | - | (49) | (94) | (72) |
| - others | - | (89) | (261) | (149) |
| | (66) | (209) | (520) | (438) |
| Interest expenses – included in cost of sales | | | | |
| - term loans | 120 | 583 | 640 | 533 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

Profit before income tax
is arrived at after charging/
(crediting):-

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--------------------------------|----------------|----------------|----------------|----------------|
| Finance cost | | | | |
| - bank overdrafts & term loans | 460 | 871 | 412 | 882 |
| - hire-purchase | 68 | 102 | 86 | 78 |
| - others | 11 | 87 | 70 | 52 |
| | 539 | 1,060 | 568 | 1,012 |

Directors of the Company

| | | | | |
|---------------------------------|-------|-------|--------|-------|
| - fees | - | - | - | 388 |
| - salaries and other emoluments | 1,537 | 1,830 | 12,004 | 6,466 |

Other directors (on board of subsidiary companies)

| | | | | |
|---------------------------------|-------|-------|-------|-------|
| - fees | 1,129 | 1,043 | 1,058 | 675 |
| - salaries and other emoluments | 1,484 | 1,665 | 4,132 | 2,282 |

Staff cost includes the following remunerations paid to the key management personnel of the Group as follows:

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Salaries, bonus & allowances | 329 | 351 | 460 | 637 |
| EPF & SOCSO | 32 | 35 | 47 | 76 |
| Staff messing, medical fees and other benefits | 68 | 44 | 202 | 82 |
| | 429 | 430 | 709 | 795 |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

3. Taxation

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Current income tax: | | | | |
| Estimate for the year | 6,645 | 8,095 | 26,207 | 39,281 |
| (Over) /Under provision in prior years | (59) | 18 | 188 | 1 |
| | 6,586 | 8,113 | 26,395 | 39,282 |
| Deferred income tax: | | | | |
| Transferred (to)/ from deferred income tax assets | (1,320) | (167) | 6 | (3) |
| | 5,266 | 7,946 | 26,401 | 39,279 |

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group is as follows:-

| | | | | |
|--|---------|--------|---------|---------|
| Profit before taxation | 24,398 | 29,961 | 106,337 | 142,764 |
| Income tax using Malaysian tax rate of 25% | 6,099 | 7,490 | 26,584 | 35,691 |
| Non-deductible expenses for tax purposes | 795 | 700 | 231 | 4,083 |
| Current year tax losses unutilised | 62 | 44 | 12 | 79 |
| Capital allowances utilised | (299) | (443) | - | - |
| Balancing (allowance)/ charges | (1) | 24 | 26 | 6 |
| Deferred tax assets not recognised | (56) | (45) | (13) | (73) |
| Unabsorbed tax losses and capital allowances utilised | (273) | (12) | (646) | (654) |
| Increase in unabsorbed tax losses | 49 | 44 | 12 | 73 |
| Other items | 269 | 293 | 2 | 76 |
| Transferred (to)/ from deferred income tax assets | (1,320) | (167) | 6 | (3) |
| | 5,325 | 7,928 | 26,214 | 39,278 |
| (Over) /Under provision in prior years | (59) | 18 | 187 | 1 |
| Total tax expense | 5,266 | 7,946 | 26,401 | 39,279 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****4. Property, Plant & Equipment**

| | Freehold land and building | Leasehold land and building | Office equipment, furniture and fittings | Plant and machinery | Motor vehicles | Building in progress | Total |
|---------------------------------|---|--|---|--------------------------------|---------------------------|-------------------------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Cost | | | | | | | |
| Balance at 1.1.2009 | 3,800 | 173 | 1,622 | 351 | 12,004 | - | 17,950 |
| Additions | 406 | - | 318 | 5 | 979 | - | 1,708 |
| Disposals | - | - | - | - | (34) | - | (34) |
| Balance at 31.12.2009/1.1.2010 | 4,206 | 173 | 1,940 | 356 | 12,949 | - | 19,624 |
| Additions | - | - | 65 | - | 2,112 | - | 2,177 |
| Disposals | - | - | - | - | (1,134) | - | (1,134) |
| Balance at 31.12.2010/1.1.2011 | 4,206 | 173 | 2,005 | 356 | 13,927 | - | 20,667 |
| Additions | - | - | 159 | 19 | 3,351 | - | 3,529 |
| Disposals | - | - | - | - | (1,630) | - | (1,630) |
| Balance at 31.12.2011/1.1.2012 | 4,206 | 173 | 2,164 | 375 | 15,648 | - | 22,566 |
| Additions | - | - | 13 | 761 | 2,074 | - | 2,848 |
| Disposals | - | - | - | - | (384) | - | (384) |
| Balance at 31.12.2012 | 4,206 | 173 | 2,177 | 1,136 | 17,338 | - | 25,030 |
| Accumulated depreciation | | | | | | | |
| Balance at 1.1.2009 | 228 | 18 | 878 | 185 | 6,406 | - | 7,715 |
| Additions | 58 | 2 | 174 | 38 | 1,619 | - | 1,891 |
| Disposals | - | - | - | - | (10) | - | (10) |
| Balance at 31.12.2009/1.1.2010 | 286 | 20 | 1,052 | 223 | 8,015 | - | 9,596 |
| Additions | 58 | 1 | 163 | 33 | 1,549 | - | 1,804 |
| Disposals | - | - | - | - | (597) | - | (597) |
| Balance at 31.12.2010/1.1.2011 | 344 | 21 | 1,215 | 256 | 8,967 | - | 10,803 |
| Additions | 58 | 2 | 186 | 34 | 1,760 | - | 2,040 |
| Disposals | - | - | - | - | (1,284) | - | (1,284) |
| Balance at 31.12.2011/1.1.2012 | 402 | 23 | 1,401 | 290 | 9,443 | - | 11,559 |
| Additions | 58 | 2 | 180 | 104 | 1,994 | - | 2,338 |
| Disposals | - | - | - | - | (384) | - | (384) |
| Balance at 31.12.2012 | 460 | 25 | 1,581 | 394 | 11,053 | - | 13,513 |
| Net Book Value | | | | | | | |
| At 31.12.2009 | 3,920 | 153 | 888 | 133 | 4,934 | - | 10,028 |
| At 31.12.2010 | 3,862 | 152 | 790 | 100 | 4,960 | - | 9,864 |
| At 31.12.2011 | 3,804 | 150 | 763 | 85 | 6,205 | - | 11,007 |
| At 31.12.2012 | 3,746 | 148 | 596 | 742 | 6,285 | - | 11,517 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

- i) Included herein are motor vehicles of the Group at cost of RM3,887,874 (2011 - RM3,887,874, 2010 - RM6,543,146, 2009 - RM6,170,268) acquired under hire-purchase installment plans.
- ii) Motor vehicles of the Group at cost of RM5,944,962 were registered in the names of third parties and certain directors who hold the vehicles in trust on behalf of certain subsidiary companies in the previous financial years ended 31 December 2009 and 2010. During the financial year ended 31 December 2011, the registration of these motor vehicles were transferred to the respective subsidiary companies.

5. Investment in Associated Company

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---|----------------|----------------|----------------|----------------|
| Unquoted shares at cost | 15 | 15 | - | - |
| Share of profit in associated companies | 2 | 1 | - | - |
| | 17 | 16 | - | - |

The associated company, incorporated in Malaysia is as follows:-

| Name of Company | Effective Interest | | | | Principal Activities |
|-------------------------|--------------------|-----------|-----------|-----------|---|
| | 2009 % | 2010 % | 2011 % | 2012 % | |
| Matrix Hiasan Sdn. Bhd. | 30 | 30 | - | - | Building interior design, renovation works and constructions. |

6. Investment in Properties

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--------|----------------|----------------|----------------|----------------|
| Houses | 1,400 | 1,400 | 1,400 | 1,400 |

The directors are of the opinion that the value of the above properties approximate to their fair values.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7. Development Properties**

| | 2009 | 2010 | 2011 | 2012 |
|---|----------------|----------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Land at cost | 404,833 | 404,833 | 396,694 | 1,398 |
| Land at group cost | 21,890 | 21,890 | 21,890 | 21,890 |
| Development cost | 37,947 | 36,221 | 43,092 | 6,956 |
| | <u>464,670</u> | <u>462,944</u> | <u>461,676</u> | <u>30,244</u> |
| Add: Cost incurred during the year | | | | |
| Development cost | 2,153 | 83,202 | 284 | 70 |
| Less: Cost transferred to current development | (3,879) | (84,470) | (431,716) | - |
| | <u>462,944</u> | <u>461,676</u> | <u>30,244</u> | <u>30,314</u> |

The Company had entered into a shareholders cum joint venture agreement and supplemental agreements with the State Agency, Menteri Besar, Negeri Sembilan which is also the special shareholders of a subsidiary Company on 29 August, 2005, 15 February 2009 and 30 October, 2009, respectively, to develop a piece of land for housing and mixed development project ("the Development Land") of the subsidiary company.

Land cost incurred for the year ended 31 December 2007, consist of a principal sum of RM250 million and interests thereon payable as agreed as set out in Note 22 in respect of the abovementioned agreements plus provision of estimated incidental further cost necessarily to be incurred of approximately RM113,600,000 in respect of the abovementioned development project.

The Development Land shall remain vested and/ or registered under the name of the State Agency. The State Agency shall transfer or caused to be transferred the Development Land or any part or parts thereof to the subsidiary company or to the end purchaser(s) so nominated by the subsidiary company upon the full and final settlement of the Payment Sum together with all interest charge and other costs as set out in the Agreements save for such area of Development Land equating to 100 acres which shall be retained by the State Agency.

The Development Land had been reclassified to development-in-progress.

The development properties of RM30.314 million at 31 December 2012 is in respect of 295 acres of land at Kota Gadong Perdana, Mukim Labu, Seremban, Negeri Sembilan held by a subsidiary company, Riverine Project. This has been classified as non-current assets as the development project on the said land is not scheduled to commence in near future.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****8. Deferred Tax Assets**

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Balance at 1 January | 533 | 1,853 | 2,020 | 2,014 |
| Transferred from/ (to) statement of comprehensive income | 1,320 | 167 | (6) | 3 |
| Balance at 31 December | <u>1,853</u> | <u>2,020</u> | <u>2,014</u> | <u>2,017</u> |

9. Goodwill Arising on Consolidation

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Goodwill arising an consolidation | 18 | 18 | 18 | 18 |
| Less: Accumulated amortisation | (18) | (18) | (18) | (18) |
| Balance at 31 December | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |

* Represent RM1.00.

10. Development Properties in Progress

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---|----------------|----------------|----------------|----------------|
| Land at cost | 4,298 | 22,889 | 17,278 | 37,291 |
| Development cost | 57,496 | 79,408 | 102,690 | 308,442 |
| Add: Cost incurred during the year | 61,794 | 102,297 | 119,968 | 345,733 |
| Land at cost | 18,591 | 4,090 | 12,535 | 54,814 |
| Development cost | 150,004 | 74,172 | 671,890 | 277,793 |
| Less: Cost recognised as expense in statement of comprehensive income | (128,096) | (60,591) | (458,659) | (304,576) |
| | <u>102,293</u> | <u>119,968</u> | <u>345,734</u> | <u>373,764</u> |

11. Inventories

These comprise completed properties at cost.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****12. Trade receivables**

Trade receivables mainly consist of amount due from property buyers.

13. Amount Due From/(To) Contracts Customer

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Contract cost incurred to date | 93,542 | 101,653 | 8,288 | 31,308 |
| Proportion of estimated profit accrued | 10,512 | 15,683 | - | - |
| | 104,054 | 117,336 | 8,288 | 31,308 |
| Less: Progress billings received and receivable | (109,701) | (123,074) | - | (25,101) |
| | (5,647) | (5,738) | 8,288 | 6,207 |
| Represented by: | | | | |
| Amount due from customers for construction contracts | 2,565 | 4,024 | 8,288 | 18,818 |
| Amount due to customers for construction contracts | (8,212) | (9,762) | - | (12,611) |
| | (5,647) | (5,738) | 8,288 | 6,207 |

14. Other Receivables, Deposits and Prepayments

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-------------------|----------------|----------------|----------------|----------------|
| Other receivables | 13,889 | 20,426 | 11,624 | 12,818 |
| Deposits | 520 | 671 | 5,808 | 610 |
| Prepayments | 452 | 103 | 399 | 1,697 |
| | 14,861 | 21,200 | 17,831 | 15,125 |

Included in other receivables for the financial year ended 31 December 2012 are amounts due from certain directors of certain subsidiary companies totaling RM28,000 (2011 – RM35,000, 2010 – RM53,000, 2009 – RM80,000) which represents housing loans made to the full time executive directors of the subsidiary companies under Section 133 (1) of the Companies Act, 1965. The loan is repayable in 120 installments and bears no interest.

15. Amount Due From a Subsidiary

The amount due from a subsidiary company in the Group is in respect of amount owing by 5G Multimedia Sdn Bhd. This amount was fully settled in financial year ended 31 December 2010.

The amount due from subsidiary company is unsecured, interest free and have no fixed terms of repayment.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****16. Deposits, Cash and Bank Balances**

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---|----------------|----------------|----------------|----------------|
| Fixed deposits with licensed banks | 4,742 | 4,851 | 5,002 | 5,155 |
| Cash deposits pledged for bank guarantee facilities | - | - | - | - |
| Cash and bank balances | 3,094 | 5,388 | 8,965 | 25,572 |
| | <u>7,836</u> | <u>10,239</u> | <u>13,967</u> | <u>30,727</u> |
| The fixed deposits are pledged as securities for banking facilities for the Group and for the Company | 4,742 | 4,851 | 5,002 | 5,155 |

The interest rate ranges and maturity periods of fixed deposits at the statement of financial position date were as follows:

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---------------------------|----------------|----------------|----------------|----------------|
| Interest rate ranges | 2% - 2.2% | 2.8% - 2.9% | 3.0% - 3.2% | 3.0% - 3.1% |
| Maturity periods (months) | 1 - 12 | 1 - 12 | 1 - 12 | 1 - 12 |

17. Share Capital

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-----------------------------|----------------|----------------|------------------|------------------|
| Ordinary shares of RM1 each | | | | |
| Authorised:- | | | | |
| At 1 January | 50,000 | 50,000 | 50,000 | 2,000,000 |
| Increased during the year | - | - | 1,950,000 | - |
| At 31 December | <u>50,000</u> | <u>50,000</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| Issued and fully paid:- | | | | |
| At 1 January | 40,671 | 40,671 | 40,671 | 51,101 |
| Bonus Issue | - | - | 3,986 | - |
| Allotted during the year | - | - | 6,444 | - |
| At 31 December | <u>40,671</u> | <u>40,671</u> | <u>51,101</u> | <u>51,101</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****18. Reserves**

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Non-distributable:- | | | | |
| Capital reserve | | | | |
| - Surplus arising from revaluation of investment | 21,890 | 21,890 | 21,890 | 21,890 |
| - Capitalised for bonus issue in year 2003 | (10,950) | (10,950) | (10,950) | (10,950) |
| - Capitalised for bonus issue in year 2004 | (10,637) | (10,637) | (10,637) | (10,637) |
| | 303 | 303 | 303 | 303 |
| Distributable:- | | | | |
| Retained profits | 141,524 | 162,036 | 186,225 | 290,529 |
| At 31 December | 141,827 | 162,339 | 186,528 | 290,832 |

During the financial year ended 31 December 2003, the Board revalued the Company's investment in Riverine Projects Sdn. Bhd., a subsidiary company, to RM21,890,000 after taking into consideration the opinion provided by Messrs Colliers, Jordan Lee & Jaafar, a professional valuer. The surplus arising from the revaluation of RM21,889,998 was credited into the Capital Reserve Account.

19. Non-Controlling Interest

Included in non-controlling interest is one (1) redeemable preference share ("RPS") of RM1.00. The RPS, is a special share that shall be held only by a special shareholder, being the State Agency or any person appointed by and acting on behalf of the State Government of Negeri Sembilan Darul Khusus. The Menteri Besar of Negeri Sembilan Darul Khusus (Incorporation), a State Agency of Negeri Sembilan Darul Khusus, is the special shareholder.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****20. Hire Purchase Payables**

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Minimum payments | | | | |
| - not later than 1 year | 772 | 694 | 743 | 743 |
| - later than 1 year and not later than 5 years | 1,561 | 1,088 | 981 | 238 |
| | <u>2,333</u> | <u>1,782</u> | <u>1,724</u> | <u>981</u> |
| Less: Future hire-purchase charges | (283) | (204) | (189) | (111) |
| Present value | <u>2,050</u> | <u>1,578</u> | <u>1,535</u> | <u>870</u> |
| Total payable | 2,050 | 1,578 | 1,535 | 870 |
| Less: Payable within 1 year | (690) | (618) | (665) | (582) |
| Payable after 1 year | <u>1,360</u> | <u>960</u> | <u>870</u> | <u>288</u> |
| Term | 3 - 6 years | 3 - 6 years | 3 - 6 years | 3 - 6 years |
| Interest rates | 2.2% - 3.5% | 2.28 - 3.5% | 2.18-3.5% | 2.18 - 3.5% |

The interest rates are fixed at the inception of the hire-purchase arrangements.

21. Term loans and bank Overdrafts (Secured)

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| Term loans repayment due: | | | | |
| Within twelve months | 4,660 | 3,425 | 3,590 | 3,565 |
| Between 1 and 2 years | 4,935 | 3,629 | 3,081 | 4,267 |
| Between 2 and 5 years | 11,260 | 8,253 | 7,161 | 10,008 |
| After 5 years | 5,369 | 3,938 | 1,910 | 3,300 |
| | <u>21,564</u> | <u>15,820</u> | <u>12,152</u> | <u>17,575</u> |
| | <u>26,224</u> | <u>19,245</u> | <u>15,742</u> | <u>21,140</u> |
| Term loans interest | 1%-1.5% above bank's BLR | 1%-1.5% above bank's BLR | 1%-1.5% above bank's BLR | 0.25% - 1.5% above bank's BLR |
| Bank overdrafts interest | 1.5%-2% above bank's BLR | 1.5%-2% above bank's BLR | 1.5%-2% above bank's BLR | 1.5%-2% above bank's BLR |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

The term loans, bank overdrafts and other credit facilities of the Group and of the Company obtained from licensed banks are secured as follows:-

- (i) Facilities agreements;
- (ii) Legal charge over certain development properties and properties of certain subsidiary companies;
- (iii) Guaranteed jointly and severally by certain directors of the Company and of certain subsidiary companies;
- (iv) Pledge of fixed deposits of the Company and of certain subsidiary companies;
- (v) Corporate guarantee on principal sums plus interest thereon by the Company.
- (vi) The Government of Malaysia/Credit Guarantee Corporation ("CGC") under Working Capital Guarantee Scheme up to RM2,400,000.
- (vii) A specific debenture over certain charged properties of subsidiary companies; and
- (viii) Hibah Agreement between a third party and a subsidiary company, in relation to the charged properties of that subsidiary company, executed to facilitate the execution of Asset Sale Agreement and Asset Purchase Agreement.

22. Other Loan

The Company had entered into a shareholders cum joint venture agreement and supplemental agreements with the State Agency, Menteri Besar, Negeri Sembilan which is also the special shareholders of a subsidiary company on 29 August, 2005, 15 February 2007 and 30 October, 2007, respectively, to develop the Development Land of the said subsidiary company. Under the abovementioned agreements, the Company has agreed to pay the State Agency a sum of RM250 million and interests thereon at a rate which shall be the corresponding rate charged by the financier for the State Agency in respect of the loan of RM250 million obtained by the State Agency or any other party related to the State Government for the purchase of the Development Land ("Payment Sum") not later than the fifth (5) anniversary of the date of the Loan Disbursement based on the repayment schedule provided in the agreements or any other date to be mutually agreed upon by the parties from sinking funds to be established by the Company and the State Agency for the whole and exclusive purpose of payment of the Payment Sum ("the Sinking Funds"). The contribution to the Sinking Fund established by the subsidiary company shall be made by the Company and/or the subsidiary company jointly and severally. The sinking fund established by the State Agency shall be the proceeds from sale of any parts of the Development Land by the State Agency. In the event that the moneys to the credit of the Sinking Funds at any one time is insufficient to meet any of the obligations to repay the Payment Sum at the periods/ intervals under which the Payment Sum is payable, the Company and/or subsidiary company shall pay or cause to be paid into the Sinking Fund such amount of moneys to meet the repayment of the payment sum when such payment sum fall due to the State Agency until full satisfaction of the Payment Sum not later than 5 years from the date of the Loan Disbursement or any other date to be mutually agreed upon by the Parties, as set out in the agreements. The State Agency via its letter dated 9 December 2008 had agreed for the said amount to be settled by one lump sum payment on 31 December 2010. However, the loan was fully repaid during the year ended 31 December 2011.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

The abovementioned RM250 million loan and interests thereon repayable to the State Agency of which the Company and/or the subsidiary company have undertaken to repay have been agreed as follows:

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Within twelve months | | | | |
| - payable on or before 31.12.2009 | - | - | - | - |
| - payable on 31.12.2010 | 295,140 | 295,140 | - | - |
| | <u>295,140</u> | <u>295,140</u> | <u>-</u> | <u>-</u> |

23. Trade payables

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---------------------|----------------|----------------|----------------|----------------|
| Trade debts payable | 41,232 | 42,616 | 56,818 | 48,038 |
| | <u>41,232</u> | <u>42,616</u> | <u>56,818</u> | <u>48,038</u> |

24. Progress Billings

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-------------------|----------------|----------------|----------------|----------------|
| Progress Billings | 2,111 | 18,531 | 38,269 | 14,005 |
| | <u>2,111</u> | <u>18,531</u> | <u>38,269</u> | <u>14,005</u> |

25. Retention Sums

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|----------------|----------------|----------------|----------------|----------------|
| Retention sums | 603 | 831 | 662 | 486 |
| | <u>603</u> | <u>831</u> | <u>662</u> | <u>486</u> |

26. Other Payables and Accruals

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|----------------|----------------|----------------|----------------|----------------|
| Other payables | 12,585 | 12,502 | 9,439 | 1,960 |
| Deposits | 23 | 7 | 5,193 | 29,578 |
| Accruals | 28,550 | 25,074 | 100,203 | 96,096 |
| | <u>41,158</u> | <u>37,583</u> | <u>114,835</u> | <u>127,634</u> |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

Included in other payables are:-

| | 2009 | 2010 | 2011 | 2012 |
|--|---------------|---------------|---------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Advances by a person connected to a director of a subsidiary company | 1,000 | 4,000 | 6,200 | - |
| Advances by the special shareholder of a subsidiary company | 1,500 | 1,500 | - | - |

Included in accruals are:-

| | 2009 | 2010 | 2011 | 2012 |
|--|---------------|---------------|---------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Estimated further incidental cost necessarily to be incurred on land cost of a development project in a subsidiary company | 12,316 | 12,316 | - | - |

27. Amount Due To Directors

The amount due to the directors represent unsecured advances and payments made on behalf by a director of the Company and certain directors of certain subsidiaries companies which have no fixed repayment terms bearing interest at 7% per annum.

28. Current Income Tax Liabilities

Current income tax liabilities represent provision for income tax payable to the Inland Revenue.

29. Cash and Cash Equivalents

| | 2009 | 2010 | 2011 | 2012 |
|--|----------------|---------------|---------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash and cash equivalents presented in the statement of cash flows comprise: | | | | |
| Cash and bank balances | 3,094 | 5,388 | 8,965 | 25,572 |
| Fixed deposits with licensed banks | 4,742 | 4,851 | 5,002 | 5,155 |
| Bank overdrafts (secured) | (9,217) | (10,083) | (4) | (333) |
| | <u>(1,381)</u> | <u>156</u> | <u>13,963</u> | <u>30,394</u> |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

30. Related Party transactions

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Transactions with other related parties:- | | | | |
| Interest capitalised in property development-in-progress | | | | |
| - a director of the company | 606 | 657 | 712 | 708 |
| - persons connected to directors of the Company | 59 | 184 | 336 | 227 |
| - a corporation connected to the company | - | - | 4 | - |
| Purchase of building materials and sub-contract charges from corporations connected to directors of the company and certain subsidiary companies | 30,954 | 26,671 | 28,327 | 33,576 |
| Coordination fee paid to a director of a subsidiary company | - | - | 100 | - |
| Rental paid to corporation connected to a director of: | | | | |
| - the Company | - | 45 | 60 | 60 |
| - a subsidiary Company | - | - | - | 24 |
| Sales and purchase agreements entered into, net of discounts, with: | | | | |
| - directors of the Company | - | - | (1,360) | (1,350) |
| - directors of subsidiary companies | (286) | (135) | (1,477) | - |
| - corporations connected to directors of the Company | (240) | (3,807) | - | - |
| - persons connected to directors of the Company | (120) | (7,323) | (2,948) | (200) |
| - key personnel of the Company | - | (360) | (360) | - |
| Consideration received relating to disposal of entire interest in an associated company to a person connected to a director of the Company | - | - | (15) | - |
| Nominal amount of shares allotted to a company related to a director of the Company in connection with the acquisition of 25% interest in the subsidiary | - | - | 6,444 | - |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****31. Commitments**

The commitments incurred by certain subsidiary companies of the Company are as follows:-

31.1 Riverine Projects

- i) Riverine Projects had entered into a joint venture with a Landowner to develop a piece of land for housing and mixed development projects.

Under the joint venture agreement dated 23 October 2002, the Landowner is entitled to a payment consideration of RM8,500,000 of which RM300,000 was paid upon signing the agreement and the balance to be paid progressively as set out in the agreement. As at 15 April 2013, a sum of RM600,000 has been paid.

- ii) In addition to the above, Riverine in the said agreement had undertaken to be wholly responsible for the resettlement of Orang Aslis residing on the said land.

- iii) On 30 March 2005, Riverine Projects entered into a Coordination Agreement with a company for assistance and coordination in various matters relating to the abovementioned projects. Under the agreement, a sum of RM50,000 was paid to the Coordinator upon execution at the agreement and further sums totaling RM4,500,000 shall be paid progressively as set out in the agreement. This commitment has been revoked via a revocation agreement dated 15 June 2011.

The amount of compensation payable by Riverine Projects for the resettlement of Orang Aslis shall be fixed at agreed total consideration of RM9,000,000 of which the Coordinator shall be liable to bear any sums exceeding RM9,000,000 and if less than the said sum, the company shall pay the balance to the Coordinator within 14 days after the said land has been completely vacated. This commitment has been revoked via a revocation agreement dated 15 June 2011.

- iv) On 21 July 2011, the Company entered into a Coordination Agreement ("Agreement") with a director of Riverine and a third party individual ("Coordinators"), for assistance and coordination in various matters relating to the abovementioned project.

Under the Agreement, a sum of RM200,000 was paid to the Coordinators upon the execution of the Agreement and the remaining sum of RM1,800,000 shall be paid progressively as set out in the Agreement. As at 15 April 2013, a sum of RM200,000 has been paid.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****31.2 Matrix**

- i) Matrix has entered into a joint-venture with a Landowner to develop a piece of land for mixed development project.

Under the joint venture agreement dated 14 May 2005 and supplementary agreement dated 17 April 2008, 2 March 2009, 13 July 2010 and 10 November 2011, the Landowner is entitled to a total consideration of RM108,000,000 to be paid progressively as set out in the agreement. As at 15 April 2013, a sum of RM82 million has been paid.

- ii) Matrix had on 26 January 2011 entered into a joint venture agreement with Restu Pertiwi Sdn Bhd for the assignment of all Restu Pertiwi Sdn Bhd's rights title interest and liability arising from a joint venture agreement between MBI and Restu Pertiwi Sdn Bhd dated 26 January 2011, for the development of land measuring approximately 42 acres in Pekan Paroi Jaya, District of Seremban, Negeri Sembilan. Resulting from the said joint venture agreement, Matrix is liable to pay MBI a sum of RM9.5 million. As at 15 April 2013, no payment has been made.

32. Litigations**i) Matrix**

Matrix has been named as defendant at the Seremban High Court Civil Suit. The Plaintiff are the adjoining landowners to one of Matrix's housing project, of which the Plaintiff alleged that Matrix had encroached into their land when constructing a road for the said project and are claiming special and general damages for the tort of trespass.

Matrix has admitted the earlier encroachment but denied that the Plaintiff have suffered the damage as alleged as Matrix has taken necessary steps to restore the lands to the way it was prior to the trespass. The legal advisors are of the opinion that the damages for the initial trespass, in the event, it should be paid, should not exceed the ceiling sum of RM100,000.

As at the date of this report, this Suit has not been fixed for hearing.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****33. Contingent Liabilities**

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Corporate guarantees given to financial institutions and a third party for facilities granted to certain subsidiary companies utilised as at 31 December | 329,659 | 326,167 | 19,799 | 29,221 |

34. Segmental Information

The Group is principally engaged in the construction and sale of development properties solely in Malaysia. Accordingly segmental information has not been presented.

35. Significant Event Subsequent to Balance Sheet Date

- a) Subsequent to 31 December 2012, a subsidiary company, Matrix had entered into a sale and purchase agreement to purchase a piece of freehold land for a sum of RM11,560,000.
- b) Subsequent to 31 December 2012, Matrix Concepts increased its paid up share capital to RM237,500,000 by way of Bonus Issue. The Bonus Issue involves the issuance of 186,399,060 new ordinary shares of RM1.00 each in Matrix Concepts by capitalisation of retained profits and was completed on 18 March 2013.

36. Explanations of transition to MFRS

As stated in note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in note 5.1 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRSs statement of financial position at 1 January 2011 (date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the separate financial statements of the Group and of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.2 Matrix Concepts (Company)**

The summarised results of Matrix Concepts based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|----------------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Revenue | - | - | - | 206,393 |
| Contract expenditure | - | - | - | - |
| Gross profit | - | - | - | 206,393 |
| Operating and administrative expense | (82) | (75) | (95) | (171) |
| Other operating income | 364 | 664 | 226 | 87 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 282 | 589 | 131 | 206,309 |
| Interest | (353) | (657) | (207) | (50) |
| Depreciation | - | - | - | - |
| | (71) | (68) | (76) | 206,259 |
| Share of profit of an associate | - | - | - | - |
| Loss before taxation | (71) | (68) | (76) | 206,259 |
| Taxation | - | - | - | (15,350) |
| Loss attributable to shareholders of Matrix Concepts | (71) | (68) | (76) | 190,909 |

NOTES:

- a) Revenue of the Company mainly derived from dividend income.

There was no dividend income received/receivable for the financial years ended 31 December 2009, 2010 and 2011.

Other operating income represents interest income from fixed deposits and advances to subsidiaries.

- b) No provision was made for Malaysian income tax in respect of financial year ended 31 December 2009, 2010 and 2011 as it has no taxable income.

The taxation charge for the financial year ended 31 December 2012 is lower than the statutory tax rate mainly due to tax exempt dividend income of RM145 million.

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

The summarised financial position of Matrix Concepts based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | | Matrix Concepts | | | |
|--------------------------------------|------|--|----------------|----------------|----------------|
| | | Statement of Financial Position | | | |
| | | At 31 December | | | |
| | | 2009 | 2010 | 2011 | 2012 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| | | ← Audited → | | | |
| ASSETS | Note | | | | |
| Non-Current Assets | | | | | |
| Investment in subsidiaries companies | 1 | 26,215 | 26,215 | 32,659 | 34,259 |
| Investment in associated company | 2 | 15 | 15 | - | - |
| | | 26,230 | 26,230 | 32,659 | 34,259 |
| Current Assets | | | | | |
| Other receivables and deposits | 3 | 114 | 2,747 | 309 | 1,601 |
| Amount due from subsidiaries | 4 | 112,150 | 112,411 | 98,051 | 75,823 |
| Deposits, cash and bank balances | 5 | 2,389 | 2,439 | 4,177 | 7,675 |
| | | 114,653 | 117,597 | 102,537 | 85,099 |
| Total Assets | | 140,883 | 143,827 | 135,196 | 119,358 |
| EQUITY | | | | | |
| Share capital | 6 | 40,671 | 40,671 | 51,101 | 51,101 |
| Reserves | 7 | 58,679 | 58,610 | 13,312 | 13,986 |
| Total Equity | | 99,350 | 99,281 | 64,413 | 65,087 |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Term loan | 8 | 1,555 | - | - | - |
| Current Liabilities | | | | | |
| Other payables and accruals | 9 | 413 | 478 | 504 | 528 |
| Amount due to subsidiaries | 4 | 35,935 | 40,176 | 49,328 | 53,734 |
| Dividend payable | | - | - | 20,951 | - |
| Term loan | 8 | 833 | - | - | - |
| Bank overdrafts | 8 | 2,797 | 3,892 | - | - |
| Current income tax liabilities | 10 | - | - | - | 9 |
| | | 39,978 | 44,546 | 70,783 | 54,271 |
| Total Liabilities | | 41,533 | 44,546 | 70,783 | 54,271 |
| Total Equity and Liabilities | | 140,883 | 143,827 | 135,196 | 119,358 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

NOTES:

1. Investments in Subsidiaries Companies

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-----------------|----------------|----------------|----------------|----------------|
| Unquoted shares | | | | |
| - At cost | 4,325 | 4,325 | 10,769 | 12,369 |
| - At valuation | 21,890 | 21,890 | 21,890 | 21,890 |
| | 26,215 | 26,215 | 32,659 | 34,259 |

2. Investment in an Associated Company

| | 2009 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-------------------------|------|----------------|----------------|----------------|
| Unquoted shares at cost | 15 | 15 | - | - |

3. Other Receivables and Deposits

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-------------------|----------------|----------------|----------------|----------------|
| Other receivables | 56 | 2,689 | 32 | 32 |
| Deposits | 48 | 48 | - | - |
| Tax recoverable | 10 | 10 | 10 | 9 |
| Prepayments | - | - | 267 | 1,560 |
| | 114 | 2,747 | 309 | 1,601 |

4. Amount Due from/to Subsidiaries

The amount due from/to subsidiaries is unsecured, interest free and have no fixed terms of repayment.

5. Deposits, Cash and Bank Balances

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---|----------------|----------------|----------------|----------------|
| Fixed deposits with licensed banks pledged as securities for banking facility | 2,389 | 2,439 | 2,519 | 2,596 |
| Cash and bank balances | - | - | 1,658 | 5,079 |
| | 2,389 | 2,439 | 4,177 | 7,675 |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

6. Share Capital

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|-----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of RM1 each | | | | |
| Authorised: | 50,000 | 50,000 | 2,000,000 | 2,000,000 |
| Issued and fully paid | 40,671 | 40,671 | 51,101 | 51,101 |

7. Reserves

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|--|----------------|----------------|----------------|----------------|
| Non-distributable:- | | | | |
| Capital reserve | | | | |
| - Surplus arising from revaluation of investment | 21,890 | 21,890 | 21,890 | 21,890 |
| - Capitalised for bonus issue in year 2003 | (10,950) | (10,950) | (10,950) | (10,950) |
| - Capitalised for bonus issue in year 2004 | (10,637) | (10,637) | (10,637) | (10,637) |
| | 303 | 303 | 303 | 303 |
| Distributable:- | | | | |
| Retained profits | 58,376 | 58,307 | 13,009 | 13,683 |
| At 31 December | 58,679 | 58,610 | 13,312 | 13,986 |

8. Term Loan and Bank Overdrafts

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|---------------------------|----------------|----------------|----------------|----------------|
| Term loans repayment due: | | | | |
| Within twelve months | 833 | - | - | - |
| Between 1 & 2 years | 895 | - | - | - |
| Between 2 & 5 years | 660 | - | - | - |
| After twelve months | 1,555 | - | - | - |
| | 2,388 | - | - | - |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

| | | | | |
|--------------------------|--------------------------|--------------------------|---|---|
| Term loans interest | 1.5% above bank's BLR | - | - | - |
| Bank overdrafts interest | 1.5%-2% above bank's BLR | 1.5%-2% above bank's BLR | - | - |

9. Other Payables and Accruals

| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
|----------------|----------------|----------------|----------------|----------------|
| Other payables | 216 | 216 | 228 | 211 |
| Accruals | 197 | 262 | 276 | 317 |
| | <u>413</u> | <u>478</u> | <u>504</u> | <u>528</u> |

10. Current Income Tax Liabilities

Current income tax liabilities represent provision for income tax payable to the Inland Revenue.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.3 Superb Approach**

The summarised results of Superb Approach based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | (20) | - | - | - |
| Contract expenditure | (2) | (2) | - | - |
| Gross loss | (22) | (2) | - | - |
| Operating and administrative expense | (4) | (5) | (5) | (26) |
| Other operating loss | (389) | - | - | - |
| Loss before interest, depreciation and amortisation ("EBITDA") | (415) | (7) | (5) | (26) |
| Interest | (9) | - | - | - |
| Depreciation | - | - | - | - |
| Loss before taxation | (424) | (7) | (5) | (26) |
| Taxation | - | - | - | - |
| Loss attributable to shareholders of Superb Approach | (424) | (7) | (5) | (26) |

NOTES:

- a. Revenue represents rental income received and receivable, sales of land and completed properties and the progress billings from the sales of development properties. No income was received for the financial years ended 31 December 2009, 2010, 2011 and 2012.
- b. Other operating loss for the year ended 31 December 2009 mainly due to over provision of gain on disposal of property, plant and equipment in prior years of RM397,225.
- c. No provision was made for Malaysian income tax in respect of financial years ended 31 December 2009, 2010, 2011 and 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.4 Pembinaan Juwasan - Group**

The summarised results of Pembinaan Juwasan based on its audited consolidated income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 177,371 | 124,944 | 184,337 | 214,174 |
| Contract expenditure | (155,579) | (111,019) | (159,667) | (181,879) |
| Gross profit | 21,792 | 13,925 | 24,670 | 32,295 |
| Operating and administrative expense | (11,106) | (4,618) | (7,307) | (8,173) |
| Other operating income | 155 | 108 | 366 | 118 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 10,841 | 9,415 | 17,729 | 24,240 |
| Interest | (134) | (284) | (223) | (152) |
| Depreciation | (371) | (320) | (361) | (529) |
| Consolidated profit before taxation | 10,336 | 8,811 | 17,145 | 23,559 |
| Taxation | (2,603) | (2,214) | (4,426) | (6,022) |
| Consolidated profit attributable to shareholders of Pembinaan Juwasan | 7,733 | 6,597 | 12,719 | 17,537 |

NOTES:

- a) Income from contract revenue is recognised using the percentage of completion method.
- b) The taxation charge for the financial years ended 31 December 2009, 2010, 2011 and 2012 was disproportionate to the statutory income tax rate due principally to certain expenses incurred being disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.5 Pembinaan Juwasan - Company**

The summarised results of Pembinaan Juwasan based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 3,248 | 2,853 | 3,986 | 41,079 |
| Contract expenditure | - | - | - | - |
| Gross profit | 3,248 | 2,853 | 3,986 | 41,079 |
| Operating and administrative expense | (1,011) | (1,065) | (1,849) | (1,563) |
| Other operating income | 14 | 14 | 14 | 14 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 2,251 | 1,802 | 2,151 | 39,530 |
| Interest | (9) | (17) | (1) | (1) |
| Depreciation | (56) | (2) | (2) | (2) |
| Profit before taxation | 2,186 | 1,783 | 2,148 | 39,527 |
| Taxation | (558) | (447) | (538) | (3,435) |
| Profit attributable to shareholders of Pembinaan Juwasan | 1,628 | 1,336 | 1,610 | 36,092 |

NOTES:

- a) Revenue of Pembinaan Juwasan for the financial years ended 31 December 2009, 2010 and 2011 mainly consist of management fee received/receivable from its wholly owned subsidiary, Juwasan Maju.

Revenue for the financial year ended 31 December 2012 mainly consist of dividend income of RM36.8 million.

- b) Other operating income for the financial years ended 31 December 2009, 2010, 2011 and 2012 includes rental income of RM14,400 per year.
- c) The taxation charge for the financial years ended 31 December 2009, 2010 and 2011 was approximate to the statutory income tax rate.

The taxation charge for the financial year ended 31 December 2012 was lower than the statutory income tax rate due principally to tax exempt dividend income of RM25.9 million.

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

7.6 Juwasan Trading (Wholly owned subsidiary company of Pembinaan Juwasan)

The summarised results of Juwasan Trading based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|----------------------------------|----------|----------|----------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 18,133 | 14,388 | 19,908 | 60,322 |
| Contract expenditure | (14,359) | (12,226) | (18,299) | (57,941) |
| Gross profit | 3,774 | 2,162 | 1,609 | 2,381 |
| Operating and administrative expense | (979) | (1,186) | (1,211) | (439) |
| Other operating income | 23 | 10 | 24 | 1 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 2,818 | 986 | 422 | 1,943 |
| Interest | - | - | - | - |
| Depreciation | (1) | - | (1) | (1) |
| Profit before taxation | 2,817 | 986 | 421 | 1,942 |
| Taxation | (700) | (246) | (194) | (500) |
| Profit attributable to shareholders of Juwasan Trading | 2,117 | 740 | 227 | 1,442 |

NOTES:

a) Revenue of Juwasan Trading for the financial years ended 31 December 2009 and 2010 mainly derived from construction contracts awarded by its related company. Revenue is recognised using the percentage of completion method. Revenue of Juwasan Trading for the financial years ended 31 December 2011 and 2012 mainly derived from trading of materials with its related company.

b) The taxation charge for the financial year ended 31 December 2009, was slightly lower than the statutory income tax rate due principally to overprovision of taxation charge in prior years of RM5,135.

The taxation charge for the financial year ended 31 December 2010 was approximate to the statutory income tax rate.

The taxation charge for the financial year ended 31 December 2011, was higher than the statutory income tax rate due principally to under provision of income tax in prior year of RM87,955.

The taxation charge for the financial years ended 31 December 2012 was disproportionate to the statutory income tax rate due principally to certain expenses incurred being disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

7.7 Juwasan Maju (Wholly owned subsidiary company of Pembinaan Juwasan)

The summarised results of Juwasan Maju based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|----------------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Revenue | 177,371 | 124,929 | 184,337 | 214,174 |
| Contract expenditure | (162,478) | (115,958) | (165,562) | (188,562) |
| Gross profit | 14,893 | 8,971 | 18,775 | 25,612 |
| Operating and administrative expense | (9,115) | (2,369) | (4,246) | (6,171) |
| Other operating income | 117 | 84 | 328 | 103 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 5,895 | 6,686 | 14,857 | 19,554 |
| Interest | (125) | (266) | (222) | (151) |
| Depreciation | (289) | (292) | (334) | (501) |
| Profit before taxation | 5,481 | 6,128 | 14,301 | 18,892 |
| Taxation | (1,377) | (1,535) | (3,694) | (4,808) |
| Profit attributable to shareholders of Juwasan Maju | 4,104 | 4,593 | 10,607 | 14,084 |

NOTES:

- a) Revenue of Juwasan Maju for the financial years ended 31 December 2009, 2010, 2011 and 2012 mainly derived from construction contracts awarded by its related companies. Revenue is recognised using the percentage of completion method.

Included in the revenue for the financial year ended 31 December 2009, income from renovation works relating to a development project namely Taman Pulai Perdana amounting to RM367,000.

- b) The taxation charge for the financial years ended 31 December 2009 and 2010 was approximate to the statutory income tax rate.

The taxation charge for the financial year ended 31 December 2011, was slightly higher than the statutory income tax rate due principally to an increase in deferred tax liability of RM26,000 and under provision of income tax in prior year of RM51,106.

The taxation charge for the financial year ended 31 December 2012 was slightly higher than the statutory income tax rate due principally to an increase in deferred tax liability of RM39,000

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.8 1 Sendayan Education**

The summarised results of 1 Sendayan Education based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | - | 22,500 | - |
| Contract expenditure | - | - | (21,426) | - |
| Gross profit | - | - | 1,074 | - |
| Operating and administrative expense | (11) | (18) | (33) | (136) |
| Other operating income | - | - | - | - |
| Profit before interest, depreciation and amortisation ("EBITDA") | (11) | (18) | 1,041 | (136) |
| Interest | - | - | - | - |
| Depreciation | - | - | - | - |
| Profit/(Loss) before taxation | (11) | (18) | 1,041 | (136) |
| Taxation | - | - | (242) | - |
| Profit/(Loss) attributable to shareholders of 1 Sendayan Education | (11) | (18) | 799 | (136) |

NOTES:

- a) No operating revenue generated by the Company for the financial years ended 31 December 2009, 2010 and 2012.

In year 2011, revenue is derived from sale of land.

- b) No provision was made for Malaysian income tax in respect of financial years ended 31 December 2009 and 2010 as it has no taxable income.

The taxation charge for the financial year ended 31 December 2011 was lower than the statutory income tax rate due principally to tax losses from previous years utilised.

No provision was made for Malaysian income tax in respect of financial year ended 31 December 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.9 Riverine Projects**

The summarised results of Riverine Projects based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | - | - | - |
| Contract expenditure | - | - | - | - |
| Gross profit | - | - | - | - |
| Operating and administrative expense | (11) | (9) | (18) | (64) |
| Other operating income | - | - | - | - |
| Loss before interest, depreciation and amortisation ("EBITDA") | (11) | (9) | (18) | (64) |
| Interest | (32) | - | - | - |
| Depreciation | (141) | - | (21) | (21) |
| Loss before taxation | (184) | (9) | (39) | (85) |
| Taxation | - | - | - | - |
| Loss attributable to shareholders of Riverine Projects | (184) | (9) | (39) | (85) |

NOTES:

- a) No operating revenue generated by the Company since its date of incorporation.
- b) No provision was made for Malaysian income tax in respect of financial years ended 31 December 2009, 2010, 2011 and 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.10 Masuda Corporation - Group**

The summarised results of Masuda Corporation based on its audited consolidated income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 20,121 | 21,434 | 46,432 | 40,833 |
| Contract expenditure | (8,177) | (9,767) | (13,200) | (14,241) |
| Gross profit | 11,944 | 11,667 | 33,232 | 26,592 |
| Operating and administrative expense | (4,879) | (3,543) | (15,382) | (10,785) |
| Other operating income | 105 | 327 | 377 | 1,964 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 7,170 | 8,451 | 18,227 | 17,771 |
| Interest | (29) | (32) | (22) | (13) |
| Depreciation | (824) | (748) | (610) | (648) |
| Consolidated profit before taxation | 6,317 | 7,671 | 17,595 | 17,110 |
| Taxation | (1,792) | (2,137) | (4,647) | (4,861) |
| Consolidated profit attributable to shareholders of Masuda Corporation | 4,525 | 5,534 | 12,948 | 12,249 |

NOTES:

- a) Revenue represents progress billings on sale of development properties and invoiced value of administrative charges.
- b) The taxation charge for the financial years ended 31 December 2009, 2010, 2011 and 2012 was disproportionate to the statutory income tax rate due principally to certain expenses incurred being disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.11 Masuda Corporation - Company**

The summarised results of Masuda Corporation based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | - | - | 52,413 |
| Contract expenditure | (26) | (4) | (16) | (4) |
| Gross loss | (26) | (4) | (16) | 52,409 |
| Operating and administrative expense | (75) | (22) | (129) | (34) |
| Other operating income | 16 | 23 | 16 | 9 |
| Loss before interest, depreciation and amortisation ("EBITDA") | (85) | (3) | (129) | 52,384 |
| Interest | - | (13) | (6) | (3) |
| Depreciation | - | - | - | - |
| Loss before taxation | (85) | (16) | (135) | 52,381 |
| Taxation | (1) | - | - | (6,458) |
| Loss attributable to shareholders of Masuda Corporation | (86) | (16) | (135) | 45,923 |

NOTES:

- a) No income was received for the financial years ended 31 December 2009, 2010 and 2011.

Revenue for the financial year ended 31 December 2012 represents dividend income.

- b) The taxation charge for the financial years ended 31 December 2009 was due to under provision of income tax in prior year.

No provision was made for Malaysian income tax in respect of financial years ended 31 December 2010 and 2011 as it has no taxable income.

The taxation charge for the financial year ended 31 December 2012 was lower than the statutory income tax rate due principally to tax exempt dividend income of RM26.6 million.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.12 Insani Utama (Subsidiary company of Masuda Corporation)**

The summarised results of Insani Utama based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | - | - | - |
| Contract expenditure | - | - | - | - |
| Gross profit | - | - | - | - |
| Operating and administrative expense | (10) | (10) | 2 | (21) |
| Other operating income | - | - | - | - |
| Profit/(Loss) before interest, depreciation and amortisation ("EBITDA") | (10) | (10) | 2 | (21) |
| Interest | - | - | - | - |
| Depreciation | - | - | - | - |
| Profit/(Loss) before taxation | (10) | (10) | 2 | (21) |
| Taxation | - | - | - | - |
| Profit/(Loss) attributable to shareholders of Insani Utama | (10) | (10) | 2 | (21) |

NOTES:

- a) Revenue of Insani Utama is mainly derived from property development activities.

No income was received during the financial years ended 31 December 2009, 2010, 2011 and 2012.

- b) No provision was made for Malaysian income tax in respect of financial years ended 31 December 2009, 2010, 2011 and 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.13 MCHB Management (Subsidiary company of Masuda Corporation)**

The summarised results of MCHB Management based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 20,132 | 21,434 | 46,432 | 40,833 |
| Direct overheads | (8,151) | (9,763) | (13,183) | (14,236) |
| Gross profit | 11,981 | 11,671 | 33,249 | 26,597 |
| Operating and administrative expense | (4,806) | (3,511) | (15,255) | (10,729) |
| Other operating income | 89 | 304 | 360 | 1,955 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 7,264 | 8,464 | 18,354 | 17,823 |
| Interest | (29) | (19) | (16) | (10) |
| Depreciation | (823) | (747) | (610) | (648) |
| Profit before taxation | 6,412 | 7,698 | 17,728 | 17,165 |
| Taxation | (1,791) | (2,137) | (4,647) | (4,861) |
| Profit attributable to shareholders of MCHB Management | 4,621 | 5,561 | 13,081 | 12,304 |

NOTES:

- a) Revenue of MCHB Management is mainly derived from administrative charges received/receivable from related companies.
- a) The taxation charge for the year ended 31 December 2009 is higher than the statutory tax rate mainly due to donation of RM693,332 and depreciation expense of RM822,820 which are disallowed for taxation purposes.

The taxation charge for the year ended 31 December 2010 is higher than the statutory tax rate mainly due to donation of RM311,249, depreciation expense of RM822,820 and general expenses of RM333,495 which are disallowed for taxation purposes.

The taxation charge for the year ended 31 December 2011 is higher than the statutory tax rate mainly due to under provision of income tax in prior year of RM29,553.

The taxation charge for the year ended 31 December 2012 is higher than the statutory tax rate mainly due to donation of RM599,175, depreciation expense of RM647,636 and general expenses of RM148,476 which are disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.14 Matrix - Group**

The summarised results of Matrix based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 72,716 | 94,252 | 107,420 | 99,718 |
| Contract expenditure | (61,259) | (78,061) | (80,684) | (58,633) |
| Gross profit | 11,457 | 16,191 | 26,736 | 41,085 |
| Operating and administrative expense | (6,018) | (8,683) | (13,139) | (15,353) |
| Other operating income | 64 | 60 | 120 | 114 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 5,503 | 7,568 | 13,717 | 25,846 |
| Interest | (57) | (123) | (115) | (68) |
| Depreciation | (522) | (703) | (1,018) | (1,123) |
| Consolidated profit before taxation | 4,924 | 6,742 | 12,584 | 24,655 |
| Taxation | (1,328) | (1,769) | (3,160) | (6,285) |
| Consolidated profit attributable to shareholders of Matrix | 3,596 | 4,973 | 9,424 | 18,370 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)**

NOTES:

- a) Revenue represents progress billings from sale of development properties recognised on the percentage of completion basis.

| | Financial Year Ended 31 December | | | |
|-----------------------------------|---|---------------|----------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Administrative charges | - | - | 5,220 | 15,645 |
| Secondment of staff charges | 2,250 | - | - | - |
| Rental of motor vehicles | 453 | 519 | 557 | 779 |
| Sales of land | 400 | 276 | - | - |
| | 3,103 | 795 | 5,777 | 16,424 |
| Sales of development properties:- | | | | |
| Taman Seri Impian I | 236 | - | - | - |
| Taman Seri Impian 2A (I) | 17,063 | - | - | - |
| Taman Seri Impian 2B (I) | 23,466 | - | - | - |
| Taman Seri Impian 2B (2) | - | 20,986 | - | - |
| Taman Pulai Perdana | 29,059 | - | - | - |
| Taman Desa PD 1 | 93 | - | - | - |
| Taman Desa PD 2 | - | 31,151 | 12,742 | 2,326 |
| Impiana Garden (1 & 2) | - | 33,073 | 46,869 | - |
| Impiana Avenue | - | 7,937 | 2,946 | - |
| Taman Seri Intan | 44 | - | - | - |
| Impiana Casa 1 | - | - | 11,865 | 45,521 |
| Impiana Villa 1 | - | - | 27,220 | 35,482 |
| Modena | - | - | - | (35) |
| | 73,064 | 93,942 | 107,419 | 99,718 |
| Others | (348) | 310 | 1 | - |
| Total revenue | 72,716 | 94,252 | 107,420 | 99,718 |

- b) The taxation charge for the financial years ended 31 December 2009 and 2010 was disproportionate to the statutory income tax rate due principally to certain expenses incurred being disallowed for taxation purposes.

The taxation charge for the financial years ended 31 December 2011 and 2012 was approximate to the statutory tax rate.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.15 Matrix - Company**

The summarised results of Matrix based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 69,969 | 93,733 | 101,643 | 92,939 |
| Contract expenditure | (61,233) | (78,058) | (80,681) | (58,631) |
| Gross profit | 8,736 | 15,675 | 20,962 | 34,308 |
| Operating and administrative expense | (4,023) | (9,724) | (11,344) | (9,515) |
| Other operating income | 52 | 60 | 120 | 114 |
| Profit before interest, depreciation and amortisation ("EBITDA") | 4,765 | 6,011 | 9,738 | 24,907 |
| Interest | - | (48) | (45) | - |
| Depreciation | - | - | - | - |
| Profit before taxation | 4,765 | 5,963 | 9,693 | 24,907 |
| Taxation | (1,258) | (1,539) | (2,432) | (3,911) |
| Profit attributable to shareholders of Matrix | 3,507 | 4,424 | 7,261 | 20,996 |

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****NOTES:**

- a) Revenue represents progress billings from sale of development properties recognised on the percentage of completion basis.

| | Financial Year Ended 31 December | | | |
|-----------------------------------|---|----------------------|-----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Dividend income | - | - | - | 9,645 |
| Sales of land | 400 | 276 | - | - |
| Sales of development properties:- | | | | |
| Taman Seri Impian I | 236 | - | - | - |
| Taman Seri Impian 2A (I) | 17,063 | - | - | - |
| Taman Seri Impian 2B (I) | 23,466 | - | - | - |
| Taman Seri Impian 2B (2) | - | 20,986 | - | - |
| Taman Pulai Perdana | 29,059 | - | - | - |
| Taman Desa PD 1 | 93 | - | - | - |
| Taman Desa PD 2 | - | 31,151 | 12,742 | 2,326 |
| Impiana Garden (1 & 2) | - | 33,073 | 46,869 | - |
| Impiana Avenue | - | 7,937 | 2,946 | - |
| Impiana Casa 1 | - | - | 11,865 | 45,521 |
| Impiana Villa 1 | - | - | 27,220 | 35,482 |
| Modena | - | - | - | (35) |
| | <u>70,317</u> | <u>93,423</u> | <u>101,642</u> | <u>92,939</u> |
| Others | (348) | 310 | 1 | - |
| Total revenue | <u>69,969</u> | <u>93,733</u> | <u>101,643</u> | <u>92,939</u> |

- b) The taxation charge for the years ended 31 December 2009 and 2010 is disproportionate to the statutory income tax rate due principally to certain expenses incurred disallowed for taxation purposes.

The taxation charge for the year ended 31 December 2009 is slightly higher than the statutory tax rate mainly due to legal fees of RM233,072 incurred which is disallowed for taxation purposes.

The taxation charge for the year ended 31 December 2010 is slightly higher than the statutory tax rate mainly due to legal fees of RM79,426 and valuation fee of RM40,000 incurred which are disallowed for taxation purposes.

The taxation charge for the financial year ended 31 December 2011 was approximate to the statutory income tax rate.

The taxation charge for the year ended 31 December 2012 is lower than the statutory tax rate mainly due to tax exempt dividend income of RM9.6 million.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.16 1 Sendayan Club (Wholly owned subsidiary of Matrix)**

The summarised results of 1 Sendayan Club based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 44 | - | - | - |
| Contract expenditure | (26) | (3) | (3) | (2) |
| Gross profit | 18 | (3) | (3) | (2) |
| Operating and administrative expense | (7) | (6) | (10) | (144) |
| Other operating income | 12 | - | - | - |
| Profit/(Loss) before interest, depreciation and amortisation ("EBITDA") | 23 | (9) | (13) | (146) |
| Interest | - | - | - | - |
| Depreciation | - | - | - | - |
| Profit/(Loss) before taxation | 23 | (9) | (13) | (146) |
| Taxation | (6) | - | - | - |
| Profit/(Loss) attributable to shareholders of 1 Sendayan Club | 17 | (9) | (13) | (146) |

NOTES:

- a) Revenue represents progress billings from the sale of development properties recognised on the percentage of completion basis.

| | Financial Year Ended 31 December | | | |
|-----------------------------------|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales of development properties:- | | | | |
| Taman Sri Intan | 44 | - | - | - |
| Total revenue | 44 | - | - | - |

There was no income received by the Company for the financial years ended 31 December 2010, 2011 and 2012.

- b) The taxation charge for the years ended 31 December 2009 is approximate to the statutory income tax rate. No provision was made for Malaysian income tax in respect of financial years ended 31 December 2010, 2011 and 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.17 Kris Benua (Wholly owned subsidiary of Matrix)**

The summarised results of Kris Benua based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|--|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 2,703 | 3,917 | 7,613 | 16,596 |
| Operating and administrative expense | (1,988) | (2,350) | (3,619) | (5,866) |
| Other operating income | - | - | - | - |
| Profit before interest, depreciation and amortisation ("EBITDA") | 715 | 1,567 | 3,994 | 10,730 |
| Interest | (57) | (75) | (70) | (68) |
| Depreciation | (522) | (703) | (1,019) | (1,123) |
| Profit before taxation | 136 | 789 | 2,905 | 9,539 |
| Taxation | (65) | (230) | (729) | (2,374) |
| Profit attributable to shareholders of Kris Benua | 71 | 559 | 2,176 | 7,165 |

NOTES:

- a) Revenue of Kris Benua merely derived from secondment of staff and administrative charges and rental of motor vehicles received/receivable.
- b) The taxation charge for the years ended 31 December 2009 and 2010 is disproportionate to the statutory income tax rate due principally to certain expenses incurred disallowed for taxation purposes.

The taxation charge for the years ended 31 December 2009 and 2010 is higher than the statutory tax rate mainly due to an increase of deferred tax liability of RM62,000 and RM80,000 respectively.

The taxation charge for the financial year ended 31 December 2011 and 2012 was approximate to the statutory income tax rate.

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

7.18 Seventech

The summarised results of Seventech based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|----------------------------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 |
| Revenue | 42,190 | 339 | - | - |
| Contract expenditure | (36,847) | (173) | 534 | (1) |
| Gross profit | 5,343 | 166 | 534 | (1) |
| Operating and administrative expense | (3,567) | (378) | (410) | (393) |
| Other operating income | 105 | 4 | - | 360 |
| Profit/(Loss) before interest, depreciation and amortisation ("EBITDA") | 1,881 | (208) | 124 | (34) |
| Interest | - | - | - | - |
| Depreciation | - | - | - | - |
| Profit/(Loss) before taxation | 1,881 | (208) | 124 | (34) |
| Taxation | (468) | (1) | - | (3) |
| Profit/(Loss) attributable to shareholders of Seventech | 1,413 | (209) | 124 | (37) |

NOTES:

- a) Revenue represents progress billings from sale of development properties recognised on the percentage of completion basis. Income received for the financial years ended 31 December 2009 and 2010 merely received/receivable from a development project Taman Anggerik Tenggara 2. Contract expenditure for the financial year ended 31 December 2011 include overprovision of JBA contribution in prior year.
- b) The taxation charge for the year ended 31 December 2009 is approximate to the statutory income tax rate. The taxation charge for the year ended 31 December 2010 is due to underprovision of prior years tax.

No provision was made for Malaysian income tax in respect of financial year ended 31 December 2011 as it has sufficient tax losses for offsetting.

The taxation charge for the financial year ended 31 December 2012 was disproportionate to the statutory income tax rate due principally to certain expenses incurred being disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.19 BSS Development**

The summarised results of BSS Development based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 91,490 | 101,797 | 500,064 | 372,654 |
| Contract expenditure | (86,589) | (83,490) | (418,341) | (247,749) |
| Gross profit | 4,901 | 18,307 | 81,723 | 124,905 |
| Operating and administrative expense | (2,039) | (10,309) | (25,624) | (39,028) |
| Other operating income | 13 | 83 | 168 | 277 |
| Profit/(Loss) before interest, depreciation and amortisation ("EBITDA") | 2,875 | 8,081 | 56,267 | 86,154 |
| Interest | - | - | - | (730) |
| Depreciation | - | - | - | - |
| Profit before taxation | 2,875 | 8,081 | 56,267 | 85,424 |
| Taxation | (449) | (2,067) | (14,168) | (22,096) |
| Profit/(Loss) attributable to shareholders of BSS Development | 2,426 | 6,014 | 42,099 | 63,328 |

13. ACCOUNTANTS' REPORT (Cont'd)



SUMMARISED FINANCIAL STATEMENTS (CONTINUED)

NOTES:

- a) Revenue represents progress billings from sale of development properties recognised on the percentage of completion basis.

| | Financial Year Ended 31 December | | | |
|-----------------------------------|----------------------------------|---------|---------|---------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales of land | - | - | 294,030 | 33,024 |
| Sales of development properties:- | | | | |
| Nusari Bayu 1 | 90,776 | 22,394 | - | - |
| Nusari Bayu 2A | - | 42,402 | - | - |
| Nusari Bayu 3 (Phase 1 & 2) | - | - | 39,145 | 93,042 |
| Idaman Bayu | - | 21,528 | 18,013 | - |
| Nusari Aman 1A | - | - | 34,191 | - |
| Nusari Aman 2A | - | - | 66,361 | (1,189) |
| Sendayan Metro Park Shop 1A | - | - | 6,224 | 7,573 |
| Sendayan Metro Park | 719 | 10,338 | 9,104 | - |
| Atiya | - | 5,209 | - | - |
| Cosmoxia | - | - | 11,651 | - |
| Sendayan Techvalley | - | - | 21,389 | 79,830 |
| Nusari Aman 1B | - | - | - | 98,202 |
| Nusari Aman 2 | - | - | - | 62,172 |
| | 91,495 | 101,871 | 500,108 | 372,654 |
| Less: Others | (5) | (74) | (44) | - |
| Total revenue | 91,490 | 101,797 | 500,064 | 372,654 |

- b) The taxation charge for the years ended 31 December 2009 and 2010 is disproportionate to the statutory income tax rate due principally to certain expenses incurred disallowed for taxation purposes.

The taxation charge for the years ended 31 December 2009 is lower than the statutory income tax rate due principally to utilization of unutilised tax losses of RM270,717.

The taxation charge for the years ended 31 December 2010 is slightly higher than the statutory income tax rate due principally to professional fees of RM70,329 and donation of RM114,000 incurred which are disallowed for taxation purposes.

The taxation charge for the financial year ended 31 December 2011 was approximate to the statutory income tax rate.

The taxation charge for the years ended 31 December 2012 is slightly higher than the statutory income tax rate due principally to professional fees of RM360,000 and donation of RM126,000 incurred which are disallowed for taxation purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.20 MCHB Natro**

The summarised results of MCHB Natro based on its audited income statements for the financial years ended 31 December 2009, 2010, 2011 and 2012 are set out below:-

| | Financial Year Ended 31 December | | | |
|---|---|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 463 | 863 | 855 | 380 |
| Contract expenditure | (193) | (339) | (427) | (93) |
| Gross profit | 270 | 524 | 428 | 287 |
| Operating and administrative expense | (408) | (370) | (368) | (286) |
| Other operating income | 1 | - | - | - |
| Profit/(Loss) before interest, depreciation and amortisation ("EBITDA") | (137) | 154 | 60 | 1 |
| Interest | - | - | - | - |
| Depreciation | (33) | (32) | (28) | (16) |
| Profit/(Loss) before taxation | (170) | 122 | 32 | (15) |
| Taxation | - | - | - | - |
| Profit/(Loss) attributable to shareholders of MCHB Natro | (170) | 122 | 32 | (15) |

NOTES:

- a) Revenue represents invoice value of goods sold and services rendered mainly to related companies less discounts and returns.
- b) No provision was made for Malaysian income tax in respect of financial year ended 31 December 2009, as it has no taxable income.

No provision was made for Malaysian income tax in respect of financial year ended 31 December 2010, as it has sufficient unutilised capital allowances and tax losses for offsetting.

No provision was made for Malaysian income tax in respect of financial year ended 31 December 2011 as it has sufficient tax losses for offsetting.

No provision was made for Malaysian income tax in respect of financial year ended 31 December 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)**SUMMARISED FINANCIAL STATEMENTS (CONTINUED)****7.21 MCHB Properties**

The summarised results of MCHB Properties (Incorporated on 19 December 2011) based on its audited income statements for the financial period ended 31 December 2012 is set out below:-

| | RM'000 |
|--|---------------|
| Revenue | - |
| Contract expenditure | - |
| Gross profit | - |
| Operating and administrative expense | (4) |
| Other operating income | - |
| Loss before interest, depreciation and amortisation ("EBITDA") | (4) |
| Interest | - |
| Depreciation | - |
| Loss before taxation | (4) |
| Taxation | - |
| Loss attributable to shareholders of MCHB Properties | (4) |

NOTES:

- a) No revenue been recorded for the financial period ended 31 December 2012
- b) No provision was made for Malaysian income tax in respect of financial period ended 31 December 2012 as it has no taxable income.

13. ACCOUNTANTS' REPORT (Cont'd)



8. AUDITED FINANCIAL STATEMENTS

As at date of this report, no audited financial statements have been prepared in respect of any period subsequent to 31 December 2012 for Matrix Concepts Group.

Yours faithfully,

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

WONG WENG FOO & CO
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, likely belonging to Wong Weng Foo, the Chartered Accountant mentioned in the text below.

WONG WENG FOO
1218/03/14 (J/PH)
CHARTERED ACCOUNTANT

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 414615-U

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Holdings Berhad., which comprise the statements of financial position as at 31st December, 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 50.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2012 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



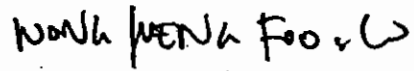
Report on Other Legal and Regulatory Requirements


In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 15 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

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Tel : 03-4042 4280
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Company No: 414615-U

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Holdings Berhad., which comprise the statements of financial position as at 31st December, 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2011 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (U)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414615-U

WONG WENG FOO & CO. (AF:0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Holdings Berhad., which comprise the statements of financial position as at 31st December, 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 43.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2010 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414615-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

**WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, likely belonging to Wong Weng Foo.

**WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT**

**KUALA LUMPUR
Dated this : 27 MAY 2011**

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 414615-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MATRIX CONCEPTS HOLDINGS BERHAD**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Holdings Berhad., which comprise the balance sheets as at 31st December, 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 44.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2009 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414615-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS**

**WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT**

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MASUDA CORPORATION SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Masuda Corporation Sdn. Bhd., which comprise the statement of financial positions as at 31st December, 2012 of the Group and of the Company, and the statement of comprehensive incomes, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 29.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2012 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MASUDA CORPORATION SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Masuda Corporation Sdn. Bhd., which comprise the statement of financial positions as at 31st December, 2011 of the Group and of the Company, and the statement of comprehensive incomes, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 29.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2011 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'T. Husin'.

ABD HALIM BIN HUSIN
2095/12/12 (3)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MASUDA CORPORATION SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Masuda Corporation Sdn. Bhd., which comprise the statement of financial positions as at 31st December, 2010 of the Group and of the Company, and the statement of comprehensive incomes, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 29.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2010 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF. 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MASUDA CORPORATION SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Masuda Corporation Sdn. Bhd., which comprise the balance sheets as at 31st December, 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flows statements of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2009 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 417948-K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, likely belonging to Wong Weng Foo.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 689638-X

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BSS DEVELOPMENT SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BSS Development Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 689638-X

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Abd Halim Bin Husin', is written over the printed name and title.

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 689638-X

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BSS DEVELOPMENT SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BSS Development Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



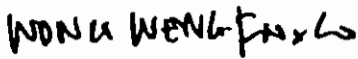
Company No: 689638-X

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 689638-X

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BSS DEVELOPMENT SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BSS Development Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



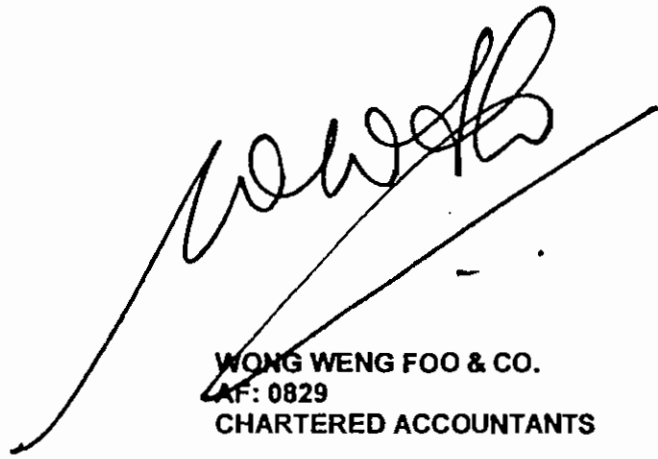
Company No: 689638-X

Report on Other Legal and Regulatory Requirements

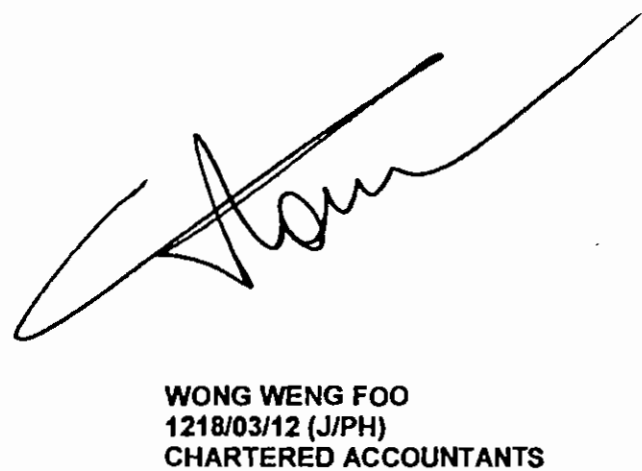
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANTS

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 689638-X

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BSS DEVELOPMENT SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BSS Development Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



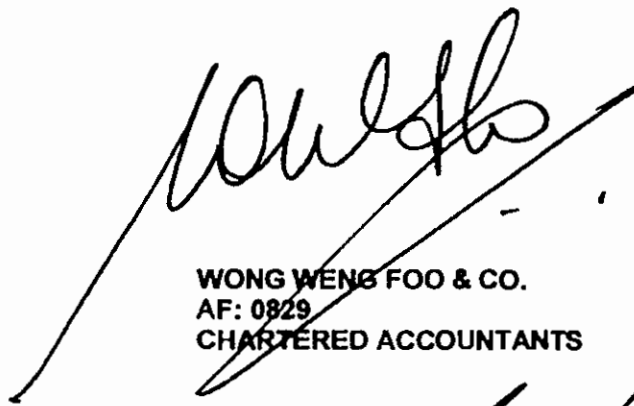
Company No: 689638-X

Report on Other Legal and Regulatory Requirements

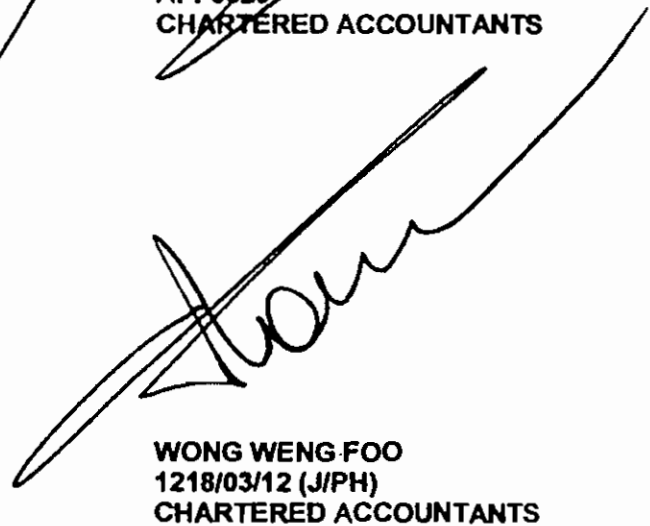
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANTS

KUALA LUMPUR
Dated this : 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 589699-W

WONG WENG FOO & CO. (AF:0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
RIVERINE PROJECTS SDN. BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Riverine Projects Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 589699-W

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Abd Halim Bin Husin'.

ABD HALIM BIN HUSIN
2095/12/14(J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 589699-W

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
RIVERINE PROJECTS SDN. BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Riverine Projects Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 589699-W

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (U)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 589699-W

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
RIVERINE PROJECTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Riverine Projects Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 589699-W

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Wong Weng Foo & Co.', is written over a diagonal line that extends from the bottom left towards the top right.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Wong Weng Foo', is written over a diagonal line that extends from the bottom left towards the top right.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0828)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 589699-W

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RIVERINE PROJECTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Riverine Projects Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)




Company No: 589699-W

Report on Other Legal and Regulatory Requirements


In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 391386-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
1 SENDAYAN EDUCATION SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of 1 Sendayan Education Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 391386-D

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 391386-D

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
1 SENDAYAN EDUCATION SDN. BHD.
(FORMERLY KNOWN AS OMEGA CIPTAAN SDN. BHD.)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of 1 Sendayan Education Sdn. Bhd. (formerly known as Omega Ciptaan Sdn. Bhd.), which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 391386-D

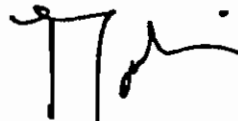
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 391386-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
OMEGA CIPTAAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Omega Ciptaan Sdn. Bhd., which comprise the balance sheet as at 31st December, 2010, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



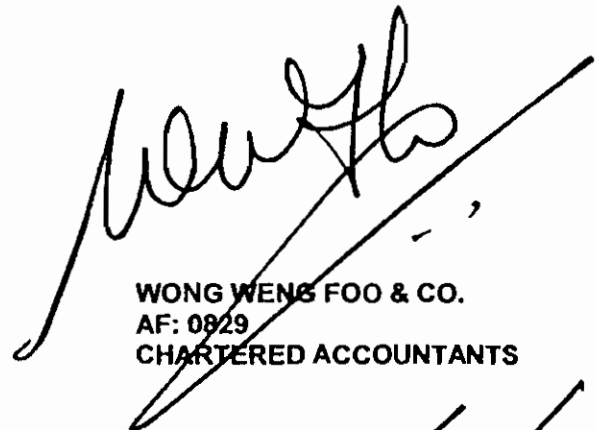
Company No: 391386-D

Report on Other Legal and Regulatory Requirements

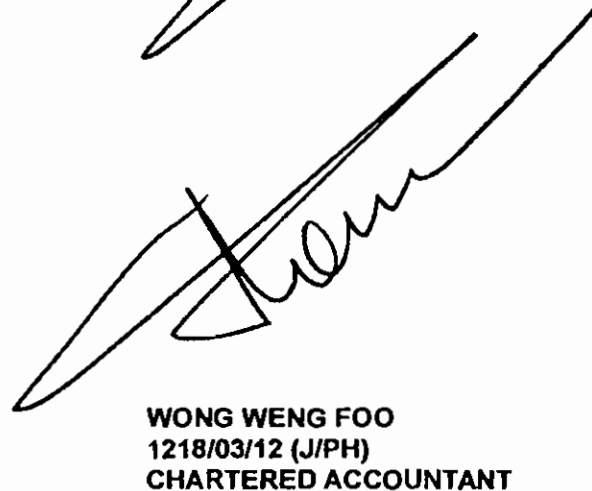
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 391386-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
OMEGA CIPTAAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Omega Ciptaan Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 391386-D

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, slanted upwards to the right.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink, slanted upwards to the right.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 414186-T

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB NATRO' GREEN SDN. BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Natro' Green Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414186-T

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414186-T

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB NATRO' GREEN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Natro' Green Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provision of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414 186-T


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (A)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414186-T

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB NATRO' GREEN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Natro' Green Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provision of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 414186-T

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink is written over the printed name and company details of Wong Weng Foo & Co. The signature is slanted and appears to be a cursive representation of the company name.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

A large, stylized handwritten signature in black ink is written over the printed name and details of Wong Weng Foo. The signature is slanted and appears to be a cursive representation of the name.

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 414186-T

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MCHB NATRO' GREEN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Natro' Green Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provision of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



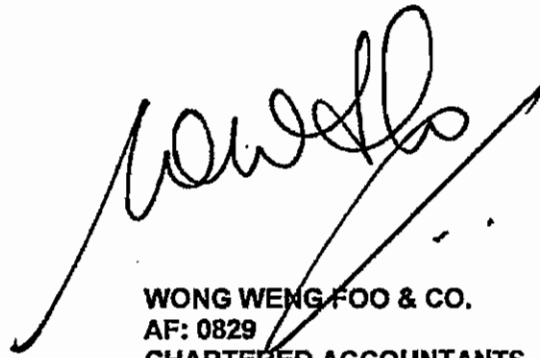
Company No: 414186-T

Report on Other Legal and Regulatory Requirements

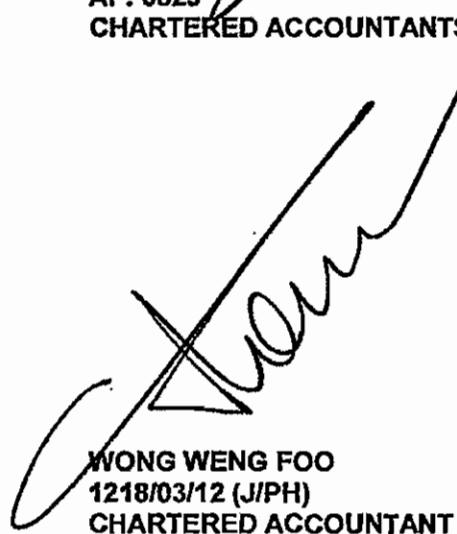
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MATRIX CONCEPTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 31.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2012 and of their financial performance and cash flow for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

Report on Other Legal and Regulatory Requirements

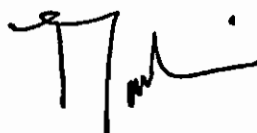
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

WONG WENG FOO & CO. (AF:0828)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MATRIX CONCEPTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2011 and of their financial performance and cash flow for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No: 295708-V



Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (M)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MATRIX CONCEPTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2010 and of their financial performance and cash flow for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No: 295708-V



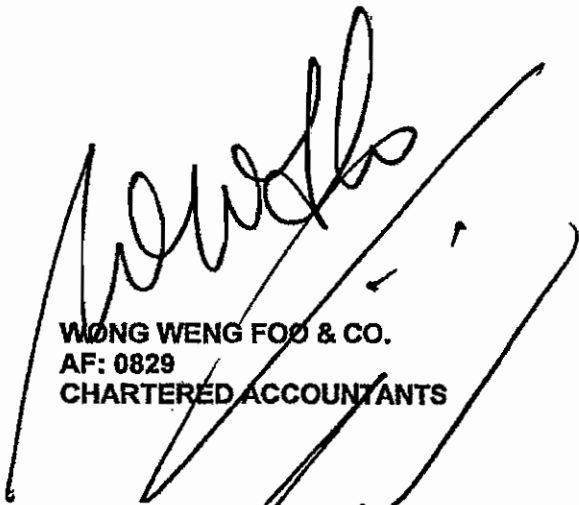
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:


- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MATRIX CONCEPTS SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Matrix Concepts Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009 of the Group and of the Company, and the income statement, statement of changes in equity and cash flows statements of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 31.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2009 and of their financial performance and cash flow for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 295708-V

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

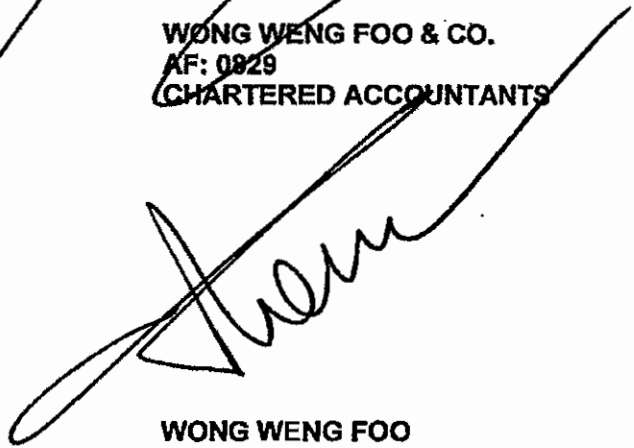
- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0929
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : **3 JUN 2010**

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 404543-A

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SUPERB APPROACH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Superb Approach Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)




Company No: 404543-A

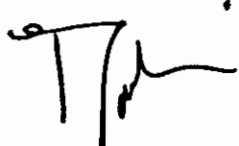
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (U)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 404543-A

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SUPERB APPROACH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Superb Approach Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 404543-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 3 0 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 404543-A

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SUPERB APPROACH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Superb Approach Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



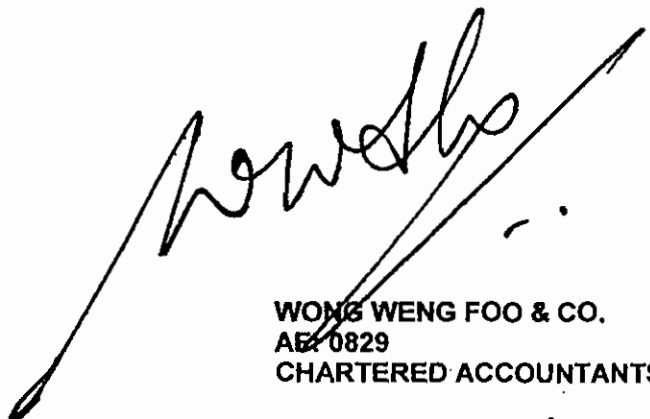
Company No: 404543-A

Report on Other Legal and Regulatory Requirements

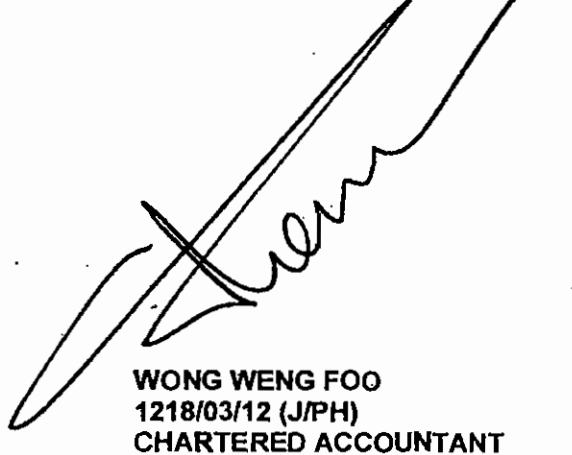
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AE 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 404543-A

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SUPERB APPROACH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Superb Approach Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



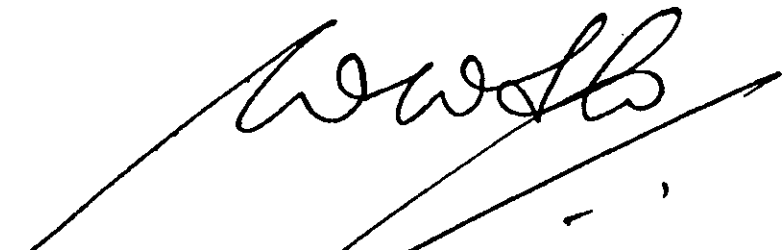
Company No: 404543-A

Report on Other Legal and Regulatory Requirements

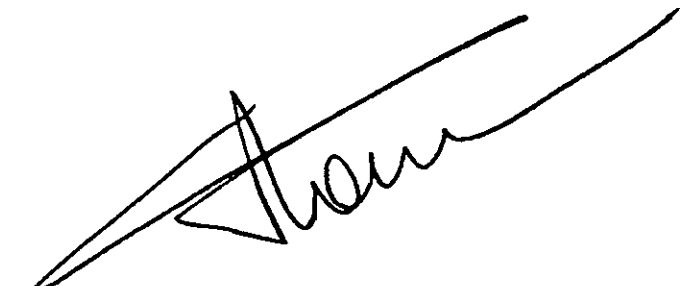
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 298112-A

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SEVENTECH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Seventech Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 298112-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS



ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 298112-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SEVENTECH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Seventech Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 298112-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 298112-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SEVENTECH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Seventech Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



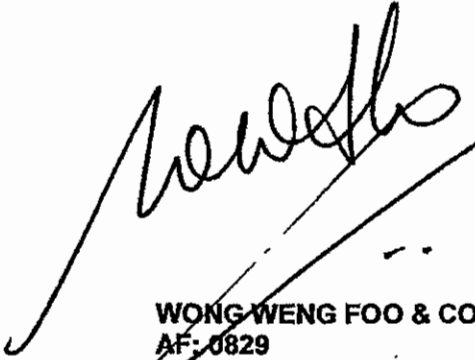
Company No: 298112-A

Report on Other Legal and Regulatory Requirements

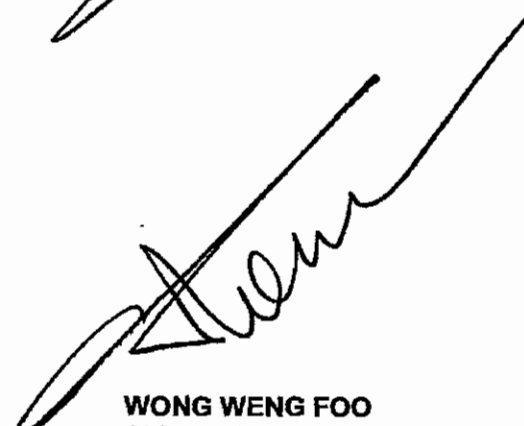
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF- 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 298112-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
SEVENTECH SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Seventech Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 298112-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink, likely belonging to Wong Weng Foo.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3 141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PEMBINAAN JUWASAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pembinaan Juwasan Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012 of the Group and of the Company, and the statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2012 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

Report on Other Legal and Regulatory Requirements

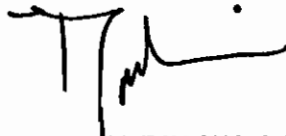
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PEMBINAAN JUWASAN SDN. BHD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pembinaan Juwasan Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011 of the Group and of the Company, and the statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2011 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'T.H.', with a vertical line extending downwards from the 'H'.

ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 415278-V

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PEMBINAAN JUWASAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pembinaan Juwasan Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010 of the Group and of the Company, and the statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 31.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2010 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

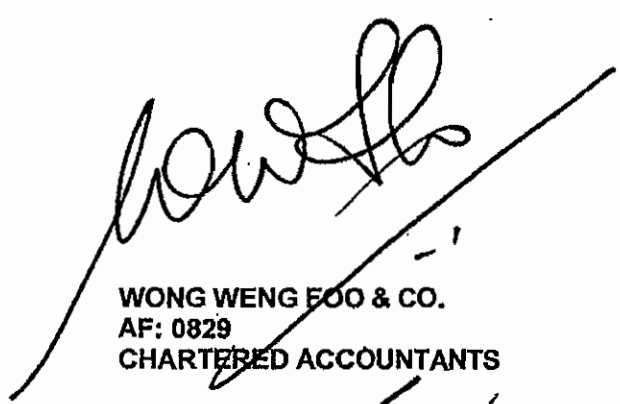
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:


- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

WONG WENG FOO & CO. (AF:0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PEMBINAAN JUWASAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pembinaan Juwasan Sdn. Bhd., which comprise the balance sheets as at 31st December, 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flows statements of the Group and of the Company for year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 31.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31st December, 2009 and of their financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 415278-V

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A smaller handwritten signature in black ink, likely belonging to Wong Weng Foo.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 972097-M

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MCHB PROPERTIES SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Properties Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 14.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the period then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 972097-M

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'ABD HALIM BIN HUSIN'.

ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 204549-D

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INSANI UTAMA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Insani Utama Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 204549-D

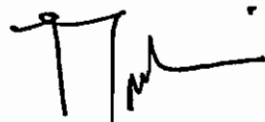
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO ✓
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 204549-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INSANI UTAMA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Insani Utama Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 204549-D

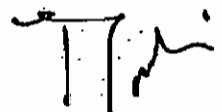
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF:0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 204549-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INSANI UTAMA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Insani Utama Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



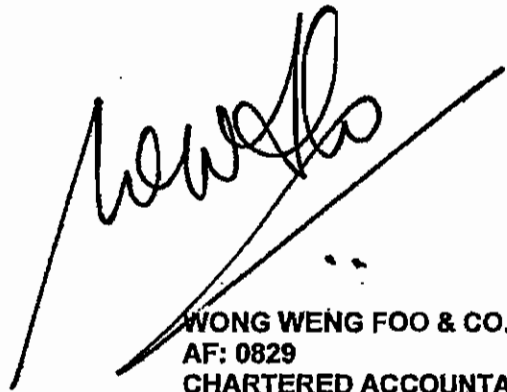
Company No: 204549-D

Report on Other Legal and Regulatory Requirements


In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 204549-D

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INSANI UTAMA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Insani Utama Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 204549-D

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Wong Weng Foo & Co.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink, likely belonging to Wong Weng Foo.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 448098-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB MANAGEMENT SERVICES SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Management Services Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 448098-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'ABD HALIM BIN HUSIN'.

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 448098-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB MANAGEMENT SERVICES SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Management Services Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 448098-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 448098-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB MANAGEMENT SERVICES SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Management Services Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



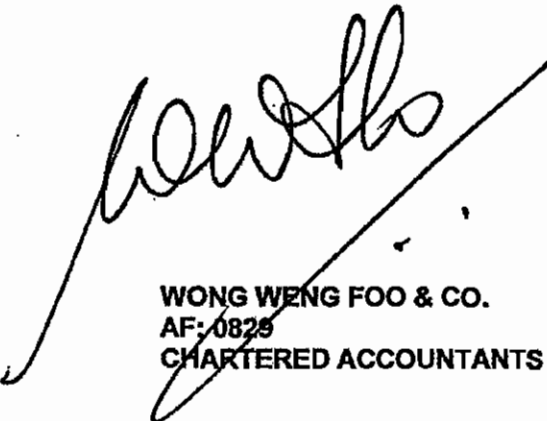
Company No: 448098-U

Report on Other Legal and Regulatory Requirements

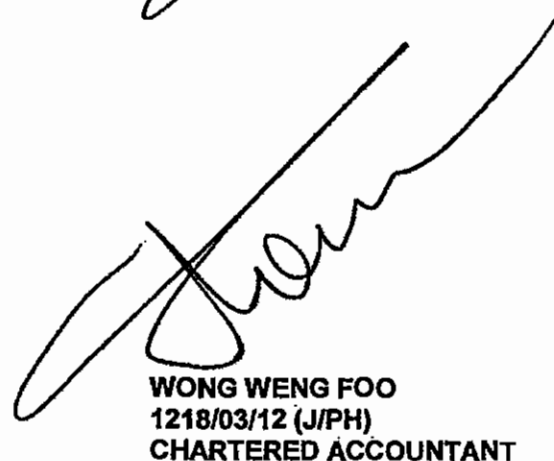
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 448098-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MCHB MANAGEMENT SERVICES SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MCHB Management Services Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 448098-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, appearing to read 'Wong Weng Foo & Co.', is written over a diagonal line.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink, appearing to read 'Wong Weng Foo', is written over a diagonal line.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 472451-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
1 SENDAYAN CLUB SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of 1 Sendayan Club Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 472451-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'T. Husin', is written over the printed name and title of the accountant.

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 472451-U

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
1 SENDAYAN CLUB SDN. BHD.
(FORMERLY KNOWN AS SEPADU INTAN SDN. BHD.)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of 1 Sendayan Club Sdn. Bhd. (formerly known as Sepadu Intan Sdn. Bhd.), which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 472451-U

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'A.H. Husin', is written over a vertical line.

ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 472451-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEPADU INTAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sepadu Intan Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



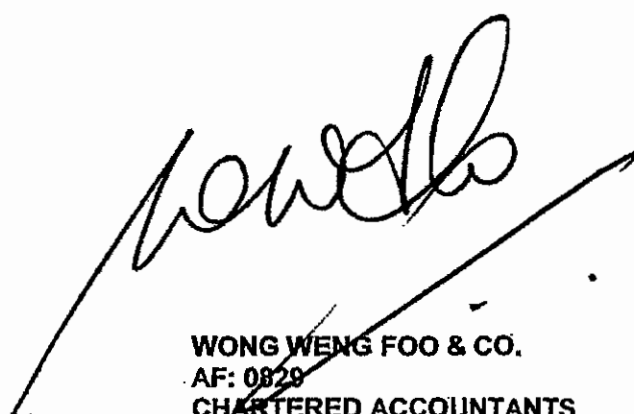
Company No: 472451-U

Report on Other Legal and Regulatory Requirements

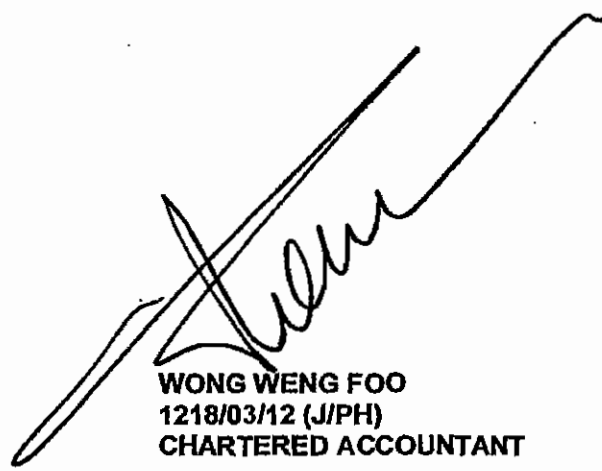
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 27 MAY 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 472451-U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEPADU INTAN SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sepadu Intan Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 472451-U

Report on Other Legal and Regulatory Requirements

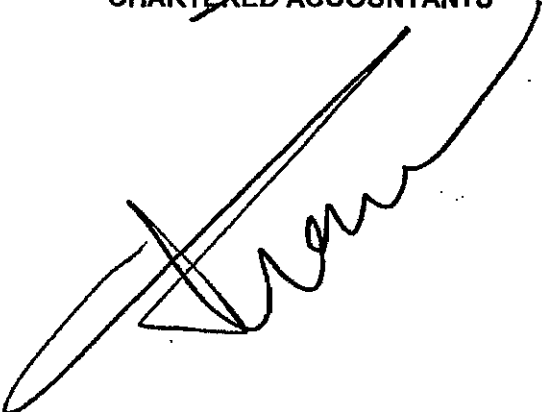
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this :- 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 249040-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KRIS BENUA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kris Benua Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 249040-D

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.

WONG WENG FOO & CO.

AF: 0829

CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'A. H. Husin'.

ABD HALIM BIN HUSIN

2095/12/14 (J)

CHARTERED ACCOUNTANT

KUALA LUMPUR

Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 249040-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KRIS BENUA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kris Benua Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 249040-D

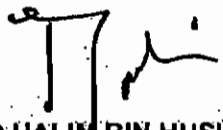
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 249040-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KRIS BENUA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kris Benua Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 249040-D

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, stylized handwritten signature in black ink, slanted upwards from left to right. The signature is written over the company name and registration details.

**WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS**

A large, stylized handwritten signature in black ink, slanted upwards from left to right. The signature is written over the individual accountant's name and registration details.

**WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT**

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 249040-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KRIS BENUA SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kris Benua Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



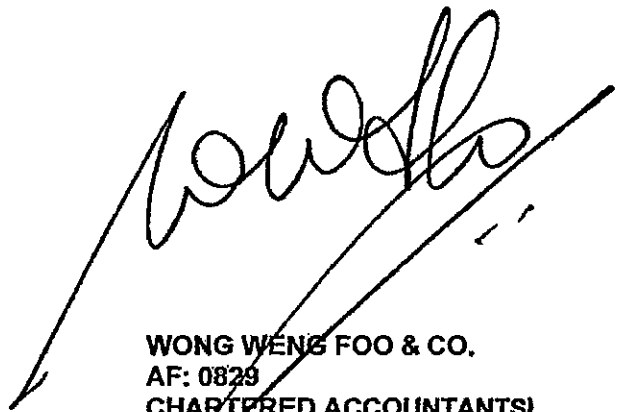
Company No: 249040-D

Report on Other Legal and Regulatory Requirements

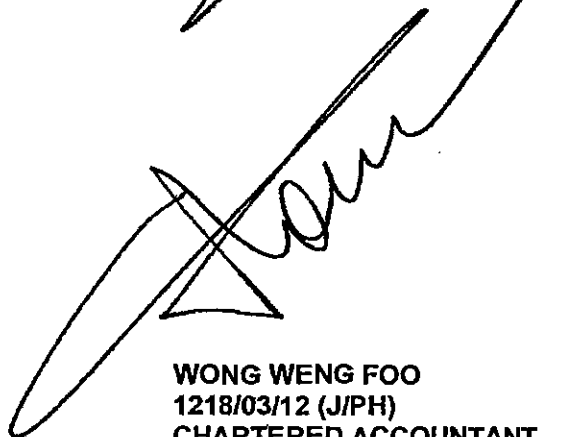
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 268222-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN MAJU SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Maju Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 22.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 268222-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'ABD HALIM BIN HUSIN', written over a vertical line.

ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 268222-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN MAJU SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Maju Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 22.

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Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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Opinion

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13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 268222-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

Abd Halim Bin Husin
ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : **30 MAR 2012**

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 268222-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN MAJU SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Maju Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 22.

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13. ACCOUNTANTS' REPORT (Cont'd)



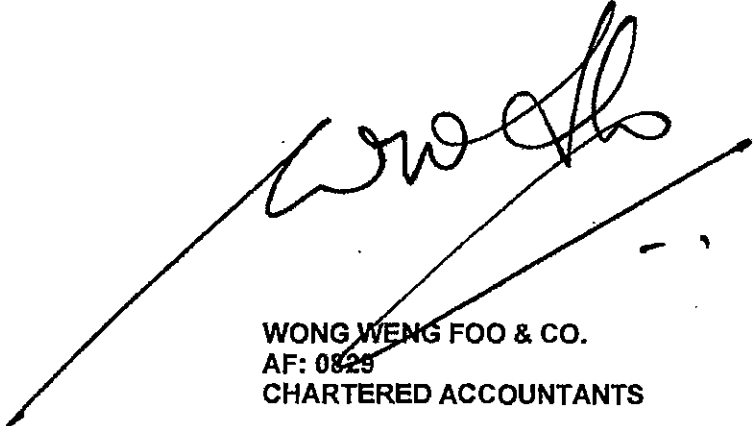
Company No: 268222-A

Report on Other Legal and Regulatory Requirements

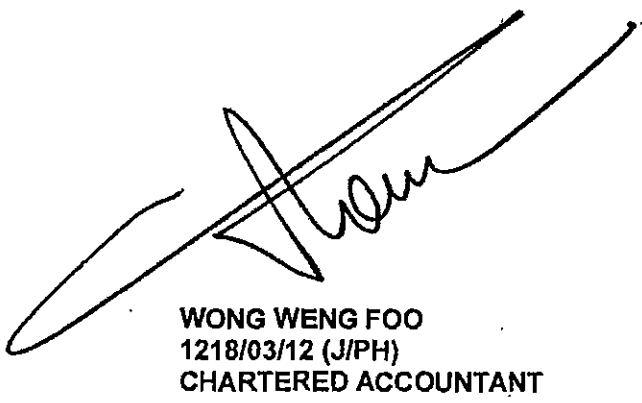
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Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0825
CHARTERED ACCOUNTANTS

A large, stylized handwritten signature in black ink is written over the printed name and details of Wong Weng Foo & Co. The signature is fluid and cursive, extending across the width of the printed text.

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

A large, stylized handwritten signature in black ink is written over the printed name and details of Wong Weng Foo. The signature is fluid and cursive, extending across the width of the printed text.

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 268222-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN MAJU SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Maju Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 22.

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Opinion

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13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 268222-A

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A large, handwritten signature in black ink, appearing to be 'Wong Weng Foo & Co.', written over a diagonal line that extends from the bottom left towards the top right.

**WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS**

A large, handwritten signature in black ink, appearing to be 'Wong Weng Foo', written over a diagonal line that extends from the bottom left towards the top right.

**WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT**

KUALA LUMPUR
Dated this : **3 JUN 2010**

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 542979-K

WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN TRADING SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Trading Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 542979-K

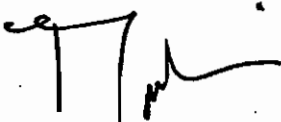
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/14 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 14 MAR 2013

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 542979-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN TRADING SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Trading Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2011 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 542979-K


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Wong Weng Foo & Co.
WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS


ABD HALIM BIN HUSIN
2095/12/12 (J)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : 30 MAR 2012

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 542979-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
JUWASAN TRADING SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Trading Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia, and for such internal control as the directors determine are necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2010 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)




Company No: 542979-K

Report on Other Legal and Regulatory Requirements


In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS



WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2011

13. ACCOUNTANTS' REPORT (Cont'd)



WONG WENG FOO & CO. (AF: 0829)
Chartered Accountants

41, Damai Complex,
Jalan Dato Haji Eusoff,
50400 Kuala Lumpur.
Tel : 03-4042 4280
Fax : 03-4041 3141

Company No: 542979-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JUWASAN TRADING SDN. BHD.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Juwasan Trading Sdn. Bhd., which comprise the balance sheet as at 31st December, 2009, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, 1965 and Private Entity Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December, 2009 and of its financial performance and cash flows for the year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No: 542979-K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

WONG WENG FOO
1218/03/12 (J/PH)
CHARTERED ACCOUNTANT

KUALA LUMPUR
Dated this : - 3 JUN 2010

14. DIRECTORS' REPORT

MATRIX CONCEPTS HOLDINGS

BHD (414615-U)
An ISO 9001 Group of Companies

| | |
|----------------------|-------------|
| Wisma Matrix No 57 | TELEPHONE |
| Jalan Tun Dr. Ismail | 06 764 2688 |
| 70200 Seremban | FACSIMILE |
| Negeri Sembilan D.K. | 06 764 5514 |



Registered Office:
54B, Damai Complex
Jalan Lumut
50400 Kuala Lumpur

Date: 26 APR 2013


The Shareholders of Matrix Concepts Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Matrix Concepts Holdings Berhad ("**Matrix Concepts**" or "**Company**"), I report after due enquiry during the period from 31 December 2012, being the date to which the last audited financial statements of the Company and its subsidiaries ("**Group**") have been made up, to the date hereof, being a date not earlier than 14 days before the date of issue of this Prospectus, that:

- (i) the business of the Group has, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by the Group;
- (v) since the last audited financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors are aware of; and
- (vi) save as disclosed in this Prospectus, there have been no material change in the published reserves or any unusual factor affecting the profits of the Group since the last audited financial statements of the Group.

Yours faithfully,
For and on behalf of the Board of Directors of
Matrix Concepts Holdings Berhad


Dato' Lee Tian Hock
Group Managing Director / Chief Executive Officer



MATRIX CONCEPTS GROUP
Nurturing Environments, Enriching Lives.

15. ESOS BY-LAWS

MATRIX CONCEPTS HOLDINGS BERHAD BY-LAWS OF THE PROPOSED ESOS

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these By-Laws, unless otherwise specified, the following definitions shall, where the context so admits, be deemed to have the following meanings:

| | | |
|-----------------------------------|---|---|
| “Act” | : | Companies Act, 1965 as amended from time to time |
| “Adviser” | : | A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007 to act as a Principal Adviser as defined in the Securities Commission’s Principal Adviser Guidelines |
| “Articles” | : | Articles of Association of the Company, as amended from time to time |
| “Auditor” | : | An approved company auditor as defined in Section 8 of the Act, of the Company for the time being or such other external auditors as may be nominated by the Board |
| “Board” | : | The Board of Directors of the Company for the time being |
| “Bursa Depository” | : | Bursa Malaysia Depository Sdn Bhd (165570-W) |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad (635998-W) |
| “By-Laws” | : | The terms and conditions of the Scheme (as may be amended from time to time and to be adopted pursuant to By-Law 17) |
| “CDS” | : | A Central Depository System governed under the Central Depositories Act, as amended from time to time |
| “CDS Account” | : | An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities |
| “Central Depositories Act” | : | Securities Industry (Central Depositories) Act, 1991, as amended from time to time |
| “Date of Allocation” | : | A date to be determined by the Option Committee to be the date on which an Employee is deemed eligible to participate in the Scheme |
| “Date of Commencement” | : | The date of commencement of the Scheme being the date of full compliance with all relevant requirements as stated in By-Law 20 |
| “Date of Expiry” | : | The last day of an Option Period |
| “Date of Offer” | : | The date of the Offer Letter, as described in By-Law 5.3, being the date on which a Selected Person is deemed to have been notified of an Offer by the Option Committee |
| “Director” | : | A natural person who holds a directorship in an executive or non-executive capacity in the Group; |

15. ESOS BY-LAWS (Cont'd)

| | | |
|---|---|--|
| “Duration of the Scheme” | : | The duration of the Scheme as defined in By-Law 20 and includes any extension or renewal thereof |
| “Eligible Person” | : | Any Employee or Director of Matrix Concepts Group satisfying the conditions stipulated in By-Law 3 |
| “Employee” | : | Any person who is employed by any corporation of the Group and is on the payroll of the Group |
| “Grantee” | : | A Selected Person who has accepted the Offer in accordance with the provisions of By-Law 6 |
| “IPO” | : | Initial public offering of the Shares |
| “IPO ESOS Grant” | : | An Option which is granted as part of the listing proposal of Matrix Concepts prior to the consummation of the IPO, on terms that the exercise of the said Option is conditional upon consummation of the IPO |
| “Listing Requirements” | | Main Market Listing Requirements of Bursa Securities including any amendments which may be made from time to time |
| “Market Day” | : | Any day between Monday and Friday, both days inclusive, which is a trading day on Bursa Securities |
| “Matrix Concepts” or “Company” | : | Matrix Concepts Holdings Berhad (414615-U) |
| “Matrix Concepts Group” or “Group” | : | The Company and its subsidiaries incorporated in Malaysia as defined in Section 5 of the Act (excluding subsidiaries which are dormant) and any subsidiary incorporated or acquired at any time during the tenure of the Scheme and where the context so requires, any one of them |
| “Maximum Allowable Allotment” | : | The maximum aggregate number of new Shares in respect of which Offers may be made in accordance with the provisions of By-Law 4 to a Selected Person to participate in the Scheme |
| “Offer” | : | An offer made by the Option Committee as set out in By-Law 5 to a Selected Person |
| “Option” | : | The right of a Grantee to subscribe for new Shares at the Exercise Price and where the context so requires, means any part of the Option as shall remain unexercised |
| “Option Committee” | : | The committee comprising such persons as may be appointed and duly authorised by the Board, to administer the Scheme in accordance with the provisions of By-Law 16 |
| “Option Period” | : | The period during which an Option may be exercised as may be specified in the Offer |
| “Persons Connected” | : | Has the same meaning as that assigned to “Person Connected” in paragraph 1.01 of the Listing Requirements |
| “Rules of Bursa Depository” | : | The rules of Bursa Depository, as issued pursuant to the Central Depositories Act |

15. ESOS BY-LAWS (Cont'd)

| | | |
|---|---|--|
| "Scheme" | : | Matrix Concepts Group Employee Share Issuance Scheme established by the By-Laws hereto for the grant of Options to Selected Person to subscribe for new Shares |
| "Selected Person" | : | An Eligible Person to whom an Offer is being made pursuant to By-Law 5 |
| "Share(s)" or "Matrix Concepts Share(s)" | : | Ordinary share(s) of RM1.00 each in the Company |
| "Subscription Price" | : | The price at which the Grantee shall be entitled to subscribe for a new Share as set out in By-Law 7 |

1.2 In these By-Laws-

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or other relevant authorities);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) words importing the singular meaning where the context so admits include the plural meaning and vice versa;
- (d) words of the masculine gender include the feminine gender and all such words shall be construed interchangeably in that manner;
- (e) any liberty or power which may be exercised or any determination which may be made hereunder by the Board or the Option Committee may be exercised at the Board's or Option Committee's discretion;
- (f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and
- (g) headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

2. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 2.1 The maximum number of new Shares which may be made available under the Scheme shall be up to ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) at the point in time when an Offer is made. The Company will for the Duration of the Scheme make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all subsisting Options which may be exercisable from time to time.

15. ESOS BY-LAWS (Cont'd)

- 2.2 Notwithstanding the provisions of By-Law 2.1 or any other provision herein contained, in the event the maximum number of new Shares comprised in the Options granted under the Scheme exceeds the aggregate of ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) as a result of the Company purchasing its own Shares in accordance with the provisions of Section 67A of the Act or any other corporate proposal and thereby diminishing its issued and paid-up share capital, then such Options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the provisions of the Scheme. However in such a situation, the Company shall not make any more new Offers until the total number of Shares under the subsisting Options including Shares that have been issued under the Scheme falls below ten percent (10%) of the Company's issued and paid-up share capital (excluding treasury shares).

3. ELIGIBILITY

- 3.1 Any Employee or Director of the Matrix Concepts Group shall be eligible to participate in the Scheme and qualify for selection by the Option Committee, if, as at the Date of Allocation (where applicable)-
- (a) such Employee or Director has attained the age of eighteen (18) years;
 - (b) such Employee or Director has been employed on a full time basis and is on the payroll of any corporation within the Matrix Concepts Group and his employment has been confirmed; or
 - (c) such Employee or Director is serving in a specific designation under an employment contract for a fixed duration of at least one (1) year;
 - (d) such Employee or Director is not a participant of any other employee share option scheme implemented by any company within the Matrix Concepts Group which is in force for the time being; and
 - (e) in the case of a Director or Employee (who is the chief executive or a major shareholder of Matrix Concepts) and Persons Connected with them, the specific allocation of new Shares to such Director, Employee or Persons Connected with them under the Scheme has been approved by the shareholders of Matrix Concepts at a general meeting PROVIDED ALWAYS THAT the Director, Employee and Person Connected to them shall not have voted on the resolution approving the said allocation.
- 3.2 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in the Scheme unless the Option Committee has made an offer to the Eligible Person under By-Law 5 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 3.3 No Director or senior management shall participate in the deliberation and discussion of their own respective allocations.

4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT OF SHARES

- 4.1 Subject to any adjustments which may be made under By-Law 14, the aggregate number of Shares comprised in the Options to be offered to a Selected Person in accordance with the Scheme shall be determined at the discretion of the Option Committee after taking into consideration the Selected Person's performance, position, seniority and the number of years in service subject to the following:

15. ESOS BY-LAWS (Cont'd)

- (a) That the number of Options made available under the Scheme shall not exceed the amount stipulated in By-Law 2.1; and
 - (b) That not more than ten percent (10%) of the Shares available under the Scheme at the point in time when an Offer is made be granted to any individual Selected Person who, either singly or collectively through Persons Connected with him, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company.
- 4.2 At the time the Offer is made in accordance with By-Law 5, the Option Committee shall set out the basis of allocation, identifying the category or grade of the Employee and the Maximum Allowable Allotment for the Eligible Person.
- 4.3 Any Selected Person who holds more than one position within the Group and by holding such positions such Selected Person is in more than one category, such Selected Person shall only be entitled to the Maximum Allowable Allotment of any one category. The Option Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 In the event that a Selected Person is promoted, the Maximum Allowable Allotment corresponding to the category of Employee which such Selected Person falls within as at the Date of Allocation, subject always to the maximum number of Shares as stipulated under By-Law 2.1.

5. OFFER

- 5.1 Subject to and in accordance with the provisions of these By-Laws, the Option Committee may at its discretion at any time from the Date of Commencement offer Options to a Selected Person based on the criteria for allotment as set forth in By-Law 4.
- 5.2 The actual number of new Shares which may be offered to a Selected Person shall be at the discretion of the Option Committee but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.
- 5.3 The Option Committee will in its offer document ("Offer Letter") to a Selected Person state, inter alia, the number of Shares that can be subscribed under the Offer, the Subscription Price determined in accordance with the provisions of By-Law 7, the closing date for acceptance of the Offer and the manner and conditions of exercise of the Options. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 6 hereof.
- 5.4 Nothing herein shall prevent the Option Committee from making more than one Offer during the Duration of the Scheme to a Selected Person PROVIDED ALWAYS that the total aggregate number of Options offered to any Selected Person including Options which have been exercised, if any, shall not exceed the Maximum Allowable Allotment.
- 5.5 The Company shall keep and maintain at its expense a register of Grantees as required under section 68A of the Act.
- 5.6 The Company shall, on the date of the Offer, announce the following to Bursa Securities upon the Options offered under the Scheme:
- (a) date of offer;
 - (b) exercise price of options offered;

15. ESOS BY-LAWS (Cont'd)

- (c) number of options offered;
- (d) market price of its securities on the date of the offer;
- (e) number of options offered to each director, if any; and
- (f) vesting period of the options offered.

5.7 Offers with respect of Options granted under the IPO ESOS Grant shall be made prior to the consummation of the IPO and on terms that exercise of the said Options are conditional upon consummation of the IPO. Offers in relation to Options not comprising of the IPO ESOS Grant may thereafter be made from time to time as the Board may determine in its discretion.

6. ACCEPTANCE OF OFFER

6.1 An Offer made by the Option Committee under By-Law 5 shall be valid for a period of twenty one (21) calendar days from the Date of Offer and may be accepted within this prescribed period by the Selected Person to whom the Offer is made by a notice (in a format to be prescribed by the Option Committee) to the Option Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the Option.

6.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of twenty one (21) calendar days from the Date of Offer, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the new Shares comprised in the Options may at the discretion of the Option Committee be re-offered to Eligible Persons.

7. SUBSCRIPTION PRICE

The price at which the Grantee is entitled to subscribe for each new Share:

- (a) In respect of a Share subscribed for upon an exercise of an Option which is part of the IPO ESOS Grant, shall be the initial public offering price; and
- (b) In respect of a Share which is not granted as part of the IPO ESOS Grant, shall be determined by the Options Committee based on the five (5) day weighted average market price of Shares immediately preceding the Date of Offer of the Option, with a potential discount of not more than ten percent (10%) or such lower or higher limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities as may be amended from time to time, or at the par value of Matrix Concepts Shares (or such other par value as may be permitted by the Act), whichever is higher. The Subscription Price as determined by the Option Committee shall be conclusive and binding on the Grantees.

8. NON-ASSIGNABLE

An Option is personal to the Grantee. Save and except as provided in By-Law 18.4, an Option shall be non-assignable and non-transferable.

9. EXERCISE OF OPTION

9.1 An Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 18, is exercisable by that Grantee during his lifetime within the Option Period. All unexercised Options shall become null and void after the Date of Expiry.

15. ESOS BY-LAWS (Cont'd)

- 9.2 Upon acceptance of an Offer, the Grantee may during the Option Period exercise his Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.
- 9.3 The Grantee shall notify the Company of his intention to exercise an Option in such form and manner as the Option Committee may prescribe or approve ("Notice of Exercise"). The Grantee shall, simultaneously with his exercise of the Option (or within such period as the Option Committee may prescribe), forward to the Company a remittance for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. An Option may be exercised in such manner and subject to such conditions as stipulated in the Offer Letter in respect of such lesser number of new Shares as the Grantee may decide to exercise. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.
- 9.4 The Grantee shall provide all information as required in the Notice of Exercise and the Company shall within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of a valid Notice of Exercise and remittance from the Grantee allot and despatch the notice of allotment for the relevant number of Shares to the Grantee upon and subject to the provisions of the Articles, the Central Depositories Act and the Rules of Bursa Depository. No physical share certificates will be delivered to the Grantee.
- 9.5 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The Option Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) calendar days from the date of rejection and the Grantee shall then be deemed not to have exercised his Options.
- 9.6 Notwithstanding anything to the contrary herein contained in these By-Laws, the Option Committee shall have the right at its discretion by notice to that effect-
- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a disciplinary proceeding being instituted) to exercise his Option. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the contravention PROVIDED ALWAYS that in the event such contravention results in the dismissal or termination of service of such Grantee, the Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee;
- OR
- (b) to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his Option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS that-
- (i) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his Option; or

15. ESOS BY-LAWS (Cont'd)

- (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
- (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Option Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such terms and conditions as it deems appropriate, on such exercise.

9.7 Each Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the Option if such issue shall be contrary to any laws, rules and/or regulations of any regulatory body or authorities which may be in force during the Option Period.

10. RIGHTS OF A GRANTEE

- 10.1 The Options shall not carry any right to vote at any general meeting of the Company.
- 10.2 A Grantee shall not be entitled to any dividends, right or other entitlement on his unexercised Options.

11. RIGHTS ATTACHING TO NEW SHARES

- 11.1 The new Shares to be allotted and issued upon any exercise of the Options will upon such allotment and issuance, rank *pari passu* in all respects with the then issued and fully paid-up Shares except that the new Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) of which is declared or paid prior to the date of allotment of the new Shares and will be subject to all the provisions of the Articles relating to transfer, transmission and otherwise of the Shares.
- 11.2 The new Shares allotted and credited into the CDS account would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered on the entitlement date as at the close of business to be entitled to attend and vote at the general meeting.

12. RETENTION PERIOD

- 12.1 A non-executive director must not sell, transfer or assign the Shares obtained through the exercise of the Options offered to him pursuant to the ESOS within one (1) year from the date of offer of such Options.
- 12.2 Save and except for By-Law 12.1 above, the new Shares to be issued and allotted to a Grantee pursuant to the exercise of an Option under the Scheme will not be subject to any retention period or restriction on transfer. However, the Grantees are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of immediate gain.

15. ESOS BY-LAWS (Cont'd)

13. TAKEOVER AND COMPULSORY ACQUISITION

In the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the Option Committee may at its discretion to the extent permitted by law allow the exercise of any unexercised Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that-

- (aa) the date on which the Grantee becomes entitled to exercise the Options or any part thereof is not due or has not occurred; and/or
- (bb) the Option Period has not commenced; and/or
- (cc) other terms and conditions set out in the Offer have not been fulfilled/satisfied.

14. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, subdivision or consolidation of shares or capital reduction or any other variation of capital-

- (a) the number of new Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option (excluding Options already exercised); and/or
- (b) the Subscription Price,

shall be adjusted PROVIDED ALWAYS THAT-

- (i) no adjustment to the Subscription Price shall be made which would result in the new Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such adjustments would but for this provision have so resulted, the Subscription Price payable shall be the par value of the new Shares;
- (ii) on any such adjustment the resultant Subscription Price, if not an integral multiple of one (1) sen shall be rounded down to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger par value) involve an increase in the Subscription Price or reduce the number of Options that a Grantee is already entitled to;
- (iii) upon any adjustment being made pursuant to these By-Laws, the Option Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of new Shares thereafter to be issued on the exercise of the Option;

15. ESOS BY-LAWS (Cont'd)

- (iv) in determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlement will be disregarded; and
- (v) if fraction arises upon calculation of the adjusted number of Shares under Option, the adjusted number so calculated shall be rounded down to the nearest whole number.

Any adjustments to the Subscription Price and/or the number of new Shares comprised in the Options so far as unexercised other than bonus issue, must be confirmed in writing by the external auditors of the Company or the Company's Adviser.

Should there be other circumstances which give rise to a consideration for adjustments to the Subscription Price or the number of new Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice subject to compliance with the Listing Requirements.

14.2 In addition to By-Law 14.1 and not in derogation thereof, the Subscription Price and the number of new Shares relating to the Options so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Auditor and/or Adviser of the Company-

- (a) if and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Subscription Price shall be adjusted and the additional number of new Shares relating to the Option to be issued shall be calculated in accordance with the following formula:

$$\text{New Subscription Price} = S \times \left[\frac{\text{Revised par value for each Share}}{\text{Original par value for each Share}} \right]$$

Where S = existing Subscription Price

$$\text{Number of Additional Shares} = T \times \left[\frac{\text{Original par value for each Share}}{\text{Revised par value for each Share}} \right] - T$$

Where T = existing number of Shares relating to the Option

Each such adjustment will be effective from the close of business on the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities at the new par value) or such other date as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Subscription Price shall be adjusted by multiplying it by the following fraction:

15. ESOS BY-LAWS (Cont'd)

$$\frac{A}{A+B}$$

and the additional number of new Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Number of Additional Shares} = \left[T \times \left[\frac{A+B}{A} \right] \right] - T$$

where:

A = the aggregate number of issued and fully paid-up Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) immediately before such bonus issue or capitalisation issue;

B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = existing number of Shares relating to the Option.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the books closure date for such issue.

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe Shares by way of rights; or
 - (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in respect of each such case, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C-D}{C}$$

and in respect of the case referred to in By-Law 14.2(c)(ii) hereof, the number of additional new Shares comprised in the Option to be issued shall be calculated as follows:

$$\text{Number of Additional Shares} = \left[T \times \left[\frac{C}{C-D^*} \right] \right] - T$$

15. ESOS BY-LAWS (Cont'd)

where:

- T = existing number of Shares relating to the Option;
- C = the current market price of each Share at the close of business on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares by way of rights under By-Law 14.2(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 14.2(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 14.2(c) hereof, the fair market value, as determined by an Auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (aa) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

- C = as C above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;
- F = the number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share; and
- D* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D* above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

15. ESOS BY-LAWS (Cont'd)

where:

- C = as C above;
- E* = the subscription price for one (1) additional Share under the terms of such offer or invitation; and
- F* = the number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of this By-Law 14.2(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (other than an issue falling under By-Law 14.2(b) hereof) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statements of comprehensive income of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the entitlement date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 14.2(c)(ii) or (iii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 14.2(c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the number of additional new Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Number of Additional Shares} = \left[T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] \right] - T$$

- B = as B above; and
- C = as C above;
- G = the aggregate number of issue and fully paid-up Shares on the book closure date
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to

15. ESOS BY-LAWS (Cont'd)

acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 14.2(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for securities convertible into Shares or security with rights to acquire or subscribe for Shares as provided in By-Law 14.2(c)(iii) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Shares comprised in the Option to be issued shall be calculated as follows:

$$\text{Number of Additional Shares} = \left[T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] \right] - T$$

where:

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

15. ESOS BY-LAWS (Cont'd)

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 14.2(c)(ii) above, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided in By-Law 14.2(c)(iii) above, and the entitlement date for the purpose of the allotment is also the book closure for the purpose of offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Number of Additional Shares} = \left[T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] \right] - T$$

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 14.2(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share

15. ESOS BY-LAWS (Cont'd)

(as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

where:

- L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purposes of By-Law 14.2(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an auditor and/or Adviser of the Company shall be:

- (a) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 14.2(g), the Average Price of a Share shall be the average market price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

15. ESOS BY-LAWS (Cont'd)

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- 14.3 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from:
- (a) the issue of securities as consideration for an acquisition;
 - (b) a special issue of new Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
 - (c) a special issue, private placement or restricted issue of new Shares by the Company;
 - (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to the relevant provision of the Act;
 - (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants (if any) issued by the Company;
 - (f) an issue of new Shares upon the exercise of Options pursuant to the Scheme;
 - (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including Directors, or Employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the Shareholders in general meeting; and
 - (h) any issue of Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the outstanding issued and paid-up share capital of the Company pursuant to the provision of Section 132D of the Act.
- 14.4 Upon any adjustment being made, the Options Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.
- 14.5 The decision of the Option Committee as to whether any adjustment shall be made or not made to the Subscription Price and/or the number of new Shares comprised in the Option or any portion thereof pursuant to this By-Law 14 is final, binding and conclusive.

15. ESOS BY-LAWS (Cont'd)

15. LISTING AND QUOTATION OF SHARES

15.1 The new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with the provisions of By-Law 9 whereupon the Company shall-

- (a) issue and/or allot the Shares;
- (b) despatch a notice of allotment to the Employee of the listed issuer; and
- (c) apply for the quotation of such Shares;

within eight (8) Market Days after the receipt of the Notice of Exercise and remittance from the Grantee.

15.2 The Company and the Option Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring the Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

16. ADMINISTRATION OF THE SCHEME

16.1 The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board including but not limited to the powers to-

- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The Option Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

16.2 The Board shall have power from time to time to rescind the appointment of any person in the Option Committee and appoint his replacement where the Board deems fit. The Option Committee shall be vested such powers and duties as are conferred upon by the Board.

17. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS

17.1 The Option Committee may recommend to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the By-Laws and the Board shall have the power by resolution to add, amend or modify and/or delete all or any of the By-Laws under such recommendation.

17.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of these Bylaws **PROVIDED THAT** no addition, amendment or deletion shall be made to these Bylaws which would-

15. ESOS BY-LAWS (Cont'd)

- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
- (b) increase the number of new Shares available under the Scheme beyond the maximum imposed by By-Law 2.1; or
- (c) alter any matter which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements to the advantage of the Eligible Employees without the prior approval of the shareholders of the Company unless allowed otherwise by the provisions of the Listing Requirements.

The Options Committee shall within ten (10) Market Days of any modification and/or amendment made pursuant to this By-Law notify the Grantee in writing of any modification and/or amendment made pursuant to this By-Law.

- 17.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to the Bursa Securities no later than five (5) Market Days after the effective date of the amendment to the By-Laws, a letter confirming that the said amendment and/or modification complies with the Listing Requirements and Rules of Bursa Depository.

18. TERMINATION OF OPTIONS

- 18.1 In the event of cessation or termination of employment or appointment of a Grantee with the Group for whatever reason prior to the exercise of his Options or prior to full exercise of his Options, such Option shall cease immediately and become null and void on the date of such cessation or termination without any claim against the Company PROVIDED ALWAYS THAT, subject to the approval of the Option Committee in its discretion, where the Grantee ceases his employment or appointment with the Group by reason of-

- (a) his retirement at or after attaining normal retirement age; or
- (b) retirement before that age; or
- (c) ill-health, injury or disability; or
- (d) redundancy; or
- (e) transfer to an associate of the Group (which definition shall be that which is adopted by the Malaysian Accounting Standards Board); or
- (f) divestment of any company from the Group; and/or
- (g) any other reasons which are acceptable to the Option Committee,

a Grantee may exercise his unexercised Options for such period as may be determined by the Option Committee within the relevant Option Period PROVIDED ALWAYS that such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme (unless otherwise approved by the Option Committee). All unexercised or partially exercised Options of such Grantee shall become null and void after the expiry of such period.

- 18.2 If a Grantee ceases his employment or appointment with the Group by reason of his resignation his remaining unexercised Options shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of any doubt, the date of acceptance of a Grantee's resignation by the Group, shall be

15. ESOS BY-LAWS (Cont'd)

deemed to be the effective date when a Grantee ceases his employment or appointment with the Group.

18.3 An Option shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.

18.4 In the event where a Grantee dies before the expiration of the Option Period and at the time of his death held unexercised Options, such unexercised Options may be exercised by the legal or personal representative(s) of the Grantee after the date of his death provided that such exercise shall be no later than twenty four (24) months thereafter unless otherwise approved by the Option Committee PROVIDED ALWAYS that such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme (unless otherwise approved by the Option Committee) and PROVIDED FURTHER THAT no Option shall be exercised after the expiry of the Option Period. All Options remaining unexercised thereafter shall automatically lapse and become null and void.

18.5 Any Option that has lapsed and become null and void pursuant to this By-Law 18 shall at the discretion of the Option Committee be re-allocated to other Eligible Person.

19. LIQUIDATION OF THE COMPANY

In the event of the liquidation of the Company, all unexercised or partially exercised Options shall cease and be null and void.

20. DURATION OF THE SCHEME

The scheme shall be in force for a period of five (5) years commencing from the effective date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements including the following:

- (i) Submission of the final copy of the By-Laws to Bursa Securities;
- (ii) Receipt of approval-in-principle for the issuance and listing of the Shares to be issued under the Scheme from Bursa Securities;
- (iii) Procurement of shareholders' approval for the Scheme;
- (iv) Receipt of approval of any other relevant authorities, where applicable; and
- (v) Fulfilment of all conditions attached to the above approvals, if any.

On or before the expiry of the Scheme, the Board shall have the absolute discretion, without having to obtain approval of the Company's shareholders, to extend the duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Date of Commencement. In the event the Scheme is extended in accordance with this provision, the Option Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.

15. ESOS BY-LAWS (Cont'd)

21. TERMINATION OF THE SCHEME

21.1 The Company may at any time during the duration of the Scheme terminate the Scheme and shall immediately announce to Bursa Securities the-

- (a) effective date of termination of the Scheme;
- (b) number of Options exercised or Shares vested; and
- (c) reasons for termination of the Scheme.

21.2 Notwithstanding the above, the Company may implement more than one (1) Scheme provided that the aggregate number of Shares available under all the Schemes implemented by the Company is not more than fifteen percent (15%) of its issued and paid-up share capital (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities amended from time to time.

22. DISPUTES/DIFFERENCES

In case any dispute or difference shall arise between the Option Committee and an Eligible Person and/or Selected Person as to any provisions contained in these By-Laws, the Option Committee shall determine such dispute or difference by a decision given to the Eligible Person and/or Selected Person. The said decision shall be final and binding on the parties unless the Eligible Person and/or Selected Person within fourteen (14) calendar days of the receipt thereof by a notice to the Option Committee, disputes the same in which case such dispute or difference shall be referred to the decision of the Adviser and/or Auditor (as selected by the Option Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects.

23. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to preparation and/or operation of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of any Option shall be borne by the Company.

24. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

Notwithstanding the maximum percentage of the Grantee's Options that may be exercisable within each year of the Scheme as set out in the Offer Letter and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between Matrix Concepts and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of Matrix Concepts under Section 176 of the Act or its amalgamation with any other company or companies under Section 178 of the Act, a Grantee may exercise in full or in part any Option to which the Grantee is entitled commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

Upon the compromise or arrangement becoming effective, all Options remaining unexercised thereafter shall automatically lapse and become null and void.

15. ESOS BY-LAWS (Cont'd)

25. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme does not form part of or constitute or shall in any way to be construed as a term or condition of employment of an Eligible Person.

26. COMPENSATION

26.1 Notwithstanding any provisions of these By-Laws,-

- (a) this Scheme shall not form part of any contract of employment between any company of the Group and any Employee or Director of the Group and the rights of any Grantee under the terms of his office and employment with the Company or any company of the Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Option themselves) against the Company or any company of the Group or any members of the Options Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group; and
- (c) a Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissed, breach of contract or by way of compensation for loss of office.

26.2 No Grantee or his legal or personal representatives shall bring any claim, action or proceedings against the Company or the Option Committee or any party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws as may be amended from time to time in accordance with By-Law 17.

27. ARTICLES OF ASSOCIATION OF THE COMPANY

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Articles, the provisions of the Articles shall at all times prevail.

28. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

29. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

15. ESOS BY-LAWS (Cont'd)

30. GOVERNING LAW AND JURISDICTION

30.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

30.2 In order to facilitate the making of any Offer under this Scheme, the Board may provide for such special terms to the Eligible Person who are employed by any corporation in the Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Option Committee in the Offer.

31. INSPECTION OF THE AUDITED ACCOUNTS

All Grantees are entitled to inspect, during normal office hours from 9.00 a.m. to 6.00 p.m., Mondays to Fridays (except all public holidays declared in Malaysia) or as otherwise specified by the Option Committee, the latest audited financial statements of the Company at the registered office of the Company for the time being.

32. NOTICE

Any notice which under the Scheme is required to be given or served upon a Selected Person or Grantee shall be in writing and be deemed to be sufficiently given or served either delivered by hand or sent to the Selected Person or Grantee at his place of employment or at the last known address known by the Company as being his address or by electronic mail.

16. VALUATION CERTIFICATES

**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref : V/NS/B5124/12/SWH

31 March 2012

The Board of Directors
Matrix Concepts Holdings Berhad
 No. 57A & B, Wisma Matrix
 Jalan Tun Dr. Ismail
 70200 Seremban
 Negeri Sembilan Darul Khusus

Dear Sirs,

CERTIFICATE OF VALUATION OF ONGOING AND FUTURE LAUNCHES (WITH LAND AREA OF APPROXIMATELY 1,657 ACRES) OF A MIXED DEVELOPMENT TOWNSHIP KNOWN AS BANDAR SRI SENDAYAN, SEREMBAN, NEGERI SEMBILAN.

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad ("Matrix Concepts") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we have valued the abovementioned property vide our valuation report bearing Reference No.: V/NS/B5124/12/SWH dated 31 March 2012 for the purpose of submission to the Securities Commission. The subject property was inspected on 20 February 2012. The relevant date of valuation for this valuation is taken as 29 February 2012.

The Valuations had been carried out in accordance with the Asset Valuations Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Subject Property

The subject property comprises the ongoing projects and future launches of a mixed development township known as Bandar Sri Sendayan, Seremban, Negeri Sembilan. Brief details of these projects / future launches are as follows: -

On-going

| Name | Type of Projects | ~ Acreage | Estimated stage of construction | Remark |
|-------------------------------------|-----------------------------------|-----------|---------------------------------|-------------------------------------|
| Nusari Bayu 3 (Phase 1) ("NB 3 P1") | Residential terraced houses. | 22 | 85% | Advance stage, completing ~ 8/2012. |
| Nusari Bayu 3 (Phase 2) ("NB 3 P2") | Residential terraced houses. | 21 | 30% | Base / Reinforced concrete stage. |
| Nusari Aman 1B ("NA 1B") | Residential terraced houses. | 38 | 65% | Brick laying and plastering stage. |
| Sendayan Metropark 1A ("MPS 1A") | Commercial terraced shop offices. | 2 | 65% | Brick laying and plastering stage. |
| Sendayan Tech Valley 1 ("STV1") | Industrial vacant lands. | 232 | 25% | Earthworks |
| Sendayan Tech Valley 2 ("STV2") | Industrial vacant lands. | 341 | 25% | Earthworks |

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
 Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V (1) 00089

16. VALUATION CERTIFICATES (Cont'd)***On-going (continued)***

| Name | Type of Projects | ~ Acreage | Estimated stage of construction | Remark |
|----------------------------|--|-----------|---------------------------------|---|
| Sendayan Metropark ("MPS") | Commercial vacant lands. | 12.87 | 100% | Site levelled and ready for construction. |
| Nusari Aman 2 ("NA 2") | Residential terraced houses. | 35.55 | 30% | Base / Reinforced concrete stage. Showhouses on site. |
| Nusari Aman 2D ("NA 2D") | Residential terraced and semi detached houses. | 16.46 | 25% | Earthworks completed. Showhouses on site. |
| Nusari Aman 3A ("NA 3A") | Residential terraced houses. | 17.17 | 25% | Earthworks completed. Showhouses on site. |
| Idaman Bayu 2 ("IB 2") | Residential terraced houses. | 5 | 30% | Base / Reinforced concrete stage. |

Future Launches

| Name | Type of Projects | ~ Acreage | Remark |
|--------------------------------------|---|-----------|---|
| Nusari Bayu 2B ("NB 2B") | Residential terraced and semi-detached houses. | 8.05 | Land cleared. Some temporary workers' quarters on the site. |
| Hijayu 1A & 1B | Residential terraced houses. | 88.73 | Land cleared. Not developed. |
| Sendayan Merchant Square 1 ("SMS 1") | Commercial terraced shop offices and vacant lands. | 29.38 | Land cleared. Not developed. |
| Hijayu 3A | Residential terraced houses. | 52.08 | Site is undulating and covered with wild vegetation. |
| Hijayu 3B & 3C | Residential terraced houses. | 70.92 | Site is undulating and covered with wild vegetation. |
| Hijayu 3D | Residential terraced houses. | 43.51 | Site is undulating and covered with wild vegetation. |
| Hijayu Resort Homes ("Hijayu RH") | Residential terraced and semi-detached houses. | 85.07 | Site is undulating and covered with wild vegetation. |
| Hijayu Resort Villa ("Hijayu RV") | Residential detached houses and vacant lands. | 49.53 | Site is undulating and covered with wild vegetation. |
| Hijayu Residence ("Hijayu R") | Residential detached houses and vacant lands. | 56.03 | Site is undulating and covered with wild vegetation. |
| Sendayan Merchant Square 2 ("SMS 2") | Commercial terraced shop offices and vacant lands for petrol station clubhouse etc. | 77.94 | Land cleared. Not developed. |
| Idaman Yu ("IY") | Residential terraced houses. Commercial terraced shop offices and vacant land. | 45 | Land cleared. Not developed. |
| Sendayan Metropark 1B ("MPS 1B") | Commercial terraced shop offices. | 2.5 | Land cleared. Not developed. |
| Sendayan Metropark 2 ("MPS 2") | Commercial terraced shop offices. | 15 | Land cleared. Not developed. |
| Sub Centre @ Nusari Bayu ("SC@NB") | Commercial vacant lands. | 20 | Land cleared. Not developed. |
| Sub Centre @ Nusari Hijayu ("SC@NH") | Commercial vacant lands. | 8 | Land cleared. Not developed. |

16. VALUATION CERTIFICATES (Cont'd)***Future Launches (continued)***

| Name | Type of Projects | ~ Acreage | Remark |
|-------------------------------------|--|-----------|--|
| Sub Centre @ STV 1A ("SC@STV1A") | Commercial terraced shop offices & vacant lands. Industrial terraced and semi-detached factories. | 46 | Earthworks in progress. |
| Sendayan Icon Park ("Icon Park") | Commercial vacant land. | 116 | Undulating with wild vegetation, some areas have been cleared for planting of grass. |
| Sendayan Auto City ("Auto City") | Industrial vacant land. | 100 | Undulating with wild vegetation, some areas have been cleared for planting of grass. |

Total land area for both on-going and future launches is about 1,657 acres.

Location & Surrounding Developments

The township is located about 14 kilometres from Seremban and approximately 9 kilometres from Seremban Tol of North South Expressway. It is easily accessible from Seremban town centre via Jalan Sungai Ujong and thence continued onto Jalan Bukit Nenas in the direction to Kuala Lumpur International Airport (KLIA).

Surrounding developments noted include townships of Seremban 2, S2 Heights, Taman Bukit Kepayang, Kepayang Heights, Oakland Industrial Area, Enstek or Bandar Alam Milenia.

Title Particulars

There are about 6,580 titles for the subject property.

Sample of titles have been obtained from client. A random check of 42 titles has been carried out at State Registry of Land Titles. Sample of titles and search result revealed that the land is held under "Term in Perpetuity", converted to their designated usages and except for some units in launched projects, which show individual buyers names, the registered owner of the subject lands is Menteri Besar Negeri Sembilan (Pemerbadanan).

However, from a copy of letter issued by the registered owner dated 8 February 2012, all beneficial rights, title and interests have been vested in Matrix Concepts.

Town Planning

The subject scheme is jointly developed by Menteri Besar, Negeri Sembilan (State Agency) and Matrix Concepts Holdings Berhad (Developer). The shareholders cum joint venture agreement between the two (2) parties was signed on 29 August 2005.

Some of the pertinent notes in the agreement are as follows: -

1. An establishment of a special purpose company known as Formasi Bestari Sdn Bhd for the purpose of development.
2. Formasi Bestari Sdn Bhd will develop the land into a new integrated township comprising a new residential, industrial and commercial area.
3. The developer agrees to undertake the development in an expeditious and prompt manner at its own costs and expense. Also shall not at any time permit or cuase to permit the assignment, transfer, charge and mortgage, lien on or over the subject land unless with express consent from Special Shareholder.
4. The developer agrees to pay the State Agency a sum of RM250 million and interests subject to terms stipulated therein.

Formasi Bestari Sdn Bhd has since changed its name to BSS Development Sdn Bhd on 16 January 2006.

16. VALUATION CERTIFICATES (Cont'd)

Town Planning(continued)

The above agreement was partly amended by a Supplemental Agreement dated 15 February 2006 and a 2nd Supplemental Agreement dated 30 October 2006. The former supplemental agreement mainly touched on the change of time period and amount of payment whilst the second one on the disposal of 250,000 shares of the Developer to a company known as Ambang Kuasa Sdn Bhd. The second supplemental agreement also saw the execution of a Power of Attorney, giving powers to the joint venture company to do and act accordingly.

On 11 August 2011, the parties through a Deed of Completion, outlining among others, the following:

- 1) The developer has fully paid the sum of RM250 million together with interest in the manner specified by the agreements.
- 2) The parties agree and confirm that there are no other monies due to the State Agency from the Developer.
- 3) The State Agency is entitled to an area of about 100 acres, as stipulated in the Deed of Completion.
- 4) Manner of director appointment and approval of resolution.
- 5) Developer has full rights over the land (except the 100 acres mentioned above).

Master layout plan for the subject scheme was approved on 9 November 2007. Since then, the plan has been amended for a few times to accommodate changes made on the development. For the individual schemes located within the township, separate approvals have been granted by the authority.

Site

For the on-going sites, they have been levelled with construction works started whilst works on majority of the future projects have yet to start. Estimated stage of construction for each sites have been briefly explained in the earlier table.

Completed Projects

The developer of Bandar Sri Sendayan started selling its product in 2008 with the launch of Nusari Bayu and then followed by other projects such as Nusari Bayu II and Idaman Bayu. The take up rate has been very good and most of the projects were sold out within 1 year after launching. Number of houses sold since 2008 are as follows: -

| Year | No. of units sold | Remark |
|------|-------------------|-------------------|
| 2008 | 678 | - |
| 2009 | 516 | - |
| 2010 | 884 | - |
| 2011 | 1,174 | - |
| 2012 | 199 | Up to 29 February |

Similarly, commercial and industrial launches have also chalked up encouraging figures.

16. VALUATION CERTIFICATES (Cont'd)**On-going Projects**

Currently there are about 6 on-going projects, these are:

Residential

| No. | Project | Type | Units launched | Price Range | Launched date | Take up rate* | Estimated Completion |
|-----|---------|--------------------------|----------------|---|---------------|---------------|----------------------|
| 1 | NB 3 P1 | 1T 22X75 2T 22X75 | 111 150 | 173,032-339,880/- 254,054-468,930/- | Dec. 2010 | 100% | Oct. 2012 |
| 2 | NB 3 P2 | 1T 22X75 2T 22X75 | 69 150 | 194,782-367,025/- 289,612-492,070/- 482,600-1,666,300/- | July 2011 | 98.6% | June 2013 |
| 3 | NA 1B | 1T 20X70 2T 20X70 | 341 174 | 150,559-294,204/- 213,739-385,999/- | April 2011 | 99.22% | Not available |
| 4 | NA 2 | 1T 20X75 2T 20X75 | 122 350 | 177,554-375,661/- 262,554-482,752/- | Nov. 2011 | 43.22% | Not available |
| 5 | NA 2D | 2T 22X75 1SD 40X75 | 128 18 | 322,904-554,954/- 424,054-523,642/- | Feb. 2012 | 4.9%** | ~Nov 2013 |
| 6 | NA 3A | 1T 20X75 2T 20X75 | 37 102 | 191,302-439,687/- Not available | Feb. 2012 | 4.9%** | ~Nov 2013 |
| 7 | IB 2 | 2T 24X75 | 56 | Not available | *** | - | - |

1T/2T: Single / double storey terraced house

1SD: Single storey semi-detached house

* As at 29 February 2012, **Sales rate for both NA 2D and NA 3A

*** Sales of Idaman Bayu will only commence after the completion of a green park located nearby.

Commercial

There are currently two on-going commercial projects, namely Nusari Biz in Nusari Bayu 3, Phase 2 and Sendayan Metropark 1A. For the former, all but one of the 25 units has been sold while for the latter, all the 38 units have been sold.

Earthworks for Nusari Biz shops have been completed and the project is currently under reinforced concrete stage with completion status estimated at about 30%. It is envisaged that the project would complete in about 1 year's time. These shops were priced from about RM483,000 to RM1,663,000/-.

Sendayan Metropark 1A shops are located along Persiaran Bandar Sri Sendayan and therefore enjoy good exposure. The project in brick laying and plastering stage or about 65% completion and will be completed by end of this year. Pricing for this scheme starts from about RM509,000/- to RM1,050,000/-.

Industrial

Bandar Sri Sendayan's industrial precinct is known as Sendayan Tech Valley. It comprises about 62 and 68 vacant industrial lots in 2 different phases known as STV 1 & STV 2 on approximately 212 and 340 acres of land respectively.

Brief information of these two (2) phases is shown in the following table: -

| Project | Net acreage | Units launched | Units sold as at 31/1/12 | Launched |
|---------|-------------|----------------|--------------------------|-----------|
| STV 1 | 212 | 62* | 26 | Sept 2010 |
| STV 2 | 341 | 68 | 1 | Sept 2011 |

* Excluding two agricultural lands.

We were made to understand that the developer started selling the land at about RM12 per square foot and has gradually increasing the price as the township matured and the site works progressed. The current price is about RM20 per square foot. However, the final price might change depending on size, location etc. We were made to understand that PT Nos. 6308 & 6309 were sold on 19 January 2012 at RM17.50 psf.

16. VALUATION CERTIFICATES (Cont'd)***On-going Projects (continued)******Industrial (continued)***

Among the renown company that will set up operation in this industrial estate is the member of Japan's Daihatsu Motor Co. The company has recently announced the building of a RM222M plant on a 11.2 hectare to make electronic automatic transmission (EAT) for Perodua's range of cars.

Also noted is a Japanese commercial vehicle manufacturer that has paid deposit for purchase of 3 lots in STV2 with total land area of 42.353 acres. We were made to understand that the sale and purchase agreement is being prepared and will be signed soon.

Both phases are undergoing earthworks now and the targeted completion date would be 2 years from its launch date.

Future Projects

The developer has about 920 acres of land allocated for future projects. These projects together with their proposed type of launching, units, typical land size, tentative launching and completion dates are tabulated as follows: -

| No. | Project | Type | Units | Typical land size | Tentative Commencement | Expected Completion |
|-----|-----------|---|----------------|---------------------------------|------------------------|---------------------|
| 1 | NB 2B | 2T 2SD | 80 10 | 20X75 40X75 | June 2012 | May 2013 |
| 2 | Hijayu 1B | 1T | 229 | 22X80 | June 2012 | July 2014 |
| 3 | Hijayu 1A | 2T | 666 | 22X80 | June 2012 | July 2014 |
| 4 | SMS 1 | 2SO 2SO Commercial lots | 125 29 3 | 22X75/22X90 30X75 Various | Mareh 2014 | February 2016 |
| 5 | Hijayu 3D | 1T 2T | 150 384 | 20X80 20X80 | Jan 2013 | December 2014 |
| 6 | Hijayu 3C | 2T | 394 | 22X75 | March 2013 | February 2015 |
| 7 | Hijayu 3B | 2T | 334 | 22X75 | June 2013 | May 2015 |
| 8 | Hijayu 3A | 1T 2T | 150 439 | 20X75 20X75 | Jan 2014 | December 2015 |
| 9 | Hijayu RH | 2SD 2T | 200 308 | 50X100 26X85 | Jan 2014 | December 2015 |
| 10 | Hijayu RV | 2D vacant land (1.75 acre) | 96 6 1 | 75X100 150X100 - | March 2014 | February 2016 |
| 11 | Hijayu R | 2D vacant lands (1 & 3 acres) | 67 4 2 | 80X125 1 acres 3 acres | March 2014 | February 2016 |
| 12 | SMS 2 | 2SO Commercial lots | 149 4 | 22X75 - | March 2015 | February 2017 |
| 13 | SMS 2 | Clubhouse & its lake, vacant commercial and institutional lands | 5 | - | 2014 | Not available |
| 14 | IY | 2T 1T | 235 150 | 22X75 22X75 | Sept 2014 | October 2016 |
| | IY | 2SO Commercial lot | 17 1 | 22X80 - | Sept 2014 | October 2016 |
| 15 | MPS 1B | 2SO 3SO | 28 4 | 24X80 24X80 | January 2015 | December 2017 |
| 16 | MPS 2 | 2SO | 150 | 22X75 | January 2016 | December 2018 |
| 17 | SC@NB | Commercial lots | 4 | - | 2016 | Not available |

1T/2T: Single / double storey terraced house, 2SD: Double storey semi detached house & 2SO/3SO: Two / Three Storey Shop office, 2SDF: Double storey semi-detached factory & 2TF: double storey terraced factory.

16. VALUATION CERTIFICATES (Cont'd)***Future Projects (continued)***

| No. | Project | Type | Units | Typical land size | Tentative Commencement | Expected Completion |
|-----|-----------|-----------------------|----------------|----------------------------|------------------------|---------------------|
| 18 | SC@NH | Commercial lots | 2 | - | 2016 | Not available |
| 19 | SC@STV1A | 2SO Commercial lot | 32 1 | 24X80 - | January 2016 | December 2018 |
| | SC@STV1A | 2SDF 2TF 2TF | 30 45 39 | 80X150 30X120 40X120 | January 2016 | December 2018 |
| 20 | Icon Park | Commercial land | 1 | - | 2016 | Not available |
| 21 | Auto City | Commercial land | 1 | - | 2016 | Not available |

About 90% of the houses to be launched will be of terraced type, which is more popular among house buyers in Negeri Sembilan.

Shop offices are of terraced type and they are scheduled to be launched in 2014 to 2016.

For industrial component, beside the vacant lands in STV 1 and STV 2, there will be double storey terraced and semi-detached factories to be launched in Sub-centre @ STV 1A in 2016. The units are not many and they will be ideal as vendors' outlets or storage areas for the then developed industrial areas of STV 1 and STV 2.

Approach of Valuation

We have adopted **Residual Method** in formulating our opinion of the current **Market Value** of the Subject Property because in our opinion, the Residual Method is the most appropriate method of valuation to assess the market value of the subject property due to the following: -

- a. The subject property is an on-going development project with improved site clearance, earthworks and on going construction works.
- b. Properties of on-going project have been sold as at date of valuation.
- c. Comparison Method is less suitable to be adopted for the subject property as it would not be able to consider the works done, total amount billed and cost incurred

Under the **Residual Method** of Valuation, consideration is given to the gross development value of the project and deducting the estimated costs of development including title fees, statutory contribution, conversion premium, site clearance, earthworks, infrastructure, landscape, construction costs, professional fees, contribution to authorities, marketing, administrative and legal fees, financing charges, contingencies and developer's profit. The resultant answer is then deferred over the period of time required for the completion of the project to arrive at the market value.

Nevertheless, for commercial plots in the subject scheme, we have adopted "**Comparison Method**" in formulating the current value as there is no approval development plan for these plots as yet and there are suitable sales evidences available which can be used to justify the market value of these parcels.

In the approach, similar properties that were either transacted recently or listed for sale within the same location or other comparable localities are being used to compare to the subject plots. In comparing properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

Parameters adopted in Residual Method

1. The date of valuation is taken as at 29 February 2012. The cut off date for the construction progress, sales, billing and payment is taken as 29 February 2012.
2. The total Gross Development Value (GDV) is estimated at about RM2,906 million.
3. Total amount bill as at 29 February, 2012 is about RM124.49 million.

16. VALUATION CERTIFICATES (Cont'd)**Parameters adopted in Residual Method (continued)**

4. The factor of bumiputra discount which required by the State Authority is as follow: -

| Type | Bumiputra Quota (minimum) | Discount |
|-------------|------------------------------|----------|
| Residential | 30% | 5% |
| Commercial | 30% | 5% |
| Industrial | 30% | 5% |

5. We have adopted proposed launching programme of the developer as we reckon that the programme has been meticulously planned. However, there are 2 years, i.e. 2012 and 2014, in which the proposed launching of 1,587 and 1,658 units respectively are above the normal take-up rate recorded so far. We have thus shifted some launches to later dates, resulting yearly supply at a more realistic figure of about 1,200 to 1,250 units.
6. The proposed selling price and built up areas for future projects have been based on the going rate of current and completed projects. For development type which was not previously introduced in the subject scheme, such as detached house and terraced factory, reference has been made to nearby Seremban 2 and Kepayang Heights. Prices adopted have been increased gradually to reflect the improvement in term of house features, amenities and public acceptance.

Table below briefly explains rate per square foot on built up we have adopted in the valuation exercise:

| Type of Development | Project Name | Price Adopted (per square foot) | Remark |
|---|--|------------------------------------|--|
| Single storey terraced house (1T) | Hijayu 1B, Hijayu 3D, Hijayu 3A and Idaman Yu | RM144-153 | Based on current selling price of RM137 to RM154. |
| Double storey terraced house (2T) | Nusari Bayu 2B, Hijayu 1A, Hijayu 3D, 3C, 3B & 3A, Hijayu RH and Idaman Yu | RM123-136 | Based on current selling price of 2T at about RM119 to RM133psf. |
| Double storey semi detached house (2SD) | Nusari Bayu 2B & Hijayu RH | RM143-RM177 | Adopted higher than 2T to reflect better finishes. |
| Double storey detached house (2D) | Hijayu RV & Hijayu R | RM293-RM305 | High end product. Adopted comparable sales at Sri Carcosa in Seremban, which analysed at RM276 to RM324 psf. |
| Double storey shop office (2SO) | SMS 1, SMS 2, Idaman Yu MPS 1B and Subcentre @ STV1A | RM143-RM185 | Based on current selling price of 2SO at about RM135 to RM157psf. Adjusted upward for later phases to reflect emerging market, more mature and establish township. |
| Three storey shop office (3SO) | MPS 1B | RM139 | Based on current selling price of phase 1, Metropark 1A at about RM120psf. Adopted higher to reflect emerging market, more mature and establish township. |
| Vacant Commercial Land | SMS 1, SMS 2, Idaman Yu, Subcentre @ NB, Subcentre @ NH and Subcentre @ STV1A. | Varies from about RM18.50 to RM45 | Based on transactions of commercial lands in nearby Seremban 2 and subject scheme it self. Rate adjusted for difference in location, size, shape and usage. |
| Huge Development Land \geq 100 acres | Icon Park & Auto City | RM13.50 | Based on transactions of nearby development lands. Rate adjusted for difference in location, size, shape and usage. |

16. VALUATION CERTIFICATES (Cont'd)

Parameters adopted in Residual Method (continued)

7. From our investigation, we noted that commercial lands in the surrounding areas such as Seremban 2 Township and the subject scheme itself have been transacted from about RM33 to RM50 psf in the 2nd half of 2010 to 2011. The larger the land area of the comparable, the lower the price rate.

Value adopted for vacant commercial in the working generally ranges from about RM18.5 psf to RM45 psf. Adjustment has been made on location, size and shape.

8. There is no recent recorded transaction of institutional land in the locality. We have therefore adopted the above comparables as well, adjusting on similar factors as mentioned above and an additional "land use" adjustment to reflect its lesser level of usage.
9. Similarly, we have analysed bungalow (residential) lands in Green Homes, Seremban 2 and nearby Rasah Kemayan Township and noted a price range of about RM22 to RM33 psf. The transactions were recorded mostly in year 2011 with size of land ranging from 446 to about 723 square metres.

For subject property, due to relatively bigger sizes of about 4,000 to about 12,000 square metres, we have adopted about RM12 per square foot to RM20 per square foot in the working.

10. For proposed selling price of semi detached factory, transactions in Seremban Light Industrial Area and Senawang Suria have been referred and analysed. Our investigations revealed that price p.s.f. on built up area for these comparables range from about RM230 to RM255.

We have adopted an average figure of RM245 per square foot on built up area in the computation of market value.

11. Transactions of terraced factories in Seremban such as Seremban 2 and Senawang Sentral have been analysed, where new ones are roughly sold at about RM155 to RM165psf on built up whilst old factory of about 15-year is analysed at about RM117psf.

For terraced factories in the subject scheme, the factories will be newly built and therefore should be priced about RM160psf. However, downward adjustment has been made to reflect a bigger built up (30'X120' and 40'X120') as compared to the comparables. Hence, a rate of RM150 per square foot has been adopted.

12. For the two large development lands of Sendayan Icon Park and Auto City, we have referred to the sale of PT 6869, Bandar Sri Sendayan, measuring about 750 acres (303.5275 hectares) at RM9 psf from Permerbadanan Menteri Besar, Negeri Sembilan to 1Malaysia Development Berhad on 15 June 2011. The land will be used as a training centre and academy of Royal Malaysian Air Force (TUDM).

Also considered is Lot 1119, Bandar Sri Sendayan, a near triangular shaped land located to the north east of Sendayan Icon Park. The 58.32 acres land was sold via a Sale & purchase Agreement dated 14 November 2011 at RM 33,023,645.20 or about RM13.50 per square foot. The land is of freehold tenure and commercial in status.

Lot 1119 is a better comparison in term of size and time. A downward adjustment has been made to reflect it's less desired shaped but is offside by a positive adjustment on its size, RM13.50 psf is therefore adopted in the working.

16. VALUATION CERTIFICATES (Cont'd)**Parameters adopted in Residual Method (continued)**

13. The predevelopment cost of this project is as follow: -

| No. | Items | Projected Amount | Justifications |
|-----|---------------------------|-----------------------|---|
| 1. | Title / Survey Plans | Nil | All the individual titles had been issued. |
| 2. | Statutory Contribution | RM1,100.00 per unit | It includes the main contributions to TNB, SAINS (Sykt. Air NS), JPS, etc. |
| 3. | Site Clearing & Earthwork | RM80,000.00 per acre | It involves the cost to clear the existing cultivation and bushes as well as land filling. |
| 4. | Infrastructure | RM170,000.00 per acre | It includes the cost of telephone, electricity, water services, sewerage system, roads, drainage, etc |
| 5. | Landscape | RM22,000.00 per acre | It involves the cost of landscaping, planting trees and flowers within the subject site |

Cost adopted above is based on cost estimated by the developer after taking into consideration the actual cost for the previous phases and industry average cost as per our research and enquiries made with developers.

14. Other costs adopted are as follow: -

| No. | Items | Rate Adopted | Justifications |
|-----|--|----------------|--|
| 1. | Professional Fees | 6.0 % | It includes professional fees paid to architects, quantity surveyors, engineers, land surveyors, etc. |
| 2. | Administration Expenses and Project management | 15.5 % | It includes cost of daily administration expenses, administration staffs, project managers, etc. |
| 3. | Contingencies | 3.0 % | Provision for the inflation of cost of materials and man powers. |
| 4. | Marketing, Legal Fees and Advertisement | 2.5% | Marketing and advertisement include costs for the marketing works and advertisement cost to market the products. Legal fees include cost in preparing Sale and Purchase Agreement and other relevant legal documents. |
| 5. | Financing cost | 8.0% per annum | Based on our enquiries with financial institutions, financing cost is charged based on prevailing Base Lending Rate (BLR) of 6.60% per annum plus security margin of 1.0% to 2.5% per annum. |

Cost adopted above is based on cost estimated by the developer after taking into consideration the actual cost for the previous phases. Industry average cost as per our research and enquiries made with developers is also referred.

16. VALUATION CERTIFICATES (Cont'd)**Parameters adopted in Residual Method (continued)**

15. The construction cost adopted are as follow: -

| Type of Property | Construction Cost (RMpsf) | |
|-------------------------------------|---------------------------|---------------|
| | On-going | Future Launch |
| Single storey terraced house | 51.00 | 56.00 |
| Double storey terraced house | 54.00 | 59.00 |
| Single storey semi-detached house | 64.00 | - |
| Double storey semi-detached house | - | 65.00 |
| Double storey detached house | - | 76.00 |
| Double storey shop-office | 54.00 | 59.00 |
| Three storey shop-office | 54.00 | 59.00 |
| Double storey semi-detached factory | - | 55.00 |
| Double storey terraced factory | - | 55.00 |

Note:

The construction costs for the on-going phases are based on the actual cost awarded to the respective contractors. Whilst the construction costs for the future launched phases are based on past awarded constructed cost and taking into consideration of the inflation factor.

Our informal inquiries with two (2) developers with projects of relatively smaller scale in Negeri Sembilan revealed that the current construction cost for building in the State is about RM55-RM60psf. We are further advised that if the number of units involve is "big", say more than 100 units per project, the cost psf will be lower due to economic of scale. However, they cautioned that big scale development would inevitably attracts higher administration expenses, project management allocation and higher risk.

16. The amount claimed for the development cost (which includes among others title / survey plans, statutory contribution, site clearing and earthwork, Infrastructure, landscaping, construction cost, professional fees, administration, marketing, legal fee etc) as at February 29, 2012 is at about RM167,152,000/-

17. Generally, a development period of 2 years and 3 years is adopted for landed residential properties and landed commercial properties respectively in arriving at the market value. The period for present value adopted for each phase are as follow: -

| Year | Period for Present Value (year) | Justifications |
|---------------|---------------------------------|--|
| 2012 (sold) | 1.5 | The stages of construction of the ongoing phases are ranging from 25% to 85% and these products comprise terraced houses and small amount of shop-offices. We have adopted a discount period of 1.5 years in our valuation to reflect the remaining construction period. |
| 2012 (unsold) | 2.0 | Products to be launched in Year 2012 comprise terraced houses and semi-detached houses. We have adopted a discount period of 2.0 years in our valuation. |
| 2013 | 3.0 | Products to be launched in Year 2013 comprise terraced houses. We have adopted a discount period of 3.0 years (1 year until launching of development + 2.0 years of the development period) in our valuation. |
| 2014 | 4.0 | Products to be launched in Year 2014 comprise mainly terraced, semi-detached and detached houses as well as small amount of shop-offices. We have adopted a discount period of 4.0 years (2 year until launching of development + 2.0 years of the development period) in our valuation. |
| 2015 | 6.0 | Products to be launched in Year 2015 comprise shop-offices. We have adopted a discount period of 6.0 years (3 year until launching of development + 3.0 years of the development period) in our valuation. |
| 2016 | 7.0 | Products to be launched in Year 2016 comprise shop-offices as well as terraced and semi-detached factories. We have adopted a discount period of 7.0 years (4 year until launching of development + 3.0 years of the development period) in our valuation. |

16. VALUATION CERTIFICATES (Cont'd)

Parameters adopted in Residual Method (continued)

18. The total Gross Development Cost (GDC) is estimated at about RM2,219.7 million.
19. Our verbal checking with some local developers revealed that, generally the developer's profit for low to medium cost development is in the range of 5% to 10% while for medium to medium upper development the rates are between 15% to 20%.
The subject property is a medium to medium upper cost mixed residential – commercial development, thus, we have adopted 17% as developer's profit and risk.
21. The present value is adopted at 8.0%. Our in-house research revealed that the gross rate of return for a mixed development township located within the region of Negeri Sembilan is in the range of 7.0% to 9.0%. In addition, this present value is also in tandem with the finance rate based on our enquiries with financial institutions.

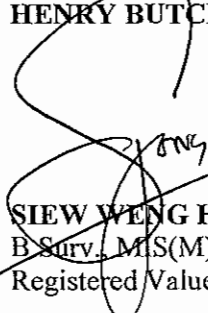
Conclusion

We have adopted the “Residual Method” and “Comparison Method” in formulating our opinion of the **Market Value** of the subject property.

The subject property was inspected on 20 February 2012 and date of valuation is taken as 29 February 2012. It is our considered opinion that the current **Market Value (MV)** of the unencumbered interest in the subject property with the benefit of vacant possession is **RM 510,000,000/- (Ringgit Malaysia: Five Hundred and Ten Million Only)**.

Yours faithfully,

HENRY BUTCHER MALAYSIA (NS) SDN BHD


SIEW WENG HONG
B Surv., MIS(M), APEPS.
Registered Valuer (V-505)



16. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Your Ref:

Our Ref: V/NS/B7302/13/SWH

8 April 2013

The Board of Director(s)

Matrix Concepts Holdings Berhad

No. 57 A & B, Wisma Matrix

Jalan Tun Dr. Ismail

70200 Seremban

Negeri Sembilan Darul Khusus

Dear Sirs

UPDATE VALUATION CERTIFICATE OF ONGOING AND FUTURE LAUNCHES (WITH LAND AREA OF APPROXIMATELY 1,657 ACRES) OF A MIXED DEVELOPMENT TOWNSHIP KNOWN AS BANDAR SRI SENDAYAN, SEREMBAN, NEGERI SEMBILAN.

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad ("Matrix Concepts") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we had valued the abovementioned property vide our valuation report Reference No. V/NS/B5124/12/SWH dated 31 March 2012 and recently an update valuation has been carried out bearing Reference No. V/NS/B7302/13/SWH dated 31 March 2013. It must be noted that this update valuation certificate must be read in conjunction with the earlier valuation certificate bearing Reference No. V/NS/B5124/12/SWH dated 31 March 2012.

The subject property was re-inspected on 19 March 2013. The relevant date of valuation for this valuation exercise is taken as 28 February 2013. A brief update of the subject property and our opinion of the current market value are as follows: -

Changes in physical and legal aspects since last valuation

Physical Aspect

- 1) The original size of approximately 1,657 acres has been slightly reduced to 1,590 acres after taking into consideration projects / sites that have been completed, surrendered and re-alienated.
- 2) Completion and handing over of terraced houses and shopoffices in Nusari Bayu 3 Phases 1 and 2.
- 3) Advanced stage of site work estimated 85% at STV1 & STV2.
- 4) Wild vegetation previously covering "Hijayu" area has been cleared and earthwork is currently underway.
- 5) The site of "Auto City" site has also been cleared and leveled.
- 6) Shopoffices of MPS 1A are near completion and scheduled to be handed over this coming June.

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



16. VALUATION CERTIFICATES (Cont'd)***Legal Aspect***

| Scheme | Changes | Resulting to: - |
|-----------|---|--|
| STV1 | Amalgamation and cancellation of certain lots. New lots are subsequently created. | Land area slightly reduced from 938,872 sq. m. to 934,825 sq. m. |
| STV2 | Surrender and amalgamation of certain lots. New lots are subsequently created. | Overall land size becomes smaller from 1,378,001 sq. m. to 1,225,634 sq. m. |
| SMS 1 | Surrender of a lot. | New lot is bigger. Gross area of SMS 1 remains the same. |
| SMS 2 | Surrender of five (5) lots. | Reduction of land size for about 806 sq m or about 0.7% of original size. |
| Auto City | Subdivided. 14 industrial lands, 10 commercial lands and 18 smaller commercial lands are created. | Total land area for each component is 307,721 sq. m., 130,505 sq. m. and 28,067 sq. m. respectively, making a total area of 466,293 sq. m. |
| Various | "Replanning" of certain titles in SC@NB, SC@NH, SC@STV1A, IY, Icon Park, SMS1, SMS2 and STV2. | Final titles are subsequently issued. |

Take Up Rate of On-going Projects

| No. | Project | Previous take up as at 29 February 2012 | Take up rate as at 28 February 2013 |
|-----|--------------------|---|-------------------------------------|
| 1 | NA 1B | 99.22% | 100% |
| 2 | NA 2 | 43.22% | 100% |
| 3 | NA 2D | 4.9% | 100% |
| 4 | NA 3A | 4.9% | 100% |
| 5 | IB 2 | <i>yet to launch</i> | 100% |
| 6 | NB 2B | <i>yet to launch</i> | 100% |
| 7 | Hijayu 1B | <i>yet to launch</i> | 99.9% |
| 8 | Hijayu 3D | <i>yet to launch</i> | 40.4% |
| 9 | Sendayan Metropark | 97% | 97% |
| 10 | SC@NB | <i>yet to launch</i> | 25% |
| 11 | SC@NH | <i>yet to launch</i> | 0% |
| 12 | STV1 & STV2* | 21% | 55.2% |

*As at 31 January 2012

Market Commentary

In Negeri Sembilan, the primary property market performed very well with newly launched properties receiving positive response. Recent launches in nearby schemes revealed that in general, the demand for landed property in Seremban remains strong and market sentiments remain high.

16. VALUATION CERTIFICATES (Cont'd)**Parameters adopted in Residual Method (changes)**

The changes can be summarised as follows:

| Item | Valuation as at 29/2/2012 | Update valuation as at 28/2/2013 | Remark |
|--|---------------------------|----------------------------------|---|
| Gross Development Value | RM2,896 Million | RM2,860 Million | Some future projects launching dates have been deferred to reflect prevailing market demand. |
| Total Amount Billed | RM124.49 Million | RM356.3 Million | Based on actual amount provided. |
| Pre-development Cost | (RM / acre) | (RM / acre) | Based on actual cost for previous phases and industry average. Increased roughly about 5% to reflect inflation. |
| 1. Site clearing & earthwork | 80,000/- | 84,000/- | |
| 2. Infrastructure | 170,000/- | 178,500/- | |
| 3. Landscape | 22,000/- | 23,000/- | |
| Construction cost adopted <i>On-going</i> | (RM / psf) | (RM / psf) | Based on actual cost awarded to contractors. |
| 1. Single storey terraced houses | RM51 | RM55 | |
| 2. Double storey terraced houses | RM54 | RM55 | |
| 3. Single storey semi-d houses | RM64 | RM70 | |
| 4. Shopoffices | RM54 | RM55 | |
| Construction cost adopted <i>Future Launch</i> | (RM / psf) | (RM / psf) | Based on past awarded construction cost and taking into consideration of inflation. |
| 1. Single storey terraced houses | RM56 | RM65 | |
| 2. Double storey terraced houses | RM59 | RM65 | |
| 3. Double storey semi-d houses | RM65 | RM75 | |
| 4. Double storey detached houses | RM76 | RM85 | |
| 5. Shopoffices | RM59 | RM65 | |
| 6. Factories | RM55 | RM60 | |
| Amount claimed for development cost | RM167.15 Million | RM276.19 Million | Based on actual amount provided |
| Gross Development Cost | RM2,218 Million | RM2,145 Million | - |

Conclusion

From the above analysis, it is our considered opinion that the **Market Value** of the unencumbered interest in the subject property with the benefit of vacant possession is **RM552,000,000/- (Ringgit Malaysia: Five Hundred and Fifty Two Million Only)**.

Yours faithfully,

HENRY BUTCHER MALAYSIA (NSI) SDN BHD

SIEW WENG HONG

B.Surv. (MIS/M), APEPS.
Registered Valuer (V-505)



16. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

Our Ref: V/NS/B5183/12/CTH

31 March 2012

The Board of Directors
Matrix Concepts Holdings Berhad
No. 57 A & B, Wisma Matrix
Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan Darul Khusus

Dear Sirs,

CERTIFICATE OF VALUATION OF TWO (2) PARCELS OF DETACHED COMMERCIAL LAND AND TWELVE (12) PARCELS OF TERRACED COMMERCIAL PLOTS LOCATED OFF JALAN TAN SRI MANICKAVASAGAM, SEREMBAN, NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad ("Matrix Concepts") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we have valued the abovementioned property vide our valuation report bearing Reference No.: V/NS/B5183/12/CTH dated 31 March 2012 for the purpose of submission to the Securities Commission. The subject property was inspected on 23 February 2012. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. 23 February 2012.

We confirm that we have valued the property based on the Basis of Valuation stated below. The Valuations had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Description of the property

The subject property comprises two (2) parcels of detached commercial land identified as Lot Nos. 20828 & 23142, twelve (12) parcels of terraced commercial plots known as Lot Nos. PT 8698 – PT 8709, all in Bandar Seremban, District of Seremban, State of Negeri Sembilan.

Lot No. 20828 has been approved for subdivision into 30 individual lots. We were made to understand that individual titles have yet to be issued. We have therefore value Lot No. 20828 as a whole in this valuation exercise.

The subject property is located off Jalan Tan Sri Manickavasagam, Seremban, approximately 1.5 kilometres due northwest of Seremban town centre. It is easily accessible from Seremban town centre via Jalan Tuanku Munawir and thence turns left onto Jalan Tan Sri Manickavasagam, which leads to the subject property.

Private searches at State Registry of Land Titles revealed that the land is held under term in perpetuity and is registered under Matrix Concepts Sdn Bhd. The categories of land use for the said properties are for buildings. The subject property is situated within an area zoned for commercial purposes. The brief information is tabulated as below: -

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No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



16. VALUATION CERTIFICATES (Cont'd)*Detached commercial land*

| Title No. | Lot No. | Annual Rent | Express Condition | Restriction In Interest |
|------------|-----------|-------------|--|-------------------------|
| GRN 126317 | Lot 20828 | RM10,625.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| GRN 211910 | Lot 23142 | RM11,342.00 | Tanah yang terkandung dalam hakmilik ini hendaklah digunakan untuk kompleks perniagaan sahaja. | Not Stated. |

Terraced commercial plot

| Title No. | Lot No. | Annual Rent | Express Condition | Restriction In Interest |
|------------|---------|-------------|---|-------------------------|
| HSD 206537 | PT 8698 | RM191.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206538 | PT 8699 | RM111.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206539 | PT 8700 | RM247.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206540 | PT 8701 | RM285.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206541 | PT 8702 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206542 | PT 8703 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206543 | PT 8704 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206544 | PT 8705 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206545 | PT 8706 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206546 | PT 8707 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206547 | PT 8708 | RM110.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |
| HSD 206548 | PT 8709 | RM205.00 | Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja. | Not Stated. |

Lot No. 20828

The site is irregular in shape encompassing a surveyed land area of approximately 16,865 sq. m. (181,533.17 sq. ft.). The physical terrain of the land is generally flat except for its southern portion. It lies at about the same level as the frontage road located to the north.

At the time of inspection, we noted that the site is generally overgrown with undergrowth and wild vegetation. The site is not improved with any structures / buildings.

The compound is not delineated with any form of fencing nor gated.

Vide a copy of letter bearing reference no. Bil. (9) dlm. PTS 528/114/10/40 dated 6 December 2010, we noted that Lot No. 20828 has been approved for subdivision into thirty (30) individual lots. We were made to understand that individual titles for the 30 lots have not been issued to date.

16. VALUATION CERTIFICATES (Cont'd)

Lot No. 23142

This site is located to the west of the abovementioned Lot No. 20828. Irregular in shape, it encompasses a surveyed land area of approximately 18,003 sq. m. (193,782.49 sq. ft.). The land is generally flat in its physical terrain except for its southern portion. It lies at about the same level as the frontage road located to the north.

It is generally overgrown with undergrowth except part of the site towards its western portion, which is bitumen sealed and formerly used as a car park.

At the time of inspection, we noted that the site has been erected with three structures, including a guard house, a bath/WC and a small structure for prayer purposes. We have however excluded these structures from this valuation exercise as we noted that these structures have been abandoned and are not in use.

The compound is not delineated with any form of fencing nor gated.

Lot Nos. PT 8698 – PT 8709

PT 8698

This site is corner lot, near rectangular in shape encompassing a provisional land area of approximately 303 sq. m. (3261.46 sq. ft.). It has a direct frontage of approximately 41.04 feet (12.509 metres) and an average depth of approximately 79.40 feet (24.1985 metres).

It is generally overgrown with undergrowth and wild vegetation.

The site is not improved with any structures / buildings. The compound is not delineated with any form of fencing nor gated.

The site is visible from the frontage main road, Jalan Tan Sri Manickavasagam.

PT 8699

This site adjoins PT 8698 to the south. An intermediate lot, the site near rectangular in shape encompassing a provisional land area of approximately 176 sq. m. (1,894.45 sq. ft.). It has a direct frontage of approximately 22 feet (6.706 metres) and an average depth of approximately 86.14 feet (26.255 metres).

The site is generally covered with undergrowth and wild vegetation.

The site is not improved with any structures / buildings. The compound is not delineated with any form of fencing nor gated.

PT 8700

This site is fairly regular in shape, encompassing a provisional land area of approximately 391 sq. m. (4,208.68 sq. ft.). It has a direct frontage of approximately 22 feet (6.706 metres).

It is generally covered with undergrowth and wild vegetation.

The site is not improved with any structures / buildings. The compound is not delineated with any form of fencing nor gated.

16. VALUATION CERTIFICATES (Cont'd)

PT 8701

This is the largest lot among the twelve (12) subject lots. It is trapezoidal in shape, encompassing a provisional land area of approximately 451 sq. m. (4,854.52 sq. ft.). It has a direct frontage of approximately 22 feet (6.706 metres).

Undergrowth and wild vegetation generally covered the site.

The site is not improved with any structures / buildings. The compound is not delineated with any form of fencing nor gated.

PT 8702 – PT 8708

PT 8702 – PT 8708 are seven (7) intermediate lots of similar size. Each of the site encompassing a provisional land area of approximately 153 sq. m. (1,650 sq. ft.) with a direct frontage of approximately 22 feet (6.706 metres) and a depth of approximately 75 feet (22.86 metres).

The site is generally covered with undergrowth and wild vegetation.

The site is not improved with any structures / buildings. The compound is not delineated with any form of fencing nor gated.

PT 8709

This site is another corner lot, near rectangular in shape encompassing a provisional land area of approximately 325 sq. m. (3,498.26 sq. ft.). It has a direct frontage of approximately 52.79 feet (16.086 metres) and an average depth of approximately 75.51 feet (23.0155 metres).

It is generally overgrown with undergrowth and wild vegetation.

The compound is not delineated with any form of fencing nor gated. The site is not improved with any structures / buildings.

The site is visible from the Jalan Permata 2, the side road.

Valuation Approaches

We have adopted the “**Comparison Method**” in formulating our opinion of the **Market Value** of the subject property.

Only one method has been adopted in valuing the subject property as the subject property has not been proposed for any development.

The land value is arrived at by the **Comparison Method**, comparing the subject property with similar properties that were either transacted or listed for sale within the same location or other comparable localities.

16. VALUATION CERTIFICATES (Cont'd)**Comparison Method**

Based on the statistic from Jabatan Penilaian & Perkhidmatan Harta ("JPPH") the following comparables are adopted.

Detached commercial land

| Comparables | 1 | 2 | 3 |
|-----------------------------------|---------------------------------------|--|--|
| Lot Nos. | Lot 23858 | Lot 22172 | Lot 31616 |
| Location | Jalan Seremban - Tampin | Oakland Commercc Square | Taman Persada Cattleya, Senawang |
| Type | Commercial land | Commercial land | Commercial land |
| Land Area (sq. m.) | 9,783 | 31,440 | 8,053 |
| Land Area (sq. ft.) | 105,303.23 | 338,417.02 | 86,681.69 |
| Consideration | RM4,623,790 | RM10,149,666 | RM3,880,000 |
| Remarks | Facing main road. Freehold. | Faeing main access road. Freehold. | Facing main access road. Leaschold 99 years. |
| Date of transaction | 13-May-10 | 25-Aug-10 | 24-June-11 |
| Laud value (per sq. m.) | RM472.64 | RM322.83 | RM481.81 |
| Adjusted Land Value (per sq. ft.) | RM354.48 | RM322.83 | RM433.63 |
| Remarks on Adj. Value | Adjustment made on size factor. | No adjustment. | Adjustment made on location, size and tenure factors. |

We have adopted the average of three (3) comparables with the round up land value of RM365.00/- per sq. m. For Lot 20828, we have adopted RM385.00/- per sq. m., which is slightly higher as the land has been approved for subdivision with premium paid but individual titles yet to be issued.

Commercial lands are getting rare in Seremban town centre nowadays. However, from data available, transactions of similar properties within 5 kilometres radius of the town centre revealed a range of about RM20 – RM 60 psf depending on their proximity to town centre and size. These 2 main factors play a direct role in determining the scale and type of development. Subject property, being the last few pieces of sizeable commercial lands in Seremban town centre, has been valued at about RM34 psf (RM365 psm) to RM 36 psf (RM385 psm). The adopted values have been derived after considering the subject lots proximity (about 1.5 kilometres) to town centre as well as other factors such as size and tenure.

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16. VALUATION CERTIFICATES (Cont'd)*Commercial terraced plots*

| Comparables | 1 | 2 | 3 |
|----------------------------------|--|--|--|
| Lot Nos. | Lot 1452 | Lots 3361 – 3362 | Lot 17213 |
| Location | Jalan Tun Dr. Ismail, Seremban | Jalan Tan Sri Manickavasagam, Seremban | Jalan Temiang, Seremban |
| Type | Commercial terraced plot | Commercial terraced plots | Commercial terraced plot |
| Land Area (sq. m.) | 185.776 | 397.612 | 124 |
| Consideration | RM325,000 | RM560,000 | RM115,000 |
| Remarks | Directly facing main road. Nearer to town. Freehold. | Directly facing main road. Nearer to town. Freehold. | Directly facing main road. Nearer to town. Freehold. |
| Date of transaction | 15-Oct-10 | 13-Sept-10 | 02-Mar-11 |
| Land value (per sq. m.) | RM1,749 | RM1,408 | RM1,855 |
| Adjusted Land Value (per sq. m.) | RM787.24 | RM633.78 | RM834.68 |
| Remarks on Adj. Value | Adjustment made on location, direct main road frontage and services factors. | Adjustment made on location, direct main road frontage and services factors. | Adjustment made on location, direct main road frontage and services factors. |

We have adopted the average of three (3) comparables with the round up land value of RM750.00/- per sq. m. For PT 8698 and PT 8709, we have adopted RM900.00/- per sq. m., which is a higher figure to reflect the fact that the land is corner lot with main road exposure. For PT 8700 and PT 8701, we have adopted RM675.00/- per sq. m., a lower rate as the land is poorer in shape.

Commercial terraced plots in Seremban town centre is analysed at RM250 psf to RM300 psf whilst secondary areas such as Jalan Rasah and Jalan Tuanku Antah show RM150 psf to RM 200 psf. as they are not far from Seremban town centre. These areas are developed and have been established for many years. They enjoy high occupancy rate and traffic flow. For subject property, it is located in secondary area, i.e. with characteristics similar to Jalan Rasah and Jalan Tuanku Antah. However, the subject area is still relatively new as most commercial areas have just developed beginning in the late 1990's. In addition, the subject lots are still in their "raw" form, i.e. without any site improvements. Considering all these factors, we have adopted an average rate of approximately RM70/- psf (RM750 psm) as the fair market value for the subject lots.

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16. VALUATION CERTIFICATES (Cont'd)

Conclusion

From the above analysis, it is our considered opinion that the current **Market Value** of the unencumbered interest in the subject property with the benefit of vacant possession is: -

Lot 20828

MV - RM 6,500,000 (Ringgit Malaysia: Six Million And Five Hundred Thousand Only)

Lot 23142

MV - RM 6,600,000 (Ringgit Malaysia: Six Million And Six Hundred Thousand Only)

Twelve (12) Parcels of Terraced Commercial Plots

MV - RM 2,070,000 (Ringgit Malaysia: Two Million And Seventy Thousand Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (INC) SDN BHD



SIEW WENG HONG
B.Sc., MIS(M), APEPS.
Registered Valuer (V-505)

16. VALUATION CERTIFICATES (Cont'd)**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref: V/NS/B7305/13/CTH

8 April 2013

The Board of Directors
Matrix Concepts Holdings Berhad
 No. 57 A & B, Wisma Matrix
 Jalan Tun Dr. Ismail
 70200 Seremban
 Negeri Sembilan Darul Khusus

Dear Sirs,

UPDATE VALUATION CERTIFICATE OF THREE (3) PARCELS OF DETACHED COMMERCIAL LAND AND TWENTY SIX (26) PARCELS OF TERRACED COMMERCIAL PLOTS LOCATED OFF JALAN TAN SRI MANICKAVASAGAM, SEREMBAN, NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad ("Matrix Concepts") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we had valued the abovementioned property vide our valuation report Reference No.: V/NS/B5183/12/CTH dated 31 March 2012 and recently an update valuation has been carried out bearing Reference No.: V/NS/B7305/13/CTH dated 22 March 2013 for the purpose of submission to the Securities Commission. It must be noted that this valuation certificate must be read in conjunction with the earlier valuation certificate bearing Reference No.: V/NS/B5183/12/CTH dated 31 March 2012.

The subject property was re-inspected on 21 March 2013. The relevant date of valuation for this valuation exercise is taken as 28 February 2013. The brief description of the subject property and our opinion of the current market value are as follows: -

Physical Aspect

The physical terrain of the site remains the same.

Title Particulars

The site remains the same except for Lot 20828, which has been subdivided into two (2) commercial lots and fourteen (14) terraced plots. The table below shows the difference:-

| Item | Previous | Current |
|-----------|---------------|---|
| Title No. | GRN 126317 | HSD 216176 to HSD 216189, HSD 216191 to HSD 216192 |
| Lot No. | Lot 20828 | PT 8711 to PT 8724, PT 8726 to PT 8727 |
| Land Area | 16,865 sq. m. | Total 8,570 sq. m. |

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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 Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V(1)0008/9

16. VALUATION CERTIFICATES (Cont'd)

Private searches carried out on 22 March 2013 at State Registry of Land Titles revealed that there are no changes in the title documents.

For the newly subdivided lots from Parent Lot No. 20828, we have randomly picked three (3) titles to carry out searches at State Registry of Land Titles on 29 March 2013. The particulars are the same as title copies provided by client.

Market Commentary

In Negeri Sembilan, the primary property market performed very well with newly launched properties receiving positive response. Commercial units being take up rate has been generally good. Overall, the performance of commercial property sub-sector has been healthy for the past one year.

Comparison Method

Based on the statistic from Jabatan Penilaian & Perkhidmatan Harta ("JPPH") the following comparables have been adopted.

Detached commercial land

There are two (2) new comparables (Comparables 1 & 2) adopted in this update exercise.

| Comparables | 1 | 2 | 3 |
|--|--|---|---|
| Lot Nos. | Lot 27141 | Lots 27073 & 27074 | Lot 31616 |
| Location | Bandar Seremban 2 | Bandar Seremban 2 | Taman Persada Cattleya, Senawang |
| Type | Commercial land | Commercial land | Commercial land |
| Land Area (sq. m.) | 2,063 | 3,034 | 8,053 |
| Land Area (sq. ft.) | 22,206 | 32,658 | 86,681.69 |
| Consideration | RM1,110,200 | RM2,286,130 | RM3,880,000 |
| Remarks | Within Seremban 2 township. Not main road. Freehold. | Walking distance to AEON Shopping Centre. Freehold. | Facing main access road. Leasehold 99 years. |
| Date of transaction | 31-July-12 | 05-June-12 | 24-June-11 |
| Price per sq. m. | RM538.15 | RM753.50 | RM481.81 |
| Adjusted Land Value (per sq. m.) for Lot 23142 | RM349.80 | RM414.43 | RM433.63 |
| Adjusted Land Value (per sq. m.) for PT 8726 & PT 8727 | RM511.24 | RM678.15 | RM602.26 |
| Remarks on Adjusted Value | Adjustment made on size factor. | Adjustment made on location and size factors. | Adjustment made on location, size and tenure factors. |

We have adopted the average of three (3) comparables with the round up land value.

| Lot No. | Round Up Value per sq. m. |
|-----------|---------------------------|
| Lot 23142 | RM395.00 |
| PT 8726 | RM590.00 |
| PT 8727 | RM590.00 |

16. VALUATION CERTIFICATES (Cont'd)*Commercial terraced plots*

There are two (2) new comparables (Comparables 1 & 2) adopted in this update exercise.

| Comparables | 1 | 2 | 3 |
|----------------------------------|---|---|---|
| Lot Nos. | Lot 16392 | Lots 9452, 16118, 9453 & 16117 | Lot 17213 |
| Location | Jalan Rahang, Seremban | Taman Starlight, Seremban | Jalan Temiang, Seremban |
| Type | Commercial terraced plot | Commercial terraced plots | Commercial terraced plot |
| Land Area (sq. m.) | 162 | 269.7 | 124 |
| Consideration | RM180,000 | RM286,000 | RM115,000 |
| Remarks | Directly facing main road. Slightly far from Seremban Town. Trapezoidal in shape. Freehold. | Directly facing main road. Slightly far from Seremban Town. Freehold. | Directly facing main road. Nearer to town. Freehold. |
| Date of transaction | 17-April-12 | 13-June-12 | 02-Mar-11 |
| Price per sq. m. | RM1,111 | RM1,060 | RM1,855 |
| Adjusted Land Value (per sq. m.) | RM833.33 | RM795.33 | RM834.68 |
| Remarks on Adjusted Value | Adjustment made on location, infrastructure and shape factors. | Adjustment made on location and infrastructure factors. | Adjustment made on location and infrastructure factors. |

We have adopted the average of three (3) comparables with the round up land value of RM 820.00 per sq. m. However, additional adjustments have been made on following lots:-

| Lot No. | Adjustment | Remarks | Value per sq. m. |
|-------------------|------------|---------------------------------|------------------|
| PT 8698, PT 8709 | Upward | Corner lot | RM984.00 |
| | Upward | Main road exposure | |
| PT 8700 & PT 8701 | Downward | Odd shape - trapezoidal | RM738.00 |
| PT 8711 | Upward | Corner lot | RM1,107.00 |
| | Upward | Double frontage | |
| PT 8712 – PT 8718 | Upward | Double frontage | RM943.00 |
| | Downward | Poorer shape - trapezoidal | |
| PT 8719 | Upward | Corner lot | RM1,025.00 |
| | Upward | Double frontage | |
| | Downward | Adjoins propose TNB sub-station | |
| PT 8720 | Upward | End lot | RM861.00 |
| PT 8724 | Upward | Corner lot | RM902.00 |

16. VALUATION CERTIFICATES (Cont'd)

Conclusion

From the above analysis, it is our considered opinion that the **Market Value (MV)** of the unencumbered interest in the subject property with the benefit of vacant possession is:-

Lot 23142

MV - RM 7,150,000 (Ringgit Malaysia: Seven Million, One Hundred And Fifty Thousand Only)

PT 8726

MV - RM 2,350,000 (Ringgit Malaysia: Two Million, Three Hundred And Fifty Thousand Only)

PT 8727

MV - RM 520,000 (Ringgit Malaysia: Five Hundred And Twenty Thousand Only)

Twenty Six (26) Parcels of Terraced Commercial Plots

MV - RM 5,750,000 (Ringgit Malaysia: Five Million, Seven Hundred And Fifty Thousand Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (NS) SDN BHD



SIEW WENG HONG
B. Survey, MIS(M), APEPS.
Registered Valuer (V-505)

16. VALUATION CERTIFICATES (Cont'd)**HENRY BUTCHER MALAYSIA**

International Asset Consultants

Our Ref: V/NS/B5126/12/SK

31 March 2012

The Board of Director(s)
Matrix Concepts Holdings Berhad
 No. 57 A & B, Wisma Matrix
 Jalan Tun Dr. Ismail
 70200 Seremban
 Negeri Sembilan Darul Khusus

Dear Sirs

CERTIFICATE OF VALUATION OF A FOUR AND A HALF STOREY OFFICE BUILDING KNOWN AS NO. 57A & B, WISMA MATRIX, JALAN TUN DR ISMAIL, 70200 SEREMBAN, NEGERI SEMBILAN HELD UNDER TITLE NO. GRN 186419, LOT 23185, BANDAR SEREMBAN, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holding Berhad ("*Matrix Concepts*") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we have valued the abovementioned property vide our valuation report bearing Reference No.: V/NS/B5126/12/SK dated 31 March 2012 for the purpose of submission to the Securities Commission. The subject property was inspected on 23 February 2012. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. 23 February 2012.

The valuations had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Description of the property

The subject property bears a postal address of No. 57A & B, Wisma Matrix, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan.

The subject property is located along Jalan Tun Dr. Ismail, Seremban, approximately 500 metres due northwest of Seremban town centre. Jalan Tun Dr Ismail is a federal route, which provides access to the north of Negeri Sembilan and eventually the southern part of neighbouring Selangor. The locality is easily accessible from North South Expressway (PLUS) via its Senawang Interchange. The subject property is located about 2 kilometres to the east from the interchange.

Private search carried out on 2 February 2012 at State Registry of Land Titles for GRN 186419, Lot 23185, Bandar Seremban, District of Seremban, State of Negeri Sembilan revealed the following:-

| | |
|-------------------------|--|
| Surveyed Land Area | : 550 sq. m. |
| Annual Rent | : RM347.00 |
| Tenure | : Term in perpetuity |
| Category of land use | : Building |
| Registered Owner | : MCHB Management Service Sdn Bhd (No. Syarikat 448098-U) |
| Express Condition | : Tanah ini hendaklah digunakan untuk perniagaan sahaja. |
| Restriction of Interest | : Tanah yang diberimilik ini tidak boleh dipindahmilik, dipajak, digadai melainkan dengan kebenaran bertulis daripada Pihak Berkuasa Negeri. |
| Encumbrances | : Charged thrice to Ambank (M) Berhad, twice registered on 28 January 2009 and once on 9 September 2009. |

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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16. VALUATION CERTIFICATES (Cont'd)

The subject site is a corner lot, fairly regular in shape and measures approximately 550 sq. m with a direct frontage of approximately 21.81 metres (71.5 feet), a splay frontage of approximately 5.901 metres (19 feet) and a depth of approximately 18.67 metres (61 feet) to Jalan Tun Dr. Ismail.

Erected on site is a four and a half storey office building with a main floor area of approximately 2,215 sq. m. and the ancillary floor area of approximately 103.5 sq. m.

The building is basically constructed of reinforced concrete framework, partly reinforced concrete flat roof and partly timber/metal framed pitched roof covered with corrugated roofing sheets. Floor finishes are generally of ceramic tiles, carpet and timber strips.

The earlier block of the building is about 13 years old and was completed in year 1999. The other block is relatively new is only completed about 3 years ago.

The building / structures have been issued with separates Certificate of Fitness for Occupation / Work Completion Certificate by Yang Dipertua Majlis Perbandaran Seremban. The details are as follows:-

| Buildings | Date |
|-----------|--------------|
| Old Block | 21 June 1999 |
| New Block | 5 May 2009 |

Matrix Concepts occupies the whole building except for the ground floor. It is tenanted to BSS Development Sdn Bhd at a total monthly rental of RM10,000/-. The tenancy for the old block is RM4,000/- commencing from 1 January 2010 whilst the new block is RM6,000/-, commencing from 1 August 2009. Both tenancies are mutually agreed with annual renewable. The subject property acts as the headquarters for Matrix Concepts and its subsidiaries.

Valuation Approaches

We have adopted the “**Cost Method**” and “**Comparison Method**” in formulating our opinion of the **Market Value** of the subject property. As a check, we have also adopted “**Investment Method**”

The **Cost Method** involves the estimation of the reproduction or replacement cost of the property less depreciation. The land component is arrived at by the **Comparison Method**, comparing the subject property with similar properties that were either transacted or listed for sale within the same location or other comparable localities.

In **Investment Method**, the capital value is derived from an estimate of the Market Rental, which the subject property can reasonably be let for. Outgoings, such as property tax, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annum rental income is capitalised at an appropriate current market yield to arrive at its indicative capital value.

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16. VALUATION CERTIFICATES (Cont'd)**Comparison Method**

Based on the statistic from Jabatan Penilaian & Perkhidmatan Harta ("JPPH") the following comparables are adopted.

| Comparables | 1 | 2 | 3 | 4 |
|--------------------------------------|---|---|---|---|
| Lot Nos. | 21360 | 31015 | 31027 | 22869 |
| Location | Jalan Yam Tuan | Biz Avenue, Seremban 2 | Biz Avenue, Seremban 2 | Terminal 2 |
| Type | Five storey office building | Three storey shop office | Three storey shop office | Three storey shop office |
| Land Area (sq. m.) | 357 | 200 | 143 | 143 |
| Consideration | RM2,200,000 | RM1,700,000 | RM1,380,000 | RM1,040,000 |
| Remarks | Standard, intermediate, T- junction, with lift facilities, freehold. | Standard, intermediate, bigger frontage, freehold. | Standard, intermediate, freehold. | Standard, intermediate, freehold. |
| Date of transaction | 7-Apr-11 | 11-Apr-11 | 4-Oct-10 | 25-Jan-11 |
| Building value after depreciation | RM978,243 | RM376,418 | RM278,516 | RM277,333 |
| Land value after depreciation | RM1,221,757 | RM1,323,582 | RM1,101,484 | RM762,667 |
| Land value (psm) | RM3,422 | RM6,618 | RM7,703 | RM5,333 |
| Adjusted Land Value (psm)* | RM3,764.52 | RM3,970.75 | RM4,621.61 | RM4,266.67 |
| Remarks on Adj. Value | Adjustment made on location, size, end / corner lot factor. | Adjustment made on location, size, density, end / corner lot factor. | Adjustment made on location, size, density, end / corner lot factor. | Adjustment made on size, density, end / corner lot factor. |

We have adopted the average of comparables 1 and 2 as they are among the latest transactions of office buildings within the locality. Another reason why they have been chosen is due to the fact that their relatively bigger land size, which is nearer to subject property's size as compared to the other two comparables (Comparables 3 and 4). Considering the above, we have adopted a land value of RM3,868/- per sq. m.

Building value is derived from our checking with the contractors which revealed that the current construction cost is similar building was in the range of RM1,200.00 per square metre to RM1,400.00 per square metre. Based on the Juru Ukur Bahan Malaysia's construction cost handbook 2010, the average construction cost for a standard office building is in the range of RM1,220 per square metre to RM 1,370 per square metre. We have incorporated the factors of building specifications such as eaves height, roof, floor loading capacity etc, in the adjustment. Therefore, it is in our opinion that after the adjustment, the construction cost of RM1,200 per square metre was adopted.

Depreciation rate is derived from dividing the average age of building with estimated building life span of 60 years. Due consideration is given to the renovations, maintenance and condition of the subject property as well.

Brief workings for the comparison method are as follows:-

| | |
|--------------------------------------|--------------------|
| Land Value | RM2,127,400 |
| Building Value after depreciation | RM2,510,145 |
| Market Value | RM4,637,545 |

The market value for the subject property is therefore **RM4,600,000/-**.

16. VALUATION CERTIFICATES (Cont'd)**Investment Method**

As per our findings, there are a few asking prices and concluded rental for office space within Seremban town centre. For the purpose of this valuation, we have adopted the following comparables:-

| | Comparable 1 | Comparable 2 | Comparable 3 |
|---|--|---|--|
| Location | AIA Building, Jalan Dato Lee Fong Yee | No. 77 – 79, Jalan Yam Tuan | No. 120 & 121, Jalan Dato Bandar Tunggal |
| Premises | Four and a half storey office building | Three storey shop office | Three and a half storey shop office |
| Term and Commencement Date / Asking Date | Asking in February 2012 through agent | Asking in February 2012 through agent | Currently occupied by Hong Leong Bank through tenant |
| Remarks | Located within Seremban town area. Smaller size. Intermediate. Freehold. | Located within Seremban town area. Smaller size. End lot. Freehold. | Located within Seremban town area. Smaller size. Intermediate. Freehold. |
| For Ground Floor | | | |
| Built-up Area (sq. m.) | 244.52 | 371.61 | 371.61 |
| Monthly Rental / Asking Rental | RM6,580/- | RM12,000 | RM8,580 |
| Monthly Rental (psm) | RM26.91 | RM32.29 | RM23.09 |
| Adjusted Rental rate (psm) | RM20.59 | RM23.33 | RM20.78 |
| For Mezzanine/First Floor | | | |
| Built-up Area (sq. m.) | 176.70 | 371.61 | 371.61 |
| Monthly Rental / Asking Rental | RM2,853/- | RM6,000 | RM6,070 |
| Monthly Rental (psm) | RM16.15 | RM16.15 | RM16.33 |
| Adjusted Rental rate (psm) | RM13.80 | RM13.08 | RM15.52 |

**Adjustment has been made for location, size, facilities and negotiation.*

We have adopted the average of all the comparables as they all located within Seremban town and not far from the subject property. From the working, the rates derived are RM21.57 per square metre and RM14.13 per square metre for ground and mezzanine/first floors. For higher floors i.e. second and third floors, we have adopted lower rate than the analysed mezzanine/first floor rate mentioned earlier, based on observation we made in commercial properties in Seremban town.

| | Net Lettable Area (sq. m.) | Rental per month (per sq. m.) | Monthly Rental | Yearly Rental |
|----------------------------|----------------------------|-------------------------------|----------------|------------------|
| Ground Floor | 405.89 | RM21.57 | RM8,755/- | RM105,060/- |
| Mezzanine Floor | 273.69 | RM14.13 | RM3,867/- | RM46,404/- |
| First Floor | 472.69 | RM14.13 | RM6,679/- | RM80,148/- |
| Second Floor* | 531.31 | RM11.30 | RM6,004/- | RM72,048/- |
| Third Floor* | 531.31 | RM11.30 | RM6,004/- | RM72,048/- |
| Annual Gross Rental | | | | RM375,708 |

**For second and third floors, a downward adjustment is made from the first floor, as these floors are accessible with lift facilities as compare to other comparable office units.*

16. VALUATION CERTIFICATES (Cont'd)

The parameters considered in the investment method are as follows:-

| | |
|-------------------------|--------------------|
| Outgoings* | RM52,138.00 |
| Voids** | 5% of FRV |
| YP in perpetuity*** | Yield at 6.55% |
| Market Value | RM4,653,200 |
| Market Value say | RM4,650,000 |

* Based on actual quit rent and assessment paid. Management fee is based on government approved scale fee with 30% discount.

** Voids period of 5% from FRV is adopted as the subject property is located within Seremban town centre and has a better demand as compare to other areas.

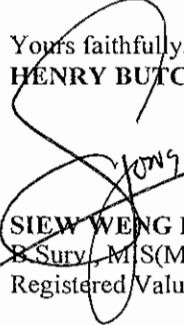
*** Yield adopted is based on analysis of commercial properties within the locality, derived from dividing annual rental with market price. Our analysis revealed that the yield for the surrounding commercial properties is in the range of 6.43% to 6.66%. The annual rental is derived from the actual rental rate less outgoings. The market value is derived from the sale transaction of similar properties within the subject scheme.

In this valuation, we have adopted figures derived from **Comparison Method** and not **Investment Method**.

Investment Method involves the conversion of an income flow from property into an appropriate capital sum. The assessment of a rental value is therefore an important process and a reasonably accurate estimate is therefore vital. The lack of concluded rental evidences have resulted us to depend on asking prices to arrive at the notional income flow. Hence, reducing the accuracy of the **Investment Method** as compared to the **Comparison Method** in terms of the value in this exercise.

From the above analysis, it is our considered opinion that the current **Market Value** of the unencumbered interest in the subject property with the benefit of vacant possession is **RM4,600,000/- (Ringgit Malaysia: Four Million And Six Hundred Thousand Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (NS) SDN BHD


SIEW WENG HONG
B. Sury., M. S(M), APEPS.
Registered Valuer (V-505)



16. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Your Ref:

Our Ref: V/NS/B7303/13/SK

8 April 2013

The Board of Director(s)

Matrix Concepts Holdings Berhad

No. 57 A & B, Wisma Matrix

Jalan Tun Dr. Ismail

70200 Seremban

Negeri Sembilan Darul Khusus

Dear Sirs

UPDATE VALUATION CERTIFICATE OF A FOUR AND A HALF STOREY OFFICE BUILDING KNOWN AS NO. 57A & B, WISMA MATRIX, JALAN TUN DR ISMAIL, 70200 SEREMBAN, NEGERI SEMBILAN HELD UNDER TITLE NO. GRN 186419, LOT 23185, BANDAR SEREMBAN, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad ("Matrix Concepts") to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we have valued the abovementioned property vide our valuation report bearing Reference no. V/NS/B5126/12/SK dated 31 March 2012 and recently an update valuation has been carried out bearing Reference No. V/NS/B7303/13/SK dated 25 March 2013. It must be noted that this update valuation certificate must be read in conjunction with the earlier valuation certificate bearing Reference No. V/NS/B5126/12/SK dated 25 March 2012.

The subject property was re-inspected on 21 March 2013. The relevant date of valuation for this valuation exercise is taken as 28 February 2013. A brief update of the subject property and our opinion of the current market value are as follows: -

Physical Aspect

There are no physical changes on the subject building.

Title Particulars

Private search carried out on 22 March 2013 at State Registry of Land Titles for GRN 186419, Lot 23185, Bandar Seremban, District of Seremban, State of Negeri Sembilan revealed that there are no changes in the title document.

Market Commentary

Commercial sub sector continues to be in upward trend with most areas within Seremban town recorded an increase in selling and rental prices. The increase in selling price is due to the high demand for commercial properties especially shopoffices. Rentals of ground floor shops as well generally remained stable with movements registered in selected localities.

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V (1) 0008/9

16. VALUATION CERTIFICATES (Cont'd)**Comparison Method**

In arriving at our opinion of value, we have taken into consideration amongst others, the following sale transactions. There is only one (1) new comparable transaction (Comparable No. 4) within the locality.

| Comparables | 1 | 2 | 3 | 4 |
|--------------------------------------|---|---|---|--|
| Lot Nos. | 21360 | 31015 | 22869 | PT 8521 |
| Location | Jalan Yam Tuan | Biz Avenue, Seremban 2 | Tenninal 2 | Medan Suria |
| Type | Five storey office building | Three storey shop office | Three storey shop office | Three storey shop office |
| Land Area (sq. m.) | 357 | 200 | 143 | 219.7 |
| Consideration | RM2,200,000 | RM1,700,000 | RM1,040,000 | RM1,350,000 |
| Remarks | Standard, intermediate, T- junction, with lift facilities, freehold. | Standard, intermediate, bigger frontage, freehold. | Standard, intermediate, freehold. | Standard, corner lot, freehold. |
| Date of transaction | 7-Apr-11 | 11-Apr-11 | 25-Jan-11 | 27-June-12 |
| Building value after depreciation | RM978,243 | RM376,418 | RM277,333 | RM317,640 |
| Land value after depreciation | RM1,221,757 | RM1,323,582 | RM762,667 | RM1,302,360 |
| Land value (psm) | RM3,422 | RM6,618 | RM5,333 | RM4,699 |
| Adjusted Land Value (psm)* | RM3,764.52 | RM3,970.75 | RM4,266.67 | RM4,229.06 |
| Remarks on Adj. Value | Adjustment made on location, size, end / corner lot factor. | Adjustment made on location, size, density, end / corner lot factor. | Adjustment made on size, density, end / corner lot factor. | Adjustment made on location, size, density factor. |

We have adopted the average of comparables 1, 2 and 4 as they are among the latest transactions of office buildings within the locality. Another reason why they have been chosen is due to the fact that their relatively bigger land size, which is nearer to subject property's size as compared to comparable 3. Considering the above, we have adopted a land value of RM3,988/- per sq. m.

Based on the LangdonSheah's Construction Cost Handbook 2012, the construction cost for office and commercial buildings has increased about 5% from 2011 to 2012. Therefore, we have adopted a building value of about RM1,260 per sq. m. after considering the building specifications such as height, roof and finishes in the adjustment.

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16. VALUATION CERTIFICATES (Cont'd)**Investment Method**

Our findings reveal that there is one new asking price (Comparable No. 4) of an office building within the locality. Therefore, we have adopted the following comparables:-

| | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|---|--|---|--|--|
| Location | AIA Building, Jln Dato Lee Fong Yee | No. 77 – 79, Jln Yam Tuan | No. 120 & 121, Jln Dato Bdr Tunggai | No. 1522 & 1523, Jln Tun Dr Ismail |
| Premises | Four and a half storey office building | Three storey shop office | Three and a half storey shop office | Three storey shop office |
| Term and Commencement Date / Asking Date | Asking in February 2012 through agent | Asking in February 2012 through agent | Currently occupied by Hong Leong Bank through tenant | Asking price March 2013 through agent |
| Remarks | Located within Seremban town area. Smaller size. Intermediate. Freehold. | Located within Seremban town area. Smaller size. End lot. Freehold. | Located within Seremban town area. Smaller size. Intermediate. Freehold. | Located along secondary road area. Smaller size. Corner lot. Freehold. |
| For Ground Floor | | | | |
| Built-up Area (sq. m.) | 244.52 | 371.61 | 371.61 | 336.31 |
| Monthly Rental / Asking Rental | RM6,580/- | RM12,000 | RM8,580 | RM8,550 |
| Monthly Rental (psm) | RM26.91 | RM32.29 | RM23.09 | RM25.43 |
| Adjusted Rental rate (psm) | RM20.59 | RM23.33 | RM20.78 | RM23.77 |
| For Mezzanine/First Floor | | | | |
| Built-up Area (sq. m.) | 176.70 | 371.61 | 371.61 | 340.95 |
| Monthly Rental / Asking Rental | RM2,853/- | RM6,000 | RM6,070 | RM4,350 |
| Monthly Rental (psm) | RM16.15 | RM16.15 | RM16.33 | RM12.76 |
| Adjusted Rental rate (psm) | RM13.80 | RM13.08 | RM15.52 | RM13.52 |

*Adjustment has been made for location, size, facilities and negotiation.

Based on the above adjustments, we have adopted a rental rate of RM23.03 per sq. m. for ground floor, RM14.15 per sq. m. for mezzanine and first floors and RM11.32 per sq. m. for second and third floors.

Our analysis on the outgoings for the year 2013, remain the same. From our findings, return of commercial properties in Negeri Sembilan is in the range of 6% to 6.5%. We are in an opinion that the subject property is located in an established area with greater facilities surround; have adopted a return rate of 6.5%.

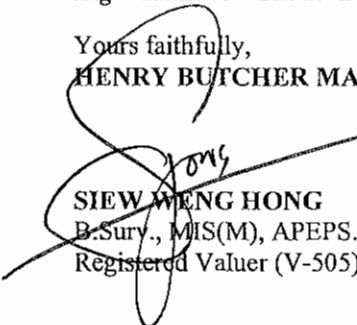
| <u>Summary</u> | <u>Market Value</u> |
|-------------------|---------------------|
| Comparison Method | RM4,800,000 |
| Investment Method | RM4,790,000 |

Conclusion

From the above analysis, it is our considered opinion that the **Market Value** of the unencumbered interest in the subject property with the benefit of vacant possession is **RM4,800,000 (Ringgit Malaysia: Four Million And Eight Hundred Thousand Only)**

Yours faithfully,

HENRY BUTCHER MALAYSIA (NS) SDN BHD


SIEW WENG HONG
B.Surv., MIS(M), APEPS.
Registered Valuer (V-505)



16. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: V/NS/B5125/12/CTH

31 March 2012

The Board of Directors
Matrix Concepts Holdings Berhad
No. 57 A & B, Wisma Matrix
Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan Darul Khusus

Dear Sirs,

CERTIFICATE OF VALUATION OF TWO (2) PARCELS OF ADJOINING AGRICULTURAL LAND LOCATED OFF THE 18TH MILEPOST, JALAN PASIR PANJANG – PENGKALAN KEMPAS, PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS HELD UNDER GRN 71271, LOT NO. 769 & GRN 68386, LOT NO. 847, BOTH IN MUKIM OF PASIR PANJANG, DISTRICT OF PORT DICKSON, STATE OF NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad (“Matrix Concepts”) to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we have valued the abovementioned property vide our valuation report bearing Reference No.: V/NS/B5125/12/CTH dated 31 March 2012 for the purpose of submission to the Securities Commission. The subject property was inspected on 28 February 2012. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. 28 February 2012.

We confirm that we have valued the property based on the Basis of Valuation stated below. The valuations had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Description of the property

The subject property comprises two (2) parcels of adjoining agricultural land identified as Lot Nos. 769 and 847, both in Mukim of Pasir Panjang, District of Port Dickson, State of Negeri Sembilan.

The subject property is located off Pasir Panjang – Pengkalan Kempas main road (Federal Route 5), approximately 4 kilometres due north east of Pekan Pasir Panjang and approximately 11 kilometres west of Pengkalan Kempas. It is easily accessible from Pekan Pasir Panjang via the abovementioned road, turn left onto a metalled road before reaching Kampung Bukit Tembok, approximately 1.1 kilometres before junction to Tanjung Agas and travelling along the said metalled road for approximately 500 metres which partly runs along the western bank of the Sungai Raya and thence, crossing the said river via a bridge to reach its eastern bank and continue until reaching the former water gate of Sungai Raya, turn eastwards for approximately 100 metres to reach western boundary of the subject property.

Private searches at State Registry of Land Titles revealed that the land is held under term in perpetuity and is registered under: -

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V(1) 0008/9

16. VALUATION CERTIFICATES (Cont'd)

| Title No. | Lot No. | Category of Land Use | Registered Owner(s) | Express Condition | Restriction In Interest |
|-----------|---------|----------------------|--|-------------------|-------------------------|
| GRN 71271 | Lot 769 | Nil. | Demi Sejati Sdn Bhd* | Nil. | Not Stated. |
| GRN 68386 | Lot 847 | Nil. | Tan Bon Sek @ Tan Boon Kow & Demi Sejati Sdn Bhd* (½ share each) | Nil. | Not Stated. |

* Vide a copy of Borang 13 issued by Companies Commission of Malaysia provided to us, we noted that Demi Sejati Sdn Bhd is currently known as MCHB Natro' Green Sdn Bhd.

The subject site is near rectangular in shape. Lot 769 has a surveyed land area of approximately 8.119 hectares (20.062 acres) whilst Lot 847 encompasses a surveyed land area of approximately 6.0526 hectares (14.956 acres).

The physical terrain of the site is flat in general. At the time of inspection, we noted that the site is cultivated with matured rubber trees, estimated to be about 15 years old. The crop is observed to be well maintained. However, it has to be noted that the company does not derive any revenue from these rubber trees. The subject property is not improved with any structures. We also noted that both the said land are not categorised for use under any category. However, based on Port Dickson Local Plan, Mukim Pasir Panjang 2020, the subject property is zoned for residential development. As the land is still not converted for any development, we are valuing the subject property as an agriculture land.

Valuation Approaches

We have only adopted the "Comparison Method" in formulating our opinion of the Market Value of the subject property.

We only adopted one method in valuing the subject property as the subject property does not generate any yield or income into the company or to the registered owner and it does not has any immediate potential for development.

The land value is arrived at by the Comparison Method, comparing the subject property with similar properties that were either transacted or listed for sale within the same location or other comparable localities.

Comparison Method

Based on the statistic from Jabatan Penilaian & Perkhidmatan Harta ("JPPH") the following comparables are adopted.

| Comparables | 1 | 2 | 3 |
|--------------------------------|---|--|---|
| Lot Nos. | Lot 217 | Lot 1694 | Lot 2621 |
| Location | Off Jalan Port Dickson – Pasir Panjang | Off Jalan Port Dickson – Pasir Panjang | Off Jalan Port Dickson – Pasir Panjang |
| Type | Agricultural land | Agricultural land | Agricultural land |
| Land Area (hectares) | 6.131 | 1.553 | 1.208 |
| Land Area (acres) | 15.1497 | 3.8375 | 2.985 |
| Consideration | RM1,500,000 | RM378,000 | RM275,000 |
| Remarks | Interior lot with access road. No crops. Freehold. Zoned for residential. | Interior lot with access road. Planted with oil palms. Freehold. Zoned for commercial. | Interior lot with access road. Planted with oil palms. Freehold. Zoned for residential. |
| Date of transaction | 11-Nov-10 | 8-Apr-11 | 16-May-11 |
| Land value (per acre) | RM99,011.86 | RM98,501.63 | RM92,127.30 |
| Adjusted Land Value (per acre) | RM94,061.27 | RM88,651.47 | RM87,520.94 |
| Remarks on Adj. Value | Adjustment made on location and crop factors. | Adjustment made on size factor. | Adjustment made on location and size factors. |

16. VALUATION CERTIFICATES (Cont'd)

We have adopted the average of three (3) comparables with the round up land value of RM90,000/- per acre.

Value Consideration

Generally, agricultural lands in Mukim of Pasir Panjang are transacted approximately RM 100,000/- per acre to RM110,000/- per acre for those that are located near to town area and not far from developments such as housing areas. These lands are generally interior lots with access road but some of them are vacant, i.e. not cultivated with any crops. For subject property, which is slightly far from town and developed areas but planted with crop, we reckon that a rate of RM90,000/- per acre is a fair market value.

Conclusion

From the above analysis, it is our considered opinion that the current **Market Value** of the unenumbered interest in the subject property with the benefit of vacant possession is

GRN 71271, Lot No. 769, Mukim of Pasir Panjang

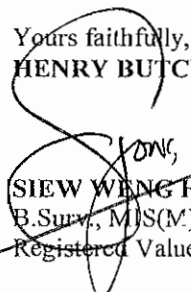
MV - RM 1,800,000 (Ringgit Malaysia: One Million And Eight Hundred Thousand Only)

GRN 68386, Lot No. 847, Mukim of Pasir Panjang

MV - RM 1,350,000 (Ringgit Malaysia: One Million, Three Hundred And Fifty Thousand Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (M) SDN BHD


SIEW WENG HONG
B.Surv., MJS(M), AP&PS.
Registered Valuer (V-505)



16. VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref: V/NS/B7304/13/CTH

8 April 2013

The Board of Directors
Matrix Concepts Holdings Berhad
No. 57 A & B, Wisma Matrix
Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan Darul Khusus

Dear Sirs,

UPDATE VALUATION CERTIFICATE OF TWO (2) PARCELS OF ADJOINING AGRICULTURAL LAND LOCATED OFF THE 18TH MILEPOST, JALAN PASIR PANJANG – PENGKALAN KEMPAS, PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS HELD UNDER GRN 71271, LOT NO. 769 & GRN 68386, LOT NO. 847, BOTH IN MUKIM OF PASIR PANJANG, DISTRICT OF PORT DICKSON, STATE OF NEGERI SEMBILAN

This certificate has been prepared for inclusion in the Prospectus of Matrix Concepts Holdings Berhad (“Matrix Concepts”) to be dated **8 MAY 2013** in connection with the admission of Matrix Concepts to the Official List of Bursa Malaysia Securities Berhad.

In accordance with the instructions from Matrix Concepts, we had valued the abovementioned property vide our valuation report Reference No.: V/NS/B5125/12/CTH dated 31 March 2012 and recently an update valuation has been carried out bearing Reference No.: V/NS/B7304/13/CTH dated 22 March 2013 for the purpose of submission to the Securities Commission. It must be noted that this valuation certificate must be read in conjunction with the earlier valuation certificate bearing Reference No.: V/NS/B5125/12/CTH dated 31 March 2012.

The subject property was re-inspected on 21 March 2013. The relevant date of valuation for this valuation exercise is taken as 28 February 2013. The brief description of the subject property and our opinion of the current market value are as follows: -

Physical Aspect

The physical terrain of the site remains the same.

Title Particulars

Private searches carried out on 22 March 2013 at State Registry of Land Titles revealed that there are no changes in the title documents.

Market Commentary

Agriculture sub-sector is slightly different as compared to other property sub-sectors as its demand is influenced by prices of commodities. This recent fall of commodities prices has somehow reduced the buying interest among the agricultural land purchasers, resulting a slower price increase. Nevertheless, the sub-sector’s future is still good as there is no more new supply. We foresee a steady increase of price in this sub-sector in short to medium terms.

HENRY BUTCHER MALAYSIA (NS) Sdn Bhd (553971-D)

No. 11, Ground Floor, Jalan Tunku Hassan, 70000 Seremban, Negeri Sembilan, Malaysia.

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Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



V (1) 0008/9

16. VALUATION CERTIFICATES (Cont'd)**Comparison Method**

In arriving at our opinion of value, we have taken into consideration amongst others, the following sale transactions. There is one (1) new comparable (Comparable 1) adopted in this update exercise.

| Comparables | 1 | 2 | 3 |
|-----------------------------------|--|--|--|
| Lot Nos. | Lot 967 | Lot 1694 | Lot 2621 |
| Location | Off Jalan Port Dickson - Pasir Panjang | Off Jalan Port Dickson - Pasir Panjang | Off Jalan Port Dickson - Pasir Panjang |
| Type | Agricultural land | Agricultural land | Agricultural land |
| Land Area (hectares) | 5.797 | 1.553 | 1.208 |
| Land Area (acres) | 14.3244 | 3.8375 | 2.985 |
| Consideration | RM1,443,250 | RM378,000 | RM275,000 |
| Remarks | Interior lot with access road. Planted with oil palms. Freehold. Zoned for residential. | Interior lot with access road. Planted with oil palms. Freehold. Zoned for commercial. | Interior lot with access road. Planted with oil palms. Freehold. Zoned for residential. |
| Date of transaction | 18-May-12 | 8-Apr-11 | 16-May-11 |
| Price per acre | RM100,754.75 | RM98,501.63 | RM92,127.30 |
| Adjusted Land Value (per acre) | RM100,754.75 | RM93,084.94 | RM91,897.97 |
| Remarks on Adjusted Value | - | Adjustment made on time and size factors. | Adjustment made on time, location and size factors. |

We have adopted the average of three (3) comparables with the round up land value of RM95,000/- per acre.

Conclusion

From the above analysis, it is our considered opinion that the **Market Value (MV)** of the unencumbered interest in the subject property with the benefit of vacant possession is:-

GRN 71271, Lot No. 769, Mukim of Pasir Panjang

MV - RM 1,900,000 (Ringgit Malaysia: One Million And Nine Hundred Thousand Only)

GRN 68386, Lot No. 847, Mukim of Pasir Panjang

MV - RM 1,420,000 (Ringgit Malaysia: One Million, Four Hundred And Twenty Thousand Only)

Yours faithfully,

HENRY BUTCHER MALAYSIA (PS) SDN BHD

SIEW WENG HONG
B.Surv., MIB(M), APEPS.
Registered Valuer (V-505)



17. ADDITIONAL INFORMATION

17.1 SHARE CAPITAL

- (i) Save for the ESOS Options as disclosed in Sections 3.3.4 and 15 of this Prospectus, no shares will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (ii) There is no founder, management or deferred share in our Company. As at the date of this Prospectus, there is only 1 class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in Sections 3.3, 7.2 and 7.3 of this Prospectus, no shares or debentures of our Company or our subsidiaries has been issued or has been agreed to be issued or is proposed to be issued as fully or partly paid-up, in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) Save for the Public Issue Shares reserved for application by our Directors and employees and persons who have contributed to the success of our Group as disclosed in Section 3.3.1 of this Prospectus and the ESOS Options as disclosed in Sections 3.3.4 and 15 of this Prospectus, there is currently no other scheme for or involving the Directors or employees of our Group.
- (v) Save for the ESOS Options as disclosed in Sections 3.3.4 and 15 of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital as at the date of this Prospectus.
- (vi) Save for the ESOS Options as disclosed in Sections 3.3.4 and 15 of this Prospectus, our Group does not have any capital which is under option, or agreed conditionally or unconditionally to be put under option.
- (vii) As at the date of this Prospectus, there is no limitation on the right to own securities, including limitation on the right of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by law or by our Memorandum and Articles of Association.

17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from our Company's Articles of Association.

Terms defined in our Company's Articles of Association shall have the same meanings when used here unless they are otherwise defined here or unless the context otherwise requires.

(i) Transfer of securities

The provisions of the Articles of Association of the Company in respect of the arrangements for the transfer of shares and restrictions on their free transferability are as follows:

Article 31

Subject to the provisions of these Articles, the Act, the SICDA and the Rules of Bursa Depository ("**Rules**") (with respect to transfer of a deposited security) all transfers of securities shall be in writing in the form prescribed and approved by the Exchange, or such relevant authorities of the stock exchange on which the Company's securities are listed. All transfers of Depositories shall be effected in accordance with the Rules.

17. **ADDITIONAL INFORMATION (Cont'd)**

Article 32(a)

The transfer of any listed securities or class of listed securities of the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Section 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Article 33

The Bursa Depository may refuse to register any transfer of listed securities that does not comply with the SICDA and Rules. Subject to the provisions of the Act, the SICDA and the Rules, no listed securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind or any partnership or unincorporated association or body.

(ii) Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with the remuneration of the Directors are as follows:

Article 108

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in General Meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, Provided Always that :-

- (i) the fees payable to the Directors shall, from time to time be determined by a resolution of the Company in General Meeting Provided Always that such fees shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the General Meeting;
- (ii) save as provided in Article 108(i) hereof, an Executive Director shall, subject to the terms and any agreement (if any) entered into any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remunerations, other than the fees provided for in Article 108(i) hereof, payable to the Non-Executive Directors shall be determined by a resolution of the Company in General Meeting;
- (iii) fees payable to Non-Executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover; and
- (iv) salaries payable to Executive Directors may not include a commission on or percentage of turnover; and

Article 107(iii)

An Alternate Director shall not be entitled to receive remuneration otherwise than out of the remuneration of the Director appointing him.

17. ADDITIONAL INFORMATION (Cont'd)

Article 144

A Managing Director shall, subject to the terms of any agreement entered into in any particular case, received such remuneration (which shall not include a commission on or percentage of turnover) as the Director may determine. It may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

(iii) Voting and borrowing powers of Directors, including voting powers on proposals, arrangements or contracts in which they are interested

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors in relation to proposals, arrangements or contracts in which they are interested in and their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Article 113

- (a) The Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries.
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an uncalled third party.
- (c) The Director shall cause a proper register to be kept in accordance with Section 115 of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirement of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Article 129

Every Director shall comply with Sections 131, 131A and 135 of the Act and a Director who is personally interested directly or indirectly in any contract or arrangement or proposed contract or arrangement with the Company shall declare his interest to the Board of Directors as soon as he becomes aware of such contract or arrangement and such Director shall not participate in deliberations concerning such contract or arrangement nor shall he cast his vote in respect of any matter arising therefrom.

Article 130

A Director may vote in respect of :-

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

17. ADDITIONAL INFORMATION (Cont'd)

(iv) Changes in capital and variations of class rights

The provisions in the Articles of Associations of the Company as to the changes in capital or variation of class rights which are no less stringent than that required by law are as follows:

Article 58

If at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one third (1/3) of the issued shares of the class and that any holder may demand in a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.

Article 13(b)

Subject to the Listing Requirements and any direction to the contrary that may be given by the Company in a General Meeting, all new shares or other convertible securities shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or Securities which by reason of the ratio which the new shares or Securities bear the shares or Securities held by persons entitled to an offer of new shares or Securities in the opinion of the Directors, cannot be conveniently offered under this Article.

Article 14

Subject to the Act, SICDA, Rules and/or the Listing Requirements and notwithstanding the existence of a resolution pursuant to Section 132A of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months exceeds ten per centum (10%) of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in General Meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

Article 62

The Company may from time to time in General Meeting by Ordinary Resolution :-

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

17. ADDITIONAL INFORMATION (Cont'd)

- (ii) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is affected, be given any preference or advantage as regards to dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (iii) cancel any shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (iv) subject to the provisions of these Articles and the Act, convert and/or re-classify any class of shares into any other class of shares.

Article 63(a)

The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by the provisions of the Act.

17.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of our Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by our Company in general meeting.
- (iii) Save as disclosed in Sections 9.4, 11.4 and 11.5 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect in any business carrying on similar trade as the core business of our Group.
- (iv) Save as disclosed in Section 9.8 of this Prospectus, none of our Directors has any existing or proposed service contract with our Group.
- (v) Our Directors' interests, direct and indirect, in the shares of our Company before and after the IPO are set out in Section 9.2 of this Prospectus.
- (vi) Our substantial shareholders' interests, direct and indirect, in the shares of our Company before and after the IPO are set out in Section 9.1 of this Prospectus.
- (vii) Save as disclosed in Section 11 of this Prospectus, none of our Directors or substantial shareholders have any interest, direct or indirect, in the promotion of or in any material assets which has been acquired or proposed to be acquired or assets disposed of or proposed to be disposed of by or leased to or proposed to be leased to our Group, within the 2 years preceding the date of this Prospectus.
- (viii) Save and except as disclosed in the audited financial statements, no amount or benefit has been paid or intended to be paid or given to any Promoter, Director or substantial shareholder within the 2 years preceding the date of this Prospectus.
- (ix) Save as disclosed in Section 11 of this Prospectus, none of our Directors or substantial shareholders has any interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group, taken as a whole.

17. ADDITIONAL INFORMATION (Cont'd)

17.4 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Directors, after having made all reasonable enquiries, have no knowledge of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of our Group.

17.5 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within 2 years immediately preceding the date of this Prospectus:

- (i) Coordinator agreement between Riverine Projects and Jamaludin Bin Ahmad and Jaafar Bin Sahadan (collectively the "**Coordinators**") dated 21 July 2011, for the services and technical expertise to be rendered by the Coordinators for a total coordinator fees of RM2.0 million;
- (ii) Deed of Completion between MBI, Matrix Concepts, and Ambang Kuasa dated 11 August 2011 to regulate the completion of the shareholders cum joint venture agreement dated 29 August 2005 entered into between MBI and Matrix Concepts for the development of approximately 5,233 acres of land in Felda Labu Sendayan located at Mukim Labu, Daerah Seremban, Negeri Sembilan via the establishment of a special purpose company namely BSS Development;
- (iii) Variation agreement between KKTNJB and Matrix dated 10 November 2011 to vary the joint venture agreement between KKTNJB and Matrix dated 14 May 2005, for the development of an area measuring nine hundred (900) acres being part of PT10772 and 10773 HS(D)4066 and 4067, Mukim and District of Kluang, State of Johor;
- (iv) Share sale agreement between Matrix Concepts and Ambang Kuasa dated 16 December 2011 wherein Ambang Kuasa sold and Matrix Concepts acquired 250,000 ordinary shares of RM1.00 each in BSS Development ("**BSS Development Sale Shares**") and as consideration for the acquisition of the BSS Development Sale Shares issued 6,443,710 Shares to Ambang Kuasa;
- (v) Underwriting Agreement dated 18 April 2013 entered into between our Company, the Managing Underwriter and Co-Underwriters for the underwriting of 18,808,000 Public Issue Shares which are available for application by the Malaysian Public and eligible Directors and Employees of our Group and persons who have contributed to the success of our Group at an underwriting commission as set out in Section 3.9 of this Prospectus; and
- (vi) Placement agreement dated 18 April 2013 entered into between our Company and the Co-Placement Agents for the placement of 43,692,000 Public Issue Shares and 37,500,000 Offer Shares at a placement commission as set out in Section 3.9 of this Prospectus.

17. ADDITIONAL INFORMATION (Cont'd)

17.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:

- (a) public take-over offers by third parties in respect of our Company's shares; and
- (b) public take-over offers by our Company in respect of other companies' shares.

17.7 CONSENTS

- (i) The written consents of the Principal Adviser, Managing Underwriter, Co-Underwriters, Co-Placement Agents, Principal Bankers, Issuing House, Company Secretaries, Share Registrar and Solicitors to the inclusion in this Prospectus of their names in the manner and form in which their respective names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and the Reporting Accountants' letter on the Proforma Consolidated Financial Information of our Company and all reference in the manner and form in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of the IMR to the inclusion of their name, IMR Report and extracts of the said report in the manner and form in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Valuer to the inclusion of their name, the Valuation Certificates and the updated Valuation Certificates in the manner and form in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

17.8 RESPONSIBILITY

Our Promoters, Directors and Offerors have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Prospectus false or misleading.

HLiB, as the Principal Adviser, Managing Underwriter, Co-Underwriter and Co-Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts concerning the IPO.

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17. ADDITIONAL INFORMATION (Cont'd)

17.9 DOCUMENTS FOR INSPECTION

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

- (i) Memorandum and Articles of Association of our Company;
- (ii) The joint venture agreements referred to in Section 5.20 of this Prospectus;
- (iii) The IMR Report as included in Section 6 of this Prospectus;
- (iv) The Reporting Accountants' letter relating to the Proforma Consolidated Financial Information as included in Section 12.2 of this Prospectus;
- (v) The Accountants' Report as included in Sections 13 of this Prospectus;
- (vi) The Directors' Report as included in Section 14 of this Prospectus;
- (vii) The ESOS By-Laws as included in Section 15 of this Prospectus;
- (viii) The Valuation Certificates and the updated Valuation Certificates as included in Section 16 of this Prospectus and the valuation reports prepared by the Valuer;
- (ix) The material contracts referred to in Section 17.5 of this Prospectus;
- (x) The letters of consent referred to in Section 17.7 of this Prospectus; and
- (xi) The audited financial statements of our Company and our subsidiaries for the FYE 31 December 2009, 2010, 2011 and 2012.

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18. PROCEDURES FOR APPLICATION AND ACCEPTANCE

18.1 OPENING AND CLOSING OF APPLICATION

The Application will open at 10.00 a.m. on 8 May 2013 and will remain open until 5.00 p.m. on 15 May 2013 or for such further period or periods as our Directors together with HLIB in their absolute discretion may decide. Late Application(s) will not be accepted.

We will notify all parties via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in Malaysia in the event there is an extension of time on the closing date of the applications.

18.2 METHODS OF APPLICATION

Application may be made using any of the following ways:

- (i) Application Form; or
- (ii) Electronic Share Application; or
- (iii) Internet Share Application.

18.3 GENERAL CONDITIONS FOR APPLICATIONS

18.3.1 Application by the Malaysian Public

Applications for the 10,000,000 Public Issue Shares made available for the Malaysian Public must be made on the **White Application Forms** provided or by way of Electronic Share Application or by way of Internet Share Application, of which at least 50% is to be set aside strictly for Bumiputera investors. The amount payable in full on application is RM2.20 per Share.

However, a corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application or by way of Internet Share Application.

18.3.2 Application by the eligible Directors and employees of our Group and persons who have contributed to the success of our Group

Applications for the 8,808,000 Shares made available for our eligible Directors and employees and persons who have contributed to the success of our Group must be made on the **Pink Application Forms** provided only and not by way of other Application Forms or by way of Electronic Share Application or Internet Share Application.

18.3.3 Application by selected investors by way of private placement

Selected investors being allocated the 48,692,000 Shares by way of private placement will be contacted directly by the Co-Placement Agents and are to follow the instruction as given by the Co-Placement Agents.

18.3.4 Application by Bumiputera investors by way of private placement

Bumiputera investors approved by the MITI being allocated the 32,500,000 Shares by way of private placement will be contacted directly by the MITI and are to follow the instruction as given by the MITI.

The following relevant application forms issued with the notes and instructions printed therein are enclosed with this prospectus and are deemed to form part thereof:

- (i) **White** Application Forms for the application by the Malaysian Public; and
- (ii) **Pink** Application Forms for the application by the eligible Directors and employees of our Group and persons who have contributed to the success of our Group.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The submission of an Application Form does not necessarily mean that the application will be successful.

A person who submits multiple applications using the names of others, with or without their consent, commits an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA. Only one Application Form from each applicant will be considered and applications must be for a minimum of 100 ordinary shares or multiples of 100 ordinary shares. **Multiple applications will not be accepted**, and applications appearing to be, or suspected of being multiple applications may be rejected at the discretion of our Directors. The amount payable in full on application is RM2.20 per Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Application or by way of Internet Share Application and vice versa.

Persons submitting Applications by way of Application Form or by way of Electronic Share Application or Internet Share Application **MUST HAVE A CDS ACCOUNT**.

The Applications shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.

All applicants must give their:

- (i) exact full name (as per the National Registration Identity Card or “resit pengenalan sementara (KPPK 09)”) in the case of individuals, or as per the certificate of incorporation in the case of corporate and institutional applicants; and
- (ii) CDS account number as per Bursa Depository records.

Applications by individuals must be accompanied by a legible photocopy of their Identity Card or “resit pengenalan sementara (KPPK 09)” issued under the National Registration Act 1959, or authority card issued under the written laws of Malaysia in the case of armed forces and police personnel.

Applications by corporations and institutions must be accompanied by a legible photocopy of their certificate of incorporation or equivalent document as proof of their constitution.

Foreign individuals and corporations must attach a legible photocopy of their passport or certificate of incorporation or equivalent document proving their constitution. They must also provide their correspondence address in Malaysia.

No acknowledgement of receipt of Applications or Application monies will be made by the Co-Placement Agents or Equiniti.

18.4 APPLICATIONS USING APPLICATION FORMS

18.4.1 Types of Application Forms

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from HLIB, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and Equiniti.

Pink Application Forms together with copies of this Prospectus will be sent out to the eligible Directors and employees of our Group and persons who have contributed to the success of our Group.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

18.4.2 Terms and conditions for Applications using the White and Pink Application Forms

Applications by way of White and Pink Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia with a Malaysian address and you must have a CDS account (White Application Forms only).

If you are an individual, you must have a correspondence address in Malaysia and a CDS account (Pink Application Forms only).

- (ii) If you are a corporation / institution, you must be incorporated in Malaysia and must have a CDS account and be subject to the following:-
- a) if you have a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
 - b) there is a majority of Malaysian citizens on the board of directors / trustee.

If you are a corporation / institution incorporated outside Malaysia, you must have a CDS account and provide a correspondence address in Malaysia (Pink Application Forms only).

- (iii) If you are a superannuation, co-operative, foundation, provident or pension fund, you must be established or operating in Malaysia and must have a CDS account.
- (iv) Applications will not be accepted from trustee, any person under 18 years of age, sole proprietorships, partnership or other incorporated bodies or associations, other than corporations/institutions referred to in Section 18.4.2(ii) and (iii) above or the trustees thereof.
- (v) The respective Application Forms must be completed in accordance with the notes and instructions printed on the reverse side of the Application Forms. In accordance with Section 232 of the CMSA the Application Form together with the notes and instructions printed shall constitute an integral part of this Prospectus. Applications which **do not strictly** conform to the terms of this Prospectus or Application Form or Notes and Instructions printed, or which are illegible, may not be accepted.
- (vi) Each completed Application Form must be accompanied by remittance in Ringgit Malaysia for the full amount payable either by:
- banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applications); or
 - money order or postal order (for applicants from Sabah and Sarawak only); or
 - Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional (differentiated by a special red band for Bumiputera applications); or

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- ATM statement obtained from any of the following:
 - Affin Bank Berhad
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad; or
 - RHB Bank Berhad.

made out in favour of "EQSB SHARE ISSUE ACCOUNT NUMBER 650" and crossed "A/C Payee only" (excluding ATM statements) and endorsed on the reverse side with the name and address of the applicant (as exactly stated on the Application Form).

Applications accompanied by any mode of payment other than those stated above or with excess or insufficient remittance or inappropriate banker's drafts/cashier's orders/money orders/GGO/ATM Statement will not be accepted. Details of the remittance must be filled in the appropriate boxes provided in the Application Forms.

- (vii) **You must state your CDS account number in the space provided in the Application Form.**
- (viii) **Your name and address (as exactly stated on the Application Form) must be written on the reverse side of the banker's draft, cashier's order, ATM statement, money order, postal order or GGO from Bank Simpanan Nasional.**
- (ix) Our Directors reserve the right to require any successful applicant to appear in person at the registered office of Equiniti within 14 days from the date of the notice issued to you to ascertain the regularity or propriety of the Application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (x) Equiniti, acting on the authority of our Directors reserves the right to reject Applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (xi) Equiniti, acting on the authority of our Directors reserves the right not to accept any Application or accept any Application in part only without assigning any reason therefore. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for our shares.
- (xii) Where an application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, without interest, will be returned and despatched to you within 10 Market Days from the date of the final ballot of the Application by registered post or ordinary post at the Applicant's address (as per the National Registration Identity Card or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time, where applicable in the case of individual applicants (except for armed forces/police personnel) and the registered address in the case of corporate/institutional applicants. Armed forces/police personnel must use the address of the respective camp/base/station) at the applicant's own risk.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xiii) You shall ensure that your personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xiv) Equiniti, acting on the authority of our Directors reserves the right to bank in all application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest by registered post or ordinary post.
- (xv) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Equiniti Services Sdn Bhd (11324-H)
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
P.O. Box 11122
50736 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Ground Floor, Menara MIDF, 82, Jalan Raja Chulan, 50200 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 15 May 2013, or such other later date or dates as our Directors and HLIB in their absolute discretion may decide.
- (xvi) Directors and employees of Equiniti and their immediate families are strictly prohibited from applying for the IPO Shares.
- (xvii) **Please direct all enquiries in respect of the White Application Form to Equiniti.**

18.5 APPLICATIONS VIA ELECTRONIC SHARE APPLICATION**18.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (i) You must have an account with the participating financial institution specified in Section 18.5.2 of this Prospectus ("**Participating Financial Institution**") and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You **must** have a CDS account; and
- (iii) You may apply for the Public Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out on Section 18.5.3 of the terms and conditions for Electronic Share Applications. You will have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Personal Identification Number ("PIN");
 - EQSB Share Issue Account Number 650;
 - CDS account number;

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- Number of Public Issue Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

18.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

18.5.3 Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 18.5.1 of this Prospectus. The steps set out the actions that you must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to the "applicant"/you in the terms and conditions for Electronic Share Applications and the steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

Only an applicant who is an individual with a CDS account is eligible to utilise the facility.

You must have an existing account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or Equiniti. **The Transaction Record is for your retention and should not be submitted with any Application Form.**

Upon the closing of offer for the Application for the Public Issue Shares on 15 May 2013 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customer's Applications for the Public Issue Shares to Equiniti as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

You will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one application.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the conditions..

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (ii) You are required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - You are at least 18 years of age as at the closing date of the share Application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the Application;
 - You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to Equiniti and other relevant authorities.

The Application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant Laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Equiniti, or any relevant regulatory bodies.

- (iii) You confirm that you are not applying for the Public Issue Shares as nominee of any other person and that any Electronic Share Application that you make is made by you as beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for the Public Issue Shares, whether at the ATMs of any Participating Financial Institution, on the prescribed Application Forms or via Internet Share Application.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform, to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) You agree and undertake to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that our Directors decide to allot or allocate any lesser number of such shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, your acceptance of the number of shares that may be allotted or allocated to you and to be bound by the Memorandum and Articles of Association of our Company.
- (vi) Our Directors reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason. Due consideration will be given to the desirability of allotting or allocating the Public Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for the ordinary shares of our Company.
- (vii) Where an Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from Equiniti. Equiniti shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. You may check your account on the 5th Market Day from the balloting date.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from Equiniti. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to you by Equiniti by crediting into your account with the Participating Financial Institutions not later than 10 Market Days from the day of the final ballot of the application list.

Should you encounter any problems in your Applications, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us to credit the Public Issue Shares allotted or allocated to you into your CDS account.
- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Equiniti or the Participating Financial Institution, and irrevocably agrees that if:
- (a) our Company or Equiniti does not receive your Electronic Share Application; or
 - (b) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or Equiniti,

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- you shall be deemed not to have made an Electronic Share Application and you shall not claim against our Company, Equiniti, the Participating Financial Institution or Bursa Depository for the Public Issue Shares applied for or for any compensation, loss or damage.
- (x) Your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, Equiniti and relevant Participating Financial Institution shall be entitled to rely on its accuracy.
 - (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.
 - (xii) By making and completing an Electronic Share Application, you agree that:
 - (a) in consideration of our Company agreeing to allow and accept the making of any Application for shares via the Electronic Share Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) our Company, the Participating Financial Institutions, Bursa Depository and Equiniti shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to Equiniti due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of the offer made by you to subscribe for and purchase the Public Issue Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said shares;
 - (d) you irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allocated to you; and
 - (e) our Company agrees that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Share Scheme and/or any terms, all rights, obligations and liabilities shall be construed and determined in accordance with the Laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
 - (xiii) Our Directors reserve the right to require any successful applicant to appear in person at the registered office of Equiniti within 14 days from the date of the notice issued to you to ascertain the regularity or propriety of the Application. Our Directors shall not be responsible for any loss or non receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
 - (xiv) Our Directors reserve the right to reject applications, which do not conform to these instructions.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xv) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:
- Affin Bank Berhad – No fee will be charged for application by their account holders;
 - AmBank (M) Berhad – RM1.00;
 - CIMB Bank Berhad – RM2.50;
 - HSBC Bank Malaysia Berhad - RM2.50;
 - Malayan Banking Berhad - RM1.00;
 - Public Bank Berhad – RM2.00;
 - RHB Bank Berhad – RM2.50; or
 - Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.

18.6 APPLICATIONS VIA INTERNET SHARE APPLICATION**18.6.1 Steps for Internet Share Application through an Internet Participating Financial Institution**

The exact steps for Internet Share Application for Public Issue Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below the possible steps of an application for Public Issue Shares using Internet Share Application.

Please note that the actual steps for Internet Share Applications contained in the Internet financial services websites of the Internet Participating Financial Institutions may differ from the steps outline below.

- (i) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Log in to the Internet financial services facility by entering your user identification and PIN/password.
- (iii) Navigate to the section of the website on applications in respect of initial public offerings.
- (iv) Select the counter in respect of Public Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the Online Application form.
- (vii) Check that the information contained in the Online Application Form such as the share counter, Identity Card number, CDS account number, number of Public Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the Online Application Form.
- (viii) After selecting the designated hyperlink on the screen, you will confirm and undertake that the following mandatory statements are true and correct;
 - (a) You are at least 18 years of age as at the Closing Date and Time of our Public Issue Share application.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) You are a Malaysian citizen residing in Malaysia.
- (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.
- (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for Public Issue Shares.
- (e) The Internet Share Application is the only application that you are submitting for Public Issue Shares.
- (f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for Public Issue Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.
- (g) You give your express consent in accordance with the relevant Laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to Equiniti and the Authorised Financial Institution, the SC and any other relevant authority.
- (h) You are not applying for Public Issue Shares as a nominee of any other persons and the application is made in your own name as a beneficial owner and subject to the risks referred to in this Prospectus.
- (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with Public Issue Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer are, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with Public Issue Shares. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the Online Application Form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application of Public Issue Shares.
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen on the website through which the online payment for the application of our Public Issue Shares is being made.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xi) Subsequent to the above, the Internet Participating Financial Institutions shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

18.6.2 Terms and conditions of Internet Share Application

Your application for Public Issue Shares may be made through the Internet financial services websites of the Internet Participating Financial Institutions.

Applicants are advised not to apply for Public Issue Shares through any website other than the Internet financial services website of the Internet Participating Financial Institutions.

Internet Share Applications may be made through the Internet financial services websites of the following Internet Participating Financial Institutions:

- Malayan Banking Berhad at www.maybank2u.com.my; or
- CIMB Investment Bank Berhad at www.eipocimb.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or
- Affin Bank Berhad at www.affinOnline.com; or
- RHB Bank Berhad at www.rhb.com.my; or
- Public Bank Berhad at www.pbebank.com.

Please read the terms of this Prospectus, terms and conditions for Internet Share Application and the procedures set out in the Internet Financial Services website of the Internet Participating Financial Institutions, before you make an Internet Share Application.

The exact terms and conditions and its sequence for the Internet Share Applications in respect of Public Issue Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

Please note that the actual terms and conditions outlined below supplement the additional terms and conditions for Internet Share Application contained in the Internet financial services websites of the Internet Participating Financial Institutions.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out below:

- (i) In order to make an Internet Share Application, you must:
 - (a) be an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have your user identification and PIN/password ready for the relevant Internet financial services facilities; and
- (c) be a Malaysian citizen and have a Malaysian address.

You are advised to note that the User Identification and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for Public Issue Shares at Internet financial service websites of other Internet Participating Financial Institutions.

- (ii) An Internet Share Application shall be made on and shall be subject to the terms and conditions of this Prospectus and Memorandum and Articles of Association of our Company.
- (iii) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purpose of this section of the Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Public Issue Shares applied for, and which can be printed out by you for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 18.6.1 (viii) above.

- (iv) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for Public Issue Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not strictly conform to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made, shall be rejected.
- (v) You irrevocably agree and undertake to subscribe for and to accept the number of Public Issue Shares applied for as stated on the Confirmation Screen or any lesser number of such Public Issue Shares that may be allotted or allocated to you. In the event that we decide to allot or allocate any lesser amount of Public Issue Shares or not to allot or allocate any Public Issue Shares to you, you agree to accept our decision as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation on the number of Public Issue Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- (a) your acceptance of the number of Public Issue Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) your agreement to be bound by Memorandum and Articles of Association of our Company.
- (vi) You are fully aware that multiple or suspected multiple Internet Share Applications for our Shares will be rejected. Equiniti, on the authority of our Directors, reserves the right to reject or accept any Internet Share Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting or allocating Public Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (vii) If your Internet Share Application is unsuccessful or partially successful, Equiniti shall inform the relevant Internet Participating Financial Institutions of the unsuccessful or partially successful Internet Share Applications within 2 Market Days after the balloting date. The Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies or the balance of it (as the case may be) in RM (without interest or any share of revenue or other benefit arising from the application monies) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within 2 Market Days after receipt of written confirmation from Equiniti.

A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to this applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising from the application monies) by Equiniti by crediting into your account with the Internet Participating Financial Institutions within 10 Market Days from the date of the final ballot.

For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institutions will credit the application monies (or any part of the application monies but without interest or any share of revenue or other benefit arising from the application monies) into your account within 2 Market Days after receipt of written confirmation from Equiniti.

Except where Equiniti is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institutions to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult with the Internet Participating Financial Institutions through which your application was made in respect of the mode or procedure of enquiring on the status of your Internet Share Application in order to determine the status or exact number of Public Issue Shares allotted, if any, before trading of our Shares on the Bursa Securities.

- (viii) Internet Share Applications will be closed at 5.00 p.m. on 15 May 2013 or such other date(s) as our Directors and the HLIB may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(ix) You irrevocably agree and acknowledge that the Internet Share Application is subject to the risk of electrical, electronic, technical, transmission and communication and computer related faults and breakdowns, fires and other events which are not in our control, or the control of Equiniti, the Internet Participating Financial Institutions and the Authorised Financial Institutions. If we, Equiniti, the Internet Participating Financial Institutions and/or the Authorised Financial Institutions do not receive your Internet Share Application and/or the payment, or if any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, Equiniti or the Internet Participating Financial Institutions and the Authorised Financial Institutions in relation to Public Issue Shares applied for or for any compensation, loss or damage arising from it.

(x) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of the Internet Share Application shall be deemed to be true and correct, and we, Equiniti, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy of your particulars in the records.

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institutions are correct and identical otherwise your Internet Share Application is liable to be rejected. The notification letter on successful allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

(xi) By making and completing an Internet Share Application, you are deemed to have, agreed that:

(a) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institutions acting as our agents, the Internet Share Application is irrevocable;

(b) you have irrevocably requested and authorised us to register Public Issue Shares allotted to you for deposit into your CDS account;

(c) neither us nor the Internet Participating Financial Institutions, shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to Equiniti and Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 18.6.2 (ix) above or to any cause beyond our/their control;

(d) you shall hold the Internet Participating Financial Institutions harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, Equiniti and/or the Internet Participating Financial Institutions for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions;

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (e) the acceptance of your offer to subscribe for and the purchase of Public Issue Shares for which your Internet Share Application has been successfully completed shall be constituted by the issue of a notice of allotment by us or on our behalf for prescribed securities in respect of Public Issue Shares, notwithstanding the receipt of any payment by us or on our behalf;
 - (f) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
 - (g) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Co-Underwriters, the Principal Adviser and any other person involved in our Public Issue shall not be liable for any information not contained in this Prospectus which may have been relied on by you in making the Internet Share Application; and
 - (h) our acceptance of your Internet Share Application and the contract resulting from our Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (xii) The processing fee per Internet Share Application will be charged by the respective financial institutions as follows:
- (a) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - (b) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (c) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (d) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders;
 - (e) RHB Bank Berhad (www.rhb.com.my) – RM2.50; and
 - (f) Public Bank Berhad (www.pbepbank.com) – RM2.00.

18.7 APPLICATIONS AND ACCEPTANCES

Our Directors reserve the right not to accept any Application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason.

The submission of an Application Form does not necessarily mean that the application will be successful.

All applications must be made for a minimum of 100 ordinary shares or multiples of 100 ordinary shares.

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18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of an over-subscription, acceptance of applications by the Malaysian Public shall be subject to ballot to be conducted in a manner as approved by our Directors on a fair and equitable basis. Due consideration will be given to the desirability of distributing the IPO Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the shares of the Company. Pursuant to the Listing Requirements, our Company needs to have at least 25% of the enlarged issued and paid-up capital of our Company held by a minimum number of 1,000 public shareholders holding not less than 100 shares each. Our Company is expected to achieve this upon completion of the IPO and at the point of Listing. However, in the event that the above requirement is not met pursuant to the IPO, our Company may not be allowed to proceed with its Listing. In such an event, monies paid in respect of all applications will be returned without interest. The successful applicants will be selected in a manner to be determined by our Directors.

In the event of an under-subscription, subject to clawback and re-allocation as set out in Section 3.3.3 of this Prospectus, all the Public Issue Shares not applied for by the Malaysian Public and the eligible Directors and employees and persons who have contributed to the success of our Group as set out in Section 3.3.1(i) and Section 3.3.1(ii) of this Prospectus, respectively, will be underwritten by our Co-Underwriters based on the terms of the Underwriting Agreement.

Directors and employees of Equiniti and their immediate family are strictly prohibited from applying for the IPO Shares.

Where an application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to the applicant within 10 Market Days from the date of the ballot of the application by ordinary post or registered post, respectively, to the applicant's address registered with Bursa Depository at the applicant's own risk.

Equiniti reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and from partially successful applicants which would subsequently be refunded without interest to the Bumiputera applicant within 10 Market Days from the date of the ballot of the application by registered post to the applicant's address registered with the Bursa Depository at the applicant's own risk.

No application shall be deemed to have been accepted by reason of the remittance having been presented for payment.

18.8 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Company as a Prescribed Security. Therefore, the IPO Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the aforesaid Acts and Rules.

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in our Shares will be by book entries through CDS accounts. No share certificates will be issued to successful Applicants.

Only an Applicant who has a CDS account can make an Application by way of an Application Form. You shall furnish your CDS account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to Equiniti or our Company. Where you do not presently have a CDS account, you should open a CDS Account at an ADA prior to making an Application for our Shares. Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS account number may result in the Application being rejected. If a successful applicant fails to state his/her CDS Account number, Equiniti under the instruction of our Directors, will reject the application.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the case of an application by way of Electronic Share Application, only an Applicant who has a CDS account can make an Electronic Share Application. You shall furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS account number may result in the Application being rejected.

In the case of an application by way of Internet Share Application, only an Applicant who has a CDS account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. The applicant's CDS account number would automatically appear in the online application form.

Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS account number arising from use of invalid, third party or nominee accounts, may result in your Application being rejected. If a successful applicant fails to state his/her CDS account number, Equiniti, acting on our authority, will reject the Application.

Equiniti, acting on the authority of our Directors reserves the right to reject any incomplete and inaccurate Application. Applications may also be rejected if the Applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application, differ from those in Bursa Depository's records such as the identity card number, name and nationality.

18.9 NOTICE OF ALLOTMENT

Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. Notice of successful allotment will be despatched to the successful or partially successful applicants at their addresses last maintained with Bursa Depository at the applicant's own risk prior to our Listing. For Electronic Share Applications or Internet Share Application, the notice of allotment will be dispatched to the successful or partially successful applicant at his/her address last maintained with Bursa Depository at the applicant's own risk within 5 Market Days after the final ballot of the Application. This is the only acknowledgement of acceptance of the Application.

If the Applicants' address as stated in the Application Form or, in the case of an Electronic Share Application in the records of the Participating Financial Institution or in the case of an Internet Share Application, in the records of the Internet Participating Financial Institution, as the case may be, is different from the address registered with Bursa Depository, the Applicant must inform Bursa Depository of his/her updated address promptly by adhering to the certain rules and regulation of the Bursa Depository, failing which the notification letter on successful allotment shall be sent to the Applicant address last registered with Bursa Depository.

Applicants may also check the status of their application by logging on to Equiniti's website at www.equiniti.com.my or by calling their respective ADAs at the telephone number as stated in Section 18.10 of this Prospectus or Equiniti at 03-2166 0933 or 03-2166 0811, between 5 to 10 market days (during office hours only) after the balloting date.

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18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**18.10 LIST OF ADAS**

The list of the ADAs and their respective broker codes are as follows:

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|-----------------------------------|---|-------------|---|--|-------------|
| KUALA LUMPUR | | | | | |
| A.A Anthony Securities Sdn Bhd | N-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-62011155 | 078-004 | Affin Investment Bank Berhad | Ground Mezzanine & 3 rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-21438668 | 028-001 |
| Alliance Investment Bank Berhad | 17th Floor, Menara Multi-Purpose, Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-26976333 | 076-001 | AmInvestment Bank Berhad | 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-20782788 | 086-001 |
| BIMB Securities Sdn Bhd | 32 nd Floor Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-26918887 | 024-001 | CIMB Investment Bank Berhad | 9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-20849999 | 065-001 |
| Hong Leong Investment Bank Berhad | Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: 03-21681168 | 066-001 | Hong Leong Investment Bank Berhad | Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-26910200 | 066-006 |
| HwangDBS Investment Bank Berhad | 2nd Floor, Bangunan AHP No.2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No: 03-77106688 | 068-009 | HwangDBS Investment Bank Berhad | 7 th , 22 nd 23 rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-27116888 | 068-014 |
| HwangDBS Investment Bank Berhad | No. 57-10 Level 10 The Boulevard Mid Valley City Lingkararan Syed Putra 59000 Kuala Lumpur Tel No.: 03-22872273 | 068-017 | Inter-Pacific Securities Sdn Bhd | West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 21171888 | 054-001 |
| Inter-Pacific Securities Sdn Bhd | Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-79847796 | 054-003 | Inter-Pacific Securities Sdn Bhd | Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No.: 03-79818811 | 054-005 |
| Jupiter Securities Sdn Bhd | Levels 8 & 9 Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20341888 | 055-001 | KAF-Seagroatt & Campbell Securities Sdn Bhd | 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-21688800 | 053-001 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|------------------------------------|---|--------------------|--------------------------------|--|--------------------|
| Kenanga Investment Bank Berhad | 1 st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-21781133 | 073-029 | Kenanga Investment Bank Berhad | ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-20891888 | 073-021 |
| Kenanga Investment Bank Berhad | 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-21649080 | 073-001 | M&A Securities Sdn Bhd | Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-22821820 | 057-002 |
| Maybank Investment Bank Berhad | 5-13 Floor, MaybanLife Tower Dataran Maybank No.1 Jalan Maarof 59000 Kuala Lumpur Tel No.: 03- 22978888 | 098-001 | Mercury Securities Sdn Bhd | L-7-2, No.2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-62037227 | 093-002 |
| MIDF Amanah Investment Bank Berhad | 11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-21738888 | 026-001 | PM Securities Sdn Bhd | Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-21463000 | 064-001 |
| Public Investment Bank Berhad | 27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2013011 | 051-001 | RHB Investment Bank Berhad | Level 9, Tower Three, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-92873888 | 087-001 |
| RHB Investment Bank Berhad | Ground Floor No. M3-A-7 & M3-A-8, Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.:03-42804798 | 087-054 | RHB Investment Bank Berhad | 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-23338333 | 087-018 |
| RHB Investment Bank Berhad | No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-62575869 | 087-028 | RHB Investment Bank Berhad | Ground, 1st, 2nd & 3rd Floor No.55 Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-90587222 | 087-058 |
| TA Securities Holdings Berhad | Floor 13, 15-18, 20, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P Ramlee 50250 Kuala Lumpur Tel No.: 03-20721277 | 058-003 | | | |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|---------------------------------|---|-------------|-----------------------------------|---|-------------|
| SELANGOR DARUL EHSAN | | | | | |
| Affin Investment Bank Berhad | 2nd, 3rd & 4th Floors Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-33439999 | 028-002 | Affin Investment Bank Berhad | Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-77298016 | 028-003 |
| AmInvestment Bank Berhad | 4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-77106613 | 086-003 | Hong Leong Investment Bank Berhad | Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-77246888 | 066-002 |
| HwangDBS Investment Bank Berhad | 16 th , 18 th -20 th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-55133288 | 068-002 | HwangDBS Investment Bank Berhad | East Wing & Central Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-56356688 | 068-010 |
| JF Apex Securities Berhad | 15 th & 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-76201118 | 079-002 | JF Apex Securities Berhad | 6 th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-87361118 | 079-001 |
| Kenanga Investment Bank Berhad | 35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-33488080 | 073-035 | Kenanga Investment Bank Berhad | Ground – 5th Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-78626200 | 073-005 |
| Kenanga Investment Bank Berhad | 1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No.: 03-80241682 | 073-006 | Kenanga Investment Bank Berhad | Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-30057550 | 073-007 |
| Kenanga Investment Bank Berhad | Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-77259095 | 073-016 | PM Securities Sdn Bhd | No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-80700773 | 064-003 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|-------------------------------|---|-------------|--------------------------------|---|-------------|
| PM Securities Sdn Bhd | No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-33415300 | 064-007 | RHB Investment Bank Berhad | Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092-8916 | 087-047 |
| RHB Investment Bank Berhad | Ground & Mezzanine Floor No.87 & 89 Jalan Susur Pusat Perniagaan NBC Batu 1 ½ Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-33439180 | 087-048 | RHB Investment Bank Berhad | 3rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: 80236518 | 087-059 |
| RHB Investment Bank Berhad | 11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-61483361 | 087-051 | RHB Investment Bank Berhad | Ground Floor and First Floor No. 13, Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-80706899 | 087-049 |
| RHB Investment Bank Berhad | No.37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-87363378 | 087-045 | RHB Investment Bank Berhad | 24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-78736366 | 087-011 |
| SJ Securities Sdn Bhd | Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Seksyen 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-51920202 | 096-001 | TA Securities Holdings Berhad | No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-80251880 | 058-005 |
| TA Securities Holdings Berhad | 2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-77295713 | 058-007 | CIMB Investment Bank Berhad | Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-77173388 | 065-009 |
| MELAKA | | | | | |
| CIMB Investment Bank | Ground, 1st & 2nd Floor No.191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898800 | 065-006 | Kenanga Investment Bank Berhad | 71 (A & B) & 73 (A & B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720 | 073-028 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|-----------------------------------|---|-------------|---------------------------------|---|-------------|
| Kenanga Investment Bank Berhad | 22A & 22A-1 and 26 & 26-1, Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372550 | 073-034 | Malacca Securities Sdn Bhd | No. 1, 3 & 5, Jalan PPM 9, Plaza Pandan Malim (Business Park) Balai Panjang, P.O. Box 248 75250 Melaka Tel No.: 06-3371533 | 012-001 |
| Mercury Securities Sdn Bhd | No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921898 | 093-003 | PM Securities Sdn Bhd | No. 11 & 13, Jalan PM2, Plaza Makhota 75000 Melaka Tel No.: 06-2866008 | 064-006 |
| RHB Investment Bank Berhad | 579, 580-581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825211 | 087-026 | RHB Investment Bank Berhad | Lot 7-13 & 15, 1 st Floor, Tabung Haji Building, Jalan Bandar Kaba, 75000 Melaka. Tel: 06-2833622 | 087-002 |
| PERAK DARUL RIDZUAN | | | | | |
| A.A. Anthony Securities Sdn. Bhd. | 29G, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6232328 | 078-009 | CIMB Investment Bank Berhad | Ground, 1 st , 2 nd & 3 rd Floor No. 8, 8A-8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088688 | 065-010 |
| Hong Leong Investment Bank Berhad | 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530888 | 066-003 | HwangDBS Investment Bank Berhad | Ground, 1 st & 2 nd Floor No.22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559988 | 068-015 |
| HwangDBS Investment Bank Berhad | Ground, Level 1,2 &3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8066688 | 068-003 | Kenanga Investment Bank Berhad | No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6222828 | 073-026 |
| Kenanga Investment Bank Berhad | No.63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422828 | 073-022 | Kenanga Investment Bank Berhad | Ground Floor, No. 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939828 | 073-031 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|---------------------------------|--|--------------------|---------------------------------|---|--------------------|
| M&A Securities Sdn Bhd | M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2419800 | 057-001 | Maybank Investment Bank Berhad | B-G-04 (Ground Floor) Level 1 & 2, 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453400 | 098-002 |
| RHB Investment Bank Berhad | Nos. 21-25, Jalan Seenivasagam, Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415100 | 087-023 | RHB Investment Bank Berhad | Ground & 1 st Floor No.17 Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236498 | 087-014 |
| RHB Investment Bank Berhad | Ground & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921228 | 087-016 | RHB Investment Bank Berhad | Ground Floor No.40,42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8088229 | 087-034 |
| RHB Investment Bank Berhad | Ground Floor No. 72 Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.:05-4651261 | 087-044 | RHB Investment Bank Berhad | Ground Floor No.2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170888 | 087-052 |
| TA Securities Holdings Berhad | Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531313 | 058-001 | | | |
| PULAU PINANG | | | | | |
| A.A. Anthony Securities Sdn Bhd | 1 st , 2 nd & 3 rd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-2299318 | 078-002 | A.A. Anthony Securities Sdn Bhd | Ground & 1st Floor No. 2 Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5541388 | 078-003 |
| Alliance Investment Bank | Suite 2.1 & 2.4, Level 2, Wisma Great Eastern No.25 Lebu Light 10200 Pulau Pinang Tel No.: 04-2611688 | 076-015 | AmlInvestment Bank Berhad | Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2261818 | 086-004 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|----------------------------------|--|--------------------|---------------------------------|---|--------------------|
| AmInvestment Bank Berhad | Level 3, No. 15, Lebu Pantai 10300 Pulau Pinang Tel No.: 04-2618688 | 086-007 | CIMB Investment Bank Berhad | Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel.No.: 04-2385900 | 065-003 |
| HwangDBS Investment Bank Berhad | Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-2636996 | 068-001 | HwangDBS Investment Bank Berhad | No. 2&4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam, Pulau Pinang Tel No.: 04-5372882 | 068-006 |
| Inter-Pacific Securities Sdn Bhd | Ground, Mezzanine & 8 th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-2690888 | 054-002 | Kenanga Investment Bank Berhad | Lot 1.02, Level 1 Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-2106666 | 073-013 |
| Kenanga Investment Bank Berhad | 7 th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel.No.: 04-2283355 | 073-023 | Mercury Securities Sdn Bhd | Ground, 1st, 2nd & 3rd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No.: 04-3322123 | 093-001 |
| Mercury Securities Sdn Bhd | 2 nd Floor Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Tel No.: 04-2639118 | 093-004 | PM Securities Sdn Bhd | Level 25, Menara BHL 51 Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-2273000 | 064-004 |
| RHB Investment Bank Berhad | Ground 1 st & 2 nd Floor No.2677 Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No.: 04-3900022 | 087-005 | RHB Investment Bank Berhad | Ground & Upper Floor No.11A Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel. No.:04-5402888 | 087-015 |
| RHB Investment Bank Berhad | 834, Jalan Besar Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-5831888 | 087-032 | RHB Investment Bank Berhad | Ground & 1 st Floor No. 15-G-5, 15-G-6, 15- 1-5, 15-1-6, Medan Kampung Relau (Bayan Point), 11950 Pulau Pinang Tel No.: 04-6404888 | 087-042 |
| RHB Investment Bank Berhad | 41-A, 41-B & 41-C, Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No.: 8352988 | 087-056 | RHB Investment Bank Berhad | 64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No.: 04-2634222 | 087-033 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|-------------------------------------|--|--------------------|---------------------------------|---|--------------------|
| KEDAH DARUL AMAN | | | | | |
| A.A. Anthony Securities Sdn. Bhd. | Lot 4, 5 & 5A, 1st Floor EMUM 55 No.55, Jalan Gangsa Kawasan Perusahaan Megong 2 Seberang Jaya Putra 05130 Alor Setar Kedah Darul Aman Tel No.: 04-7322111 | 078-007 | Alliance Investment Bank Berhad | 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317088 | 076-004 |
| HwangDBS Investment Bank Berhad | No 70A, B & C Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256666 | 068-011 | RHB Investment Bank Berhad | No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204888 | 087-017 |
| RHB Investment Bank Berhad | 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-4964888 | 087-019 | RHB Investment Bank Berhad | Ground & 1st Floor 215-A & 215-B, Medan Putra Jalan Putra, 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209888 | 087-021 |
| PERLIS INDRA KAYANGAN | | | | | |
| Alliance Investment Bank Berhad | 2nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel No.: 04-9765200 | 076-003 | RHB Investment Bank Berhad | Ground & 1 st Floor No.39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-9793888 | 087-060 |
| NEGERI SEMBILAN DARUL KHUSUS | | | | | |
| HwangDBS Investment Bank Berhad | Ground & 1st Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612288 | 068-007 | HwangDBS Investment Bank Berhad | No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553188 | 068-013 |
| Kenanga Investment Bank Berhad | 1 C-1 & 1 D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655998 | 073-033 | PM Securities Sdn Bhd | 1st, 2nd & 3rd Floors No. 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623131 | 064-002 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|----------------------------|---|-------------|----------------------------|---|-------------|
| RHB Investment Bank Berhad | 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421000 | 087-037 | RHB Investment Bank Berhad | 1 st & 2 nd Floor, No. 168, Jalan Mewah, (Pusat Perniagaan UMNO Bahagian Jempol) 71200 Bahau, Negeri Sembilan Darul Khusus Tel: 06-4553011 | 087-040 |
| RHB Investment Bank Berhad | Ground & Mezzanine Floor No. 346 & 347 Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel. No.: 06-6461234 | 087-046 | RHB Investment Bank Berhad | Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641641 | 087-024 |

JOHOR DARUL TAKZIM

| | | | | | |
|-----------------------------------|---|---------|-----------------------------------|---|---------|
| A.A. Anthony Securities Sdn. Bhd. | Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332000 | 078-001 | A.A. Anthony Securities Sdn Bhd | 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6636658 | 078-005 |
| A.A. Anthony Securities Sdn Bhd | No. 70, 70-1, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513218 | 078-006 | A.A. Anthony Securities Sdn Bhd | No.171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121633 | 078-008 |
| Alliance Investment Bank Berhad | No. 73, Ground & 1st Floor, Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717922 | 076-006 | Aminvestment Bank Berhad | 2 nd & 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342282 | 086-002 |
| AmlInvestment Bank Berhad | 18 th & 31 st Floor Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-334 3855 | 086-006 | Hong Leong Investment Bank Berhad | 1st Floor, No. 9, Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4313688 | 061-003 |
| Hong Leong Investment Bank Berhad | Suite 25.02, Level 25 Johor Bahru City Centre (Office Tower) No.106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2227388 | 061-002 | HwangDBS Investment Bank Berhad | Level 7 (Office Tower) Johor Bahru City Square 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222692 | 068-004 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|----------------------------------|---|-------------|--------------------------------|--|-------------|
| Inter-Pacific Securities Sdn Bhd | 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231211 | 054-004 | Kenanga Investment Bank Berhad | Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333600 | 073-004 |
| Kenanga Investment Bank Berhad | No.31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No.: 06-9542711 | 073-008 | Kenanga Investment Bank Berhad | Ground & Mezzanine Floor No.34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333515 | 073-009 |
| Kenanga Investment Bank Berhad | No. 33 & 35 (Ground & 1st Floor A& B) Jalan Syed Abdul Hamid Sagaff, 86000 Kluang Johor Darul Takzim Tel No.: 07-7771161 | 073-010 | Kenanga Investment Bank Berhad | Groud Floor, No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782292 | 073-011 |
| Kenanga Investment Bank Berhad | No. 57,59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9532222 | 073-024 | Kenanga Investment Bank Berhad | Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No.: 07-4678885 | 073-025 |
| M&A Securities Sdn Bhd | Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381233 | 057-003 | Mercury Securities Sdn Bhd | Suite 17.1 Level 17, Menara Pelangi No. 1 Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316992 | 093-005 |
| PM Securities Sdn Bhd | No.41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Jalan Kuning, Taman Johor Darul Takzim Tel No.: 07-3513232 | 064-005 | PM Securities Sdn Bhd | Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333608 | 064-008 |
| RHB Investment Bank Berhad | 6 th Floor Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788821 | 087-006 | RHB Investment Bank Berhad | 53, 53A & 53B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380288 | 087-009 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|---------------------------------|---|-------------|-----------------------------|--|-------------|
| RHB Investment Bank Berhad | No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538262 | 087-025 | RHB Investment Bank Berhad | Ground & 1st Floor No. 119 & 121, Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577628 | 087-029 |
| RHB Investment Bank Berhad | Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321543 | 087-030 | RHB Investment Bank Berhad | Ground, 1 st Floor No.40, Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel. No.: 07-7769655 | 087-031 |
| RHB Investment Bank Berhad | Ground, 1 st & 2 nd Floor, No. 10, Jalan Anggerik 1, Taman Kulai Utama, 81000 Kulai, Johor Darul Takzim. Tel No.: 07-6626288 | 087-035 | RHB Investment Bank Berhad | Ground, 1 st & 2 nd Floor, No. 343, Jalan Muar, 89400 Tangkak, Johor Darul Takzim. Tel: 06-9787180 | 087-038 |
| RHB Investment Bank Berhad | 1 st Floor, No. 2&4 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel. No.: 07-9256881 | 087-039 | RHB Investment Bank Berhad | Ground & 1 st Floor No.21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: 07-3522293 | 087-043 |
| PAHANG DARUL MAKMUR | | | | | |
| Alliance Investment Bank Berhad | A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660800 | 076-002 | CIMB Investment Bank Berhad | No. A-27 Ground, 1 st & 2 nd Floor, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul makmur Tel No.: 09-2057800 | 065-007 |
| Kenanga Investment Bank Berhad | A15, A17 & A19, Ground Floor Jalan Sultan Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171698 | 073-027 | RHB Investment Bank Berhad | Ground Floor No. 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234943 | 087-022 |
| RHB Investment Bank Berhad | B2 & B34 Lorong Tun Ismail 8, Seri Dagangan II Kuantan Business Centre 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5163811 | 087-007 | RHB Investment Bank Berhad | Ground Floor, No. 76-A, Persiaran Camelia 4, Tanah Rata, 39000 Cameron Highlands, Pahang Darul Makmur. Tel: 05-4914913 | 087-041 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|---------------------------------|---|--------------------|---------------------------------|---|--------------------|
| KELANTAN DARUL NAIM | | | | | |
| RHB Investment Bank Berhad | Ground & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bahru Kelantan Darul Naim Tel No.: 09-7430077 | 087-020 | TA Securities Holdings Berhad | 298, Jalan Tok Hakim 15000 Kota Bahru Kelantan Darul Naim Tel No.: 09-7432288 | 058-004 |
| TERENGGANU DARUL IMAN | | | | | |
| Alliance Investment Bank Berhad | No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine, 1st & 2nd Floor Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6317922 | 076-009 | FA Securities Sdn Bhd | No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6238128 | 021-001 |
| RHB Investment Bank Berhad | Ground Floor & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel. No.: 09-858 3109 | 087-027 | RHB Investment Bank Berhad | 31A Ground Floor 31A & 31B 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Oman Tel. No.: 09-6261816 | 087-055 |
| SARAWAK | | | | | |
| AmInvestment Bank Berhad | No.164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abeli 93100 Kuching Sarawak Tel No.: 084-244791 | 086-005 | CIMB Investment Bank Berhad | Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 606 | 065-004 |
| CIMB Investment Bank Berhad | No.6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367700 | 065-008 | HwangDBS Investment Bank Berhad | Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-236999 | 068-005 |
| HwangDBS Investment Bank Berhad | No.282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330008 | 068-016 | Kenanga Investment Bank Berhad | Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435577 | 073-002 |
| Kenanga Investment Bank Berhad | Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338000 | 073-003 | Kenanga Investment Bank Berhad | No. 11-12 (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313855 | 073-012 |

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker code | Name | Address and telephone number | Broker code |
|--------------------------------|---|-------------|---|---|-------------|
| TA Securities Holdings Berhad | 12G, Jalan Kampung Datu 96000 Sibu Sarawak Tel No.: 084-319998 | 058-002 | TA Securities Holdings Berhad | 2 nd Floor (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236333 | 058-006 |
| RHB Investment Bank Berhad | Ground, 1 st & 6 th Floor Wisma Chinese Chambers Lot 357, Section 47 KTLD Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No.: 082-422252 | 087-008 | RHB Investment Bank Berhad | Lot 1268, 1 st & 2 nd Floor Lot 1269, 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422788 | 087-012 |
| RHB Investment Bank Berhad | 101 & 102 Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329100 | 087-013 | RHB Investment Bank Berhad | Ground & 1 st Floor No.10, Jalan Bersatu 96100 Sarikei Sarawak Tel.No.: 084-654100 | 087-050 |
| RHB Investment Bank Berhad | Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: 086-311770 | 087-053 | | | |
| SABAH | | | | | |
| CIMB Investment Bank Berhad | 1 st & 2 nd Floor Central Building No.28 Jalan Segunting 88000 Kota Kinabalu Sabah Tel No.: 088-328878 | 065-005 | HwangDBS Investment Bank Berhad | Suite 1-9-E1, 9 th Floor CPS Tower, Centre Point Sabah No.1 Jalan Centre Point 88400 Kota Kinabalu Tel No.: 088-311688 | 068-008 |
| Kenanga Investment Bank Berhad | Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236188 | 073-032 | RHB Investment Bank Berhad | 5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No.: 088-269788 | 087-010 |
| RHB Investment Bank Berhad | Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel. No.: 089-229286 | 087-057 | UOB Kay Hian Securities (M) Sdn Bhd (formerly known as Innosabah Securities Berhad) | 11, Equity House Block K Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234090 | 020-001 |