

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.6 Audited Financial Statements of KTC Brands (Continued)

8.6.5 Notes to the Audited Financial Statements of KTC Brands (Continued)

(l) Significant Event Subsequent to the End Of The Reporting Period

On 1 July 2015, KTC Consolidated acquired the entire equity interest of KTC Brands from KTC Holdings for a total consideration of RM139,829 via the issuance of 846,560 Shares and 55,173 RCPS. As a result, KTC Consolidated becomes the immediate holding company and KTC Holdings becomes the penultimate holding company.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution

8.7.1 Audited Statements of Profit or Loss and Other Comprehensive Income of KTC Distribution

The audited statements of profit or loss and other comprehensive income of KTC Distribution for the FYE 30 June 2012, FYE 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | Note | ← FYE 30 June → | | | |
|---|-----------|-----------------|----------------|----------------|----------------|
| | | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Revenue | 8.7.5 (a) | 336 | 336 | 338 | 82,309 |
| Cost of sales | | - | - | - | (71,939) |
| Gross profit | | 336 | 336 | 338 | 10,370 |
| Other income | 8.7.5 (b) | - | - | - | 226 |
| Administrative expenses | | (65) | (65) | (65) | (411) |
| Selling and distribution expenses | | - | - | - | (4,549) |
| Other operating expenses | | - | - | - | (817) |
| Operating profit | | 271 | 271 | 273 | 4,819 |
| Finance costs | 8.7.5 (c) | (87) | (75) | (63) | (1,033) |
| Profit before taxation | 8.7.5 (d) | 184 | 196 | 210 | 3,786 |
| Income tax expense | 8.7.5 (f) | (41) | (45) | (54) | (977) |
| Net profit for the financial years | | 143 | 151 | 156 | 2,809 |
| Other comprehensive income, net of taxation: | | | | | |
| Revaluation of property, plant and equipment | | - | - | - | 4,241 |
| Total comprehensive income for the financial years | | 143 | 151 | 156 | 7,050 |
| <i>Gross profit margin (%)</i> | | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>12.60</i> |
| <i>Profit before tax margin (%)</i> | | <i>54.76</i> | <i>58.33</i> | <i>62.13</i> | <i>4.60</i> |
| <i>Effective tax rate (%)</i> | | <i>22.28</i> | <i>22.96</i> | <i>25.71</i> | <i>25.81</i> |
| <i>Weighted average number of ordinary shares in issue ('000)</i> | | <i>500</i> | <i>500</i> | <i>500</i> | <i>500</i> |
| <i>Gross EPS (RM)</i> | | <i>0.37</i> | <i>0.39</i> | <i>0.42</i> | <i>7.57</i> |
| <i>Net EPS (RM)</i> | | <i>0.29</i> | <i>0.30</i> | <i>0.31</i> | <i>5.62</i> |

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KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.2 Audited Statements of Financial Position of KTC Distribution

The audited statements of financial position of KTC Distribution as at 30 June 2012, 30 June 2013, 30 June 2014 and 30 June 2015 are as follows:-

| | Note | ← As at 30 June → | | | |
|--|-----------|-------------------|----------------|----------------|----------------|
| | | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 8.7.5 (g) | - | 10 | 9 | 7,779 |
| Investment property | 8.7.5 (h) | 2,859 | 2,813 | 2,766 | - |
| Total non-current assets | | <u>2,859</u> | <u>2,823</u> | <u>2,775</u> | <u>7,779</u> |
| Current assets | | | | | |
| Inventories | 8.7.5 (i) | - | - | - | 11,841 |
| Trade and other receivables | 8.7.5 (j) | 16 | 16 | 16 | 20,808 |
| Cash at banks | 8.7.5 (k) | 11 | 99 | 20 | 11,797 |
| Total current assets | | <u>27</u> | <u>115</u> | <u>36</u> | <u>44,446</u> |
| TOTAL ASSETS | | <u>2,886</u> | <u>2,938</u> | <u>2,811</u> | <u>52,225</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owner(s) of KTC Distribution | | | | | |
| Share capital | 8.7.5 (l) | 500 | 500 | 500 | 1,000 |
| Revaluation reserve | 8.7.5 (m) | - | - | - | 4,206 |
| Retained earnings | 8.7.5 (n) | 369 | 520 | 676 | 3,520 |
| Total equity | | <u>869</u> | <u>1,020</u> | <u>1,176</u> | <u>8,726</u> |

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KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.2 Audited Statements of Financial Position of KTC Distribution (Continued)

| | Note | ← As at 30 June → | | | |
|---------------------------------------|-----------|-------------------|----------------|----------------|----------------|
| | | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Non-current liabilities | | | | | |
| Hire purchase payables | 8.7.5 (o) | - | - | - | 267 |
| Borrowings | 8.7.5 (p) | 1,301 | 1,051 | 800 | 529 |
| Deferred tax liabilities | 8.7.5 (q) | - | - | - | 245 |
| Total non-current liabilities | | 1,301 | 1,051 | 800 | 1,041 |
| Current liabilities | | | | | |
| Trade and other payables | 8.7.5 (r) | 482 | 615 | 576 | 26,608 |
| Hire purchase payables | 8.7.5 (o) | - | - | - | 35 |
| Borrowings | 8.7.5 (p) | 231 | 250 | 257 | 15,349 |
| Tax payable | | 3 | 2 | 2 | 466 |
| Total current liabilities | | 716 | 867 | 835 | 42,458 |
| Total liabilities | | 2,017 | 1,918 | 1,635 | 43,499 |
| TOTAL EQUITY AND LIABILITIES | | 2,886 | 2,938 | 2,811 | 52,225 |
| <i>Number of ordinary shares</i> | | | | | |
| <i>in issue of RM1.00 each ('000)</i> | | 500 | 500 | 500 | 500 |
| <i>NTA (RM'000)</i> | | 869 | 1,020 | 1,176 | 8,726 |
| <i>NTA per ordinary share (RM)</i> | | 1.74 | 2.04 | 2.35 | 17.45 |
| <i>NA (RM'000)</i> | | 869 | 1,020 | 1,176 | 8,726 |
| <i>NA per ordinary share (RM)</i> | | 1.74 | 2.04 | 2.35 | 17.45 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.3 Audited Statements of Changes in Equity of KTC Distribution

The audited statements of changes in equity of KTC Distribution for the FYE 30 June 2012, FYE 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | Share Capital RM'000 | <u>Non-Distributable</u> Revaluation Reserve RM'000 | <u>Distributable</u> Retained Earnings RM'000 | Total Equity RM'000 |
|--|----------------------------|--|--|---------------------------|
| Balance at 1 July 2011 | 500 | - | 226 | 726 |
| Total comprehensive income for the financial year | - | - | 143 | 143 |
| Balance at 30 June 2012 | 500 | - | 369 | 869 |
| Total comprehensive income for the financial year | - | - | 151 | 151 |
| Balance at 30 June 2013 | 500 | - | 520 | 1,020 |
| Total comprehensive income for the financial year | - | - | 156 | 156 |
| Balance at 30 June 2014 | 500 | - | 676 | 1,176 |
| Issuance of shares | 500 | - | - | 500 |
| Total comprehensive income for the financial year | - | 4,241 | 2,809 | 7,050 |
| Amortisation and depreciation transfer for leasehold land building | - | (35) | 35 | - |
| Balance at 30 June 2015 | 1,000 | 4,206 | 3,520 | 8,726 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.4 Audited Statements of Cash Flows of KTC Distribution

The audited statements of cash flows of KTC Distribution for the FYE 30 June 2012, FYE 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | ← FYE 30 June → | | | |
|--|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation | 184 | 196 | 210 | 3,786 |
| Adjustments for: | | | | |
| Amortisation of leasehold land | 17 | 17 | 18 | 2 |
| Depreciation of building | 29 | 29 | 29 | 2 |
| Depreciation of property, plant and equipment | - | 1 | 1 | 111 |
| Interest income | - | - | - | (34) |
| Interest expense | 87 | 75 | 63 | 1,033 |
| Inventories written off | - | - | - | 805 |
| Operating profit before working capital changes | 317 | 318 | 321 | 5,705 |
| Changes in working capital | | | | |
| Inventories | - | - | - | (12,645) |
| Receivables | (6) | - | - | (19,556) |
| Payables | (14) | 97 | (51) | 18,179 |
| Cash generated from/(used in) operations | 297 | 415 | 270 | (8,317) |
| Interests paid | - | - | - | (247) |
| Interests received | - | - | - | 34 |
| Income tax paid | (39) | (46) | (54) | (491) |
| Net Operating Cash Flows | 258 | 369 | 216 | (9,021) |
| CASH FLOWS FROM INVESTING ACTIVITY | | | | |
| Purchase of property, plant and equipment, representing net investing cash flow * | - | (11) | - | (353) |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.4 Audited Statements of Cash Flows of KTC Distribution (Continued)

| | ← FYE 30 June → | | | |
|---|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Interests paid | (87) | (75) | (63) | (786) |
| Net changes in amount due from/to related companies | (180) | - | - | 7,145 |
| Net changes in amount due to a director | 214 | 36 | 12 | (29) |
| Repayments of term loans | (220) | (231) | (244) | (257) |
| Repayments of bankers' acceptances | - | - | - | (78,078) |
| Drawdown of bankers' acceptances | - | - | - | 85,117 |
| Net Financing Cash Flows | (273) | (270) | (295) | 13,112 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | | | |
| | (15) | 88 | (79) | 3,738 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEARS | | | | |
| | 26 | 11 | 99 | 20 |
| CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEARS (Note 8.7.5 (k)) | | | | |
| | 11 | 99 | 20 | 3,758 |

* During FYE 30 June 2015, KTC Distribution acquired property, plant and equipment amounting to RM654,940 (2012: RM Nil, 2013: RM11,225 and 2014: RM Nil), of which RM302,000 (2012, 2013 and 2014: RM Nil) were acquired under hire purchase instalment plans. Cash payments of RM Nil (2012, 2013 and 2014: RM Nil) were made towards the hire purchase.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution

(a) Revenue

| | ← FYE 30 June → | | | |
|----------------|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Rental income | 336 | 336 | 338 | - |
| Sales of goods | - | - | - | 82,309 |
| | 336 | 336 | 338 | 82,309 |

(b) Other Income

| | ← FYE 30 June → | | | |
|------------------------------|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Interest income | - | - | - | 34 |
| Rental income from warehouse | - | - | - | 33 |
| Supply chain income | - | - | - | 159 |
| | - | - | - | 226 |

(c) Finance Costs

| | ← FYE 30 June → | | | |
|--------------------------------|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Interest expenses:- | | | | |
| - bank overdraft | - | - | - | 247 |
| - bankers' acceptances | - | - | - | 645 |
| - bank guarantee | - | - | - | 55 |
| - charged by a related company | - | - | - | 37 |
| - term loans | 87 | 75 | 63 | 49 |
| | 87 | 75 | 63 | 1,033 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(d) Profit before Taxation

Profit before taxation is arrived at: -

| | ← FYE 30 June → | | | |
|---|-----------------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| After charging:- | | | | |
| Auditors' remuneration | 2 | 2 | 2 | 12 |
| Amortisation of leasehold land | 17 | 17 | 18 | 2 |
| Depreciation of investment property/building | 29 | 29 | 29 | 2 |
| Depreciation of property, plant and equipment | - | 1 | 1 | 111 |
| Inventories written off | - | - | - | 805 |
| Rental of warehouse | - | - | - | 197 |
| Rental of equipment | - | - | - | 9 |
| Staff cost (Note 8.7.5 (e)) | - | - | - | 1,714 |

(e) Staff Costs

| | ← FYE 30 June → | | | |
|---|-----------------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Salaries, wages, bonuses, incentives and allowances | - | - | - | 1,534 |
| EPF and social contribution | - | - | - | 180 |
| | - | - | - | 1,714 |

No key management personnel remuneration is disclosed as there were no key management personnel other than the directors of KTC Distribution.

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KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(f) Income Tax Expense

| | ← FYE 30 June → | | | |
|---|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Income tax:- | | | | |
| - current financial year | 41 | 45 | 54 | 952 |
| - underprovision in prior financial year | - | - | - | 3 |
| | 41 | 45 | 54 | 955 |
| Deferred tax liabilities (Note 8.7.5 (q)):- | | | | |
| - origination of temporary differences | - | - | - | 22 |
| | 41 | 45 | 54 | 977 |

The income tax rate applicable to SME incorporated in Malaysia with paid-up capital of RM2,500,000 and below is subject to the statutory rate of 20% on chargeable income up to RM500,000. For chargeable income in excess of RM500,000, statutory tax rate of 25% (2012, 2013 and 2014: 25%) is still applicable.

During the FYE 30 June 2015, KTC Distribution is not entitle for SME income tax rate as the issued and paid-up share capital of KTC Holdings is more than RM2,500,000.

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of KTC Distribution is as follows:-

| | ← FYE 30 June → | | | |
|---|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Profit before taxation | 184 | 196 | 210 | 3,786 |
| Tax at statutory tax rate of 25% (2012, 2013 and 2014: 25%) | 46 | 49 | 53 | 947 |
| Tax effects arising from:- | | | | |
| - SME tax savings | (12) | (12) | (13) | - |
| - non-deductible expenses | 7 | 8 | 14 | 28 |
| - reduction in deferred tax resulting from reduction in tax rate | - | - | - | (1) |
| - Underprovision income tax expense in prior financial year | - | - | - | 3 |
| Tax expense for the financial years | 41 | 45 | 54 | 977 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD

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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(g) Property, Plant and Equipment

| Cost/Valuation | Leasehold land | | Building | Renovation | Warehouse equipment | Furniture and fittings | Computer | Motor vehicles | Total |
|--|----------------|--------|----------|------------|---------------------|------------------------|----------|----------------|-------|
| | RM'000 | RM'000 | | | | | | | |
| | At valuation | | | | | | | | |
| At 1 July 2012 | - | - | - | - | - | - | - | - | - |
| Additions | - | - | - | 11 | - | - | - | - | 11 |
| At 30 June 2013/30 June 2014 | - | - | - | 11 | - | - | - | - | 11 |
| Additions | - | - | - | 4 | 244 | 24 | 9 | 374 | 655 |
| Transfer from investment property (Note 8.7.5 (h)) | 1,612 | 1,430 | - | - | - | - | - | - | 3,042 |
| Revaluation surplus | 2,803 | 1,661 | - | - | - | - | - | - | 4,464 |
| Transfer* | (93) | (198) | - | - | - | - | - | - | (291) |
| At 30 June 2015 | 4,322 | 2,893 | 15 | 15 | 244 | 24 | 9 | 374 | 7,881 |



13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(g) Property, Plant and Equipment (Continued)

| | Leasehold land | | Building | | Renovation | | Warehouse equipment | | Furniture and fittings | | Computer | | Motor vehicles | | Total | | |
|---|----------------|--------|----------|--------|------------|--------|---------------------|--------|------------------------|--------|----------|--------|----------------|--------|--------|--------|-------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Accumulated amortisation/depreciation | At valuation | | | | | | | | | | | | | | | | |
| At 1 July 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge for the financial period | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| At 30 June 2013 | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| Depreciation charge for the financial year | - | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| At 30 June 2014 | - | - | - | - | 2 | - | - | - | - | - | - | - | - | - | - | - | 2 |
| Transfer from investment property (Note 8.7.5 (h)) | 89 | 191 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 280 |
| Amortisation/depreciation charge for the financial year | 38 | 46 | - | 19 | 1 | - | 1 | - | 1 | - | 1 | - | - | 5 | - | - | 111 |
| Transfer* | (93) | (198) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (291) |
| At 30 June 2015 | 34 | 39 | - | 19 | 3 | - | 1 | - | 1 | - | 1 | - | - | 5 | - | - | 102 |



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KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(g) Property, Plant and Equipment (Continued)

| Net carrying amounts | Leasehold land | | Building | Renovation | Warehouse equipment | Furniture and fittings | Computer | Motor vehicles | Total |
|----------------------|----------------|--------|----------|------------|---------------------|------------------------|----------|----------------|-------|
| | RM'000 | RM'000 | | | | | | | |
| | At valuation | | | | | | | | |
| At 30 June 2013 | - | - | - | 10 | - | - | - | - | 10 |
| At 30 June 2014 | - | - | - | 9 | - | - | - | - | 9 |
| At 30 June 2015 | 4,288 | 2,854 | 12 | 225 | 23 | 8 | 369 | 7,779 | |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued leasehold land and building.



13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(g) Property, Plant and Equipment (Continued)

The motor vehicles with total net carrying amounts of RM302,000 (2012, 2013 and 2014: RM Nil) were acquired under hire purchase instalment plans.

The leasehold land has a lease period of 99 years (2012, 2013 and 2014: Nil), expiring on 31 December 2098 (2012, 2013 and 2014: Nil).

KTC Distribution's leasehold land and building with total net carrying amounts of RM7,142,128 (2012, 2013 and 2014: RM Nil) has been pledged to licensed banks to secure banking facilities as disclosed in Note 8.7.5 (p) to the financial statements.

Fair value information

During the FYE 30 June 2015, the fair value of the leasehold land and building of KTC Distribution amounting to RM7,215,000 (2012, 2013 and 2014: RM Nil) carried at fair value is categorised at Level 3.

There are no Levels 1 and 2 leasehold land and building or transfer between Levels 1, 2 and 3 during FYE 30 June 2015.

Reconciliation of fair value

| | As at 30 June 2015 RM'000 |
|--|--|
| As at 1 July 2013 and 30 June 2014 | - |
| Level 3 revaluation recognised due to change in accounting policy to revaluation model | 4,464 |
| As at 30 June 2015 | <u>4,464</u> |

Level 3 fair value

Level 3 fair value of leasehold land and building has been derived using the average of sales comparison approach and depreciated replacement cost approach.

Sales comparison approach

Sales prices of comparable leasehold land and building in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per sqm of comparative properties.

13. ACCOUNTANTS' REPORT (Cont'd)

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8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(g) Property, Plant and Equipment (Continued)

Fair value information (Continued)

Level 3 fair value (Continued)

Depreciated replacement cost approach

The value of the land is derived using the sales comparison approach. The building and structure are assessed by the estimated cost of reinstating similar new building and an allowable depreciation is made and deducted based on the observed condition of the building. The most significant input into this valuation approach is price per sqm of reinstatement cost.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

| Description | Valuation technique | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|----------------|---------------------------------------|--|---|
| Leasehold land | Sales comparison approach | Price per sqm RM453 (2012, 2013 and 2014: RM Nil) | The higher the price per sqm, the higher the fair value |
| Building | | Price per sqm RM2,070 (2012, 2013 and 2014: RM Nil) | |
| Leasehold land | Depreciated replacement cost approach | Price per sqm RM453 (2012, 2013 and 2014: RM Nil) | |
| Building | | Reinstatement cost per sqm RM1,900 (2012, 2013 and 2014: RM Nil) | The higher the cost per sqm, the higher the fair value. |
| | | Allowance for age and depreciation 10% (2014: Nil%) | The lower the depreciation rate, the higher the fair value. |

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8. **AUDITED FINANCIAL STATEMENTS (Continued)**
- 8.7 **Audited Financial Statements of KTC Distribution (Continued)**
- 8.7.5 **Notes to the Audited Financial Statements of KTC Distribution (Continued)**
- (g) **Property, Plant and Equipment (Continued)**

Fair value information (Continued)
Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Valuation processes applied by KTC Distribution

KTC Distribution's finance department includes a team that performs valuation analysis of land and buildings required for financial reporting purposes, including Level 3 fair values. This team reports directly to the associate director.

The fair value of leasehold land and building are determined by an accredited independent valuer who has valuation experience for similar properties. The team assesses at the end of each reporting period whether there is an indication that the net carrying amount of the leasehold land and building may be impaired. KTC Distribution will revalue its leasehold land and building only every five years or when there is indication that the fair value of the leasehold land and building differ materially from its carrying amount.

Had the revalued assets been carried at historical cost less accumulated amortisation and depreciation, the net carrying value would have been as follows:-

| | Cost RM'000 | Accumulated amortisation/ depreciation RM'000 | Net carrying amount RM'000 |
|---------------------------|----------------|--|----------------------------------|
| As at 30 June 2015 | | | |
| Leasehold land | 1,612 | (105) | 1,507 |
| Building | 1,430 | (217) | 1,213 |
| | <hr/> | <hr/> | <hr/> |
| Net carrying amount | 3,042 | (322) | 2,720 |
| | <hr/> | <hr/> | <hr/> |

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(h) Investment Property

| | Leasehold land RM'000 | Building RM'000 | Total RM'000 |
|---|-----------------------------|--------------------|-----------------|
| Cost | | | |
| At 1 July 2011/30 June 2014 | 1,612 | 1,430 | 3,042 |
| Transfer to property, plant and equipment (Note 8.7.5 (g)) | (1,612) | (1,430) | (3,042) |
| At 30 June 2015 | - | - | - |
| Accumulated amortisation/depreciation | | | |
| At 1 July 2011 | 35 | 102 | 137 |
| Amortisation/depreciation charge for the financial year | 17 | 29 | 46 |
| At 30 June 2012 | 52 | 131 | 183 |
| Amortisation/depreciation charge for the financial year | 17 | 29 | 46 |
| At 30 June 2013 | 69 | 160 | 229 |
| Amortisation/depreciation charge for the financial year | 18 | 29 | 47 |
| At 30 June 2014 | 87 | 189 | 276 |
| Amortisation/depreciation charge for the financial year | 2 | 2 | 4 |
| Transfer to property, plant and equipment (Note 8.7.5 (g)) | (89) | (191) | (280) |
| At 30 June 2015 | - | - | - |
| Net carrying amounts | | | |
| At 30 June 2012 | 1,560 | 1,299 | 2,859 |
| At 30 June 2013 | 1,543 | 1,270 | 2,813 |
| At 30 June 2014 | 1,525 | 1,241 | 2,766 |
| At 30 June 2015 | - | - | - |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(h) Investment Property (Continued)

| | ← FYE 30 June → | | | |
|-------------------------------------|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Rental income | 336 | 336 | 338 | 33 |
| Direct operating expenses:- | | | | |
| Amortisation of leasehold land | 17 | 17 | 18 | 2 |
| Depreciation of investment property | 29 | 29 | 29 | 2 |
| Insurance | 3 | 3 | 3 | - |
| Finance costs | 87 | 75 | 63 | - |
| Quit rent and assessment | 11 | 11 | 11 | - |

The investment property had a lease period of 99 years, expiring 31st December 2098.

The investment property with carrying amounts of RM2,766,524 was pledged to a licensed bank to secure banking facilities as disclosed in Note 8.7.5(p).

As at 30 June 2014, the fair value of the investment property of KTC Distribution was RM7,215,000 (2012 and 2013: RM7,215,000) which was determined based on valuation performed by an accredited independent valuer who has valuation experience for similar properties.

On 1 August 2014, KTC Distribution transferred the investment property to property, plant and equipment as KTC Distribution commenced using the leasehold land and building for its business operation purposes.

(i) Inventories

| | ← FYE 30 June → | | | |
|---------------------|-----------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| At cost: | | | | |
| Trading inventories | - | - | - | 11,841 |

During the FYE 30 June 2015, the amount of inventories recognised as an expense in cost of sales of KTC Distribution was RM71,938,754 (2012, 2013 and 2014: RM Nil).

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(j) Trade and Other Receivables

| | ← As at 30 June → | | | |
|------------------------------------|-------------------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Trade receivables | - | - | - | 17,088 |
| Other receivables | | | | |
| Other receivables | - | - | - | 2,182 |
| Deposits | 9 | 9 | 9 | 129 |
| Prepayments | 7 | 7 | 7 | 173 |
| | 16 | 16 | 16 | 2,484 |
| Amounts due from related companies | - | - | - | 1,236 |
| Total trade and other receivables | 16 | 16 | 16 | 20,808 |
| Add: Cash at banks (Note 8.7.5(k)) | 11 | 99 | 20 | 11,797 |
| Less: Prepayments | (7) | (7) | (7) | (172) |
| Total loans and receivables | 20 | 108 | 29 | 32,433 |

(i) Trade receivables

KTC Distribution's normal trade credit terms ranges from 30 days to 60 days (2012, 2013 and 2014: Nil). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values at the initial recognition.

Included in trade receivables of KTC Distribution are amounts totalling RM534,814 (2012, 2013 and 2014: RM Nil) due from related companies.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(j) Trade and Other Receivables (Continued)

(i) Trade receivables (Continued)

The ageing analysis of trade receivables are as follows:-

| | ← As at 30 June → | | | |
|---|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Neither past due nor impaired | - | - | - | 10,925 |
| Past due but not impaired:- | | | | |
| 1 to 30 days past due but not impaired | - | - | - | 3,310 |
| 31 to 60 days past due but not impaired | - | - | - | 1,255 |
| 61 to 90 days past due but not impaired | - | - | - | 289 |
| More than 90 days past due but not impaired | - | - | - | 1,309 |
| | - | - | - | 6,163 |
| | - | - | - | 17,088 |

Receivables that are neither past due nor impaired

The directors of KTC Distribution are of the opinion that no impairment loss is necessary in respect of these not past due trade receivables as these trade receivables are within the trade credit terms.

Receivables that are past due but not impaired

The balances of trade receivables that are past due but not impaired, representing approximately 36.06% (2012, 2013 and 2014: Nil%) of KTC Distribution's trade receivables are unsecured in nature.

The management has a credit procedure in place to monitor and minimise the exposure of default. The directors of KTC Distribution are of the opinion that no impairment loss is necessary in respect of these past due trade receivables.

(ii) Amounts due from related companies

The amounts due from related companies are non-trade in nature, unsecured, interest-free and receivable upon demand.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise the following:-

| | ← As at 30 June → | | | |
|--|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Cash at banks | 11 | 99 | 20 | 11,797 |
| Less: Bank overdrafts (Note 8.7.5 (p)) | - | - | - | (8,039) |
| | 11 | 99 | 20 | 3,758 |

(l) Share Capital

| | ← As at 30 June → | | | |
|---|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Ordinary shares of RM1.00 each:- | | | | |
| Authorised:- | | | | |
| At the beginning of the financial years | 500 | 500 | 500 | 500 |
| Increased during the financial year | - | - | - | 500 |
| At the end of the financial years | 500 | 500 | 500 | 1,000 |
| Issued and fully paid-up:- | | | | |
| At the beginning of the financial years | 500 | 500 | 500 | 500 |
| Issued during the financial year | - | - | - | 500 |
| At the end of the financial years | 500 | 500 | 500 | 1,000 |

During the FYE 30 June 2015, KTC Distribution had increased its authorised share capital from RM500,000 to RM1,000,000 by creation of 500,000 ordinary shares of RM1.00 each.

KTC Distribution had also increased its issued and paid-up ordinary share capital from RM500,000 to RM1,000,000 by way of contra against the amount owing by KTC Distribution to a director as part settlement of debt of 500,000 ordinary shares of RM1.00 each at par.

These new ordinary shares issued during FYE 30 June 2015 ranked *pari passu* in all respects with the existing ordinary shares of KTC Distribution.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of KTC Distribution. All ordinary shares rank equally with regards to KTC Distribution's residual assets.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(m) Revaluation Reserve

| | ← As at 30 June → | | | |
|--|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| At the beginning of the financial years | - | - | - | - |
| Revaluation of leasehold land and building | | | | |
| - gross (Note 8.7.5 (g)) | - | - | - | 4,464 |
| - tax (Note 8.7.5 (q)) | - | - | - | (223) |
| Amortisation and depreciation transfer | | | | |
| - gross | - | - | - | (37) |
| - tax | - | - | - | 2 |
| At the end of the financial years | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,206</u> |

The revaluation reserve relates to the revaluation of leasehold land and building less amortisation/depreciation transfer to retained earnings.

(n) Retained Earnings

The entire retained earnings of KTC Distribution is available for distribution as single-tier dividends.

(o) Hire Purchase Payables

| | ← As at 30 June → | | | |
|---|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Future minimum hire purchase payables:- | | | | |
| - not later than one year | - | - | - | 53 |
| - later than one year but not later than five years | - | - | - | 213 |
| - more than five years | - | - | - | 106 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>372</u> |
| Less: Future finance charges | - | - | - | (70) |
| Present value of hire purchase payables | <u>-</u> | <u>-</u> | <u>-</u> | <u>302</u> |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(o) Hire Purchase Payables (Continued)

| | ← As at 30 June → | | | |
|---|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Represented by:- | | | | |
| - not later than one year | - | - | - | 35 |
| - later than one year but not later than five years | - | - | - | 167 |
| - more than five years | - | - | - | 100 |
| | - | - | - | 302 |

The hire purchase payables bear interest at a rate of 3.32% (2012, 2013 and 2014: Nil%) per annum.

(p) Borrowings

| | ← As at 30 June → | | | |
|--|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Short-term borrowings - secured | | | | |
| Term loan | 231 | 250 | 257 | 271 |
| Short-term borrowings - unsecured | | | | |
| Bankers' acceptances | - | - | - | 7,039 |
| Bank overdrafts | - | - | - | 8,039 |
| | 231 | 250 | 257 | 15,349 |
| Long-term borrowings-secured | | | | |
| Term loan | 1,301 | 1,051 | 800 | 529 |
| Total borrowings | 1,532 | 1,301 | 1,057 | 15,878 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(p) Borrowings (Continued)

| | 2012 | 2013 | 2014 | 2015 |
|--|--------------|--------------|--------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Comprising portion repayable:- | | | | |
| - not later than one year | 231 | 250 | 257 | 15,349 |
| - later than one year but not later than two years | 244 | 257 | 271 | 286 |
| - later than two years but not later than five years | 814 | 794 | 529 | 243 |
| - more than five years | 243 | - | - | - |
| | <u>1,532</u> | <u>1,301</u> | <u>1,057</u> | <u>15,878</u> |

The borrowings are secured by the following:-

- First party charge over the leasehold land and building (2012, 2013 and 2014: Investment property) of KTC Distribution as disclosed in Note 8.7.5 (g) (2012, 2013 and 2014: Note 8.7.5 (h));
- A joint and several guarantees from a director and a person connected to the directors;
- Corporate guarantee by KTC Holdings and KTC Sdn Bhd;
- Letter of undertaking from a director to meet the loan repayments; and
- Assignment of rental proceeds.

The bankers' acceptances bear interest at rates ranging from 3.97% to 4.67% (2012, 2013 and 2014: Nil%) per annum.

The term loan is repayable by way of 209 fortnightly instalments comprising principal and interests of RM11,792 each commencing August 2009.

The term loan bears interest at the fixed rate of 5.30% (2012, 2013 and 2014: 5.30%) per annum.

The bank overdrafts bears interests at the rates ranging from 7.35% to 8.10% (2012, 2013 and 2014: Nil%) per annum.

Subsequent to 30 June 2015, in relation to the corporate guarantee by KTC Holdings in favour of a licensed bank as disclosed in Note 8.7.5 (p)(c) above, the said bank has agreed to discharge the corporate guarantee by KTC Holdings subject to the execution of a corporate guarantee by KTC Consolidated and two of the directors of KTC Consolidated, namely Datuk Lau Koh Sing @ Lau Kok Sing and Lau Wei Dick @ Dexter Dick Lau, shall remain as the controlling shareholders of KTC Consolidated at all times.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(q) Deferred Tax Liabilities

| | ← As at 30 June → | | | |
|--|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| At the beginning of the financial year | - | - | - | - |
| Recognised in profit or loss (Note 8.7.5 (f)) | - | - | - | 22 |
| Recognised in other comprehensive income (Note 8.7.5 (m)) | - | - | - | 223 |
| | - | - | - | 245 |

The components and movements of deferred tax liabilities during the financial year are as follows:

| | Temporary differences between tax written down values and the corresponding net carrying amount RM'000 | Revaluation of property, plant and equipment RM'000 | Total RM'000 |
|--|--|---|-----------------|
| At the beginning of the financial year | - | - | - |
| Recognised in profit or loss (Note 8.7.5 (f)) | 22 | - | 22 |
| Recognised in other comprehensive income (Note 8.7.5 (m)) | - | 223 | 223 |
| At the end of the financial year | 22 | 223 | 245 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(r) Trade and Other Payables

| | ← As at 30 June → | | | |
|--|-------------------|----------------|----------------|----------------|
| | 2012 RM'000 | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Trade payables | - | - | - | 12,706 |
| Other payables | | | | |
| Other payables | - | - | - | 5,172 |
| Deposits | - | 97 | 46 | 88 |
| Accruals | 2 | 2 | 2 | 261 |
| | 2 | 99 | 48 | 5,521 |
| | 2 | 99 | 48 | 18,227 |
| Amount due to a director | 480 | 516 | 528 | - |
| Amounts due to related companies | - | - | - | 8,381 |
| Total trade and other payables | 482 | 615 | 576 | 26,608 |
| Add: Hire purchase payables (Note 8.7.5 (o)) | - | - | - | 302 |
| Borrowings (Note 8.7.5 (p)) | 1,532 | 1,301 | 1,057 | 15,878 |
| Total other financial liabilities carried at amortised cost | 2,014 | 1,916 | 1,633 | 42,788 |

(i) Trade payables

The normal trade credit terms granted to KTC Distribution ranges from 30 days to 60 days (2012, 2013 and 2014: Nil days).

Included in trade payables of KTC Distribution are amounts totalling to RM3,711,204 (2012, 2013 and 2014: RM Nil) due to related companies.

(ii) Amount due to a director

The amount due to a director was non-trade in nature, unsecured, interest-free and repayable upon demand.

(iii) Amounts due to related companies

The amounts due to related companies are non-trade in nature, unsecured, interest-free and repayable upon demand.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(s) Significant Related Party Disclosures

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with KTC Distribution or that has an interest in KTC Distribution that gives it significant influence over KTC Distribution's financial and operating policies. It also includes members of key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in KTC Distribution resides with, directly or indirectly.

The nature of the relationship with the related parties are as follows:

| Name of Related Parties | Nature of Relationship |
|-------------------------|-----------------------------|
| KTC Capital | Ultimate holding company * |
| KTC Holdings | Immediate holding company * |
| KTC Sdn Bhd | A related company * |
| KTC Tawau | A related company * |
| KTC Brands | A related company * |
| Creamos Malaysia | A related company * |
| AMDA Marketing | A related company * |

* On 31 October 2014, KTC Distribution became wholly-owned subsidiary company of KTC Holdings. As a result, KTC Capital became ultimate holding company of KTC Distribution. Prior to this date the relationship between KTC Distribution and its related parties were that of companies in which certain directors have interests.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

**8. AUDITED FINANCIAL STATEMENTS (Continued)****8.7 Audited Financial Statements of KTC Distribution (Continued)****8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)****(s) Significant Related Party Disclosures (Continued)**

Other than disclosed elsewhere in the financial statements, the significant related party transactions between KTC Distribution and its related parties during the financial years under review were as follows:-

| | ← FYE 30 June → | | | |
|--------------------------------|-----------------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sales to:- | | | | |
| - KTC Sdn Bhd | - | - | - | 521 |
| - KTC Tawau | - | - | - | 12 |
| - Creamos Malaysia | - | - | - | 119 |
| Purchases from:- | | | | |
| - KTC Sdn Bhd | - | - | - | 4,886 |
| - KTC Tawau | - | - | - | 912 |
| - KTC Brands | - | - | - | 7,081 |
| Rental received from:- | | | | |
| - KTC Sdn Bhd | 336 | 336 | 306 | - |
| Interest expenses charged by:- | | | | |
| - KTC Sdn Bhd | - | - | - | 37 |

(t) Financial Instruments**(i) Financial risk management and objectives**

KTC Distribution is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The directors of KTC Distribution review and agree policies and procedures for the management of these risks.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(t) Financial Instruments (Continued)

(i) Financial risk management and objectives (Continued)

The following sections provide details regarding KTC Distribution's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. KTC Distribution's exposure to credit risk arises primarily from trade and other receivables and amounts due from related parties.

KTC Distribution's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. KTC Distribution trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that KTC Distribution's exposure to bad debts is not significant.

Exposure to credit risk

As at 30 June 2015, KTC Distribution's maximum exposure to the credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 8.7.5 (j).

Receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 8.7.5 (j).

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 8.7.5 (j).

Credit risk concentration profile

As at 30 June 2015, there was no significant concentration of credit risk in KTC Distribution.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(t) Financial Instruments (Continued)

(i) Financial risk management and objectives (Continued)

(b) Liquidity risk

Liquidity risk is the risk that KTC Distribution will encounter difficulty in meeting financial obligations due to shortage of funds. KTC Distribution's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

At the end of the reporting period, approximately 95% (2012: 15%, 2013: 19% and 2014: 24%) of KTC Distribution's loans and borrowings, as disclosed in Note 8.7.5 (o) and Note 8.7.5 (p), will mature in less than one year based on the carrying amounts reflected in the statement of financial position.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of KTC Distribution's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
|--|--|---|--|-------------------------|
| As at 30 June 2012 | | | | |
| Trade and other payables | 482 | - | - | 482 |
| Borrowing | 306 | 1,226 | 249 | 1,781 |
| Total undiscounted financial liabilities | 788 | 1,226 | 249 | 2,263 |
| As at 30 June 2013 | | | | |
| Trade and other payables | 615 | - | - | 615 |
| Borrowing | 306 | 1,168 | - | 1,474 |
| Total undiscounted financial liabilities | 921 | 1,168 | - | 2,089 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(t) Financial Instruments (Continued)

(i) Financial risk management and objectives (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities
(Continued)

| | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
|--|--|--------------------------------|-----------------------------------|-----------------|
| As at 30 June 2014 | | | | |
| Trade and other payables | 576 | - | - | 576 |
| Borrowing | 306 | 862 | - | 1,168 |
| Total undiscounted financial liabilities | 882 | 862 | - | 1,744 |
| As at 30 June 2015 | | | | |
| Trade and other payables | 26,608 | - | - | 26,608 |
| Borrowings | 15,384 | 555 | - | 15,939 |
| Hire purchase payables | 53 | 213 | 106 | 372 |
| Total undiscounted financial liabilities | 42,045 | 768 | 106 | 42,919 |

(c) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of KTC Distribution's financial instruments will fluctuate because of changes in market interest rates.

KTC Distribution's exposure to interest rate risk arises primarily from its loans and borrowings. Most of KTC Distribution's loans and borrowings are charged a fixed interest rate plus or minus the financial institutions' base lending rate or cost of fund per annum. The fixed interest rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by the respective financial institutions.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(t) Financial Instruments (Continued)

(i) Financial risk management and objectives (Continued)

(c) Interest rate risk (Continued)

Interest rate risk sensitivity

The table below demonstrates the sensitivity to a reasonable possible change in interest rates with all other variables held constant, of KTC Distribution's profit after taxation:-

| | Carrying amount RM'000 | Movement in basis point | Effects on profit after taxation RM'000 |
|-------------------------------------|------------------------------|----------------------------|--|
| As at 30 June 2015 | | | |
| Borrowings (excluding term loan) | 15,078 | 50 | (57) |

The profit after taxation will be higher/lower when the interest rates decrease/increase.

(ii) Fair value measurement

The carrying amounts of financial assets and financial liabilities of KTC Distribution reasonably approximate their fair values due to the relatively short term nature of these financial instruments except as set out below:-

| Note | ← 2012 → | | ← 2013 → | | ← 2014 → | | ← 2015 → | |
|---------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Carrying amount RM'000 | Fair value Level 3 RM'000 | Carrying amount RM'000 | Fair value Level 3 RM'000 | Carrying amount RM'000 | Fair value Level 3 RM'000 | Carrying amount RM'000 | Fair value Level 3 RM'000 |
| Hire purchase payables | 8.7.5 (o) | - | - | - | - | - | 302 | 330 |
| Term loan | 8.7.5 (p) | 1,532 | 1,496 | 1,301 | 1,269 | 1,057 | 1,031 | 800 |
| | | 1,532 | 1,496 | 1,301 | 1,269 | 1,057 | 1,031 | 1,110 |

The fair value of hire purchase payables are categorised as Level 2.

There have been no transfers between Levels 1, 2 and 3 during FYE 30 June 2015 (2012, 2013 and 2014: no transfer in either directions).

KTC Distribution does not have any financial assets or financial liabilities measured at Level 1 and 3 hierarchy.

There were no unrecognised financial instruments as at 30 June 2012, 30 June 2013, 30 June 2014 and 30 June 2015 that are required to be disclosed.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(u) Capital Management

The primary objective of KTC Distribution's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide KTC Distribution with the funds to fund its expansion and growth.

KTC Distribution manages its capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure KTC Distribution may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

KTC Distribution monitors the level of dividends to be paid to shareholders. KTC Distribution's objective is to pay out regular dividends to the shareholders based on the level of KTC Distribution's profitability and cash flows.

KTC Distribution monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise total borrowings and trade and other payables, less cash at banks whilst total capital is the shareholders' funds of KTC Distribution.

The gearing ratio is as follows:-

| | ← As at 30 June → | | | |
|---|-------------------|--------|--------|----------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net debts | | | | |
| Borrowings | 1,532 | 1,301 | 1,057 | 15,878 |
| Hire purchase payables | - | - | - | 302 |
| Trade and other payables | 482 | 615 | 576 | 26,608 |
| Less: Cash at banks | (11) | (99) | (20) | (11,797) |
| | 2,003 | 1,817 | 1,613 | 30,991 |
| Capital | | | | |
| Equity attributable to the owner(s) of KTC Distribution | 869 | 1,020 | 1,176 | 8,726 |
| Capital and net debts | 2,872 | 2,837 | 2,789 | 39,717 |
| Gearing ratio | 70% | 64% | 58% | 78% |

There were no changes in KTC Distribution's approach to capital management during the financial years under review.

KTC Distribution is not subject to externally imposed capital requirements.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.7 Audited Financial Statements of KTC Distribution (Continued)

8.7.5 Notes to the Audited Financial Statements of KTC Distribution (Continued)

(v) Significant Event Subsequent to the End of the Reporting Period

On 4 August 2014, KTC Distribution increased its authorised share capital from RM500,000 to RM1,000,000 through the creation of 500,000 new ordinary shares of RM1.00 each.

On the even date, KTC Distribution increased its issued and fully paid-up share capital from RM500,000 to RM1,000,000 through the allotment of 500,000 new ordinary shares of RM1.00 each via the capitalisation of the amount due to a director of KTC Distribution.

On 1 July 2015, KTC Consolidated acquired the entire equity interest of KTC Distribution from KTC Holdings for a total consideration of RM5,797,687 via the issuance of 35,100,610 Shares and 2,287,626 RCPS. As a result, KTC Consolidated becomes the immediate holding company and KTC Holdings becomes the penultimate holding company.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia

8.8.1 Audited Statements of Profit or Loss and Other Comprehensive Income of Creamos Malaysia

The audited statements of profit or loss and other comprehensive income of Creamos Malaysia for the financial period from 9 April 2012 (date of incorporation) to 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | FYE 30 June 2015 RM'000 |
|---|-----------|--|-------------------------------|-------------------------------|
| | Note | | | |
| Revenue | 8.8.5 (a) | - | 1,350 | 6,266 |
| Cost of sales | | (8) | (1,091) | (3,665) |
| Gross (loss)/profit | | (8) | 259 | 2,601 |
| Other income | | - | 35 | 108 |
| Administrative expenses | | (221) | (256) | (702) |
| Selling and distribution expenses | | - | (132) | (368) |
| Other operating expenses | | - | (30) | (335) |
| Operating (loss)/profit | | (229) | (124) | 1,304 |
| Finance costs | 8.8.5 (b) | (2) | (85) | (131) |
| (Loss)/profit before taxation | 8.8.5 (c) | (231) | (209) | 1,173 |
| Income tax expense | 8.8.5 (e) | - | - | (377) |
| Net (loss)/profit for the financial period/years | | (231) | (209) | 796 |
| Other comprehensive income, net of taxation: | | | | |
| Revaluation of property, plant and equipment | | - | - | 948 |
| Total comprehensive (loss)/income for the financial period/years | | (231) | (209) | 1,744 |
| <i>Gross profit margin (%)</i> | | <i>N/A</i> | <i>19.19</i> | <i>41.51</i> |
| <i>(Loss)/profit before tax margin (%)</i> | | <i>N/A</i> | <i>(15.48)</i> | <i>18.72</i> |
| <i>Effective tax rate (%)</i> | | <i>-</i> | <i>-</i> | <i>32.14</i> |
| <i>Weighted average number of ordinary shares in issue ('000)</i> | | <i>500</i> | <i>500</i> | <i>500</i> |
| <i>Gross (LPS)/EPS (RM)</i> | | <i>(0.46)</i> | <i>(0.42)</i> | <i>2.35</i> |
| <i>Net (LPS)/EPS (RM)</i> | | <i>(0.46)</i> | <i>(0.42)</i> | <i>1.59</i> |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.2 Audited Statements of Financial Position of Creamos Malaysia

The audited statements of financial position of Creamos Malaysia as at 30 June 2013, 30 June 2014 and 30 June 2015 are as follows:-

| | | ← As at 30 June → | | |
|--|-----------|-------------------|----------------|----------------|
| | Note | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| ASSETS | | | | |
| Non-current asset | | | | |
| Property, plant and equipment | 8.8.5 (f) | 1,641 | 2,280 | 10,994 |
| Current assets | | | | |
| Inventories | 8.8.5 (g) | - | 155 | 448 |
| Trade and other receivables | 8.8.5 (h) | 79 | 242 | 1,760 |
| Cash at banks | 8.8.5 (i) | - | 131 | 357 |
| Total current assets | | 79 | 528 | 2,565 |
| TOTAL ASSETS | | 1,720 | 2,808 | 13,559 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to owner(s) of Creamos Malaysia | | | | |
| Share capital | 8.8.5 (j) | 500 | 500 | 500 |
| Revaluation reserve | 8.8.5 (k) | - | - | 944 |
| (Accumulated losses)/Retained earnings | 8.8.5 (l) | (231) | (440) | 360 |
| Total equity | | 269 | 60 | 1,804 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.2 Audited Statements of Financial Position of Creamos Malaysia (Continued)

| | Note | ← As at 30 June → | | |
|---------------------------------------|-----------|-------------------|----------------|----------------|
| | | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Non-current liabilities | | | | |
| Borrowings | 8.8.5 (m) | - | - | 3,899 |
| Hire purchase payables | 8.8.5 (n) | - | 1,205 | 1,314 |
| Deferred tax liabilities | 8.8.5 (o) | - | - | 217 |
| Total non-current liabilities | | - | 1,205 | 5,430 |
| Current liabilities | | | | |
| Trade and other payables | 8.8.5 (p) | 1,430 | 1,112 | 5,419 |
| Hire purchase payables | 8.8.5 (n) | - | 271 | 452 |
| Borrowings | 8.8.5 (m) | 21 | 160 | 244 |
| Current tax liabilities | | - | - | 210 |
| Total current liabilities | | 1,451 | 1,543 | 6,325 |
| Total liabilities | | 1,451 | 2,748 | 11,755 |
| TOTAL EQUITY AND LIABILITIES | | 1,720 | 2,808 | 13,559 |
| <i>Number of ordinary shares</i> | | | | |
| <i>in issue of RM1.00 each ('000)</i> | | 500 | 500 | 500 |
| <i>NTA (RM'000)</i> | | 269 | 60 | 1,804 |
| <i>NTA per ordinary share (RM)</i> | | 0.54 | 0.12 | 3.61 |
| <i>NA (RM'000)</i> | | 269 | 60 | 1,804 |
| <i>NA per ordinary share (RM)</i> | | 0.54 | 0.12 | 3.61 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.3 Audited Statements of Changes in Equity of Creamos Malaysia

The audited statements of changes in equity of Creamos Malaysia for the financial period from 9 April 2012 (date of incorporation) to 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | <u>Share</u> <u>Capital</u> <u>RM'000</u> | <u>Non-</u> <u>Distributable</u> <u>Revaluation</u> <u>Reserve</u> <u>RM'000</u> | <u>Distributable</u> <u>(Accumulated</u> <u>Losses)/</u> <u>Retained</u> <u>Earnings</u> <u>RM'000</u> | <u>Total</u> <u>Equity</u> <u>RM'000</u> |
|--|---|--|---|--|
| Balance at 9 April 2012 (Date of incorporation) | * | - | - | * |
| Issued during the financial period | 500 | - | - | 500 |
| Total comprehensive loss for the financial period | - | - | (231) | (231) |
| Balance as at 30 June 2013 | 500 | - | (231) | 269 |
| Total comprehensive loss for the financial year | - | - | (209) | (209) |
| Balance as at 30 June 2014 | 500 | - | (440) | 60 |
| Total comprehensive income for the financial year | - | 948 | 796 | 1,744 |
| Amortisation transfer for leasehold lands and building | - | (4) | 4 | - |
| Balance as at 30 June 2015 | 500 | 944 | 360 | 1,804 |

* RM2

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.4 Audited Statements of Cash Flows of Creamos Malaysia

The audited statements of cash flows of Creamos Malaysia for the financial period from 9 April 2012 (date of incorporation) to 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015 are as follows:-

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|---|--|-------------------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| (Loss)/profit before taxation | (231) | (209) | 1,173 |
| Adjustments for: | | | |
| Amortisation of leasehold land | - | - | 27 |
| Depreciation of property, plant and equipment | 57 | 220 | 387 |
| Gain on disposal of property, plant and equipment | - | - | (1) |
| Interest income | - | - | (3) |
| Interest expenses | 2 | 85 | 131 |
| Property, plant and equipment written off | - | - | 18 |
| Inventories written off | - | 30 | 303 |
| Operating (loss)/profit before working capital changes | (172) | 126 | 2,035 |
| Changes in working capital | | | |
| Inventories | - | (185) | (596) |
| Receivables | (2) | (240) | (1,518) |
| Payables | 1,286 | 380 | 3,107 |
| Cash generated from operations | 1,112 | 81 | 3,028 |
| Interests paid | (2) | (5) | @ |
| Interests received | - | - | 3 |
| Net Operating Cash Flows | 1,110 | 76 | 3,031 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment * | (1,698) | (435) | (7,545) |
| Proceeds from disposal of property, plant and equipment | - | - | 6 |
| Net Investing Cash Flows | (1,698) | (435) | (7,539) |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.4 Audited Statements of Cash Flows of Creamos Malaysia (Continued)

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|--|--|-------------------------------|----------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Interests paid | - | (80) | (131) |
| Net change in amount due from/to directors | 67 | (67) | - |
| Net change in amount due to a related company | - | 670 | 1,199 |
| Proceeds from issuance of shares | 500 | - | - |
| Repayment of hire purchase payables | - | (173) | (317) |
| Drawdown of bankers' acceptances | - | 160 | 2,142 |
| Repayment of bankers' acceptances | - | - | (2,301) |
| Drawdown of term loan | - | - | 4,143 |
| Net Financing Cash Flows | 567 | 510 | 4,735 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | | |
| | (21) | 151 | 227 |
| CASH AND CASH EQUIVALENTS AT THE DATE OF CORPORATION/BEGINNING OF THE FINANCIAL PERIOD/YEAR | | | |
| | # | (21) | 130 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR (Note 8.8.5(i)) | | | |
| | (21) | 130 | 357 |

RM2

@ (RM432)

* During the FYE 30 June 2015, Creamos Malaysia acquired property, plant and equipment amounting to RM8,152,549 (2013: RM1,697,936 and 2014: RM859,253), of which RM869,000 (2013: RM Nil and 2014: RM432,000) were acquired under hire purchase instalment plans. Cash payments of RM261,227 (2013: RM Nil and 2014: RM8,000) were made towards the hire purchase.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia

(a) Revenue

Revenue represents invoiced value of goods sold, net of sales returns and trade discounts.

(b) Finance Costs

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|------------------------|--|-------------------------------|----------------|
| Interest expenses:- | | | |
| - bank overdraft | 2 | 5 | @ |
| - bankers' acceptances | - | 2 | 14 |
| - hire purchase | - | 78 | 112 |
| - term loans | - | - | 5 |
| | 2 | 85 | 131 |

@ RM432

(c) (Loss)/Profit Before Taxation

(Loss)/profit before taxation is arrived at:

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|---|--|-------------------------------|----------------|
| After charging:- | | | |
| Auditors' remuneration | 2 | 3 | 10 |
| Amortisation of leasehold land | - | - | 27 |
| Depreciation of property, plant and equipment | 57 | 220 | 387 |
| | 57 | 220 | 387 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia

(c) (Loss)/Profit Before Taxation (Continued)

(Loss)/profit before taxation is arrived at (Continued):

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|---|--|-------------------------------|----------------|
| After charging (Continued):- | | | |
| Directors' remuneration:- | | | |
| - fees | 22 | 16 | 12 |
| - salaries | - | 15 | 60 |
| - EPF and social contribution | - | 2 | 8 |
| Inventories written off | - | 30 | 303 |
| Property, plant and equipment written off | - | - | 18 |
| Rental expenses | 42 | 14 | 9 |
| Staff costs (Note 8.8.5(d)) | 26 | 299 | 700 |
| | <hr/> | <hr/> | <hr/> |
| And crediting:- | | | |
| Interest income | - | - | 3 |
| Rental income | - | 35 | 103 |
| Gain on disposal of property, plant and equipment | - | - | 1 |
| | <hr/> | <hr/> | <hr/> |

The auditors' report of the previous auditors of Creamos Malaysia dated 4 October 2013 on the financial statements for the FPE 30 June 2013 contained a qualified opinion in which the auditors were unable to obtain the related supporting documents in order to satisfy themselves as to the existence, completeness and accuracy of the administrative expenses of Creamos Malaysia as reported in the statement of profit or loss and other comprehensive income amounting to RM27,839.

During the audit of the financial statements for the FYE 30 June 2014, all the abovementioned related supporting documents had been obtained and the matter that gave rise to the qualification in the previous financial period had been satisfactorily resolved.

13. ACCOUNTANTS' REPORT (Cont'd)**KIM TECK CHEONG CONSOLIDATED BERHAD**
Accountants' Report**8. AUDITED FINANCIAL STATEMENTS (Continued)****8.8 Audited Financial Statements of Creamos Malaysia (Continued)****8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)****(d) Staff Costs**

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|------------------------------|--|--|------------------------|
| Staff salaries | 22 | 260 | 549 |
| EPF and social contribution | 3 | 36 | 78 |
| Other staff related expenses | 1 | 3 | 73 |
| | 26 | 299 | 700 |

No key management personnel remuneration is disclosed as there were no key management personnel other than the directors of Creamos Malaysia.

(e) Income Tax Expense

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | FYE 30 June 2015 RM'000 |
|---|--|--|--|
| Income tax:- | | | |
| - current financial year | - | - | 210 |
| Deferred tax liability (Note 8.8.5 (o)):- | | | |
| - origination of temporary differences | - | - | 167 |
| | - | - | 377 |

For the FPE 30 June 2013 and FYE 30 June 2014, Creamos Malaysia is not subject to tax as it is in a tax loss position.

The income tax rate applicable to SME incorporated in Malaysia with paid-up capital of RM2,500,000 and below is subject to the statutory rate of 20% on chargeable income up to RM500,000. For chargeable income in excess of RM500,000, statutory tax rate of 25% (2012, 2013 and 2014: 25%) is still applicable.

During the FYE 30 June 2015, Creamos Malaysia is not entitle for SME income tax rate as the issued and paid-up share capital of KTC Holdings is more than RM2,500,000.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(e) Income Tax Expense (Continued)

The reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of Creamos Malaysia is as follows:-

| | 9 April 2012 to 30 June 2013 RM'000 | FYE 30 June 2014 RM'000 | 2015 RM'000 |
|--|--|-------------------------------|----------------|
| (Loss)/profit before taxation | (231) | (209) | 1,173 |
| Tax at statutory tax rate of 25% (2013 and 2014: 25%) | (58) | (52) | 293 |
| Tax effects arising from:- | | | |
| - non-deductible expenses | 58 | 65 | 107 |
| - utilisation of deferred tax assets not recognised in the financial statements | - | (13) | (16) |
| - changes in tax rate | - | - | (7) |
| Tax expense for the financial period/year | - | - | 377 |

Deferred tax assets have not been recognised in respect of the following item.

| | ← As at 30 June → | |
|-----------------------|-------------------|----------------|
| | 2013 RM'000 | 2014 RM'000 |
| Unutilised tax losses | - | 236 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Property, Plant and Equipment

| | At valuation | | | | At cost | | | | Total RM'000 |
|--|-----------------------------|----------------------------------|----------------------|----------------------------------|-----------------------------|------------------------------------|--------------------|--------|-----------------|
| | Leasehold land RM'000 | Industrial building RM'000 | Renovation RM'000 | Plant and equipment RM'000 | Motor vehicles RM'000 | Plant and machineries RM'000 | Computer RM'000 | | |
| Cost/valuation | | | | | | | | | |
| At 9 April 2012 (Date of Incorporation) | - | - | - | - | - | - | - | - | - |
| Additions | - | - | 46 | 142 | - | 1,506 | 4 | 1,698 | 1,698 |
| At 30 June 2013 | - | - | 46 | 142 | - | 1,506 | 4 | 1,698 | 1,698 |
| Additions | - | - | 151 | 138 | 432 | 138 | - | 859 | 859 |
| At 30 June 2014 | - | - | 197 | 280 | 432 | 1,644 | 4 | 2,557 | 2,557 |
| Additions | 3,320 | 3,182 | 589 | 184 | 258 | 611 | 9 | 8,153 | 8,153 |
| Revaluation surplus | 680 | 318 | - | - | - | - | - | 998 | 998 |
| Disposals | - | - | - | (6) | - | - | - | (6) | (6) |
| Write off | - | - | - | (20) | - | - | - | (20) | (20) |
| At 30 June 2015 | 4,000 | 3,500 | 786 | 438 | 690 | 2,255 | 13 | 11,682 | 11,682 |



13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Property, Plant and Equipment (Continued)

| | At valuation | | At cost | | | | | Total RM'000 |
|--|-----------------------------|----------------------------------|----------------------|----------------------------------|-----------------------------|------------------------------------|--------------------|-----------------|
| | Leasehold land RM'000 | Industrial building RM'000 | Renovation RM'000 | Plant and equipment RM'000 | Motor vehicles RM'000 | Plant and machineries RM'000 | Computer RM'000 | |
| Accumulated amortisation/depreciation | | | | | | | | |
| At 9 April 2012 | - | - | - | - | - | - | - | - |
| (Date of Incorporation) | | | | | | | | |
| Depreciation charge for the financial period | - | - | 2 | 13 | - | 42 | * | 57 |
| At 30 June 2013 | - | - | 2 | 13 | - | 42 | * | 57 |
| Depreciation charge for the financial year | - | - | 11 | 5 | 35 | 169 | # | 220 |
| At 30 June 2014 | - | - | 13 | 18 | 35 | 211 | ^ | 277 |
| Amortisation/depreciation charge for the financial year | 27 | - | 29 | 39 | 120 | 198 | 1 | 414 |
| Disposals | - | - | - | (1) | - | - | - | (1) |
| Write off | - | - | - | (2) | - | - | - | (2) |
| At 30 June 2015 | 27 | - | 42 | 54 | 155 | 409 | 1 | 688 |
| * RM296 # RM403 ^ RM 699 | | | | | | | | |



13. ACCOUNTANTS' REPORT (Cont'd)**KIM TECK CHEONG CONSOLIDATED BERHAD**
Accountants' Report**8. AUDITED FINANCIAL STATEMENTS (Continued)****8.8 Audited Financial Statements of Creamos Malaysia (Continued)****8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)****(f) Property, Plant and Equipment (Continued)**

| | Leasehold land | Industrial building | Renovation | Plant and equipment | Motor vehicles | Plant and machineries | Computer | Total |
|----------------------|----------------|---------------------|------------|---------------------|----------------|-----------------------|----------|--------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| | At valuation | | | | | | | |
| Net carrying amounts | - | - | 44 | 129 | - | 1,464 | 4 | 1,641 |
| At 30 June 2013 | - | - | 184 | 262 | 397 | 1,433 | 4 | 2,280 |
| At 30 June 2014 | 3,973 | 3,500 | 744 | 384 | 535 | 1,846 | 12 | 10,994 |
| | At cost | | | | | | | |

Plant equipment, machineries and motor vehicles with total net carrying amounts of RM227,608, RM1,846,619 and RM535,134 (2013: RM Nil, RM Nil and RM Nil and 2014: RM109,200, RM1,313,442 and RM397,267) respectively were acquired under hire purchase instalment plans.

The leasehold land has a lease period of 99 years expiring on 31 December 2098.

The leasehold land and industrial building with net carrying amount of RM7,472,223 (2012, 2013 and 2014: RM Nil) have been pledged to a financial institution to secure the credit facilities granted to Creamos Malaysia as disclosed in Note 8.8.5 (m).

As at 30 June 2015, the industrial building has not been used.



13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Property, Plant and Equipment (Continued)

The auditors' report of the previous auditors of Creamos Malaysia dated 4 October 2013 on the financial statements for the FPE 30 June 2013 contained a qualified opinion in which the auditors were unable to obtain the related supporting documents in order to satisfy themselves as to the existence, completeness and accuracy of the cost of plant and machinery of Creamos Malaysia as reported in the statement of financial position amounting to RM21,134.

During the audit of the financial statements for the FYE 30 June 2014, all the abovementioned related supporting documents had been obtained and the matter that gave rise to the qualification in the previous financial year had been satisfactorily resolved.

Fair value information

The fair value of the leasehold land and industrial building of Creamos Malaysia amounting to RM7,500,000 (2012, 2013 and 2014: RM Nil) carried at fair value is categorised at Level 3 at the initial recognition.

There are no Levels 1 and 2 leasehold land and industrial building or transfer between Levels 1, 2 and 3 during FYE 30 June 2015.

Reconciliation of fair value

| | 30 June 2015 |
|---|---------------------|
| | RM'000 |
| As at 1 July 2013 and 30 June 2014 | - |
| Level 3 revaluation recognised due to revaluation model | 998 |
| As at 30 June 2015 | <u>998</u> |

Level 3 fair value

Level 3 fair value of leasehold land and industrial building have been derived using the average of sales comparison approach and depreciated replacement cost approach to obtain market value.

Sales comparison approach

Sales prices of comparable leasehold lands and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per sqm of comparative properties.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Property, Plant and Equipment (Continued)

Fair value information (Continued)**Level 3 fair value (Continued)**Depreciated replacement cost approach

The value of the leasehold land is derived using the sales comparison approach. The building and structure are assessed by the estimated cost of reinstating similar new building and an allowable depreciation is made and deducted based on the observed condition of the building. The most significant input into this valuation approach is price per sqm of reinstatement cost.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

| Description | Valuation Technique | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|-----------------------------|------------------------------|---|--|
| Leasehold land and building | Sales comparison approach | Recent transacted price of similar properties in the locality | The higher the transacted price, the higher the fair value |
| Leasehold land and building | Cost of replacement approach | Estimation of the cost of rebuilding the particular property and adding to it the value of the land | The higher the estimated cost, the higher the fair value |

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Property, Plant and Equipment (Continued)

Fair value information (Continued)**Valuation processes applied by Creamos Malaysia**

Creamos Malaysia's finance department includes a team that performs valuation analysis of leasehold land and building required for financial reporting purposes, including Level 3 fair values. This team reports directly to the associate director.

The fair value of leasehold land and building are determined by an accredited independent valuer who has valuation experience for similar properties. The team assesses at the end of each reporting period whether there is an indication that the net carrying amounts of the leasehold land and buildings may be impaired. Creamos Malaysia will revalue its leasehold land and buildings only every five years or when there is indication that the fair value of the leasehold land and buildings differ materially from their carrying amounts.

Had the revalued assets been carried at historical cost less accumulated amortisation and depreciation, the net carrying amount would have been as follows:-

| | Cost RM'000 | Accumulated amortisation/ depreciation RM'000 | Net carrying amount RM'000 |
|---------------------------|----------------|--|----------------------------------|
| As at 30 June 2015 | | | |
| Leasehold land | 3,320 | (27) | 3,293 |
| Industrial building | 3,182 | - | 3,182 |
| Net carrying amount | 6,502 | (27) | 6,475 |

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(g) Inventories

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|---------------------|------------------|---------------------------------|------------------|
| At cost: | | | |
| Raw materials | - | 130 | 371 |
| Packaging materials | - | 25 | 77 |
| | - | 155 | 448 |

During FYE 30 June 2015, the amount of inventories recognised as an expense in cost of sales amounted to RM1,183,934 (2013: RM3,579 and 2014: RM374,628).

(h) Trade and Other Receivables

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|-------------------------------------|------------------|---------------------------------|------------------|
| Trade receivables | - | 190 | 1,376 |
| Other receivables | | | |
| Other receivables | - | - | 31 |
| Deposits | 2 | 52 | 302 |
| Prepayments | - | - | 51 |
| | 2 | 52 | 384 |
| Amount due from a director | 77 | - | - |
| Total trade and other receivables | 79 | 242 | 1,760 |
| Add: Cash at banks (Note 8.8.5 (i)) | - | 131 | 357 |
| Less: Prepayments | - | - | (51) |
| Total loans and receivables | 79 | 373 | 2,066 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(h) Trade and Other Receivables (Continued)

(i) Trade receivables

Creamos Malaysia's normal trade credit terms is 30 days (2013: Nil and 2014: 30 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values at the initial recognition.

The ageing analysis of trade receivables are as follows:-

| | ← As at 30 June → | | |
|---|-------------------|----------------|----------------|
| | 2013 RM'000 | 2014 RM'000 | 2015 RM'000 |
| Neither past due nor impaired | - | 186 | 1,029 |
| Past due but not impaired:- | | | |
| 1 to 30 days past due but not impaired | - | * | 212 |
| 31 to 60 days past due but not impaired | - | - | 87 |
| 61 to 90 days past due but not impaired | - | 4 | 3 |
| More than 90 days past due not impaired | - | - | 45 |
| | - | 4 | 347 |
| | - | 190 | 1,376 |

* RM418

Receivables that are neither past due nor impaired

The directors of Creamos Malaysia are of the opinion that no impairment loss is necessary in respect of these not past due trade receivables as these trade receivables are within the trade credit terms.

Receivables that are past due but not impaired

The balances of trade receivables that are past due but not impaired, representing approximately 60.05% (2013: Nil % and 2014: 2.35%) of Creamos Malaysia's trade receivables are unsecured in nature.

The management has a credit procedure in place to monitor and minimise the exposure of default. The directors of Creamos Malaysia are of the opinion that no impairment loss is necessary in respect of these past due trade receivables.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(h) Trade and Other Receivables (Continued)

(ii) Amount due from a director

The amount due from a director was non-trade in nature, unsecured, interest-free and receivables upon demand.

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:-

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|--------------------------------|------------------|---------------------------------|---------------------|
| Cash at banks | - | 131 | 357 |
| Bank overdraft (Note 8.8.5(m)) | (21) | - | - |
| | (21) | 131 | 357 |

(j) Share Capital

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|--|------------------|---------------------------------|---------------------|
| Ordinary shares of RM1.00 each:- | | | |
| Authorised:- | | | |
| At the date of incorporation/beginning of the financial year | 100 | 500 | 500 |
| Created during the financial period/year | 400 | - | - |
| At the end of the financial period/year | 500 | 500 | 500 |
| Issued and fully paid-up:- | | | |
| At the date of incorporation/beginning of the financial year | * | 500 | 500 |
| Issued during the financial period/year | 500 | - | - |
| At the end of the financial period/year | 500 | 500 | 500 |

* RM2

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(j) Share Capital (Continued)

During the FPE 30 June 2013, Creamos Malaysia had increased its authorised share capital from RM100,000 to RM500,000 by the way of creation of 400,000 ordinary shares of RM1.00 each.

Creamos Malaysia had also increased its issued and paid-up ordinary share capital from RM2 to RM500,000 by way of allotment of 499,998 ordinary shares of RM1.00 each at par for additional working capital purposes.

These new ordinary shares rank *pari passu* in all respect with the existing ordinary shares of Creamos Malaysia.

(k) Revaluation Reserve

| | As at 30 June 2015 RM'000 |
|---|---------------------------------|
| At the beginning of the financial year | - |
| Revaluation of leasehold land and industrial building | |
| - gross (Note 8.8.5 (f)) | 998 |
| - tax (Note 8.8.5 (o)) | (50) |
| Amortisation transfer | |
| - gross | (4) |
| - tax | * |
| At the end of the financial year | 944 |
| * RM236 | |

The revaluation reserve relates to the revaluation of leasehold land and industrial building less amortisation/depreciation transfer to retained earnings.

(l) Retained Earnings

The entire retained earnings of Creamos Malaysia is available for distribution as single-tier dividends.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(m) Borrowings

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|--|------------------|---------------------------------|------------------|
| Short-term borrowings - secured | | | |
| Bankers' acceptances | - | 160 | - |
| Bank overdraft | 21 | - | - |
| Term loan | - | - | 244 |
| | 21 | 160 | 244 |
| Long-term borrowings-secured | | | |
| Term loan | - | - | 3,899 |
| Total borrowings | 21 | 160 | 4,143 |

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|--|------------------|---------------------------------|------------------|
| Comprising portion repayable:- | | | |
| - not later than one year | 21 | 160 | 244 |
| - later than one year but not later than two years | - | - | 255 |
| - later than two years but not later than five years | - | - | 1,461 |
| - more than five years | - | - | 2,183 |
| | 21 | 160 | 4,143 |

The borrowings is secured by the following:-

- (a) Joint and several guarantee by directors;
- (b) Fixed and floating charge over all the present and future assets;
- (c) Corporate guarantee by KTC Holdings;
- (d) Corporate guarantee by KTC Sdn Bhd; and
- (e) Leasehold land and industrial building of Creamos Malaysia as disclosed in Note 8.8.5 (f).

The bankers' acceptances facility was secured by several and joint guarantee by the directors of Creamos Malaysia.

The term loan is repayable by way of 240 monthly instalments comprising principal and interests of RM35,296 each commencing August 2015.

During the FYE 30 June 2013, bank overdraft borne interest rate at 8.10% per annum.

The term loan bears interest at a rate of 4.45 % (2013 and 2014: Nil %) per annum.

The bankers' acceptances bore interest at the rate of Nil% (2013: Nil% and 2014: 5.17%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(m) Borrowings (Continued)

Subsequent to 30 June 2015,

- (i) the corporate guarantee by KTC Holdings in favour of a licensed bank as disclosed in Note 8.8.5 (m)(c) above has been uplifted by substitution of corporate guarantee provided by KTC Consolidated; and
- (ii) in relation to the corporate guarantee by KTC Holdings in favour of a licensed bank as disclosed in Note 8.8.5 (m)(b) above, the said bank has agreed to discharge the corporate guarantee by KTC Holdings subject to the execution of a corporate guarantee by KTC Consolidated and two of the directors of Creamos, namely Datuk Lau Koh Sing @ Lau Kok Sing and Lau Wei Dick @ Dexter Dick Lau, shall remain as the controlling shareholders of KTC Consolidated at all times.

(n) Hire Purchase Payables

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|---|------------------|---------------------------------|------------------|
| Future minimum hire purchase payments:- | | | |
| - not later than one year | - | 368 | 556 |
| - later than one year but not later than five years | - | 1,253 | 1,365 |
| - more than five years | - | 122 | 83 |
| | - | 1,743 | 2,004 |
| Less: Future finance charges | - | (267) | (238) |
| Present value of hire purchase payables | - | 1,476 | 1,766 |
| Represented by:- | | | |
| - not later than one year | - | 271 | 452 |
| - later than one year but not later than five years | - | 1,089 | 1,233 |
| - more than five years | - | 116 | 81 |
| | - | 1,476 | 1,766 |

The hire purchase payables bear interest rates ranging from 3.00% to 4.00% (2013: Nil % and 2014: 3.50% to 4.00%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
 Accountants' Report


8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(o) Deferred Tax Liabilities

| | ← 2013 | As at 30 June 2014 | 2015 → |
|--|--------|-----------------------|--------|
| | RM'000 | RM'000 | RM'000 |
| At the beginning of the financial years | - | - | - |
| Recognised in profit or loss (Note 8.8.5 (e)) | - | - | 167 |
| Recognised in other comprehensive income (Note 8.8.5 (k)) | - | - | 50 |
| At the end of the financial years | - | - | 217 |

The components and movements of deferred tax liabilities during FYE 30 June 2015 are as follows:-

| | Temporary differences between tax written down values and the corresponding net carrying amounts RM'000 | Revaluation of property, plant and equipment RM'000 | Total RM'000 |
|--|---|---|-----------------|
| At the beginning of the financial year | - | - | - |
| Recognised in profit or loss (Note 8.8.5 (e)) | 167 | - | 167 |
| Recognised in other comprehensive income (Note 8.8.5 (k)) | - | 50 | 50 |
| At the end of the financial year | 167 | 50 | 217 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report

8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(p) Trade and Other Payables

| | ← 2013 RM'000 | As at 30 June 2014 RM'000 | 2015 RM'000 → |
|--|------------------|---------------------------------|------------------|
| Trade payables | - | 188 | 832 |
| Other payables | | | |
| Other payables | 1,237 | 249 | 2,559 |
| Deposit | - | - | 10 |
| Accruals | 49 | 4 | 148 |
| | 1,286 | 253 | 2,717 |
| Amount due to a director | 144 | - | - |
| Amounts due to related companies | - | 671 | 1,870 |
| Total trade and other payables | 1,430 | 1,112 | 5,419 |
| Add: Hire purchase payables (Note 8.8.5 (n)) | - | 1,476 | 1,766 |
| Borrowings (Note 8.8.5 (m)) | 21 | 160 | 4,143 |
| Total other financial liabilities carried at amortised cost | 1,451 | 2,748 | 11,328 |

The normal trade credit terms granted to Creamos Malaysia ranges from 45 days to 60 days (2013: Nil and 2014: 45 days to 60 days).

Included in trade payables of Creamos Malaysia amounts totalling to RM43,486 (2013: RM Nil and 2014: RM14,515) due to a related company.

(ii) Amount due to a director

The amount due to a director was non-trade in nature, unsecured, interest-free and repayable upon demand.

(iii) Amounts due to related companies

The amounts due to related companies are non-trade in nature, unsecured, interest-free and repayable upon demand.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(q) Significant Related Party Disclosures

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with Creamos Malaysia or that has an interest in Creamos Malaysia that gives it significant influence over Creamos Malaysia's financial and operating policies. It also includes members of key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting in Creamos Malaysia resides with, directly or indirectly.

The nature of the relationship with the related party is as follows:-

| Name of Related Party | Nature of Relationship |
|-----------------------|-----------------------------|
| KTC Capital | Ultimate holding company * |
| KTC Holdings | Immediate holding company * |
| KTC Sdn Bhd | A related company * |
| AMDA Marketing | A related company * |
| KTC Tawau | A related company * |
| KTC Distribution | A related company * |

* On 23 May 2014, Creamos Malaysia become a wholly-owned subsidiary company of KTC Holdings. Prior to this date, the relationship between Creamos Malaysia and its related party was that of a company in which the directors have interest.

Other than disclosed elsewhere in the financial statements, the significant related party transactions during the financial period/year between Creamos Malaysia and its related parties were as follows:-

| | 9 April 2012 to 30 June | | |
|---------------------------|-------------------------------|----------------|-------------------------------|
| | 2013 RM'000 | 2014 RM'000 | FYE 30 June 2015 RM'000 |
| Purchases from:- | | | |
| - KTC Sdn Bhd | - | 35 | 2 |
| - KTC Distribution | - | - | 119 |
| Rental expenses paid to:- | | | |
| - KTC Sdn Bhd | 42 | 84 | 84 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(r) Financial Instruments

(i) Financial risk management and objectives

Creamos Malaysia is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The directors of Creamos Malaysia review and agree policies and procedures for the management of these risks.

The following sections provide details regarding Creamos Malaysia's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Creamos Malaysia's exposure to credit risk arises primarily from trade and other receivables.

Creamos Malaysia's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Creamos Malaysia trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that Creamos Malaysia's exposure to bad debts is not significant.

Exposure to credit risk

As at 30 June 2015, Creamos Malaysia's maximum exposure to the credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 8.8.5 (h).

Receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 8.8.5 (h).

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 8.8.5 (h).

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. **AUDITED FINANCIAL STATEMENTS (Continued)**
- 8.8 **Audited Financial Statements of Creamos Malaysia (Continued)**
- 8.8.5 **Notes to the Audited Financial Statements of Creamos Malaysia (Continued)**
- (r) **Financial Instruments (Continued)**
- (i) **Financial risk management and objectives (Continued)**

(a) **Credit risk (Continued)**

Credit risk concentration profile

As at 30 June 2015, Creamos Malaysia has a significant concentration of credit risk in the form of a major trade receivable, representing approximately 51.3% (2013: Nil% and 2014: 88.0%) of Creamos Malaysia's total receivables.

(b) **Liquidity risk**

Liquidity risk is the risk that Creamos Malaysia will encounter difficulty in meeting financial obligations due to shortage of funds. Creamos Malaysia's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As at 30 June 2015, approximately 11.78% (2013: 100 % and 2014: 26.36%) of Creamos Malaysia's loans and borrowings, as disclosed in Notes 8.8.5(m) and 8.8.5(n), will mature in less than one year based on the carrying amounts reflected on the statements of financial position.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of Creamos Malaysia's liabilities at the reporting date based on contractual undiscounted repayment obligations.

| | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
|---|--|---|--|-------------------------|
| As at 30 June 2013 | | | | |
| Trade and other payables | 1,430 | - | - | 1,430 |
| Borrowings | 21 | - | - | 21 |
| Total undiscounted financial liabilities | 1,451 | - | - | 1,451 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(f) Financial Instruments (Continued)

(i) Financial risk management and objectives (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities
(Continued)

| | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
|--|--|--------------------------------|-----------------------------------|-----------------|
| As at 30 June 2014 | | | | |
| Trade and other payables | 1,112 | - | - | 1,112 |
| Hire purchase payables | 368 | 1,253 | 122 | 1,743 |
| Borrowings | 160 | - | - | 160 |
| Total undiscounted financial liabilities | 1,640 | 1,253 | 122 | 3,015 |
| As at 30 June 2015 | | | | |
| Trade and other payables | 5,419 | - | - | 5,419 |
| Hire purchase payables | 556 | 1,365 | 83 | 2,004 |
| Borrowings | 424 | 1,694 | 3,353 | 5,471 |
| Total undiscounted financial liabilities | 6,399 | 3,059 | 3,436 | 12,894 |

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. **AUDITED FINANCIAL STATEMENTS (Continued)**
- 8.8 **Audited Financial Statements of Creamos Malaysia (Continued)**
- 8.8.5 **Notes to the Audited Financial Statements of Creamos Malaysia (Continued)**
- (r) **Financial Instruments (Continued)**
- (i) **Financial risk management and objectives (Continued)**
- (c) **Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of Creamos Malaysia's financial instruments will fluctuate because of changes in market interest rates.

Creamos Malaysia's exposure to interest rate risk arises primarily from its loans and borrowings. Most of Creamos Malaysia's borrowing are charged a fixed interest rate plus or minus the financial institutions' base lending rate or cost of fund per annum. The fixed interest rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by the respective financial institutions. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements.

Interest rate risk sensitivity

The table below demonstrates the sensitivity to a reasonable possible change in interest rates with all other variables held constant, of Creamos Malaysia's (loss)/profit after taxation:-

| | Carrying amount RM'000 | Movement in basis point | Effects on (loss)/profit after taxation RM'000 |
|-------------------------|------------------------------|----------------------------|---|
| FPE 30 June 2013 | | | |
| Borrowings | 21 | 50 | # |
| FYE 30 June 2014 | | | |
| Borrowings | 160 | 50 | (1) |
| FYE 30 June 2015 | | | |
| Borrowings | 4,143 | 50 | (21) |

(RM109)

The (loss)/profit after taxation will be higher/lower when the interest rates decrease/increase.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(r) Financial Instruments (Continued)

(ii) Fair value measurement

The carrying amounts of financial assets and financial liabilities of Creamos Malaysia reasonably approximate their fair values due to the relatively short term nature of these financial instruments except as set out below:-

| | ← As at 30 June → | | | | | |
|------------------------|-------------------|------------|-----------------|------------|-----------------|------------|
| | 2013 | | 2014 | | 2015 | |
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Hire purchase payables | - | - | 1,476 | 1,592 | 1,766 | 1,858 |

The fair value of the hire purchase payables are categorised as Level 2.

There have been no transfers between Levels 1, 2 and 3 during the FYE 30 June 2015 (2013 and 2014: no transfer in either directions).

Creamos Malaysia does not have any financial assets or financial liabilities measured at Levels 1 and 3 hierarchy.

There were no unrecognised financial instruments as at 30 June 2013, 30 June 2014 and 30 June 2015 that are required to be disclosed.

(s) Capital Management

The primary objective of Creamos Malaysia's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide Creamos Malaysia with the funds to fund its expansion and growth.

Creamos Malaysia manages its capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, Creamos Malaysia may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

Creamos Malaysia monitors the level of dividends to be paid to shareholders. Creamos Malaysia's objective is to pay out regular dividends to the shareholders based on the level of Creamos Malaysia's profitability and cash flows.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report



8. AUDITED FINANCIAL STATEMENTS (Continued)

8.8 Audited Financial Statements of Creamos Malaysia (Continued)

8.8.5 Notes to the Audited Financial Statements of Creamos Malaysia (Continued)

(s) Capital Management (Continued)

Creamos Malaysia monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise total borrowings, hire purchase payables and trade and other payables, less cash at banks whilst total capital is the shareholders' funds of Creamos Malaysia.

The gearing ratio is as follows:-

| | ← As at 30 June → | | |
|---|-------------------|--------|--------|
| | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 |
| Net debts | | | |
| Hire purchase payables | - | 1,476 | 1,766 |
| Borrowings | 21 | 160 | 4,143 |
| Trade and other payables | 1,430 | 1,112 | 5,419 |
| Less: Cash at banks | - | (131) | (357) |
| | 1,451 | 2,617 | 10,971 |
| Capital | | | |
| Equity attributable to owner(s) of Creamos Malaysia | 269 | 60 | 1,804 |
| Capital and net debts | 1,720 | 2,677 | 12,775 |
| Gearing ratio | 84% | 98% | 86% |

There were no changes in Creamos Malaysia's approach to capital management during the financial period/years under review.

Creamos Malaysia is not subject to externally imposed capital requirements.

(t) Significant Event Subsequent to the End of the Reporting Period

On 1 July 2015, KTC Consolidated acquired the entire equity interest of Creamos Malaysia from KTC Holdings for a total consideration of RM59,438 via the issuance of 359,850 Shares and 23,453 RCPS. As a result, KTC Consolidated becomes the immediate holding company and KTC Holdings becomes the penultimate holding company.

13. ACCOUNTANTS' REPORT (Cont'd)

KIM TECK CHEONG CONSOLIDATED BERHAD
Accountants' Report




9. SIGNIFICANT SUBSEQUENT EVENTS

Other than as disclosed elsewhere in this Report, there were no other significant subsequent events between the date of the last audited financial statements used in the preparation of this Report and the date of this Report which will affect materially the contents of this Report.

10. AUTHORISATION OF AUDITED FINANCIAL STATEMENTS

As at the date of this Report, no audited financial statements have been prepared in respect of any period subsequent to 30 June 2015 for KTC Consolidated and its subsidiary companies.

Yours faithfully,


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 1113927-H



Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
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59200 Kuala Lumpur
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KIM TECK CHEONG CONSOLIDATED BERHAD**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG CONSOLIDATED BERHAD**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period from 17 October 2014 (Date of Incorporation) to 30 June 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 32.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 1113927-H

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of its financial performance and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

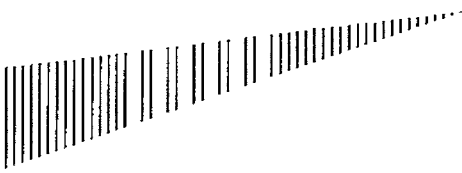
A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)



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www.ey.com

23117-H

**Independent auditors' report to the members of
Kim Teck Cheong Sdn. Bhd.
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Kim Teck Cheong Sdn. Bhd., which comprise the statement of financial position as at 30 June 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 7 to 50.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



23117-H

Independent auditors' report to the members of
Kim Teck Cheong Sdn. Bhd. (continued)

Opinion

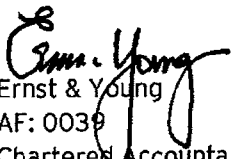
In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements


In accordance with the requirements of the Companies Act, 1965 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.


Ernst & Young
AF: 0039
Chartered Accountants

Kota Kinabalu, Malaysia
12 DEC 2012


Chong Ket Vui, Dusun
2944/01/13(J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (*Cont'd*)



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23117-H

Independent auditors' report to the member of
Kim Teck Cheong Sdn. Bhd.
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Kim Teck Cheong Sdn. Bhd., which comprise statement of financial position as at 30 June 2013, and 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 information, as set out on pages 8 to 50.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



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23117-H

Independent auditors' report to the member of
Kim Teck Cheong Sdn. Bhd. (continued)

Opinion

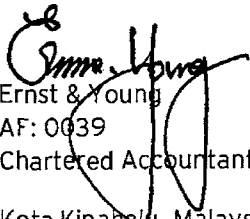
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.


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

1. As stated in Note 2 to the financial statements, Kim Teck Cheong Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants
Kota Kinabalu, Malaysia
26 DEC 2013


Chong Ket Vui, Dusun
2944/01/15(J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 23117-H

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG SDN. BHD.**, which comprise the statement of financial position as at 30 June 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 58.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 23117-H

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

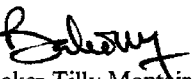
Report on Other Legal and Regulatory Requirements

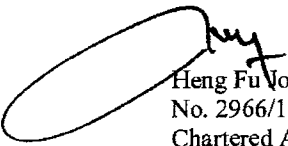
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

The financial statements of the Company for the financial year ended 30 June 2013 were audited by another firm of Chartered Accountants whose report dated 26 December 2013 expressed an unmodified opinion on the financial statements.

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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Voe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 23117-H

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 67.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.



BAKER TILLY

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13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 23117-H

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 630740-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AMDA MARKETING (SABAH) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **AMDA MARKETING (SABAH) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2012 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 47.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 630740-K

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2012 and of its financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

1. As stated in Note 2 to the financial statements, the Company adopted the Financial Reporting Standards on 1 July 2011 with a transition date of 1 July 2010. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2011 and 1 July 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 June 2011 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 June 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2011 do not contain misstatements that materially affect the financial position as at 30 June 2012 and the financial performance and cash flows for the financial year then ended.
2. This report is made solely for the information of the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Handwritten signature of Baker Tilly Monteiro Heng.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Handwritten signature of Hong Fu Joe.

Hong Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (*Cont'd*)



Ernst & Young AF-0039
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630740-K

Independent auditors' report to the member of
AMDA Marketing (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of AMDA Marketing (Sabah) Sdn. Bhd., which comprise statement of financial position as at 30 June 2013 of the Company, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 40.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements and the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



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working world

630740-K

Independent auditors' report to the member of
AMDA Marketing (Sabah) Sdn. Bhd. (continued)

Opinion

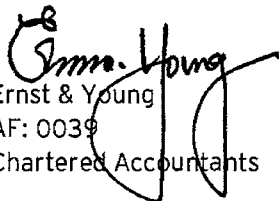
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

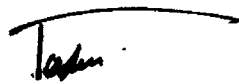
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

1. As stated in Note 2 to the financial statements, AMDA Marketing (Sabah) Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 February 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including statements of financial position as at 30 June 2012 and 1 February 2011, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2012 and financial performance and cash flows for the period then ended.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants

Kota Kinabalu, Malaysia
26 DEC 2013


Chong Kei Vui, Dusun
2944/01/15(J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 630740-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
AMDA MARKETING (SABAH) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **AMDA MARKETING (SABAH) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 630740-K

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

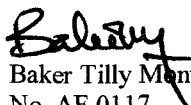
Report on Other Legal and Regulatory Requirements

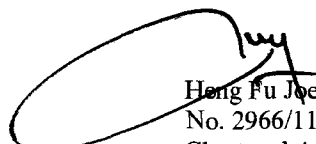
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provision of the Companies Act, 1965 in Malaysia.

Other Matters

The financial statements of the Company for the financial year ended 30 June 2013 were audited by another firm of Chartered Accountants whose report dated 26 December 2013 expressed an unqualified opinion on the financial statements.

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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)



BAKER TILLY

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Company No. 630740

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
AMDA MARKETING (SABAH) SDN. BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **AMDA MARKETING (SABAH) SDN.BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 49.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 630740-K



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fk Joe".

Heng Fk Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 97320-X

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KIM TECK CHEONG (TAWAU) SDN. BHD.**
(Incorporated in Malaysia)

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
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Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG (TAWAU) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2012 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 48.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 97320-X



Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

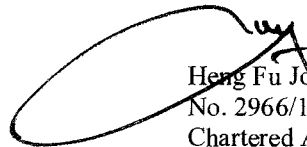
Report on Other Legal and Regulatory Requirements

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

1. As stated in Note 2 to the financial statements, the Company had adopted the Financial Reporting Standards on 1 July 2011 with a transition date of 1 July 2010. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2011 and 1 July 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 June 2011 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 June 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2011 do not contain misstatements that materially affect the financial position as at 30 June 2012 and the financial performance and cash flows for the financial year then ended.
2. This report is made solely for the information of the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)



Ernst & Young
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97320-X

**Independent auditors' report to the member of
KIM TECK CHEONG (TAWAU) SDN. BHD.
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Kim Teck Cheong (Tawau) Sdn. Bhd., which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 44.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



97320-X

**Independent auditors' report to the member of
KIM TECK CHEONG (TAWAU) SDN. BHD. (continued)
(Incorporated in Malaysia)**

Opinion

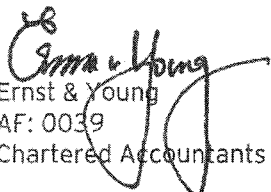
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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.

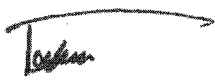
Other matters

1. As stated in Note 2 to the financial statements, Kim Teck Cheong (Tawau) Sdn. Bhd. adopted Malaysia Financial Reporting Standards on 1 July 2012 with a transition date of 1 March 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended 30 June 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 March 2011 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the requirements of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants

Tawau, Malaysia
26 DEC 2013

A member firm of Ernst & Young Global Limited


Chong Ket Vui, Dusun
2944/01/15 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG (TAWAU) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG (TAWAU) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 47.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 97320-X



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

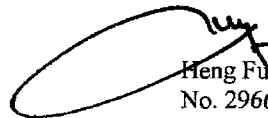
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

The financial statements of the Company for the financial year ended 30 June 2013 were audited by another firm of Chartered Accountants whose report dated 26 December 2013 expressed an unmodified opinion on those financial statements.

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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)



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Company No. 97320-X

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG (TAWAU) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG (TAWAU) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 51.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 97320-X



Opinion

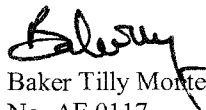
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

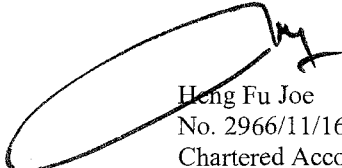
Report on Other Legal and Regulatory Requirements

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 555719-D

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KIM TECK CHEONG (SARAWAK) SDN. BHD.**

(formerly known as IKH Enterprise Sdn. Bhd.)
(Incorporated in Malaysia)

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
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Bangsar South City
59200 Kuala Lumpur
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Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG (SARAWAK) SDN. BHD.**, which comprise the statements of financial position as at 30 June 2012, 30 June 2013 and 30 June 2014 of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial years then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 53.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 555719-D

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2012, 30 June 2013 and 30 June 2014 and of their financial performance and cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

1. As stated in Note 2 to the financial statements, the Company adopted the Malaysian Financial Reporting Standards on 1 July 2011 with a transition date of 1 July 2010. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2011 and 1 July 2010, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 June 2011 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial years ended 30 June 2012, 30 June 2013 and 30 June 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2011 do not contain misstatements that materially affect the financial position as at 30 June 2012, 30 June 2013 and 30 June 2014 and the financial performance and cash flows for the financial years then ended.
2. This report is made solely for the information of the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)



BAKER TILLY

Company No. 555719-D

Baker Tilly Monteiro Heng
Chartered Accountants (AFO117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KIM TECK CHEONG (SARAWAK) SDN. BHD.**
(Incorporated in Malaysia)

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F : +603 2282 9980

Report on the Financial Statements

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www.bakertillymh.com.my

We have audited the financial statements of **KIM TECK CHEONG (SARAWAK) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 53.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 555719-D

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (*Cont'd*)



Ernst & Young AF 0939
Chartered Accountants
Suite 1-10-W1, 10th Floor, CPS Tower
Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu
Sabah, Malaysia

Tel: +6088 235 733
Fax: +6088 238 905
ey.com

1034611-A

Mail address: P.O. Box 10192
88802 Kota Kinabalu, Sabah, Malaysia

**Independent auditors' report to the member of
Kim Teck Cheong Brands Sdn. Bhd.
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Kim Teck Cheong Brands Sdn. Bhd., which comprise statement of financial position as at 30 June 2013, and 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 information, as set out on pages 7 to 19.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



1034611-A

Independent auditors' report to the member of
Kim Teck Cheong Brands Sdn. Bhd. (continued)

Opinion

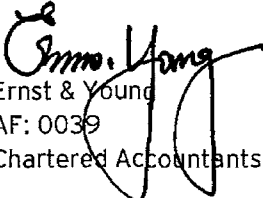
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2013 and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

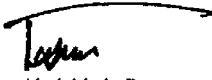
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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.


Ernst & Young
AF: 0039
Chartered Accountants

Kota Kinabalu, Malaysia
26 DEC 2013


Chong Ket Vui, Dusun
2944/01/15(J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)



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Chartered Accountants (AF0117)
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Company No. 1034611-A

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG BRANDS SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG BRANDS SDN. BHD.**, which comprise the statement of financial position as at 30 June 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 39.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 1034611-A

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

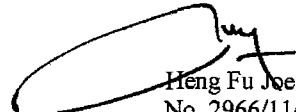
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

The financial statements of the Company for the financial year ended 30 June 2013 were audited by another firm of Chartered Accountants whose report dated 26 December 2013, expressed an unmodified opinion on those financial statements.

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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 1034611-A



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG BRANDS SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG BRANDS SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 39.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 1034611-A



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)



BAKER TILLY

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
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Company No. 792350-X

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KIM TECK CHEONG DISTRIBUTION SDN. BHD.**

(formerly known as KTCS Holdings Sdn. Bhd.)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG DISTRIBUTION SDN. BHD.** *(formerly known as KTCS Holdings Sdn. Bhd.)*, which comprise the statements of financial position as at 30 June 2012, 30 June 2013 and 30 June 2014 of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial years then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 43.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 792350-X

Opinion


In our opinion, the financial statements give a true and fair view of the financial positions of the Company as at 30 June 2012, 30 June 2013 and 30 June 2014 and of their financial performance and cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.


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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

1. As stated in Note 2 to the financial statements, the Company adopted the Malaysian Financial Reporting Standards on 1 July 2011 with a transition date of 1 July 2010. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2011 and 1 July 2010, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 June 2011 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial years ended 30 June 2012, 30 June 2013 and 30 June 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2011 do not contain misstatements that materially affect the financial position as at 30 June 2012, 30 June 2013 and 30 June 2014 and the financial performance and cash flows for the financial years then ended.
2. This report is made solely for the information of the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur

Date: 03 DEC 2014

13. ACCOUNTANTS' REPORT (Cont'd)

Company No. 792350-X



Baker Tilly Monteiro Heng
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
KIM TECK CHEONG DISTRIBUTION SDN. BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **KIM TECK CHEONG DISTRIBUTION SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 62.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 792350-X

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

13. ACCOUNTANTS' REPORT (Cont'd)

CMK

(AF 001850)

PKF

Accountants &
business advisers

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CREAMOS (MALAYSIA) SDN. BHD.**

(Co. No. 986018 - T)

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CREAMOS (MALAYSIA) SDN. BHD., which comprise the Balance Sheet as at 30 June 2013, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 19.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Private Entities Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CREAMOS (MALAYSIA) SDN. BHD.**

(Co. No. 986018 - T)

(Incorporated in Malaysia)

(continued)

Basis of Qualified Opinion

We are unable to obtain related supporting documents in order to satisfy ourselves as to the existence, completeness and accuracy of the administrative expenses and the cost of plant and machinery of the Company as reported in the Income Statement and Balance Sheet amounted to RM27,839 and RM21,134 respectively.

Opinion

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2013 and of its financial performance and cash flows for the financial year then ended in accordance with the Private Entities Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia

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.



CMK

AF 001850

CHARTERED ACCOUNTANTS

Kota Kinabalu

Dated 04 OCT 2013



CHAU MAN KIT

2525/03/14(J)

CHARTERED ACCOUNTANT

13. ACCOUNTANTS' REPORT (Cont'd)



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Chartered Accountants (AFO117)
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Company No. 986018-T

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CREAMOS (MALAYSIA) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **CREAMOS (MALAYSIA) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 52.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 986018-T

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Other Matters

1. The financial statements of the Company for the financial period ended 30 June 2013 were audited by another firm of Chartered Accountants whose report dated 4 October 2013, expressed the following qualified opinion on those financial statements:-

“Basis for Qualified Opinion

We are unable to obtain related supporting documents in order to satisfy ourselves as to the existence, completeness and accuracy of the administrative expenses and the cost of plant and machinery of the Company as reported in the Income Statement and Balance Sheet amounted to RM 27,839 and RM21,134 respectively.”

2. As stated in Note 2 to the financial statements, the Company adopted the Malaysian Financial Reporting Standards on 1 July 2013 with a transition date at date of incorporation. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statement of financial position as at 30 June 2013, and the statements of profit or loss and comprehensive income, statement of changes in equity and statements of cash flows for the financial period ended 30 June 2013 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 June 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2013 do not contain misstatements that materially affect the financial position as at 30 June 2014 and the financial performance and cash flows for the financial year then ended.

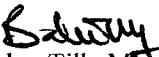
13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 986018-T

Other Matters (Continued)

3. 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 contents of this report.


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 3 December 2014

13. ACCOUNTANTS' REPORT (Cont'd)



Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
Baker Tilly MH Tower
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info@bakertillymh.com.my
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Company No. 986018-T

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CREAMOS (MALAYSIA) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **CREAMOS (MALAYSIA) SDN. BHD.**, which comprise the statement of financial position as at 30 June 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 55.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. 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.

13. ACCOUNTANTS' REPORT (Cont'd)



Company No. 986018-T

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 18 SEP 2015

14. VALUATION CERTIFICATES



HENRY BUTCHER MALAYSIA

International Asset Consultants

REF: HBLL/SC/01/9615 – 9618 & 10/2183 VC1/A

20 October 2014

The Board of Directors
Kim Teck Cheong Consolidated Berhad
Lot 74A & 74B, Jalan Kilang
SEDCO Light Industrial Estate
Kolombong, Off Km 9 Jalan Tuaran
88450 Kota Kinabalu.

Dear Sir,

**VALUATION CERTIFICATE IN RESPECT OF PROPERTIES OWNED BY
SUBSIDIARY COMPANIES OF KIM TECK CHEONG CONSOLIDATED BERHAD**

This Valuation Certificate has been prepared for the inclusion in the Prospectus of **Kim Teck Cheong Consolidated Berhad ("KTC Consolidated")** to be dated [28 October 2015] in connection with its proposed listing and quotation of the entire issued and paid-up share capital of KTC Consolidated on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

In accordance with the instructions from **KTC Consolidated**, we have valued the abovementioned properties vide our respective valuation reports bearing Reference No. HBLL/SC/01/9615, HBLL/SC/01/9616, HBLL/SC/01/9617, HBLL/SC/01/9618 and HBLL/SC/10/2183 all of which are dated 20 October 2014 for the purpose of submission to the Securities Commission of Malaysia ("**Securities Commission**"). The material date of valuation for the valuation exercise is taken as at **20 October 2014**.

We confirm that we have valued the abovementioned properties based on the valuation basis stated herein below. The valuation has been carried out in accordance with the Malaysian Valuation Standards, 4th Edition, 2011 ("**MVS**") issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and complies with the Securities Commission's Asset Valuation Guidelines.

The material information as contained in the valuation reports is listed herein below:

1. Basis Of Valuation

The basis of valuation adopted is the Market Value. This is defined in the *Malaysian Valuation Standards* as the estimated amount for which an asset/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.

HENRY BUTCHER MALAYSIA (SABAH) SDN BHD (328470-P)

Suite 326, 3rd Floor, Wisma Sabah, 88000 Kota Kinabalu, Sabah

t • 088-255 000 f • 088-257 333 e • hbsabah@gmail.com www.henrybutcher.com.my

Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



VE (1) 0079

14. VALUATION CERTIFICATES (Cont'd)



2. Methods Of Valuation

In arriving at the Market Value of the properties, we have adopted the **Comparison Approach** as the first approach in our valuation. This entails comparing the properties with similar properties in the general locality which were recently sold or are being marketed with adjustments made for location, accessibility, size, shape, age and condition of the building, tenure, title restrictions, if any, land use zoning and other relevant characteristics to arrive at the Market Value of the properties.

As per Clause 4.06 of the Securities Commission's Asset Valuation Guidelines requiring the use of two approaches to valuation, we have also adopted the **Cost Approach** as the second alternative approach to valuation. In the Cost Approach, we have adopted the Depreciated Replacement Cost Method of valuation. The Depreciated Replacement Cost Method entails the assessment of the site value based on the Comparison Method by comparing the site with similar sites in the locality which were recently sold or are being marketed with adjustments made for location, accessibility, size, shape, topography, tenure, title restrictions, if any, surrounding developments and other relevant characteristics to arrive at the Market Value of the site. The building and structures are assessed by the depreciated replacement cost where the cost of reinstating similar new building is estimated and an allowable depreciation is made and deducted based on the observed condition of the buildings.

The estimated current construction cost of similar new building is based on the current local construction costs verified from our enquiries with contractors, consultants and also from information obtained from an authoritative publication, i.e. "JUBM & Langdon Seah Construction Cost Handbook Malaysia 2014". The depreciation rate adopted is based on the observed condition of the building and also after considering the age of the building.

3. **Valuation**

Reconciliation of Value

Despite the differences in the land area and building area, available sale comparables are available for objective analysis and as such the Comparison Method is appropriately adopted in the assessment of the properties. Similarly, the properties under assessment are of a type where vacant industrial lot may be purchased based on vacant site basis with the owner then constructing the industrial building thereon according to his own requirements and usage, and hence the Depreciated Replacement Cost Method is also equally appropriate to reflect the nature of the property being assessed.

Based on the above, and for all the properties being assessed, we have therefore given similar weight to the respective Market Value derived by the Comparison Approach and the Cost Approach and have taken the average of the Market Values derived from both approaches as the fair representation of the Market Value of the respective properties.

Assessment

We have accordingly assessed the Market Value of the properties, free from encumbrances, at the material date of valuation on 20 October 2014, as follows:

14. VALUATION CERTIFICATES (Cont'd)

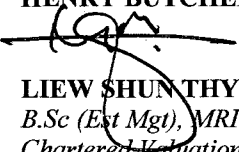


| | Properties: | Market Value |
|----|---|--|
| A. | Two (2) adjoining units of semi-detached showroom/office cum factory respectively held under land title CL 015620701 & CL 015620710, District of Kota Kinabalu, State of Sabah: Lot 74A, Jalan Kilang SEDCO Light Industrial Estate Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu. Lot 74B, Jalan Kilang SEDCO Light Industrial Estate Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu. | RM 5,092,000.00 RM 4,998,000.00 |
| B. | A detached warehouse cum office building at Lot 73, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, off Km 9 Jalan Tuaran, 88450 Kota Kinabalu and held under land title CL 015424423, District of Kota Kinabalu, State of Sabah. | RM 9,700,000.00 |
| C. | A detached warehouse / cold storage industrial building at Lot No. 5, Jalan 1F KKIP Selatan, Kota Kinabalu Industrial Park (KKIP), Industrial Zone 4 (IZ 4), 88460 Kota Kinabalu and held under Master Title CL 015585501, District of Kota Kinabalu, State of Sabah. | RM 7,215,000.00 |
| D. | A detached warehouse cum office building at Lot 22, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, off Km 9 Jalan Tuaran, 88450 Kota Kinabalu and held under land title CL 015379674, District of Kota Kinabalu, State of Sabah. | RM11,029,000.00 |
| E. | An office cum warehouse building identified as TB. 9889, Lot 1A, Lot 2A & Lot 3A, Perdana Square, Jalan Apas, Tawau and held under three (3) parcel of land titles CL 105508601, CL 105508610 & CL 105508629, District of Tawau, State of Sabah. | RM 6,305,000.00 |
| | Total | RM44,339,000.00 |

The respective Schedule A, B, C, D & E herein incorporate the summary of the valuation of the properties as contained in our valuation reports.

Thank You.

Yours faithfully
for and on behalf of
HENRY BUTCHER MALAYSIA (SABAH) SDN. BHD.


LIEW SHUN THYAM, PAUL
B.Sc (Est Mgt), MRICS, MRISM
Chartered Valuation Surveyor
Registered Valuer (V-351)
PL/PI

14. VALUATION CERTIFICATES (Cont'd)



SCHEDULE A
VALUATION CERTIFICATE

**Lot 74A & Lot 74B, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off
Km 9 Jalan Tuaran, 88450 Kota Kinabalu, State of Sabah.**
(herein to be referred as "subject properties")

A1. Legal Interests, Land Title Terms & Land Use Zoning

| | |
|--|--|
| Land Title No: | 1. CL 015620701 2. CL 015620710 Both in the District of Kota Kinabalu, State of Sabah |
| Registered Owner: | Kim Teck Cheong Sdn. Bhd. |
| Land Area: | 1. 1,865.1 m ² / 20,076 ft ² 2. 1,815.3 m ² / 19,540 ft ² |
| Leasehold Tenure: ¹ | 60-year leasehold Effective From 01 January 2013 to 31 December 2072 (Unexpired Tenure: 58 Years) |
| Land Use Terms & Condition: | Industrial Use |
| Town Planning Designated Land Use Zoning: | General Industrial Use |

A2. Location

The subject properties are situated about 9 kilometres by road east of Kota Kinabalu city centre in the prime SEDCO Light Industrial Estate, Kolombong, Kota Kinabalu.

A3. The Subject Properties

The subject properties are two adjoining semi-detached industrial lots. The sites of the subject properties are rectangular in shape and generally flat in nature. Both the subject properties have been developed and erected thereon are a pair of semi-detached showroom/office cum factory buildings. The respective unit of semi-detached showroom/office cum factory building erected on each title is of similar design, layout and construction. The total floor area for each of the semi-detached showroom/office cum factory building is 1,076.96 m² (11,592.28 ft²).

The two units of semi-detached showroom/office cum factory buildings has been issued with Occupation Certificate. It is generally in good condition and well maintained. At the time of inspection, the subject properties are owner occupied by Kim Teck Cheong Sdn. Bhd. for office cum warehousing uses, except for a small portion of the office on the first floor of Lot 74B which is rented out to a third party tenant.

During the course of our site inspection, it was noted that the open driveway between Lot 74B and the neighbouring Lot 75A has been partly roofed over with metal roofing sheets.

¹ The leasehold tenure stated here is to be read in context of the respective letter of "Offer Of Amendment" to land title No. **CL 015620701** and **CL 015620710** from the Lands & Surveys Department whereby the State Government has offered to the registered owner of both these land titles the extension/renewal of the leasehold tenure to 60 years commencing from 01 Jan 2013 to 31 Dec 2072. The extension/renewal of the leasehold tenure is not endorsed on the land title yet although the "Offer of Amendment" has already been accepted by the registered owner and the premium paid.

14. VALUATION CERTIFICATES (Cont'd)



In addition, there is an aluminium framed glass enclosure boxing over an external timber staircase leading to the first floor office near the front entrance of Lot 74A. We are obliged to state that both the roofing canopy and the glass enclosure have been undertaken without formal planning approval by the local authority. In view of this and as required under Clause 4.04 of the Securities Commission's Asset Valuation Guidelines, we have excluded this structure from the valuation.

A4. Methods Of Valuationi) Comparison Method Of Valuation

The details of the sale comparables vis-à-vis the subject properties and the Market Value derived by the Comparison Method for the subject properties is summarised as follows:

| COMPARISON METHOD | Sale Comparable 1 | Sale Comparable 2 | Sale Comparable 3 | Sale Comparable 4 | Subject Property |
|--|--|--|--|---|--|
| Factors | 1 | 2 | 3 | 4 | Lot 74A / Lot 74B |
| Property Type | Semi Detached Showroom/Office Cum Factory | Semi Detached Showroom/Office Cum Factory | Semi Detached Showroom/Office Cum Factory | Semi Detached Showroom/Office Cum Factory | Semi Detached Showroom/Office Cum Factory |
| Name Of Development/ Property Address | Lot 05 Tmn Perindustrian Teknologi Km 14, Jln Tuaran, 88450 Kota Kinabalu | Lot 10 Neutron Riverside Km 10 Jln Tuaran By-Pass, 88450 Kota Kinabalu | Lot 06 Neutron Park, Jln Kolombong, Off Km 9 Jln Tuaran, 88450 Kota Kinabalu | Big Wheel Industrial Park Km 14 Jln Tuaran, 88450 Kota Kinabalu | Lot 74A / Lot 74B SEDCO Light Industrial Estate, Jalan Kilang, Kolombong, Off Km 9 Jln Tuaran, 88450 Kota Kinabalu |
| Total Floor Area (m ²) | 686 | 650 | 449 | 536 | 1,077 (Lot 74A) 1,077 (Lot 74B) |
| Land Area (m ²) | 1,339.00 | 1,166.27 | 1,090.17 | 741.36 | 1,865.10 (Lot 74A) 1,815.30 (Lot 74B) |
| Land Tenure | Subdivided Title Will Be Issued Under 99-Years Leasehold | 99-year leasehold (Unexpired 60 years) | 99-year leasehold (Unexpired 92 years) | Subdivided Title Will Be Issued Under 99-Years Leasehold | 60-year leasehold (Unexpired 58 years) |
| Date Of Transaction | 04-Dec-13 | 28-Sep-12 | 10-Oct-13 | Mar-14 | |
| Transacted Price (RM) | 3,550,000 | 3,000,000 | 3,500,000 | 3,233,999 | |
| Vendor | Axtrada (Malaysia) Sdn. Bhd | Sim Kon Dai & 1 Other | Tan Chiang Heng & 1 Other | GIB Development Sdn. Bhd. (Developer) | |
| Purchaser | Image Stone Decor (S) Sdn. Bhd. | Addipac (Sabah) Sdn. Bhd. | KK Stationery Sdn. Bhd. | N/A | |
| Source of Information | Jabatan Penilaian & Perkhidmatan Harta ("JPPH") | JPPH & Henry Butcher Malaysia ("HBM") Research | JPPH & HBM | HBM / Developer's Office | |
| Adjustments Made | For land area, building area, location, land tenure and date of transaction. | | | | |
| Final Adjusted Value For Lot 74A (RM) | 4,610,966 | 4,960,519 | 5,006,766 | 5,255,288 | |
| Average Adjusted Value for Lot 74A (Rounded)* RM | 4,958,000.00 | | | | Market Value By Comparison Method For Lot 74A |
| Final Adjusted Value For Lot 74B (RM) | 4,523,567 | 4,863,409 | 4,924,223 | 5,172,745 | |
| Average Adjusted Value for Lot 74B (Rounded)* RM | 4,871,000.00 | | | | Market Value By Comparison Method For Lot 74B |

* The final adjusted value adopted in the analysis above is based on the average adjusted value of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted value of all the sale comparables above.

14. VALUATION CERTIFICATES (Cont'd)

ii) Depreciated Replacement Cost Method

The Market Value derived by the alternative Depreciated Replacement Cost Method of Valuation for the subject properties involves, first, the derivation of the site value by Comparison Method. The details of the sale comparables vis-à-vis the subject properties (land) are summarised herein below:

| COMPARISON METHOD (SITE) Factors of Adjustments | Comparable 5 | Comparable 6 | Comparable 7 | Subject Property Lot 74A | Subject Property Lot 74B |
|--|--|--|---|--|--------------------------|
| Location | Lot 4, Jin Burung Keleto Off Tuaran By-Pass (Fronting Secondary Road) | Lot 25, BDC/Milek Perkasa Industrial Estate Off Km 9 Jin Tuaran (Fronting Secondary Road) | Lot 47, BDC/Milek Perkasa Industrial Estate Off Km 9 Jin Tuaran (Fronting Secondary Road) | Lot 74A / Lot 74B SEDCO Light Industrial Estate, Jalan Kilang, Kolombong, Off Km 9 Jin Tuaran, 88450 Kota Kinabalu | |
| Property Type | Open-sided Workshop (Since Demolished) Deemed As Vacant Industrial Land | 2-storey office cum warehouse (semi-detached type) Since Demolished. Deemed As Vacant Industrial Land | 2-storey office cum warehouse (detached type) Since Demolished. Deemed As Vacant Industrial Land | 2-storey semi-detached showroom/office cum warehouse | |
| Title Condition/Type & Use | Industrial | Industrial | Industrial | Industrial | |
| Land Use Zoning | Industrial | Industrial | Industrial | Industrial | |
| Land Tenure | Leasehold 99 yrs (Unexpired 52 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 years (Unexpired 58 Years) | |
| Land Area (m ²) | 1,185.40 | 585.29 | 975.45 | 1,865.10 | 1,815.30 |
| Date of Transaction | 23-Jan-14 | 13-Jul-11 | 15-Nov-11 | | |
| Transacted Price (RM) | RM2,480,000 | RM1,000,000 | RM1,730,000 | | |
| Vendor | Ngui Kon Hiong | Boon Keng Trading (Sabah) Sdn. Bhd. | Tung-E Trading Sdn. Bhd. | | |
| Purchaser | Chai Yun Nyan | Imbasjaya Sdn. Bhd. | Corporation Performance Sdn. Bhd. | | |
| Source of Information | JPPH & HBM | JPPH & HBM | JPPH & HBM | | |
| Analysed Price (RM / m ²) | 2,092.12 | 1,708.55 | 1,773.54 | | |
| Adjustments Made | For location, land tenure, land area and the date of transaction. | | | | |
| Adjusted Land Value (RM / m ²) | 1,882.91 | 1,964.84 | 2,128.25 | | |
| Average Adjusted Value * (RM / m²) | | | | RM1,992 | RM1,992 |
| Total Site Value (RM) | | | | 3,715,000 | 3,616,000 |

* The final rate adopted in the analysis above is based on the average adjusted rates of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted rates of all the sale comparables above.

14. VALUATION CERTIFICATES (Cont'd)



Summary Of Main Parameters Adopted In The Depreciated Replacement Cost Method

| | |
|------------------------------|---------------------------------|
| Land Value: | @ RM1,992.00 per m ² |
| Building | |
| Reinstatement Cost | @ RM1,650.00 per m ² |
| Depreciation Rate Adopted | @ 15% |
| Depreciated Replacement Cost | @ RM1,402.50 per m ² |

The market value derived by the Depreciated Replacement Cost Method, based on the above main parameters, is:

| | |
|---|----------------------------|
| <u>Title No: CL 015620701</u> | <u>Market Value</u> |
| Lot 74A, Jalan Kilang SEDCO Light Industrial Estate Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu, Sabah. | RM5,225,000.00 |

| | |
|---|-----------------------|
| <u>Title No: CL 015620710</u> | |
| Lot 74B, Jalan Kilang SEDCO Light Industrial Estate Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu, Sabah. | RM5,126,000.00 |

A5. Valuation

Reconciliation of Value

| | | |
|--|---|---|
| | Lot 74A, Jalan Kilang SEDCO Light Industrial Estate, Off Km 9 Jalan Tuaran, 88450 Kota Kinabalu, Sabah | Lot 74B, Jalan Kilang SEDCO Light Industrial Estate, Off Km 9 Jalan Tuaran, 88450 Kota Kinabalu, Sabah |
| Comparison Method: | RM4,958,000.00 | RM4,871,000.00 |
| Depreciated Replacement Cost Method: | RM5,225,000.00 | RM5,126,000.00 |
| Market Value Adopted: <i>(Based on average of the above)</i> | RM5,092,000.00 | RM4,998,000.00 |

14. VALUATION CERTIFICATES (Cont'd)



SCHEDULE B
VALUATION CERTIFICATE

Lot 73, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off Km 9 Jalan Tuaran, 88450 Kota Kinabalu, State of Sabah.
(herein to be referred as "subject property")

B1. Legal Interests, Land Title Terms & Land Use Zoning

| | |
|---|---|
| Land Title No: | CL 015424423, District of Kota Kinabalu, State of Sabah. |
| Registered Owner: | Kim Teck Cheong Sdn. Bhd. |
| Land Area: | 3,981.5 m ² / 42,857 ft ² |
| Leasehold Tenure: ² | 60-year leasehold Effective From 01 January 2011 to 31 December 2070 (Unexpired Tenure: 56 Years) |
| Land Use Terms & Condition: | Industrial Use |
| Town Planning Designated Land Use Zoning: | General Industrial Use |

B2. Location & Neighbourhood.

The subject property is situated about 9 kilometres by road east of Kota Kinabalu city centre in the prime SEDCO Light Industrial Estate, Kolombong, Kota Kinabalu.

B3. The Subject Property

The subject property is an industrial lot which is almost trapezoidal in shape with a truncated corner at its north-eastern corner. Topographically, it is flat in nature. A warehouse cum office building is erected on the subject property. It has a total floor area of 1,635.13 m² (17,600 ft²).

The building has been issued with Occupation Certificate and is generally well maintained. At the time of inspection, the major portion of the ground floor of the subject property is owner occupied by Kim Teck Cheong Sdn. Bhd. as an office and for warehouse storage purposes whereas a small portion of the ground floor is rented out to one third party tenant.

During the course of the site inspection, it is also noted that there is a separate simple metal storage shed with a dimension of 6.10m (width) x 9.15m (length) which is constructed behind the warehouse building. It is of simple construction and walled up with metal cladding. We wish to highlight that this simple storage shed has been constructed without formal planning approval by the local authority. In view of this and as required under Clause 4.04 of the Securities Commission's Asset Valuation Guidelines, we have excluded this structure from the valuation.

² This is to be read in the context of the letter of "Offer Of Amendment" to land title CL 015424423 from the Lands & Surveys Department whereby the State Government has offered to extend/renew the existing leasehold tenure to 60 years commencing from 01 January 2011 to 31 December 2070 which has since been accepted by the registered owner and the premium paid, albeit this has yet to be endorsed on the land title.

14. VALUATION CERTIFICATES (Cont'd)

B4. Methods Of Valuationi) Comparison Method Of Valuation

The details of the sale comparables vis-à-vis the subject property and the Market Value derived by the Comparison Method for the subject property are summarised as follows:

| COMPARISON METHOD | Sale Comparable | Sale Comparable | Sale Comparable | Subject Property |
|--|--|---|--|--|
| Factors | 1 | 2 | 3 | |
| Property Type | Detached Office Cum Warehouse | Detached Office Cum Warehouse | Detached Office Cum Warehouse | Detached Office Cum Warehouse |
| Name of Development/ Property Address | Lot 56 BDC/Milek Perkasa Industrial Estate, Lrg. Mangga 2, Kolombong, off Km 9 Jalan Tuaran, 88450 Kota Kinabalu | Lot 20 SEDCO Light Industrial Estate, Jln Kilang, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu | Lot 2 BDC/SEDCO Industrial Estate, Lrg. Mangga 3, Kolombong, Off Km 9 Jalan Tuaran, 88450 Kota Kinabalu | Lot 73, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu |
| Total Floor Area (m ²) | 1,073 | 4,082 | 3,060 | 1,635 |
| Land Area (m ²) | 975.45 | 4,308.85 | 2,019.24 | 3,981.50 |
| Land Tenure | 60-year leasehold (Unexpired 22 years) | 60-year leasehold (Unexpired 21 years) | 60-year leasehold (Unexpired 20 years) | 60-year leasehold (Unexpired 56 years) |
| Date Of Transaction | 13-Apr-12 | 27-Mar-13 | 20-Jun-14 | |
| Transacted Price (RM) | 2,688,000 | 9,888,000 | 6,500,000 | |
| Vendor | D&K Clutch Sdn. Bhd. | Lite Spec Sdn. Bhd. | Chan Choon Huat & 1 Other | |
| Purchaser | Imbasjaya Sdn. Bhd. | Tukim Enterprise Sdn. Bhd. | Everyday Gourmet Sdn. Bhd. | |
| Source of Information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Adjustments Made | For land and building area, location, land tenure and date of transaction. | | | |
| | | | | |
| Final Adjusted Value (RM) | 10,775,751 | 8,236,758 | 10,347,101 | |
| Average Adjusted Value for Subject Property (Rounded)* RM | 9,787,000.00 | | | Market Value By Comparison Method For Lot 73 |

* The final adjusted value adopted in the analysis above is based on the average adjusted value of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted value of all the sale comparables above.

ii) Depreciated Replacement Cost Method

The Market Value derived by the alternative Depreciated Replacement Cost Method of Valuation of the subject property involves, first, the derivation of the site value by Comparison Method. The details of the sale comparables vis-à-vis the subject property (land) are summarised herein below:

14. VALUATION CERTIFICATES (Cont'd)



| COMPARISON METHOD (SITE) | Comparable 4 | Comparable 5 | Comparable 6 | Subject Property |
|--|---|---|--|---|
| Factors of Adjustments | | | | |
| Location | Lot 4, Jln Burung Keleto Off Tuaran By-Pass (Fronting Secondary Road) | Lot 25, BDC/Milek Perkasa Industrial Estate Off Km 9 Jln Tuaran (Fronting Secondary Road) | Lot 47, BDC/Milek Perkasa Industrial Estate Off Km 9 Jln Tuaran (Fronting Secondary Road) | Lot 73, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off Km 9 Jalan Tuaran |
| Property Type | Open-sided Workshop (Since demolished) Deemed as vacant industrial land | 2-storey office cum warehouse (Semi-detached type) Since demolished. Deemed as vacant industrial land | 2-storey office cum warehouse (Detached type) Since demolished. Deemed as vacant industrial land | Detached warehouse cum office building |
| Title Condition/Type & Use | Industrial | Industrial | Industrial | Industrial |
| Land Use Zoning | Industrial | Industrial | Industrial | Industrial |
| Land Tenure | Leasehold 99 yrs (Unexpired 52 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 Years (Unexpired 56 Years) |
| Land Area (m ²) | 1,185.40 | 585.29 | 975.45 | 3,981.50 |
| Date of Transaction | 23-Jan-14 | 13-Jul-11 | 15-Nov-11 | |
| Transacted Price (RM) | RM2,480,000 | RM1,000,000 | RM1,730,000 | |
| Vendor | Ngui Kon Hiong | Boon Keng Trading (Sabah) Sdn. Bhd. | Tung-E Trading Sdn. Bhd. | |
| Purchaser | Chai Yun Nyan | Imbasjaya Sdn. Bhd. | Corporation Performance Sdn. Bhd. | |
| Source Of Information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Analysed Price (RM / m ²) | 2,092.12 | 1,708.55 | 1,773.54 | |
| Adjustments Made | For location, land tenure, land area, shape/boundary of the site and the date of transaction. | | | |
| Adjusted Land Value (RM / m²) | 1,778.30 | 1,879.41 | 2,039.57 | |
| Average Adjusted Value * (RM / m²) | RM1,899.00 | | | See Note Below |

* The final rate adopted in the analysis above is based on the average adjusted rates of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject property have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted rates of all the sale comparables above.

Summary Of Main Parameters Adopted In The Depreciated Replacement Cost Method

| | |
|-------------------------------|------------------------------|
| Land Value: | @ RM1,899 per m ² |
| Building: | |
| Reinstatement Costs | @ RM1,800 per m ² |
| Depreciation Rate Adopted: | @ 30% |
| Depreciated Replacement Cost: | @ RM1,260 per m ² |

The Market Value derived by the Depreciated Replacement Cost Method, based on the above main parameters, is **RM9,620,000.00**.

14. VALUATION CERTIFICATES (Cont'd)



B5. Valuation

Reconciliation of Value

Lot 73, Jalan Kilang
SEDCO Light Industrial Estate
Off Km 9 Jalan Tuaran
88450 Kota Kinabalu, Sabah

Comparison Method:

RM9,787,000.00

Depreciated Replacement
Cost Method:

RM9,620,000.00

Market Value Adopted:

RM9,700,000.00

(Based on average of the above)

14. VALUATION CERTIFICATES (Cont'd)



SCHEDULE C
VALUATION CERTIFICATE

**Lot No. 5, Jalan 1F K.K.I.P Selatan, Kota Kinabalu Industrial Park ("KKIP"), Industrial Zone 4 (IZ 4), 88460 Kota Kinabalu, State of Sabah.
(herein to be referred as "subject property")**

C1. Legal Interests, Land Title Terms & Land Use Zoning

| | |
|---|---|
| Master Title No: | CL 015585501, District of Kota Kinabalu, State of Sabah. Individual title not issued yet. Currently held by virtue of the respective principal Sale & Purchase Agreement from the developer to the original purchaser and the assignment of the interests therein to the beneficial owner by subsequent (sub) Sale & Purchase Agreements. |
| Beneficial Owner: | Kim Teck Cheong Distribution Sdn. Bhd. |
| Land Area (Subject Property): | 0.983 hectare (2.43 acres) |
| Master Title Leasehold Tenure: | 99-year leasehold Effective From 01 January 2000 to 31 December 2098, (Unexpired Tenure: 84 Years) |
| Land Use Terms & Condition: | Industrial |
| Town Planning Designated Land Use Zoning: | General Industrial Use |

C2. Location

The subject property is situated within Industrial Zone 4 (IZ4), Kota Kinabalu Industrial Park which is about 21 kilometres by road north-east of Kota Kinabalu City Centre.

C3. The Subject Property

The subject property is an industrial lot which is almost rectangular in shape. It is generally flat and has been developed with a detached warehouse / cold storage industrial building thereon. The building was originally designed to be used to accommodate cold storage / cold room and the entire underside of the concrete floor slab is supported by reinforced concrete piles with working load of 45 tons with the piling points at 3.2m distance centre to centre of the piles. The total floor area of the subject property is 1,440 m² (15,500 ft²).

The warehouse / cold storage industrial building has been issued with Occupation Certificate. It is well maintained and is occupied by Kim Teck Cheong Distribution Sdn. Bhd. as a warehouse and cold storage purposes. A small portion of the site at the rear of the subject property is also leased to a third party tenant, i.e. Digi Telecommunications Sdn. Bhd. which is used by the tenant for its telecommunication tower and/or base transceiver station and to facilitate the tenant's cellular telephone network.

14. VALUATION CERTIFICATES (Cont'd)

C4. Methods Of Valuationi) Comparison Method Of Valuation

The details of the sale comparables vis-à-vis the subject property and the Market Value derived by the Comparison Method for the subject property are summarised herein below:

| COMPARISON METHOD | Sale Comparable | Sale Comparable | Sale Comparable | Subject Property |
|---|--|--|---|--|
| Factors | 1 | 2 | 3 | |
| Property Type | Detached Industrial Building (Office / Warehouse) | Detached Industrial Building (Open Sided) (Office / Warehouse) | Detached Industrial Building (Office / Warehouse) | Detached Warehouse / Cold Storage Industrial Building |
| Name of Development/ Property Address | Lot 22 KKIP, IZ 3 88460 Kota Kinabalu | Lot 34-4 KKIP, IZ 4 88460 Kota Kinabalu | Lot 19 KKIP, EOIZ Ph.2 88460 Kota Kinabalu | Lot 5 KKIP, IZ 4 88460 Kota Kinabalu |
| Total Floor Area (m ²) | 861.21 | 802.68 | 1,317.60 | 1,440.00 |
| Land Area (m ²) | 2,035.55 | 3,006.85 | 9,995.73 | 9,833.87 |
| Land Tenure | 99-year leasehold (Unexpired 85 years) | 99-year leasehold (Unexpired 85 years) | 99-year leasehold (Unexpired 84 years) | 99-year leasehold (Unexpired 84 years) |
| Date Of Transaction | 31-Dec-13 | 12-Dec-13 | 30-Mar-12 | |
| Transacted Price (RM) | 2,000,000 | 2,300,000 | 5,129,329 | |
| Vendor | Mekarela Sdn. Bhd | 3T Build & Deco Sdn. Bhd. | Global Ocean Seafood Sdn. Bhd. | |
| Purchaser | H.T. Min Metal (Sabah) Sdn. Bhd | Traverse Tours Sdn. Bhd. | Metro Cable Sdn. Bhd. | |
| Source of information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Adjustments Made | For land area, building area, quality/condition of the building, location and date of transaction. | | | |
| Final Adjusted Value (RM) | 6,859,201 | 7,551,467 | 6,569,439 | |
| Average Adjusted Value for Subject Property (Rounded)* RM | 6,993,000.00 | | | Market Value By Comparison Method For Lot 5, KKIP, IZ4 |

* The final adjusted value adopted in the analysis above is based on the average adjusted value of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted value of all the sale comparables above.

ii) Depreciated Replacement Cost Method

The Market Value derived by the alternative Depreciated Replacement Cost Method of Valuation of the subject property involves, first, the derivation of the site value by Comparison Method. The details of the sale comparables vis-à-vis the subject property (land) are summarised herein below:

14. VALUATION CERTIFICATES (Cont'd)



| COMPARISON METHOD (SITE) | Comparable 4 | Comparable 5 | Comparable 6 | Subject Property |
|---|--|---------------------------------------|---------------------------------------|---|
| Factors of Adjustments | | | | |
| Location | Lot 11C, IZ 13, KKIP | Lot 11, IZ 13, KKIP | Lot 1, KKIP Ph. 1 | Lot 5 KKIP, IZ 4 |
| Property Type | Vacant Industrial Land | Vacant Industrial Land | Vacant Industrial Land | Detached Warehouse / Cold Storage Industrial Building |
| Title Condition /Type & Use | Industrial | Industrial | Industrial | Industrial |
| Land Use Zoning | Industrial | Industrial | Industrial | Industrial |
| Land Tenure | Leasehold 99 yrs (Unexpired 86 Years) | Leasehold 99 yrs (Unexpired 87 Years) | Leasehold 99 yrs (Unexpired 85 Years) | Leasehold 99 years (Unexpired 84 Years) |
| Land Area (m ²) | 16,988.72 | 26,952.09 | 7,940.60 | 9,833.87 |
| Date of Transaction | 17-Jul-12 | 10-Oct-11 | 15-Apr-11 | |
| Transacted Price (RM) | RM6,300,000 | RM9,573,617 | RM2,734,871 | |
| Vendor | KB Gargantuan Dev. Sdn. Bhd. | Tetap Jadi Maju Sdn. Bhd. | Imej Warisan Sdn. Bhd. | |
| Purchaser | Kina Roof Industries (Sabah) Sdn. Bhd. | Lui Kim Chock Properties Sdn. Bhd. | Kam Cheong Plantations Sdn. Bhd. | |
| Source of information | JPPH | JPPH & HBM Research | JPPH | |
| Analysed Price (RM Per m ²) | 370.83 | 355.21 | 344.42 | |
| Adjustments Made | For location, land area, site condition and date of transaction. | | | |
| Adjusted Land Value (RM / m ²) | 482.08 | 479.53 | 396.08 | |
| Average Adjusted Value * (RM / m ²) | RM453 | | | |

* The final rate adopted in the analysis above is based on the average adjusted rates of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject property have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted rates of all the sale comparables above.

Summary Of Main Parameters Adopted In The Depreciated Replacement Cost Method

| | |
|--|------------------------------|
| Land: | @ RM 453 per m ² |
| Building: | |
| Reinstatement Costs (Main Building) : | @ RM1,900 per m ² |
| Reinstatement Costs (External Works/Site Improvements) | @ RM 150 per m ² |
| Depreciation Rate Adopted | @ 10% |
| Depreciated Replacement Cost: | @ RM1,710 per m ² |

The Market Value derived by the Depreciated Replacement Cost Method, based on the above main parameters, is **RM 7,436,000.00**.

14. VALUATION CERTIFICATES (Cont'd)



C5. Valuation

Reconciliation of Value Lot 5, Jalan 1F, KKIP Selatan,
KKIP, IZ 4, 88460
Kota Kinabalu, Sabah

Comparison Method: **RM6,993,000.00**

Depreciated Replacement
Cost Method: **RM7,436,000.00**

| | |
|--|-----------------------|
| Market Value Adopted: <i>(Based on average of the above)</i> | RM7,215,000.00 |
|--|-----------------------|

14. VALUATION CERTIFICATES (Cont'd)



SCHEDULE D
VALUATION CERTIFICATE

Lot 22, Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off Km 9 Jalan Tuaran, 88450 Kota Kinabalu, State of Sabah.
(herein to be referred as "subject property")

D1. Legal Interests, Land Title Terms & Land Use Zoning

| | |
|---|--|
| Land Title No: | CL 015379674, District of Kota Kinabalu, State of Sabah. |
| Registered Owner: | Kim Teck Cheong Sdn. Bhd. |
| Land Area: | 4,977.75 m ² / 53,580 ft ² . |
| Leasehold Tenure: | 60-year leasehold Effective From 01 January 1975 to 31 December 2034, (Unexpired Tenure: 20 Years) |
| Land Use Terms & Condition: | Industrial Use |
| Town Planning Designated Land Use Zoning: | General Industrial Use |

D2. Location

The subject property is situated about 9 kilometres by road east of Kota Kinabalu city centre in the prime SEDCO Light Industrial Estate, Kolombong, Kota Kinabalu.

D3. The Subject Property

The subject property is an industrial lot which is near rectangular in shape. The site is generally flat and erected thereon is a detached warehouse cum office building. The original building consists of a 2-storey office annexed to a warehouse but the site was subsequently built with an extended warehouse which adjoins the original building at the southern side. The total floor area of the subject property is 2,471.20 m² (26,600 ft²).

Both the original building and the subsequent extended warehouse have been issued with Occupation Certificate. The subject property is generally well maintained. At the time of inspection, the subject property is occupied by some of the wholly-owned subsidiary/related companies of Kim Teck Cheong Consolidated Berhad and one third party tenant.

D4. Methods Of Valuationi) Comparison Method Of Valuation

The details of the sale comparables vis-à-vis the subject property and the Market Value derived by the Comparison Method for the subject property are summarised herein below:

14. VALUATION CERTIFICATES (Cont'd)



| COMPARISON METHOD | Sale Comparable | Sale Comparable | Sale Comparable | Subject Property |
|--|---|--|--|---|
| Factors of Adjustment | 1 | 2 | 3 | |
| Property Type | Detached Office Cum Warehouse | Detached Office Cum Warehouse | Detached Office Cum Warehouse | Detached Office Cum Warehouse |
| Name of Development/ Property Address | Lot 56 BDC/Milek Perkasa Industrial Estate, Lrg. Mangga 2, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu | Lot 20 SEDCO Light Industrial Estate, Jalan Kilang, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu | Lot 2 BDC/SEDCO Industrial Estate, Lrg. Mangga 3, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu | Lot 22 Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, Off Km 9 Jalan Tuaran 88450 Kota Kinabalu |
| Total Floor Area (m ²) | 1,073 | 4,082 | 3,060 | 2,471.20 |
| Land Area (m ²) | 975.45 | 4,308.85 | 2,019.24 | 4,977.75 |
| Land Tenure | 60-year leasehold (Unexpired 22 years) | 60-year leasehold (Unexpired 21 years) | 60-year leasehold (Unexpired 20 years) | 60-year leasehold (Unexpired 20 years) |
| Date of Transaction | 13-Apr-12 | 27-Mar-13 | 20-Jun-14 | |
| Vendor | D&K Clutch Sdn. Bhd. | Lite Spec Sdn. Bhd | Chan Choon Huat & 1 Other | |
| Purchaser | Imbasjaya Sdn. Bhd | Tukim Enterprise Sdn. Bhd. | Everyday Gourmet Sdn. Bhd. | |
| Transfer Price (RM) | 2,688,000 | 9,888,000 | 6,500,000 | |
| Source of Information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Adjustments Made | For land area, building area, location and date of transaction. | | | |
| Final Adjusted Value (RM) | 11,454,799 | 10,193,821 | 10,991,577 | |
| Average Adjusted Value for Subject Property (Rounded)* RM | 10,880,000.00 | | | Market Value By Comparison Method For Lot 22 |

* The final adjusted value adopted in the analysis above is based on the average adjusted value of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted value of all the sale comparables above.

ii) Depreciated Replacement Cost Method

The Market Value derived by the alternative Depreciated Replacement Cost Method of Valuation for the subject property involves, first, the derivation of the site value by Comparison Method. The details of the sale comparables vis-à-vis the subject property (land) are summarised herein below:

14. VALUATION CERTIFICATES (Cont'd)



| COMPARISON METHOD (SITE) Factors | Comparable 4 | Comparable 5 | Comparable 6 | Subject Property |
|---|---|---|--|--|
| Location | Lot 4, Jln Burung Keleto Off Tuaran By-Pass (Fronting secondary road) | Lot 25, BDC/Milek Perkasa Industrial Estate Off Km 9 Jln Tuaran (Fronting secondary road) | Lot 47, BDC/Milek Perkasa Industrial Estate Off Km 9 Jln Tuaran (Fronting secondary road) | Lot 22 Jalan Kilang, SEDCO Light Industrial Estate, Kolombong, |
| Property Type | Open-sided Workshop (Since demolished) Deemed as vacant industrial land | 2-storey office cum warehouse (Semi-detached type) Since demolished. Deemed as vacant industrial land | 2-storey office cum warehouse (Detached type) Since demolished. Deemed as vacant industrial land | Detached Warehouse cum Office Building |
| Title Condition / Type & Use | Industrial | Industrial | Industrial | Industrial |
| Land Use Zoning | Industrial | Industrial | Industrial | Industrial |
| Land Tenure | Leasehold 99 yrs (Unexpired 52 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 yrs (Unexpired 23 Years) | Leasehold 60 years (Unexpired 20 Years) |
| Land Area (m ²) | 1,185.40 | 585.29 | 975.45 | 4,977.75 |
| Date of Transaction | 23-Jan-14 | 13-Jul-11 | 15-Nov-11 | |
| Transacted Price (RM) | RM2,480,000 | RM1,000,000 | RM1,730,000 | |
| Vendor | Ngui Kon Hiong | Boon Keng Trading (Sabah) Sdn. Bhd. | Tung-E Trading Sdn. Bhd. | |
| Purchaser | Chai Yun Nyan | Imbasjaya Sdn. Bhd. | Corporation Performance Sdn. Bhd. | |
| Source of information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Analysed Price (RM / m ²) | 2,092.12 | 1,708.55 | 1,773.54 | |
| Adjustments Made | For location, land tenure, land area and date of transaction. | | | |
| Adjusted Land Value (RM/m²) | 1,464.48 | 1,623.13 | 1,773.54 | |
| Average Adjusted Value* (RM/m²) | RM1,620.00 | | | See Note Below |

* The final rate adopted in the analysis above is based on the average adjusted rates of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject property have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted rates of all the sale comparables above.

Summary Of Main Parameters Adopted In The Depreciated Replacement Cost Method

| | |
|-------------------------------|------------------------------|
| Land Value: | @ RM1,620 per m ² |
| Building: | |
| Reinstatement Costs | @ RM1,800 per m ² |
| Depreciation Rate Adopted: | @ 30% |
| Depreciated Replacement Cost: | @ RM1,260 per m ² |

The Market Value derived by the Depreciated Replacement Cost Method, based on the above main parameters, is **RM11,178,000.00**.

14. VALUATION CERTIFICATES (Cont'd)



D5. Valuation

Reconciliation of Value

Lot 22, Jalan Kilang
SEDCO Light Industrial Estate
Off Km 9 Jalan Tuaran
88450 Kota Kinabalu, Sabah

Comparison Method:

RM10,880,000.00

Depreciated Replacement
Cost Method:

RM11,178,000.00

Market Value Adopted
(Based on average of the above)

RM11,029,000.00

14. VALUATION CERTIFICATES (Cont'd)



SCHEDULE E
VALUATION CERTIFICATE

**TB. 9889, Lot 1A, Lot 2A & Lot 3A, Perdana Square, Km 6, Jalan Apas, 91000
Tawau, District of Tawau, State of Sabah.
(herein to be referred as "subject property")**

E1. Legal Interests, Land Title Terms & Land Use Zoning

| | |
|--|---|
| Land Titles Nos: | CL 105508601, CL 105508610 & CL 105508629, District of Tawau, State of Sabah. |
| Registered Owner: | Kim Teck Cheong (Tawau) Sdn. Bhd. |
| Total Land Area: | 3,322.30 m ² / 35,761 ft ² |
| Leasehold Tenure: | 99-year leasehold Effective From 01 January 2013 to 31 December 2101 (Unexpired Tenure: 87 Years) |
| Land Use Terms & Condition: | Commercial Building |
| Town Planning Designated Land Use Zoning: | Commercial Use |

E2. Location

The subject property is situated about 6½ kilometres by road to the north-east of Tawau Municipal Centre within the commercial/industrial development known as *Perdana Square*.

E3. The Subject Property

The site of the subject property is near rectangle shape and it is flat and at a slightly higher level than the access road. The site has been developed and erected thereon is an office cum warehouse building. The total floor area of the building is 2,134.37 m².

The subject property originally consisted of two separate units of office cum warehouse buildings. The two separate buildings were subsequently extended and amalgamated to form a single enlarged building. The extension and amalgamation of the buildings have been issued with Occupation Certificate. It is currently owner occupied and used as an office cum warehouse and is generally well maintained.

During the course of our site inspection it is noted that the former underside of the eaves (beyond the main building line) to the eastern side of the warehouse building and to part of the rear (north) of the warehouse building have now been extended and walled up/enclosed. The extended rear portion is currently used to accommodate the cold storage area while the side extension is used for general storage. As this has been undertaken without formal planning approval by the local authority and/or is deemed not in accordance with the requirements of the building by-laws and as required under Clause 4.04 of the Securities Commission's Asset Valuation Guidelines, we have excluded this portion of the structure from the valuation.

14. VALUATION CERTIFICATES (Cont'd)

E4. Methods Of Valuationi) Comparison Method Of Valuation

The Market Value derived by the Comparison Method for the subject property is **RM6,271,000.00**. The details of the sale comparables vis-à-vis the subject property are summarised herein below:

| COMPARISON METHOD | Sale Comparable 1 | Sale Comparable 2 | Sale Comparable 3 | Sale Comparable 4 | Subject Property |
|---|---|--|---|---|--|
| Factors | 1 | 2 | 3 | 4 | |
| Property Type | Detached Office Cum Warehouse | Detached Open Sided Workshop | Detached Office Cum Warehouse | Detached Open-Sided Workshop | Office Cum Warehouse |
| Name of Development/ Property Address | Lot 10A, Perdana Square, Km 6, Jalan Apas, 91000 Tawau | Lot 22A, Perdana Square, Km 6, Jalan Apas, 91000 Tawau | Lot 124, Bandar Sri Indah Light Industrial Park, Km 16.5, Jalan Apas, 91000 Tawau | Lot D1, TB 11923, Apas Light Industrial Estate, off Km 8, Jalan Apas, 91000 Tawau | TB. 9889, Lot 1A, 2A & 3A, Perdana Square, Km 6, Jalan Apas, 91000 Tawau |
| Building Area (m ²) | 720.00 | 334.45 | 466.06 | 223.02 | 2,134.37 |
| Land Area (m ²) | 1,133.60 | 1,007.00 | 1,379.84 | 955.19 | 3,322.30 |
| Land Tenure | 99-year leasehold (Unexpired 89 years) | 99-year leasehold (Unexpired 87 years) | 60-year leasehold (Unexpired 29 years) | Subdivided Title Will Be Issued Under 99-Years Leasehold | 99-year leasehold (Unexpired 87 years) |
| Date of Transaction | 24-Apr-12 | 21-Apr-14 | 15-Jul-13 | 26-Jul-13 | |
| Transacted Price (RM) | 2,100,000 | 1,800,000 | 1,720,000 | 830,000 | |
| Vendor | Loh King Peng @ Chua Kim Heng | Kun Foo Keong & 2 Others | Khor Chen Heng | Chung Huat Hardware Sdn. Bhd. | |
| Purchaser | Cintrak (S) Sdn. Bhd. | U.M. Trading Sdn. Bhd. | Innomatt Food Industry Sdn. Bhd. | Chien Tai Hing & 1 Other | |
| Source of Information | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | JPPH & HBM Research | |
| Adjustments Made | For land area, building area, quality/condition of the building, location, land tenure and date of transaction. | | | | |
| Final Adjusted Value (RM) | 6,302,329 | 5,786,003 | 6,955,761 | 6,041,510 | |
| Average Adjusted Value for Subject Property (Rounded)* RM | 6,271,000.00 | | | | Market Value By Comparison Method For Lot 1A, 2A & 3A, Perdana Square |

* The final adjusted value adopted in the analysis above is based on the average adjusted value of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject properties have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted value of all the sale comparables above.

ii) Depreciated Replacement Cost Method

The Market Value derived by the alternative Depreciated Replacement Cost Method of valuation involves, first, the derivation of the site value by the Comparison Method. The details of the sale comparables vis-à-vis the subject property (land) are summarised herein below:

14. VALUATION CERTIFICATES (Cont'd)



| COMPARISON METHOD (SITE) | Comparable 5 | Comparable 6 | Comparable 7 | Subject Property |
|--|---|---|--|--|
| Factors of adjustments | | | | |
| Location | Km 5, Jalan Sg Tajong (Fronting Jln Sg Tajong) | Km 9, Jalan Apas (Fronting Jalan Apas) | Lot 12A, Perdana Square Km 6, Jalan Apas | TB. 9889, Lot 1A, 2A & 3A, Perdana Square, Km 6, Jalan Apas, 91000 Tawau |
| Property Type | Vacant Land | Vacant Land | Vacant Land | Office Cum Warehouse |
| Title Condition/Type & Use | Industrial | Agricultural | Commercial | Commercial |
| Land Use Zoning | Industrial | Industrial | Commercial | Commercial |
| Land Tenure | Leasehold 999 yrs (Unexpired 902 Years) | Leasehold 999 yrs (Unexpired 905 Years) | Leasehold 99 yrs (Unexpired 87 Years) | 99-year leasehold (Unexpired 87 years) |
| Land Area (m ²) | 4,379.00 | 7,410.00 | 1,007.10 | 3,322.30 |
| Date of Transaction | 1-Oct-13 | 29-Jun-11 | 17-Jun-14 | |
| Transacted Price (RM) | RM3,480,000 | RM5,031,180 | RM1,192,400 | |
| Vendor | Lambang Hartawan Sdn. Bhd. | Yong Su Hon | Kejuruteraan Sawit Timur Sdn. Bhd. | |
| Purchaser | Seribu Canggih Sdn. Bhd. | Java Trading Sdn. Bhd | CYC Holdings Sdn. Bhd | |
| Source Of Information | JPPH & HBM Research | JPPH & HBM Research | JPPH | |
| Analysed Price (RM / m ²) | 794.70 | 678.97 | 1,183.99 | |
| Adjustments Made | For location, title condition, land tenure, land area, topography/site condition and date of transaction. | | | |
| Adjusted Land Value (RM / m²) | 874.17 | 950.56 | 1,124.79 | |
| Average Adjusted Value * (RM / m²) | RM983.00 | | | See Note Below |

* The final rate adopted in the analysis above is based on the average adjusted rates of all the sale comparables. This is justifiable because all the sale comparables are taken as equally suitable. In addition, their differences vis-à-vis the subject property have been adjusted to arrive at the adjusted value in respect of each of the sale comparable adopted. No differential weightage is rendered to any one of the adjusted value. As such, the final rate is derived based on the average adjusted rates of all the sale comparables above.

Summary Of Main Parameters Adopted In The Depreciated Replacement Cost Method

| | |
|------------------------------|------------------------------|
| Land Value: | @ RM983 per m ² |
| Building: | |
| Reinstatement Cost | @ RM1,800 per m ² |
| Depreciation Rate Adopted | @ 20% |
| Depreciated Replacement Cost | @ RM1,440 |

The Market Value derived by the Depreciated Replacement Cost Method, based on the above main parameters, is **RM6,339,000.00**

15. DIRECTORS' REPORT



Date: 20 October 2015

Registered Office:

Level 2, Tower 1, Avenue 5,
Bangsar South City
59200, Kuala Lumpur
Malaysia

The shareholders of Kim Teck Cheong Consolidated Berhad ("KTC Consolidated" or "Company")

Dear Sirs/Madams,

On behalf of the Board of Directors of KTC Consolidated, I report after due and careful enquiry that during the period from 30 June 2015 (being the date to which the last audited financial statements of our Company and subsidiary companies ("**Group**") have been made) up to the date of this letter (being a date not earlier than 14 days before the issuance of this Prospectus):

- (i) the business of our Group have, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of our Directors, no circumstances have arisen since the last audited financial statements of our Group which have adversely affected the trading of the value of the assets of our Group;
- (iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no material contingent liabilities by reason of any guarantee or indemnities given by our Group;
- (v) since the last audited financial statements of our 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 we are aware of; and
- (vi) since the last audited financial statements of our Group, save as disclosed in the Accountants' Report enclosed in this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group.

Yours faithfully

For and on behalf of the Board of Directors

KIM TECK CHEONG CONSOLIDATED BERHAD

Y. BHG. DATUK LAU KOH SING @ LAU KOK SING
Managing Director

KIM TECK CHEONG CONSOLIDATED BERHAD (1113927-H)

Lot 73, Jalan Kilang, SEDCO Light Industrial Estate, Mile 5 ½ Jalan Tuaran, 88450 Kota Kinabalu, Sabah

Tel: 013-811 0111 Fax: 03 2727 3311

16. ADDITIONAL INFORMATION

16.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) None of the capital of our Company or our Subsidiary Companies are under option or agreed conditionally or unconditionally to be put under option.
- (iii) Save for our IPO Shares reserved for subscription by the eligible employees of our Group, there is currently no other scheme involving the Directors and employees in the capital of our Company or our Subsidiary Companies.
- (iv) Save as disclosed in Section 8.1 of this Prospectus, there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company or our Subsidiary Companies.
- (v) As at the date of this Prospectus, there is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by the applicable Malaysian law or by our Memorandum and Articles of Association.
- (vi) As at the date of this Prospectus there are two (2) classes of shares in our Company, being Shares and RCPS, the details of which are disclosed in Section 3.2 and Section 3.10 of this Prospectus.

16.2 ARTICLES OF ASSOCIATION

The following provisions relate to the remuneration of directors, voting and borrowing powers of directors, transfer of securities and changes in capital and variation of class rights as reproduced from our Articles of Association ("**Article(s)**"). The words and expressions appearing in the following provisions shall bear the same meaning used in our Articles unless they are otherwise defined here or the context otherwise requires:

(i) Remuneration of Directors

Article 94 – Directors' Remuneration

- (1) The fees payable to the Directors (except salaries payable to executive Directors for their services) shall from time to time be determined by a resolution of the Company in general meeting. Provided 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 meeting.
- (2) The Directors shall also be paid such travelling, hotel and other expenses properly and reasonably incurred by them in the execution of their duties including any such reasonable expenses incurred in connection with their attendance at meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company as the Directors may determine.
- (3) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.

16. **ADDITIONAL INFORMATION (Cont'd)**

- (4) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95 – Reimbursement of Expenses

- (1) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits (applicable only if he is an executive Director) or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors, provided that no Director shall be remunerated by a commission on or percentage of turnover.
- (2) No payment shall be made to any Directors by way of compensation for loss of office or as consideration for or in consideration with his retirement from office unless particulars with respect to the proposed payment (including the amount thereof) have been disclosed to the Members and the proposal has been approved by the Company in general meeting.

Article 123 – Remuneration of Managing Director

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

- (ii) **Voting and Borrowing Powers of Directors, including voting powers in relation to proposals, arrangements or contracts in which they are interested**

Article 112 – Votes of Directors

Subject to these Articles any question arising at any meeting of Directors shall be decided by a majority of Directors shall for all purposes be deemed a determination of the Directors. Each Director shall have one vote.

Article 114 – Disclosure of Interest

Every Director shall comply with the provisions of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interest might be created in conflict with his duty of interest as a Director of the Company. No Director shall as a Director vote in respect of any contract or arrangement in which he is so interested, and, if he does so vote, his vote shall not be counted.

Article 115 – Restriction on Voting

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

16. ADDITIONAL INFORMATION (Cont'd)

Article 116 – Relaxation of Restriction on Voting

Subject always to the provisions of the Act and the Listing Requirements, a Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the terms of any such appointment are considered, he may vote on any such matter other than in respect of his own appointment and/or the fixing of the terms thereof.

Article 117 – Power to Vote

Subject always to the provisions of the Act and the Listing Requirements, a Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director for any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) 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 deposit of a security.

Article 99 – Directors' Borrowing Power

- (1) The Directors may exercise all the powers of the Company to borrow any sum or sums of money from any person, bank, firm or company (expressly including any person holding the office of Director) 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 wholly owned subsidiaries or of any related or associated corporation. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations, or for the benefit or interest of the Company or of any subsidiary corporation.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or the 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 unrelated third party.

16. **ADDITIONAL INFORMATION (Cont'd)**

(iii) **Transfer of securities**

Article 27 – Execution of Transfer

Subject to the provisions of the Central Depositories Act, the Rules and these Articles, any Member may transfer all or any of his securities in the manner prescribed under the Rules and approved by the Exchange. The transfer of any (listed security or class of listed security) securities shall be by way of book entry by the Depository in Securities Account of a Depositor in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to Sections 107C(1) and 107C(2) of the Act, the Company shall be precluded from registering and effecting any transfer of securities.

Article 28 – Liability over Transfer

Subject to the provisions of the Act, the Central Depositories Act and the Rules, neither the Company nor any of its Directors or other officers shall incur any liability for acting upon a transfer of securities registered by the Depository, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although transferred, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the securities transferred, or otherwise in defective manner.

In every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Article 29 – Refusal to Register

The Directors may decline to effect the registration of any transfer of securities if such securities are not fully paid up or the Company has a lien on them or otherwise if the transfer does not comply with the provisions of the Act, the Central Depositories Act and the Rules.

Article 30 – Notice of Refusal

Any Member whose transfer of securities has been refused shall be notified of the precise reasons thereof or dealt with in accordance with the Act, the Central Depositories Act and the Rules.

Article 31 – Suspension of Registration

The registration of transfers may be suspended at such times and for such duration as the Directors may from time to time determine provided the period shall not exceed thirty (30) days in the aggregate in any one year. Any suspension shall comply with the notice requirements applicable to Members and the Depository as prescribed by the Act, the Central Depositories Act or the Rules.

Article 32 – Renunciation

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

16. **ADDITIONAL INFORMATION (Cont'd)**

(iv) Changes in Capital or Variation of Class Rights

Article 3B – Control on Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (b) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than one hundred per centum (100%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles or in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in general meeting; and
- (e) every issue of shares or options to employees of the Company shall be approved by the Members in general meeting and no Director shall participate in such issue of shares or options to employees unless the Members in general meeting have approved of the specific allotment to be made.

Provided always that a non-executive Director may participate in an issue of shares or options pursuant to a public offer or public issue. Any new issue of securities for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons in the Depository with such securities save and except where the Company is specifically exempted from doing so. The Company shall notify the Depository of the names of the allottees or the entitled persons together with all such particulars as may be required by the Depository to enable it to make the appropriate entries in the Securities Accounts of such allottees or entitled persons.

Article 4 – Rights of Preference Shareholders

Subject to the Act, any preference shares may with the sanction of a Special Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not without the consent of the existing preference shareholders at a class meeting issue further preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.

Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements, and attending general meetings of the Company.

16. ADDITIONAL INFORMATION (Cont'd)

Preference shareholders must be entitled to a right to vote in each of the following circumstances:

- (a) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

Article 5 – Repayment of Preference Capital

Notwithstanding Article 7 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

Article 6 – Power to Issue Preference Shares

The Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner and either at par or at a premium as they may think fit.

Article 7 – Modification of Class Rights

Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of these Articles (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class or group, or with the sanction of any Special Resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of these Articles relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one (1) vote in respect of every share of the class or group held by them respectively.

16. **ADDITIONAL INFORMATION (Cont'd)**

Article 8 – Ranking of Class Rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith but in no respect in priority thereto.

Article 51 - Power to Increase Capital and Conditions of Issue

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs, and if no direction to be given, as the Directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a special or restricted or without any right of voting.

Article 55 – Power to Alter Capital

The Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; or
- (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 sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the other or any other of such shares; or
- (iii) cancel any shares which at the date of the passing of the resolution in that behalf have not been taken, agreed to be taken by any persons or shares which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Anything done in pursuance of this Article 55, shall be done in manner provided and subject to any conditions imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

Article 56 – Power to Reduce Capital

The Company may by Special Resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and any consent required by law. The Company shall give notice to the Registrar of the Company in accordance with the Act of such alteration in capital.

16. ADDITIONAL INFORMATION (Cont'd)**16.3 MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business, that have been entered into by our Group within the two (2) years preceding the date of this Prospectus:

- (i) On 7 April 2014, KTC Sarawak entered into a lease agreement with Peter Ting Chek Min and Sun Siew Khieng for the lease of Lot 2363, Block 223, Batu Kitang Light Industrial Park, Mile 7½, Jalan Batu Kitang, 93250, Kuching, Sarawak for a fixed term from 7 April 2014 to 6 April 2019 at a monthly rental of RM5,000;
- (ii) On 6 June 2014, KTC Sdn Bhd entered into an agreement with LKS Assets, Datuk Lau and Dexter Lau to cancel partially the special dividend-in-specie which was declared vide a members' circular resolution dated 15 March 2013 approving a declaration of special dividend amounting to RM11,016,201 by way of the distribution of special assets in the form of the properties, *inter alia*, Lot 73, Lot 74A and Lot 74B to the shareholders registered in the register of members of KTC Sdn Bhd as at 15 March 2013 and reinstate the legal ownership of Lot 73, 74A and 74B in favour of KTC Sdn Bhd at no cost;
- (iii) On 6 June 2014, KTC Tawau entered into an agreement with LKS Land, Datuk Lau, Lim Hui Kiong, Datin Lim, Benedick Lau and Lindfay Lau to cancel partially the special dividend-in-specie which was declared vide a members' circular resolution dated 15 March 2013 approving a declaration of a special dividend amounting to RM3,183,583 by way of the distribution of special assets in the form of the properties, *inter alia*, Lot 1A, Lot 2A and Lot 3A to the shareholders registered in the register of members of KTC Tawau as at 15 March 2013 and reinstate the legal ownership of Lot 1A, 2A and 3A in favour of KTC Tawau at no cost;
- (iv) On 20 June 2014, KTC Sarawak entered into a tenancy agreement with Wong Ming Sing & Sons Sdn Bhd for the rent of all that parcel of land together with one (1) unit of 2-storey detached industrial building situated at Ding Lik Kong Road, Sibul, containing an area of approximately 2,110 sq m, and described as Sublot 2 (Government Lot 2591) comprised in Lot 73, Block 5, Seduan Land District, Ding Lik Road, 96000 Sibul, Sarawak for a fixed term from 13 June 2014 to 12 June 2024 at a monthly rental of RM8,000 for the first 5 years, RM10,000 for the subsequent 3 years and RM12,000 for the last 2 years;
- (v) On 2 July 2014, KTC Sdn Bhd entered into a conditional sale and purchase agreement with All Master Express Sdn Bhd to dispose of a parcel of land identified as Lot 11 Industrial Zone 7, Kota Kinabalu Industrial Park measuring approximately 2 acres currently erected under Master Titles Country Lease No. 015583801 and Country Lease No. 015582153 both situated in the District of Kota Kinabalu, Sabah, for a cash consideration of RM3,000,000. This transaction was completed on 4 December 2014;
- (vi) On 14 August 2014, KTC Sarawak entered into a lease agreement with Chung Huat Industries Sdn Bhd for the lease of a piece of land situated at Pujut-Lutong Kuala Baram Road, Miri and described as Lot 1259, Block 5, Kuala Baram Land District at Desa Senadin, Jalan Maigold, 98000 Miri, Sarawak measuring approximately 2,563 sq m in area, together with one (1) unit of single storey detached industrial building erected thereon and appurtenances thereof for a fixed term from 1 September 2014 to 31 August 2017 at a monthly rental of RM11,000;

16. ADDITIONAL INFORMATION (Cont'd)

- (vii) On 2 September 2014, KTC Distribution entered into a lease agreement with Flora Blossom Sdn Bhd for the lease of a piece of leasehold land held under CL105524123 and bearing the postal address at Lot 5, Dasamley Industrial Park, Jalan Pantai, Mile 2½, Off Jalan Apas, 91000 Tawau, Sabah measuring approximately 34,030 sq ft together with a single storey detached warehouse for a fixed term from 2 September 2014 to 1 September 2017 at a monthly rental of RM17,600;
- (viii) On 24 November 2014, Creamos Malaysia entered into a conditional sale and purchase agreement with Orion Integrated Sdn Bhd (formerly known as Orion Shipping & Forwarding Sdn Bhd) for the purchase of all that parcel of a 3-storey office cum warehouse building and a workshop identified as Lot No. 3, Lorong 1F KKIP Selatan, Industrial Zone 4 (I.Z. 4), Kota Kinabalu Industrial Park, 88460, Telipok, Kota Kinabalu measuring approximately 1.87 acres in area, and held under Master Title No. CL015585501, District of Kota Kinabalu, Sabah for the purchase price of RM6,225,000. This transaction was completed on 9 July 2015;
- (ix) On 1 December 2014, KTC Sdn Bhd entered into a tenancy agreement with Tan Aik Kiong and Tan Kok Koon for the tenancy of demised premises known as SK0850A, Kampung Sungai Keling, Ranche-Ranche, 87008 Wilayah Persekutuan Labuan for a fixed term from 1 December 2014 to 30 September 2016 at a monthly rental of RM13,500. This tenancy agreement was terminated on 15 June 2015;
- (x) On 3 December 2014, KTC Consolidated entered into a conditional sale and purchase agreement with KTC Holdings for the acquisition of the Subsidiary Companies for a total purchase consideration of RM60,829,556 to be satisfied by way of issuance of 368,276,980 new Shares and 24,001,858 RCPS in favour of KTC Holdings;
- (xi) On 12 March 2015, KTC Sdn Bhd has entered into a tenancy agreement with Labuan Halal Hub Sdn Bhd for the tenancy of part of premises held under Title No. CL205384578 and CL205368725 more particularly described as an open area in one (1) unit of warehouse measuring approximately 1.787.46 square meter and an area measuring approximately 47 square meter for a fixed term from 1 May 2015 to 30 April 2020 at a total monthly rental of RM25,000 for the first six (6) months of the tenancy period and a total monthly rental of RM27,000.00 for the remaining tenancy period; and
- (xii) On 5 October 2015, the Company entered into an Underwriting Agreement with RHB Investment Bank for the underwriting of 50,255,000 IPO Shares for an underwriting commission of two percent (2%) of the total value of the underwritten Shares at the Issue Price.

16.4 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, neither we nor our Subsidiary Companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened against our Company or our Subsidiary Companies, or of any fact likely to give rise to any proceeding which may materially and adversely affect our financial position or business.

16.5 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As our Group does not physically operate in other countries, there is no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

16. ADDITIONAL INFORMATION (Cont'd)

16.6 PUBLIC TAKE-OVER OFFERS

None of the following has occurred in the last financial year or the current financial year up to LPD:

- (i) Public take-over offers by third parties for our Shares; and
- (ii) Public take-over offers by our Company for other companies' shares.

16.7 CONSENTS

The written consents of our Adviser, Sponsor, Underwriter and Placement Agent, Solicitors, Principal Bankers, Independent Internal Control Consultants, Issuing House, Share Registrar and Company Secretary for inclusion in this Prospectus of their names and all references thereto in the manner, form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Baker Tilly Monteiro Heng for the inclusion of its name, Accountants' Report, Reporting Accountants' Report on the Compilation of the Proforma Consolidated Financial Information of KTC Group and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Ernst & Young, being the auditors of the following companies:

- (i) KTC Sdn Bhd (FYE 30 June 2012 and 30 June 2013);
- (ii) KTC Tawau (FYE 30 June 2013);
- (iii) AMDA Marketing (FYE 30 June 2013); and
- (iv) KTC Brands (FPE 30 June 2013),

for the inclusion of its name and all references thereto in the manner, form and context in which they appear in the Accountants' Report of this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of CMK, being the auditors of Creamos (Malaysia) for the FPE 30 June 2013 for the inclusion of its name and all references thereto in the manner, form and context in which they appear in the Accountants' Report of this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor Consulting Sdn Bhd for the inclusion in this Prospectus of its name and Independent Market Researcher Report and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Henry Butcher Malaysia (Sabah) Sdn Bhd for the inclusion in this Prospectus of its name and valuation certificates and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16. ADDITIONAL INFORMATION (Cont'd)

16.8 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of our Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (a) Memorandum and Articles of Association of our Company;
- (b) Directors' Report as included in Section 15 of this Prospectus;
- (c) Accountants' Report as included in Section 13 of this Prospectus;
- (d) Reporting Accountants' Report on the Compilation of the Proforma Consolidated Financial Information as included in Section 11.4 of this Prospectus;
- (e) Audited financial statements of:
 - (i) Creamos Malaysia for FPE 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015;
 - (ii) KTC Sdn Bhd, AMDA Marketing, KTC Sarawak, KTC Tawau and KTC Distribution for FYE 30 June 2012, 30 June 2013, 30 June 2014 and 30 June 2015;
 - (iii) KTC Brands for FPE 30 June 2013, FYE 30 June 2014 and FYE 30 June 2015;
- (f) IMR Report referred to in this Prospectus as included in Section 7 of this Prospectus;
- (g) Valuation reports and the valuation certificate as included in Section 14 of this Prospectus;
- (h) Material Contracts referred to in Section 16.3 of this Prospectus; and
- (i) Letters of consent referred to in Section 16.7 of this Prospectus.

16.9 RESPONSIBILITY STATEMENTS

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

RHB Investment Bank, being our Adviser, Sponsor, Underwriter and 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 our IPO.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 OPENING AND CLOSING OF APPLICATIONS

Applications will be accepted from 10.00 a.m. on 28 October 2015 and will remain open until 5.00 p.m. on 12 November 2015 or for such further period or periods as our Board and Promoters together with our Underwriter in their absolute discretion may mutually decide ("**Applications**").

In the event the closing date for the Applications is extended, you will be notified of the change in a widely circulated daily Bahasa Malaysia and English daily newspaper in Malaysia prior to the original closing date of the Applications. Following this, the dates for the balloting of the Applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly. **Late Applications will not be accepted.**

17.2 METHODS OF APPLICATIONS

Applications for the IPO Shares may be made using any of the following ways:-

- (a) Application Forms; or
- (b) Electronic Share Applications; or
- (c) Internet Share Applications.

17.3 PROCEDURES FOR APPLICATIONS

The Applications shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

FULL INSTRUCTIONS FOR THE APPLICATIONS OF THE IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

17.3.1 Applications by the Public

Applications for the 34,000,000 IPO Shares made available for the Public must be made on the **White Application Forms** provided OR by way of Electronic Share Application OR Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.15 per IPO Share.

17.3.2 Applications by Eligible Employees and persons who have contributed to the success of our Group

Applications for the 16,255,000 IPO Shares made available for Eligible Employees and persons who have contributed to our success 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. Applicants using the Pink Application Forms may still apply for the IPO Shares offered to the Public using the **White Application Form**, Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.15 per IPO Share.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.3.3 Application by placees under the private placement

Selected investors being allocated the IPO Shares under this method will be contacted directly by the Placement Agent. Selected investors may still apply for the IPO Shares offered to the Public using the White Application Form, Electronic Share Application or Internet Share Application.

You must have a CDS Account before you can submit your application by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application.

Directors and employees of Issuing House and their immediate families are strictly prohibited from applying for the IPO Shares in this exercise.

17.4 APPLICATIONS USING APPLICATION FORMS

17.4.1 Types of Application Forms

The following relevant Application Forms issued with their notes and instructions enclosed with this Prospectus are deemed to form an integral part hereof:-

- (i) **White** Application Forms for application by the Public; and
- (ii) **Pink** Application Forms for applications by our Eligible Employees and persons who have contributed to the success of our Group.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from RHB Investment Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and Issuing House.

Pink Application Forms together with copies of this Prospectus will be sent out to Eligible Employees and persons who have contributed to the success of our Group.

The submission of an Application Form does not necessarily mean that your application will be successful.

You may submit only one (1) Application Form and your application must be for 100 Shares or multiples thereof. Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.

Your application for the IPO Shares must be made on the respective Application Forms accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and on this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Our Directors may at their absolute discretion reserve the right not to accept applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

IF YOU ARE AN INDIVIDUAL OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND NATIONAL REGISTRATION IDENTITY CARD ("NRIC") NUMBER MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) YOUR NRIC;
 - (b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - (c) YOUR RESIT PENGENALAN SEMENTARA ("KPPK 09") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD AND YOUR ADDRESS MUST BE THE ADDRESS OF YOUR RESPECTIVE CAMP, BASE OR STATION.

IF YOU ARE A CORPORATION OR INSTITUTION, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN THE CORPORATION'S OR INSTITUTION'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE THE REGISTERED ADDRESS.

We, together with Issuing House will not issue any acknowledgement of the receipt of your Application Form or application monies.

17.4.2 Terms and conditions for application using Application Forms

Your applications by way of Application Forms shall be made on, and subject to, the following terms and conditions:-

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a CDS Account and a Malaysian address (White Application Forms only).

If you are an individual, you must have a CDS Account and a correspondence address in Malaysia (Pink Application Forms only).
- (ii) If you are a corporation or institution incorporated in Malaysia, you 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 or trustee.

If you are a corporation or institution incorporated outside Malaysia, you must have a CDS Account and provide a correspondence address in Malaysia (Pink Application Forms only).

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (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 trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations or institutions referred to in **Section 17.4.2 (ii)** and **Section 17.4.2 (iii)** above or the trustees thereof.
- (v) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
- (a) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - (b) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (c) GUARANTEED GIRO ORDER ("**GGO**") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD; OR
 - (d) ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:-
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD; OR
 - RHB BANK BERHAD.

AND MUST BE MADE OUT IN FAVOUR OF "**TIIH SHARE ISSUE ACCOUNT NO. 661**" AND CROSSED "**A/C PAYEE ONLY**" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS, CASHIER'S ORDERS, MONEY ORDERS OR POSTAL ORDER, ATM STATEMENT OR GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vi) YOU MUST STATE 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 YOUR CDS ACCOUNT TO ISSUING HOUSE AND/OR OUR COMPANY. IF YOU DO NOT PRESENTLY HAVE A CDS ACCOUNT, YOU MAY OPEN ONE BY CONTACTING ANY ONE OF THE ADAs LISTED IN **SECTION 17.11** OF THIS PROSPECTUS.
- (vii) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER OR POSTAL ORDER, OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (viii) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board 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 you for the purpose of complying with this provision.
- (ix) Issuing House, acting on the authority of our Directors reserves the right to reject your Application if it does not conform to these instructions or if it is illegible or if it is accompanied by remittances improperly drawn.
- (x) Issuing House, acting on the authority of our Directors reserves the right not to accept your Application or to accept it in whole or in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (xi) Where your 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 returned without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application lists by ordinary post at your address last maintained with Bursa Depository or where the application is not accepted because you have not provided a CDS Account, to the address 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 or the Authority Card in the case of armed forces or police personnel or by crediting into your bank account for purposes of cash dividend /distribution if you have provided such bank account information to Bursa Depository at your own risk.
- (xii) 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 registered with Bursa Depository.

Issuing House, 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 and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the application lists by ordinary post at your address registered with Bursa Depository or by crediting into your bank account for purposes of cash dividend /distribution if you have provided such bank account information to Bursa Depository at your own risk.

- (xiii) Your 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:-

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

OR DELIVERED BY HAND AND DEPOSITED in the drop-in boxes provided at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

so as to arrive not later than 5.00 p.m. on 12 November 2015 or such further period or periods as our Directors together with the Underwriter in their absolute discretion may mutually decide.

- (xiv) **PLEASE DIRECT ALL YOUR ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO ISSUING HOUSE.**

17.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION

17.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (ii) You must have a CDS Account.
- (iii) You are to apply for the IPO 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 in **Section 17.5.3** of this Prospectus under the Terms and Conditions for Electronic Share Application. You are 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");
 - **TIIH Share Issue Account Number 661**;
 - CDS account number;
 - Number of the shares applied for and / or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

17.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches with the respective processing fees:-

- 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 (as selected branches only) – RM2.50

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.5.3 Terms and conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "**Steps**"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in **Section 17.5.1** of this Prospectus. The Steps set out the actions that you must take at the ATM to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

You must be an individual with a CDS Account to make an Electronic Share Application. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted.

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon 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 that you have completed a 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 us or Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the IPO Shares, on 12 November 2015 at 5.00 p.m. ("**Closing Date**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the IPO Shares to Issuing House as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You will be allowed to make an Electronic Share Application for the IPO 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 (1) Application. If you have a bank account with a Participating Financial Institution and have been issued an ATM card, you will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

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 FOREGOING CONDITIONS.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions set out below:

- (i) Your Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) You are required to confirm the following statement (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
- You have attained eighteen (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 this Application;
 - This is the only Application that you are submitting; and
 - 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 Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institution. 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 133 of the Financial Services Act, 2013 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 Issuing House or any other relevant regulatory bodies.

- (iii) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution 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.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of the IPO Shares or not to allot or allocate any IPO 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 or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vi) Issuing House acting on the authority of our Board reserves the right to reject or accept any Electronic Share Application in whole or in part only on a non-discriminatory basis without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) Issuing House shall inform the relevant Participating Financial Institution of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. Where your Electronic Share Application is unsuccessful, the relevant Participating Financial Institution will credit the full amount of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. You may check your accounts on the fifth (5th) Market Day from the balloting day.
- (viii) If your Electronic Share Application is successful in part only, the relevant Participating Financial Institution will credit the balance of the application monies (without interest or any share or revenue or benefit arising therefrom) into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve, is subsequently rejected, your Application monies without interest will be refunded (without interest or any share revenue or benefit arising therefrom) to you by Issuing House by crediting into your account with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at your own risk. Should you encounter any problems in your Applications, you may refer to the Participating Financial Institution.
- (ix) You request and authorise us:-
- to credit the IPO Shares allotted or allocated to you into your CDS Account; and
 - to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (x) Acknowledging 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 our control and the control of Issuing House or the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:-
- we or Issuing House do/ does not receive your Electronic Share Application; or
 - data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or Issuing House,

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, Issuing House, the Participating Financial Institutions or Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xi) All 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 we, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (xiii) By making and completing an Electronic Share Application, you agree that:
- in consideration of us agreeing to allow and accept the making of any Application for IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - we, the Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/ their control;
 - notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the IPO Shares;
 - 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 IPO Shares allotted or allocated to you; and
 - you agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, 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 our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board 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 you for the purpose of complying with this provision.
- (xv) Issuing House, acting on the authority of our Board reserves the right to reject your Application, if it does not conform to these instructions.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.6 APPLICATIONS USING INTERNET SHARE APPLICATION

17.6.1 Steps for Internet Share Application

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps for an application for the IPO Shares via Internet Share Application. The steps set out the actions that you must take at the internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Login 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 the IPO 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, NRIC number, CDS Account number, number of IPO 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) By confirming such information, you will undertake that the following mandatory statements are true and correct:
 - you have attained eighteen (18) years of age as at the Closing Date of the share application;
 - you are a Malaysian citizen residing in Malaysia;
 - you have, prior to making the Internet Share Application, received and/or had access to a printed/ electronic copy of this Prospectus, the contents of which you have read and understood;

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'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 the IPO Shares;
 - the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - you give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 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 Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND
 - 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 the IPO, 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 is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution 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 the application moneies for the IPO.
- (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 of the website through which the online payment of the application of the IPO is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institution 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.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.6.2 Terms and Conditions for Internet Share Application

Your application for the IPO Shares may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution

Internet Share Applications may be made through a website of the following Participating Financial Institutions with the respective processing fee:

- Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders;
- Affin Hwang Investment Bank Berhad (www.trade.affinhwang.com) – No fee will be charged for application by their account holders;
- CIMB Bank Berhad (www.cimbclicks.com.my) - RM2.00 for applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;
- CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
- Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- Public Bank Berhad (www.pbepbank.com) – RM2.00; and
- RHB Bank Berhad (www.rhb.com.my) – RM2.50.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE 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 as set out below:

- (i) In order to make an Internet Share Application, you must:-
 - 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;

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- have an existing account with access to internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification (“**User ID**”) and Personal Identification Numbers (“**PIN**”) password for the relevant internet financial services facilities; and
- be a Malaysian citizen and have a Malaysian address.

You are advised to note that a User ID and PIN/ password issued by one (1) of the Internet Participating Financial Institutions cannot be used to apply for the IPO 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 of this Prospectus and our Memorandum and Articles of Association.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:
 - you have attained eighteen (18) years of age as at the date of the application for the IPO Shares;
 - you are a Malaysian citizen residing in Malaysia;
 - 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;
 - 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 the IPO Shares;
 - the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 and Section 45 of the Securities Industry (Central Depository) 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 Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - you are not applying for the ipo shares as a nominee of any other person and the application is made in your own name, as the beneficial owner and subject to the risks referred to in this prospectus; and

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- 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 the IPO, 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 is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) 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 purposes of this 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 IPO Shares applied for 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 17.6.2(iii)** of this Prospectus.

- (v) 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 the IPO 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 conform strictly 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.
- (vi) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of the Internet Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO 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 of the number of IPO 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:-

- your acceptance of the number of IPO 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
- your agreement to be bound by our Memorandum and Articles of Association.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares will be rejected. Issuing House acting on the authority of our Board reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (viii) If your Internet Share Application is unsuccessful or successful in part only, Issuing House shall inform the relevant Internet Participating Financial Institution of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. Where your Internet Share Application is unsuccessful, the relevant Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies, in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from Issuing House. You may check your account on the fifth (5th) Market Day from the balloting day.

If your Internet Share Application is successful in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from Issuing House. We will, however, hold in reserve a number of applications to replace any successfully balloted applications that are subsequently rejected. If your application held in reserve is subsequently rejected, your application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by Issuing House by crediting into your account with the Internet Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at your own risk.

For applications that are held in reserve and which are subsequently unsuccessful (or partly successful), the Internet Participating Financial Institution will credit into your account the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within two (2) Market Days after the receipt confirmation from Issuing House.

Except where Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which the application was made in respect of the mode or procedure of enquiring on the status of the Internet Share Application in order to determine the status or exact number of IPO Shares allotted or allocated, if any, before trading of our IPO Shares on Bursa Securities.

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 12 November 2015 or such other date(s) as our Directors, Promoters and Principal Adviser 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.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

(x) You irrevocably agree and acknowledge that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution. If, in any such event, we, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(xi) All your particulars in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Share Application shall be deemed to be true and correct, and we, Issuing House, the relevant 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 thereof.

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allotment or allocation will be sent to your registered address last maintained 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.

(xii) By making and completing an Internet Share Application, you are deemed to have agreed that:

- in consideration of us making available the Internet Share Application facility to you through the Internet Participating Financial Institution acting as our agents, the Internet Share Application is irrevocable;
- you have irrevocably requested and authorised us to register the IPO Shares allotted or allocated to you for deposit into your CDS Account;
- neither us nor the Internet Participating Financial Institution 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 Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in **Section 17.6.2(x)** of this Prospectus or to any cause beyond their control;
- you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by Issuing House, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- the acceptance of your offer to subscribe for the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
- you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
- in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, RHB Investment Bank and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
- the acceptance of your Internet Share Application and the contract resulting therefrom under the IPO shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.

17.7 OVER / UNDER-SUBSCRIPTION

In the event of an over-subscription, our Issuing House will conduct a ballot in a manner as approved by our Directors to determine acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing our IPO Shares in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our Listing and completion of this IPO. We expect to achieve this at the point of our Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription for our IPO Shares reserved for application by the Public, all such IPO Shares not applied for will be made available for subscription by our Eligible Employees and persons who have contributed to the success of our Group under the Pink Form Tranche as described in Section 3.1.1(ii) of this Prospectus. Any remaining IPO Shares will subsequently be made available for subscription by our selected investors under the Placement Tranche as described in Section 3.1.1(iii) of this Prospectus and, if under-subscribed, such IPO Shares will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

Our IPO Shares reserved for subscription by our Eligible Employees and persons who have contributed to the success of our Group, will be underwritten based on the terms of the Underwriting Agreement.

Our IPO Shares reserved for subscription by identified investors will not be underwritten as written irrevocable undertakings to subscribe for such IPO Shares have been procured from the respective identified investors.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Where your successfully balloted application under White Application Form is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten (10) Market Days from the date of the final ballot of the application list to your address registered with Bursa Depository.

Where your successfully balloted application under Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your application monies will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution respectively.

17.8 APPLICATIONS AND ACCEPTANCES

Issuing House, acting on the authority of our Board reserves the right not to accept your Application, if it does not strictly comply with the instructions, or to accept your Application in part only without assigning any reason therefor.

The submission of an Application Form does not necessarily mean that the Application will be successful.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

IF YOUR APPLICATION IS REJECTED 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 AND SHALL BE DESPATCHED BY ORDINARY POST OR BY CREDITING INTO YOUR BANK ACCOUNT WHICH HAS BEEN REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSES OF CASH DIVIDEND/DISTRIBUTION TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

17.9 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Shares as prescribed securities. In consequence thereof, the share 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 Securities Industry (Central Depository) Act, 1991 and Rules of Bursa Depository.

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. Thus, we will not issue any share certificates to you.

Only if you have a CDS Account can you make an Application by way of an Application Form. If you apply using an Application Form, you should state 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 your CDS Account to Issuing House or us and any relevant regulatory bodies, as the case may be. If 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.

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Only if you have a CDS Account can you make an Application by way of an Electronic Share Application. If you apply using 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.

Only if you have a CDS Account can you make an Application by way of an Internet Share Application. In certain cases, you can only make an Internet Share Application if you have a CDS Account opened with the Internet Participating Financial Institution. Arising therewith, your CDS Account number would automatically appear in the e-IPO online application form.

If you fail to comply with these specific instructions or there are inaccuracies in the CDS Account number, arising from use of invalid, third party or nominee accounts, your application may be rejected. If you are successful in your Application but fail to state your CDS Account number, Issuing House, acting on the authority of our Board, reserves the right to reject your Application. Issuing House, acting on the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. We may also reject your Application if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if 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 your identity card number, name and nationality.

17.10 NOTICE OF ALLOTMENT

If your Application is successful or partially successful, we will credit our Shares allotted to you to your CDS accounts. We will despatch a notice of allotment to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. For Electronic Share Applications or Internet Share Applications, the notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your Application as we will not be issuing any share certificate to you.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which we shall send the notification letter on your allotment to your address last maintained with Bursa Depository.

You may also check the status of your application by calling your respective ADAs at the telephone number as stated in Section 17.11 hereof or at the telephone numbers stated below between five (5) to ten (10) market days (during office hours only) or checking the website stated below after the date of allotment of the Shares:

Issuing House Enquiry Services : 03-2783 9299
Issuing House Website : www.myetricor.com

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**17.11 LIST OF AUTHORISED DEPOSITORY AGENTS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

| Name | Address and telephone number | Broker Code |
|--|---|--------------------|
| <u>KUALA LUMPUR</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD) | Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668 | 068-018 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD) | No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803 | 068-021 |
| ALLIANCE INVESTMENT BANK BHD | 17 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333 | 076-001 |
| AMINVESTMENT BANK BERHAD | 8-9, 11-18, 21-25 Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2036 2633 | 086-001 |
| BIMB SECURITIES SDN BHD | 32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887 | 024-001 |
| CIMB INVESTMENT BANK BHD | Principal Office Level 17, Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888 | 065-001 |
| CITIGROUP GLOBAL MARKETS MALAYSIA SDN BHD | Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890 | 038-001 |
| CLSA SECURITIES MALAYSIA SDN BHD | Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888 | 033-001 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>KUALA LUMPUR (CONT'D)</u> | | |
| CREDIT SUISSE SECURITIES (MALAYSIA) SDN BHD | Suite 7.6, Level 7 Menara IMC8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020 | 036-001 |
| FA SECURITIES SDN BHD | A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676 | 021-002 |
| HONG LEONG INVESTMENT BANK BERHAD | Level 6, 7, 17, 19, 22 & 23 Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168 | 066-001 |
| HONG LEONG INVESTMENT BANK BERHAD | 18 th & 21 st Floor Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899 | 066-006 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | Tingkat 2, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688 | 068-009 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No.: 03-2287 2273 | 068-017 |
| INTER-PACIFIC SECURITIES SDN BHD | West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888 | 054-001 |
| INTER-PACIFIC SECURITIES SDN BHD | Tingkat Bawah, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796 | 054-003 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--|--|-------------|
| <u>KUALA LUMPUR (CONT'D)</u> | | |
| J.P.MORGAN SECURITIES (MALAYSIA) SDN BHD | Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50250 Kuala Lumpur Tel No.: 03-2270470 | 035-001 |
| JUPITER SECURITIES SDN BHD | Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888 | 055-001 |
| KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD | 11 th - 14 th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800 | 053-001 |
| KENANGA INVESTMENT BANK BHD | Tingkat 4-10, 15-16, 18 & 20 Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080 | 073-001 |
| KENANGA INVESTMENT BANK BERHAD | M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806 | 073-020 |
| KENANGA INVESTMENT BANK BERHAD | Ground, Mezzanine, 1st & 2nd Floors (West & Center Wing) & 1st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888 | 073-021 |
| KENANGA INVESTMENT BANK BERHAD | 1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133 | 073-029 |
| M & A SECURITIES SDN BHD | Aras 1-3, No. 45 & 47 and No. 43-6 The Boulevard, Bandar Mid Valley Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820 | 057-002 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>KUALA LUMPUR (CONT'D)</u> | | |
| M & A SECURITIES SDN BHD | 22A & 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890 | 057-004 |
| MACQUARIE CAPITAL SECURITIES(MALAYSIA) SDN BHD | Aras 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833 | 032-001 |
| MAYBANK INVESTMENT BANK BERHAD | Tingkat 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888 | 098-001 |
| MERCURY SECURITIES SDN BHD | L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227 | 093-002 |
| MIDF AMANAH INVESTMENT BANK BHD | 8 th , 9 th , 10 th , 11 th & 12 th Floor Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888 | 026-001 |
| NOMURA SECURITIES MALAYSIA SDN BHD | Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811 | 037-001 |
| PM SECURITIES SDN BHD | Ground Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000 | 064-001 |
| PUBLIC INVESTMENT BANK BHD | 27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011 | 051-001 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|-------------------------------------|---|-------------|
| <u>KUALA LUMPUR (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888 | 087-001 |
| RHB INVESTMENT BANK BHD | Tingkat 12, 15 (Sebahagian), 20 (sebahagian) & 21 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333 | 087-018 |
| RHB INVESTMENT BANK BHD | No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869 | 087-028 |
| RHB INVESTMENT BANK BHD | No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798 | 087-054 |
| RHB INVESTMENT BANK BHD | Ground, First, Second and Third Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222 | 087-058 |
| TA SECURITIES HOLDINGS BHD | Tingkat 13-15, 23,28-30,32,34 & 35 No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277 | 058-003 |
| UBS SECURITIES MALAYSIA SDN BHD | Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100 | 031-001 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--|--|-------------|
| <u>KUALA LUMPUR (CONT'D)</u> | | |
| UOB KAY HIAN SECURITIES (M) SDN BHD | N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000 | 078-004 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888 | 078-010 |
| <u>SELANGOR DARUL EHSAN</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD) | 3rd & 4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999 | 068-019 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD) | Lot 229, Tingkat 2, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016 | 068-020 |
| AMINVESTMENT BANK BERHAD | Aras 4, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613 | 086-003 |
| CIMB INVESTMENT BANK BHD | Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388 | 065-009 |
| HONG LEONG INVESTMENT BANK BERHAD | Level 10, First Avenue Persiaran Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888 | 066-002 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>SELANGOR DARUL EHSAN (CONT'D)</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS 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.: 03-5513 3288 | 068-002 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | East Wing & Centre Link Tingkat 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688 | 068-010 |
| JF APEX SECURITIES BHD | 3 rd , 5 th , 6 th and 10 th Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118 | 079-001 |
| JF APEX SECURITIES BHD | Level 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118 | 079-002 |
| JF APEX SECURITIES BHD | Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No.: 03-5879 0163 | 079-004 |
| JUPITER SECURITIES SDN BHD | No. 42 – 46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838 | 055-004 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>SELANGOR DARUL EHSAN (CONT'D)</u> | | |
| KENANGA INVESTMENT BANK BHD | Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200 | 073-005 |
| KENANGA INVESTMENT BANK BHD | 55C (2 nd Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773 | 073-006 |
| KENANGA INVESTMENT BANK BHD | Lot 240, Second Floor The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095 | 073-016 |
| KENANGA INVESTMENT BANK BHD | Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118 | 073-030 |
| KENANGA INVESTMENT BANK BHD | No. 35, Ground, 1 st and 2 nd Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080 | 073-035 |
| MALACCA SECURITIES SDN BHD | No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533 | 012-002 |
| MALACCA SECURITIES SDN BHD | No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 1300 221 223 | 012-003 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>SELANGOR DARUL EHSAN (CONT'D)</u> | | |
| MAYBANK INVESTMENT BANK BERHAD | Level 8 68 Jalan Batai Laut 4 Taman Bukit Camerlang 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888 | 098-003 |
| MAYBANK INVESTMENT BANK BERHAD | Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888 | 098-004 |
| PM SECURITIES SDN BHD | No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773 | 064-003 |
| PM SECURITIES SDN BHD | No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300 | 064-007 |
| RHB INVESTMENT BANK BHD | 24, 24M, 24A, 26M, 28M, 28A, 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366 | 087-011 |
| RHB INVESTMENT BANK BHD | No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378 | 087-045 |
| RHB INVESTMENT BANK BHD | Tingkat Satu 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916 | 087-047 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>SELANGOR DARUL EHSAN (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180 | 087-048 |
| RHB INVESTMENT BANK BHD | Ground Floor and First Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-6148 3361 | 087-049 |
| RHB INVESTMENT BANK BHD | 11-1 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-6148 3361 | 087-051 |
| RHB INVESTMENT BANK BHD | Unit 1 B, 2 B & 3B, USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518 | 087-059 |
| SJ SECURITIES SDN BHD | Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202 | 096-001 |
| SJ SECURITIES SDN BHD | 101B, Jalan SS 15/5A 47500, Subang Jaya Selangor Darul Ehsan Tel No.: 5631 7888 | 096-002 |
| 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.: 03-8025 1880 | 058-005 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>SELANGOR DARUL EHSAN (CONT'D)</u> | | |
| TA SECURITIES HOLDINGS BERHAD | Damansara Utama Branch 2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713 | 058-007 |
| <u>PERAK DARUL RIDZUAN</u> | | |
| CIMB INVESTMENT BANK BERHAD | Ground, 1 st , 2 nd and 3 rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688 | 065-010 |
| HONG LEONG INVESTMENT BANK BERHAD | 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888 | 066-003 |
| AFFIN HWANG INVESTMENT BANK BHD (formerly known as HwangDBS Investment Bank Berhad) | Tingkat Bawah, Aras 1,2 & 3 21 Jalan Stesen, 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688 | 068-003 |
| AFFIN HWANG INVESTMENT BANK BHD (formerly known as HwangDBS Investment Bank Berhad) | Tingkat Bawah, 1 & 2 No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988 | 068-015 |
| KENANGA INVESTMENT BANK BHD | Ground, 1 st , 2 nd & 4 th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828 | 073-022 |
| KENANGA INVESTMENT BANK BHD | No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6222 828 | 073-026 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--|---|-------------|
| <u>PERAK DARUL RIDZUAN (CONT'D)</u> | | |
| KENANGA INVESTMENT BANK BHD | Ground Floor, No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828 | 073-031 |
| M & A SECURITIES SDN BHD | 5th, 6th, & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800 | 057-001 |
| MAYBANK INVESTMENT BANK BERHAD | B-G-04 (Aras Bawah), Aras 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400 | 098-002 |
| RHB INVESTMENT BANK BHD | No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498 | 087-014 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228 | 087-016 |
| RHB INVESTMENT BANK BHD | 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100 | 087-023 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229 | 087-034 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--|---|-------------|
| <u>PERAK DARUL RIDZUAN (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu No.72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261 | 087-044 |
| RHB INVESTMENT BANK BHD | No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888 | 087-052 |
| TA SECURITIES HOLDINGS BHD | Bahagian Kanan Tingkat Bawah, Tingkat 1 & 2, Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313 | 058-001 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | No. 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6216 010 | 078-009 |
| <u>PENANG</u> | | |
| ALLIANCE INVESTMENT BANK BHD | Ground & Mezzanine Floor Bangunan Berkath 21 Beach Street 10300, Georgetown Penang Tel No : 04-2611 688 | 076-015 |
| AMINVESTMENT BANK BERHAD | Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818 | 086-001 |
| CIMB INVESTMENT BANK BHD | Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900 | 065-003 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>PENANG (CONT'D)</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | Level 2, 3, 4, 5 & 7, Wisma Sri Pinang 60, Green Hall; and Levels 2,3,4,5,6,7& 8, Wisma Sri Pinang II 42, Green Hall 10200 Penang Tel No.: 04-2636 996 | 068-001 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Penang Tel No.: 04-5372 882 | 068-006 |
| INTER-PACIFIC SECURITIES SDN BHD | Ground Floor, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Penang Tel No.: 04-2690 888 | 054-002 |
| JUPITER SECURITIES SDN BHD | 20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881 | 055-003 |
| KENANGA INVESTMENT BANK BHD | 7 th , 8 th & 16 th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355 | 073-023 |
| M & A SECURITIES SDN BHD | 332H-1 & 332G-2 Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611 | 057-005 |
| M & A SECURITIES SDN BHD | 216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Penang Tel No.: 04-2617 611 | 057-008 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|-----------------------------------|---|-------------|
| <u>PENANG (CONT'D)</u> | | |
| MALACCA SECURITIES SDN BHD | No. 39-1 Jalan Lenggong Vantage Point 11600 Jelutong Penang Tel No.: 04-2821 533 | 012-004 |
| MAYBANK INVESTMENT BANK BERHAD | Lot 1.02, Tingkat 1, Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04 2196 888 | 098-006 |
| MERCURY SECURITIES SDN BHD | Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel No.: 04-3322 123 | 093-001 |
| MERCURY SECURITIES SDN BHD | 2 nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Penang Tel No.: 04-2639 118 | 093-004 |
| MERCURY SECURITIES SDN BHD | 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822 | 093-006 |
| PM SECURITIES SDN BHD | Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2273 000 | 064-004 |
| RHB INVESTMENT BANK BHD | Aras Bawah, 1 dan 2 No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022 | 087-005 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|-------------------------------------|--|-------------|
| <u>PENANG (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat Satu dan Tingkat Dua No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel No.: 04-5402 888 | 087-015 |
| RHB INVESTMENT BANK BHD | 834, Tingkat Bawah dan Tingkat Satu 835, Tingkat Satu Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Penang Tel No.: 04-5831 888 | 087-032 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuah Bishop 10200 Penang Tel No.: 04-2634 222 | 087-033 |
| RHB INVESTMENT BANK BHD | No. 15-G-5, 15-G-6, 15-1-5 , 15-1-6, 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888 | 087-042 |
| RHB INVESTMENT BANK BHD | 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Penang Tel No.: 04-8352 988 | 087-056 |
| SJ SECURITIES SDN BHD | 12th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 Georgetown Penang | 096-003 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | 1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318 | 078-002 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>PENANG (CONT'D)</u> | | |
| UOB KAY HIAN SECURITIES (M) SDN BHD | Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388 | 078-003 |
| <u>PERLIS INDRA KAYANGAN</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu No. 39, Taman Suriani Persiaran Jubli Emas 1000 Kangar, Perlis Tel No.: 04-9793 888 | 087-060 |
| <u>KEDAH DARUL AMAN</u> | | |
| ALLIANCE INVESTMENT BANK BHD | 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088 | 076-004 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666 | 068-011 |
| RHB INVESTMENT BANK BHD | No. 112, Jalan Pengkalan Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888 | 087-017 |
| RHB INVESTMENT BANK BHD | 35, Tingkat Bawah Jalan Suria 1, Jalan Bayu 9000 Kulim Kedah Darul Aman Tel No.: 04-4964 888 | 087-019 |
| RHB INVESTMENT BANK BHD | 214-A, 214-B, 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888 | 087-021 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>KEDAH DARUL AMAN (CONT'D)</u> | | |
| UOB KAY HIAN SECURITIES (M) SDN BHD | Lot 4, 5 & 5A 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 5150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111 | 078-007 |
| <u>NEGERI SEMBILAN DARUL KHUSUS</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288 | 068-007 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | No. 6, Tingkat Atas Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188 | 068-013 |
| KENANGA INVESTMENT BANK BHD | 1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998 | 073-033 |
| MAYBANK INVESTMENT BANK BERHAD | Wisam HM, Ground Floor No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555 | 098-005 |
| PM SECURITIES SDN BHD | 1 st , 2 nd & 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131 | 064-002 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641 | 087-024 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|--------------------|
| <u>NEGERI SEMBILAN DARUL KHUSUS (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Satu, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000 | 087-037 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah & Tingkat Mezanin No. 346 & 347, Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234 | 087-046 |
| <u>MELAKA</u> | | |
| CIMB INVESTMENT BANK BHD | Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 800 | 065-006 |
| KENANGA INVESTMENT BANK BHD | 71 (Ground, A&B) & 73(Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720 | 073-028 |
| KENANGA INVESTMENT BANK BHD | 22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550 | 073-034 |
| MALACCA SECURITIES SDN BHD | No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang, 75250 Melaka Tel No.: 06-3371 533 | 012-001 |
| MERCURY SECURITIES SDN BHD | No. 81-B & 83-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898 | 093-003 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|----------------------------------|---|-------------|
| <u>MELAKA (CONT'D)</u> | | |
| PM SECURITIES SDN BHD | No. 6-1 Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel No.: 06-2866 008 | 064-006 |
| RHB INVESTMENT BANK BHD | No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2849 885 | 087-002 |
| RHB INVESTMENT BANK BHD | 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211 | 087-026 |
| TA SECURITIES HOLDINGS BHD | No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618 | 058-008 |
| <u>JOHOR DARUL TAKZIM</u> | | |
| ALLIANCE INVESTMENT BANK BHD | No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922 | 076-006 |
| AMINVESTMENT BANK BERHAD | 2 nd , 3 rd , 4 th Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282 | 086-002 |
| AMINVESTMENT BANK BERHAD | 18 th & 31 st Floor Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 855 | 086-001 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>JOHOR DARUL TAKZIM (CONT'D)</u> | | |
| CIMB INVESTMENT BANK BERHAD | No. 73 Ground Floor, No. 73A First Floor & No.79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888 | 065-011 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692 | 068-004 |
| INTER-PACIFIC SECURITIES SDN BHD | 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211 | 054-004 |
| JUPITER SECURITIES SDN BHD | 30-1 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878 | 055-002 |
| KENANGA INVESTMENT BANK BHD | Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600 | 073-004 |
| KENANGA INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Mezzanine No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 500 | 073-009 |
| KENANGA INVESTMENT BANK BHD | No. 33 & 35, (Tingkat Bawah dan Tingkat Satu A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161 | 073-010 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>JOHOR DARUL TAKZIM (CONT'D)</u> | | |
| KENANGA INVESTMENT BANK BHD | Tingkat Bawah No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292 | 073-011 |
| KENANGA INVESTMENT BANK BHD | No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963 | 073-017 |
| KENANGA INVESTMENT BANK BHD | Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423 | 073-019 |
| KENANGA INVESTMENT BANK BHD | No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222 | 073-024 |
| KENANGA INVESTMENT BANK BHD | Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885 | 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.: 07-3381 233 | 057-003 |
| M & A SECURITIES SDN BHD | 26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2366 288 | 057-006 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>JOHOR DARUL TAKZIM (CONT'D)</u> | | |
| M & A SECURITIES SDN BHD | No. 27, 27A & 27 B Jalan Molek 3/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 3551 988 | 057-007 |
| MALACCA SECURITIES SDN BHD | 74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3351 533 | 012-005 |
| MERCURY SECURITIES SDN BHD | Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992 | 093-005 |
| 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 BHD | 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821 | 087-006 |
| RHB INVESTMENT BANK BHD | 53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288 | 087-009 |
| RHB INVESTMENT BANK BHD | No. 33-1 Tingkat 1 & 2 (Unit Penjuru) Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262 | 087-025 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>JOHOR DARUL TAKZIM (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628 | 087-029 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543 | 087-030 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah & Tingkat Satu No. 40 Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655 | 087-031 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288 | 087-035 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180 | 087-038 |
| RHB INVESTMENT BANK BHD | Tingkat Satu No 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881 | 087-039 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>JOHOR DARUL TAKZIM (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Tingkat 1 & Tingkat 2 No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293 | 087-043 |
| TA SECURITIES HOLDINGS BHD | 7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278 | 058-009 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000 | 078-001 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398 | 078-005 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218 | 078-006 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633 | 078-008 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| <u>Name</u> | <u>Address and telephone number</u> | <u>Broker Code</u> |
|-----------------------------------|--|--------------------|
| <u>KELANTAN DARUL NAIM</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah & Tingkat Satu No. 3953-H, PT225, 1 st Floor, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077 | 087-020 |
| TA SECURITIES HOLDINGS BHD | 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388 | 058-004 |
| <u>PAHANG DARUL MAKMUR</u> | | |
| ALLIANCE INVESTMENT BANK BHD | Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800 | 076-002 |
| CIMB INVESTMENT BANK BHD | Ground 1 st & 2 nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-2057 800 | 065-007 |
| JUPITER SECURITIES SDN BHD | 2 nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136 | 055-005 |
| KENANGA INVESTMENT BANK BHD | A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698 | 073-027 |
| RHB INVESTMENT BANK BHD | B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811 | 087-007 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--|---|-------------|
| <u>PAHANG DARUL MAKMUR (CONT'D)</u> | | |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943 | 087-022 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913 | 087-041 |
| <u>TERENGGANU DARUL IMAN</u> | | |
| ALLIANCE INVESTMENT BANK BHD | Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922 | 076-009 |
| FA SECURITIES SDN BHD | No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128 | 021-001 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah dan Tingkat Satu 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109 | 087-027 |
| RHB INVESTMENT BANK BHD | 1 st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816 | 087-055 |
| <u>SABAH</u> | | |
| CIMB INVESTMENT BANK BHD | 1 st – 3 rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878 | 065-005 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|--|-------------|
| <u>SABAH (CONT'D)</u> | | |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688 | 068-008 |
| KENANGA INVESTMENT BANK BHD | Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188 | 073-032 |
| RHB INVESTMENT BANK BHD | 2nd Floor, No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788 | 087-010 |
| RHB INVESTMENT BANK BHD | Lot 14-0 & 14-1 Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No.: 088-258 666 | 087-036 |
| RHB INVESTMENT BANK BHD | Tingkat Bawah, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4, North Road 91000 Sandakan Sabah Tel No.: 089-229 286 | 087-057 |
| UOB KAY HIAN SECURITIES (M) SDN BHD | 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090 | 078-011 |
| <u>SARAWAK</u> | | |
| AMINVESTMENT BANK BERHAD | 1 st , 2 nd & 3 rd Floor No. 162, 164, 166 & 168 1 st , 2 nd & 3 rd Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791 | 086-001 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|---|---|-------------|
| <u>SARAWAK (CONT'D)</u> | | |
| CIMB INVESTMENT BANK BERHAD | Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688 | 065-004 |
| CIMB INVESTMENT BANK BERHAD | No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No.: 084-367 700 | 065-008 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | Ground Floor & 1 st Floor No. 1, Jalan Pending 1 st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999 | 068-005 |
| AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD) | No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008 | 068-016 |
| KENANGA INVESTMENT BANK BHD | Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577 | 073-002 |
| KENANGA INVESTMENT BANK BHD | Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000 | 073-003 |
| KENANGA INVESTMENT BANK BHD | No. 11-12, (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855 | 073-012 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|-----------------------------------|---|-------------|
| <u>SARAWAK (CONT'D)</u> | | |
| KENANGA INVESTMENT BANK BHD | Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588 | 073-018 |
| KENANGA INVESTMENT BANK BERHAD | Yung Kong Abell Suite 9 & 10, 3 rd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877 | 073-036 |
| RHB INVESTMENT BANK BHD | Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888 | 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.: 085-422 788 | 087-012 |
| RHB INVESTMENT BANK BERHAD | 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100 | 087-013 |
| RHB INVESTMENT BANK BERHAD | Tingkat Bawah dan Tingkat Satu No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100 | 087-050 |

17. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

| Name | Address and telephone number | Broker Code |
|--------------------------------|---|--------------------|
| <u>SARAWAK (CONT'D)</u> | | |
| RHB INVESTMENT BANK BERHAD | Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770 | 087-053 |
| TA SECURITIES HOLDINGS BHD | 12G, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998 | 058-002 |
| TA SECURITIES HOLDINGS BHD | Tingkat 2, (Bahagian Hadapan) Bangunan Binamas, Lot 138, Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333 | 058-006 |

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