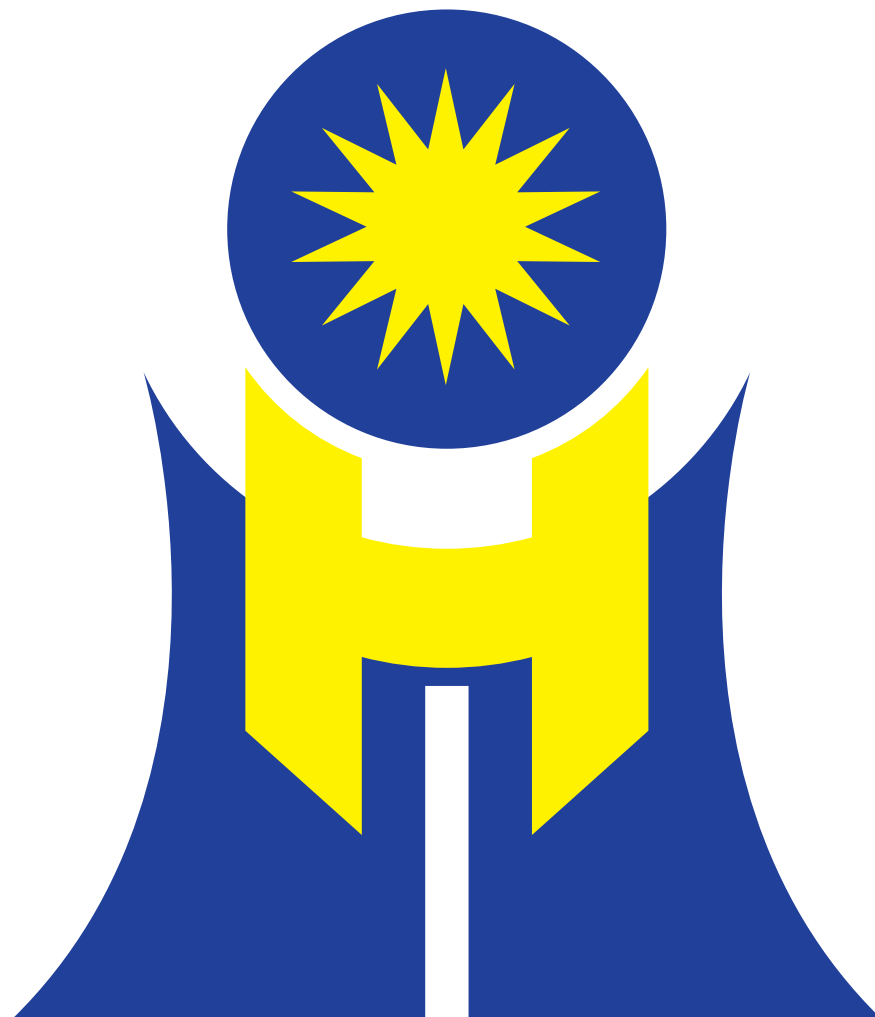


P R O S P E C T U S



PROSPECTUS

MATANG BERHAD

(Company No. 1142377-X)

P R O S P E C T U S



MATANG BERHAD

(Company No. 1142377-X)

(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 130,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN OUR COMPANY FOR APPLICATION BY THE MALAYSIAN PUBLIC AT AN ISSUE PRICE OF RM0.13 PER SHARE, PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH OUR INITIAL PUBLIC OFFERING AND LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Sponsor and Underwriter



M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 4 HEREIN.

YOU ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

This Prospectus is dated 19 December 2016

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

M&A Securities Sdn Bhd, being our Adviser, Sponsor and Underwriter to our IPO (as defined herein), 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.

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

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss that you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. A copy of this Prospectus, together with the Application Form (as defined herein), has also been lodged with the CCM (as defined herein) who takes no responsibility for its contents.

Companies listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") may have a limited operating history or may not have any profit track record prior to listing. Such companies may be of high investment risk. As with all investments, you should be aware of all potential risks in investing in such companies and should make the decision to invest after giving due and careful consideration by referring to, among others, this Prospectus, latest financial statements and corporate announcements. You are strongly recommended to seek advice from securities professional/adviser.

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

Our IPO is an exempt transaction under Section 212(8) of the Capital Markets and Services Act 2007 ("CMSA") and is therefore not subject to the approval of the SC.

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 30 August 2016. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The valuation utilised for the purpose of our corporate proposals should not be construed as an endorsement by the SC on the value of the subject assets.

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

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

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subject to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

You may also obtain a copy of the Electronic Prospectus from the websites of Malayan Banking Berhad at www.maybank2u.com.my, RHB Bank Berhad at www.rhb.com.my, CIMB Investment Bank Berhad at www.eipocimb.com, CIMB Bank Berhad at www.cimbclicks.com.my, Affin Bank Berhad at www.affinonline.com, Affin Hwang Investment Bank Berhad at www.trade.affinhwang.com and Public Bank Berhad at www.pbebank.com.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or issuing house, a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

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

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

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

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

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

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

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

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	19 December 2016
Closing of application for our IPO	3 January 2017
Balloting of the application for our IPO Shares	6 January 2017
Allotment of our IPO Shares to successful applicants	13 January 2017
Date of Listing	17 January 2017

This timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. The application period for our IPO will close at the date stated above or such later date as our Directors, Promoters and Underwriter in their absolute discretion may mutually decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the application for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "Matang" and the "Company" in this Prospectus are to Matang Berhad (Company No. 1142377-X). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or one (1) decimal place. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in "Definitions" appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third party projections, including the projections from the Independent Market Researcher, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third-party projections cited in this Prospectus.

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

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FORWARD LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) Demand for our products;
- (b) Our business strategies;
- (c) Our future plans and objectives for future operations;
- (d) Our financial position;
- (e) Our future earnings, cash flows and liquidity; and
- (f) Our ability to pay future dividends.

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

- (a) The economic, political and investment environment in Malaysia and globally; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 4-"Risk Factors" and Section 11-"Historical Financial Information" of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

"Matang" or "Company"	:	Matang Berhad (1142377-X)
"Matang Group" or "Group"	:	Matang and its wholly-owned subsidiaries, collectively
"MHB"	:	Matang Holdings Berhad (38557-X), a wholly-owned subsidiary of Matang
"MRSB"	:	Matang Realty Sdn Bhd (89846-T), a wholly-owned subsidiary of MHB

GENERAL:

"ACE Market"	:	ACE Market of Bursa Securities
"Act"	:	Companies Act, 1965
"ADA"	:	Authorised Depository Agent
"Application"	:	The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form(s)"	:	The printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM(s)"	:	Automated Teller Machine(s)
"Board"	:	Board of Directors of Matang
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CAGR"	:	Compounded annual growth rate
"CCM"	:	Companies Commission of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
"Closing Date"	:	The date adopted in the Prospectus as the last date for acceptance and receipt of application and payment for the subscription for our IPO Shares or such other later date as our Board, our Promoters and our Underwriter may in their absolute discretion mutually agree upon
"CMSA"	:	Capital Markets and Services Act 2007

DEFINITIONS (Cont'd)

"DDWG"	:	Due diligence working group
"Depository Rules"	:	The Rules of Bursa Depository and any appendices thereto
"Director"	:	Either an executive director or a non-executive director of our Company within the meaning of Section 4 of the Act
"EBIT"	:	Earnings before interest and taxation
"EBITDA"	:	Earnings before interest expense, taxation, depreciation and amortisation
"ECU"	:	Equity Compliance Unit of the SC
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to CD ROMs or floppy disks
"Electronic Share Application"	:	Application for our IPO Shares through a Participating Financial Institution's ATM
"EPS"	:	Earnings per share
"Exchange of Shares"	:	Exchange between our Company and the shareholders of MHB as per the record of shareholders on 14 November 2016, of the entire issued and paid-up share capital in MHB of RM60,000,002 comprising 120,000,004 MHB Shares for 1,680,000,056 new Matang Shares (at the issue price of RM0.10 per Matang Share) under Section 176 of the Act on the basis of 14 new Matang Shares for every one (1) MHB Share held The Exchange of Shares was completed on 14 November 2016 and resulted in MHB becoming a wholly-owned subsidiary of Matang
"FYE(s)"	:	Financial year(s) ended/ending 30 June, as the case may be
"FPE(s)"	:	Financial period(s) ended/ending
"FRS"	:	Financial Reporting Standards
"GP"	:	Gross profit
"Huaren"	:	Huaren Holdings Sdn Bhd (31319-K), one of our Promoters
"IFRS"	:	International Financial Reporting Standards
"IMR" or "Protégé Associates"	:	Protégé Associates Sdn Bhd (675767-H), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Strategic Analysis of the Palm Oil Industry Focusing on the Plantation Segment in Malaysia"

DEFINITIONS (Cont'd)

"Internet Share Application"	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
"Internet Participating Financial Institutions"	:	The participating financial institutions for Internet Share Application as listed in Section 16 of this Prospectus
"Initial Public Offering" or "IPO"	:	Our initial public offering via the Public Issue
"IPO Price"	:	Our issue price of RM0.13 per Share pursuant to our Public Issue
"Issue Share(s)" or "IPO Share(s)"	:	The new Share(s) to be issued pursuant to our Public Issue subject to the terms and conditions of this Prospectus
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
"Lenga"	:	Lenga Palmoil Industries Sdn Bhd (65441-U)
"Listing"	:	Listing of and quotation for our entire enlarged issued and paid-up share capital of RM181,000,025.60 comprising 1,810,000,256 Shares on the ACE Market of Bursa Securities
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	Comprising our Public Issue and Listing, collectively
"LPD"	:	28 November 2016, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M&A Securities Sdn Bhd (15017-H), our Adviser, Sponsor and Underwriter
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCA"	:	Malaysian Chinese Association (registered under Societies Ordinance, 1949, registration number PPM1047/50), the controlling shareholder of our Promoters, Huaren and Rohua
"Memorandum and Articles"	:	Memorandum and Articles of Association of our Company
"MFRS"	:	Malaysian Financial Reporting Standards
"MHB MI"	:	The 18,627 shareholders holding 105,491,004 MHB Shares, representing 87.91% equity interest in MHB prior to the completion of the Exchange of Shares other than our Promoters
"MHB Share(s)"	:	Ordinary shares of RM0.50 each in MHB

DEFINITIONS (Cont'd)

"MPOB"	:	Malaysian Palm Oil Board, a government agency responsible for the promotion and development of the palm oil industry in Malaysia
"NA"	:	Net assets
"NBV"	:	Net book value
"NTA"	:	Net tangible assets
"Official List"	:	The list specifying all securities which have been admitted for listing of Bursa Securities and not removed
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application, as listed in Section 16 of this Prospectus
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Promoters"	:	Collectively, Huaren and Rohua
"Prospectus"	:	This prospectus dated 19 December 2016 in relation to our IPO
"Public Issue"	:	The public issue of 130,000,000 Issue Shares at our IPO Price
"RM"	:	Ringgit Malaysia, the lawful currency of Malaysia
"Rohua"	:	Rohua Sdn Bhd (95706-A), one of our Promoters
"SC"	:	Securities Commission Malaysia
"Scheme Agreement"	:	The scheme agreement dated 6 May 2016 entered into between our Company and MHB for the Exchange of Shares to form our listing group structure
"Share(s)" or "Matang Share(s)"	:	Ordinary share(s) of RM0.10 each in Matang
"SICDA" or "Depository Act"	:	Securities Industry (Central Depositories) Act, 1991
"sq ft"	:	Square feet
"Trust Deed"	:	The trust deed dated 4 November 2016 entered into between our Company and Malaysian Trustee Berhad pursuant to the Exchange of Shares
"Underwriter"	:	M&A Securities
"Underwriting Agreement"	:	The underwriting agreement dated 28 November 2016 entered into between our Company and M&A Securities pursuant to our IPO
"USA"	:	United States of America
"USD"	:	United States dollar, the lawful currency of USA

DEFINITIONS (Cont'd)

PROPERTIES OWNED BY OUR GROUP:

- "Matang Estate" : Our oil palm plantation located within the District of Ledang and District of Segamat, Johor with a total net land area of 1,096.3 hectares
- "Larkin Investment Property" : Investment property comprising three (3) units of detached buildings at Kawasan Perindustrian Larkin (also known as Dato' Onn Industrial Estate), Johor Bahru with a total land area of 1.295 hectares
- "Tangkak Investment Land" : Vacant land located in Tangkak, District of Ledang, Johor with a total land area of 5,016.85 square metres

TECHNICAL GLOSSARY:

- "CPO" : Crude palm oil, a type of vegetable oil obtained from FFB
- "FFB" : Fresh fruit bunches harvested from the oil palm
- "FFB yield" : The measurement of Mt of FFB produced per hectare
- "Mt" : Metric tonnes

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Gender)	Designation	Residential Address	Nationality/ Profession
Dato' Teh Kean Ming (M)	Independent Non-Executive Chairman	A-28-2, One Menerung 1, Jalan Menerung Bukit Bandaraya 53100 Kuala Lumpur	Malaysian/ Company Director
Datuk Kiat Swee Sung (M)	Executive Deputy Chairman	32-A, Cangkat Hartamas 2 Hartamas Heights 50480 Kuala Lumpur	Malaysian/ Company Director
Eng Cheng Guan (M)	Executive Director	28, Jalan Paya Kampung Machap 86200 Simpang Renggam Johor	Malaysian/ Company Director
Lew Weng Ho (M)	Independent Non-Executive Director	3, Jalan 12/11 46200 Petaling Jaya Selangor	Malaysian/ Company Director
Tee Choon Yeow (M)	Independent Non-Executive Director	617, Taman Bukit Kaya Jalan Sungai Ujong 70200 Seremban Negeri Sembilan	Malaysian/ Company Director
Foong Chee Meng (M)	Independent Non-Executive Director	49, Jalan BU 11/2 Bandar Utama 47800 Petaling Jaya Selangor	Malaysian/ Advocate and Solicitor
Datuk Tan Teck Poh @ Tan Ah Too (M)	Non-Independent Non-Executive Director	8, Jalan Temenggong 83000 Batu Pahat Johor	Malaysian/ Entrepreneur
Ng Keng Heng (M)	Non-Independent Non-Executive Director	17, Jalan Mutiara Emas 3/3 Taman Mount Austin 81100 Johor Bahru Johor	Malaysian/ Entrepreneur
Datuk Dr Lee Hong Tee (M)	Non-Independent Non-Executive Director	4, Jalan Hang Kasturi Taman Abdullah 85000 Segamat Johor	Malaysian/ Medical Doctor
Lau Liang Fook (M)	Non-Independent Non-Executive Director	80, Jalan Jingga Taman Pelangi 80400 Johor Bahru Johor	Malaysian/ Entrepreneur
Datuk Teoh Sew Hock (M)	Non-Independent Non-Executive Director	56, Jalan Kacang Panjang 81550 Gelang Patah Johor	Malaysian/ Entrepreneur
Chong Pow On (M)	Non-Independent Non-Executive Director	25, Jalan Sutera Pulai 2/2 Taman Sutera Utama 81300 Skudai Johor	Malaysian/ Entrepreneur

Note:

M refers to male.

1. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Lew Weng Ho	Chairman	Independent Non-Executive Director
Foong Chee Meng	Member	Independent Non-Executive Director
Tee Choon Yeow	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Tee Choon Yeow	Chairman	Independent Non-Executive Director
Lew Weng Ho	Member	Independent Non-Executive Director
Datuk Kiat Swee Sung	Member	Executive Deputy Chairman

NOMINATION COMMITTEE

Name	Designation	Directorship
Foong Chee Meng	Chairman	Independent Non-Executive Director
Lew Weng Ho	Member	Independent Non-Executive Director
Tee Choon Yeow	Member	Independent Non-Executive Director

REGISTERED OFFICE

: Unit 30-01, Level 30, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

 Telephone number: 03-2783 9191
 Facsimile: 03-2783 9111

HEAD OFFICE

: Suite 905, 9th Floor
 City Plaza
 Jalan Tebrau
 80300 Johor Bahru
 Johor

 Telephone number: 07-276 3933
 Facsimile: 07-276 3533

EMAIL ADDRESS AND WEBSITE

: Email address: info@matangholdings.com.my
 Website: <http://matangholdings.com.my/>

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : **Woo Min Fong** (MAICSA 0532413)
- Suite 1301, 13th Floor
City Plaza
Jalan Tebrau
80300 Johor Bahru
Johor
- Telephone number: 07-332 2088
- Wong Chee Yin** (MAICSA 7023530)
- Suite 1301, 13th Floor
City Plaza
Jalan Tebrau
80300 Johor Bahru
Johor
- Telephone number: 07-332 2088
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO** : **BDO (AF 0206)**
Chartered Accountants
- Suite 18-04
Level 18, Menara Zurich
No 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor
- Telephone number: 07-331 9815
Facsimile: 07-331 9817
- SOLICITORS FOR OUR IPO** : **Wong Beh & Toh**
Advocates & Solicitors
- Level 19
West Block
Wisma Selangor Dredging
No 142-C, Jalan Ampang
50450 Kuala Lumpur
- Telephone number: 03-2713 6050
Facsimile: 03-2713 6052

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL BANKERS : **United Overseas Bank (Malaysia) Bhd (271809-K)**

South Area Centre
1st Floor, No. 8, Jalan Ponderosa 2/1
Taman Ponderosa
81100 Johor Bahru
Johor

Telephone Number: 07-360 6900
Facsimile: 07-354 8322

RHB Bank Bhd (6171-M)

Ground Floor MCA Building
Jalan Muar
85200 Jementah
Johor

Telephone Number: 07-947 1578
Facsimile: 07-947 2402

INDEPENDENT MARKET RESEARCHER : **Protégé Associates Sdn Bhd (675767-H)**

Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Telephone No: 03-6201 9301
Facsimile: 03-6201 7302

ADVISER, SPONSOR AND UNDERWRITER : **M&A Securities Sdn Bhd (15017-H)**

Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911
Facsimile: 03-2284 2718

ISSUING HOUSE : **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

Telephone number: 03-2783 9299
Facsimile: 03-2783 9222

1. CORPORATE DIRECTORY (Cont'd)

SHARE REGISTRAR : **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

Telephone number: 03-2783 9299
Facsimile: 03-2783 9222

INDEPENDENT PROPERTY VALUERS : **KGV International Property Consultants (Johor) Sdn Bhd (214438-H)**

Unit 9-01, Level 9
Johor Bahru City Square (Office Tower)
Nos. 106-108, Jalan Wong Ah Fook
80000 Johor Bahru
Johor

Telephone number: 07-224 2022
Facsimile: 07-223 1366

PPC International Sdn Bhd (405011-U)

8th Floor, Campbell Complex
98 Jalan Dang Wangi
50100 Kuala Lumpur

Telephone number: 03-2692 3236
Facsimile: 03-2692 6457

TRUSTEE : **Malaysian Trustees Berhad (21666-V)**

Level 11, Tower 1, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Telephone number: 03-9280 8766
Facsimile: 03-9280 8767

LISTING SOUGHT : ACE Market of Bursa Securities

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2. INFORMATION SUMMARY

THE INFORMATION CONTAINED IN THIS SECTION IS INTENDED ONLY TO BE A SUMMARY OF SOME SALIENT INFORMATION RELATING TO US AND OUR IPO, AND THE INFORMATION CONCERNED IS DERIVED FROM AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES. YOU ARE ALSO ADVISED TO READ THE RISK FACTORS DESCRIBED IN SECTION 4 OF THIS PROSPECTUS FOR AN UNDERSTANDING OF THE RISKS ASSOCIATED WITH THE INVESTMENT IN OUR GROUP.

2.1 HISTORY AND BUSINESS

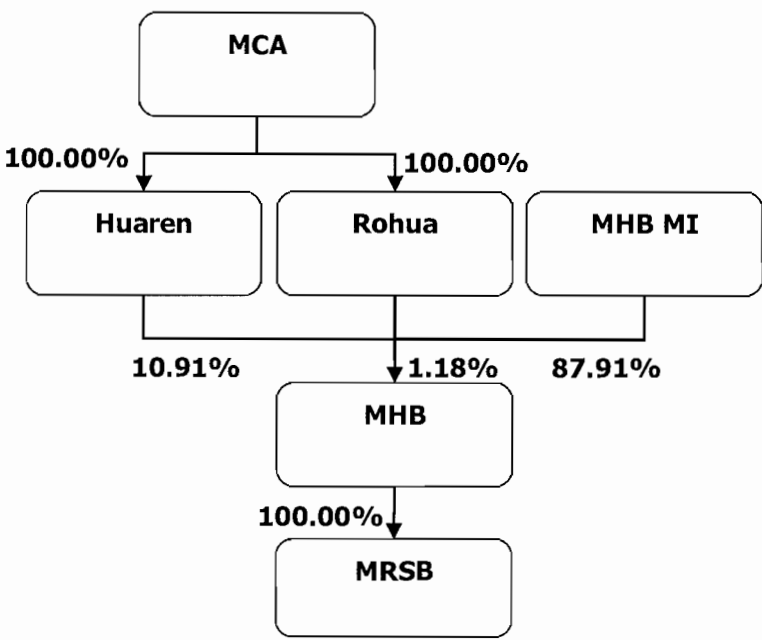
Matang Berhad was incorporated in Malaysia on 28 April 2015 under the Act as a public limited company with our current name.

We are an investment holding company. Through our subsidiaries, we are principally involved in the management of plantation estate, sale of FFB and property investment holding.

On 6 May 2016, we entered into the Scheme Agreement with MHB to undertake a scheme of arrangement under Section 176 of the Act whereby the entire issued and paid-up share capital of MHB of RM60,000,002 comprising 120,000,004 MHB Shares was exchanged for 1,680,000,056 new Matang Shares on the basis of 14 new Matang Shares for every one (1) MHB Share held. The Exchange of Shares was completed on 14 November 2016.

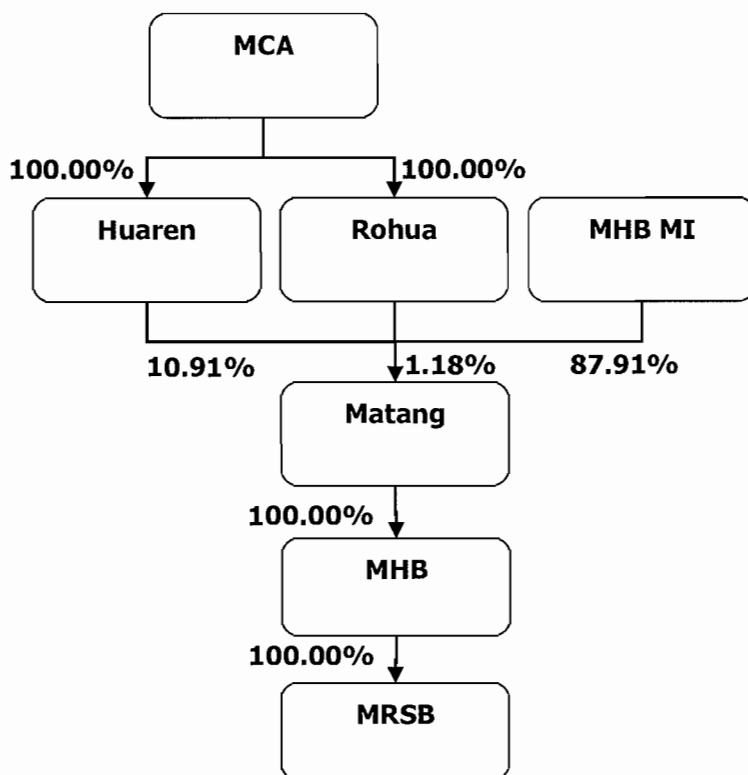
Based on the above, our Group structure before and after the Exchange of Shares as well as upon completion of the Listing is as follows:

Before the Exchange of Shares

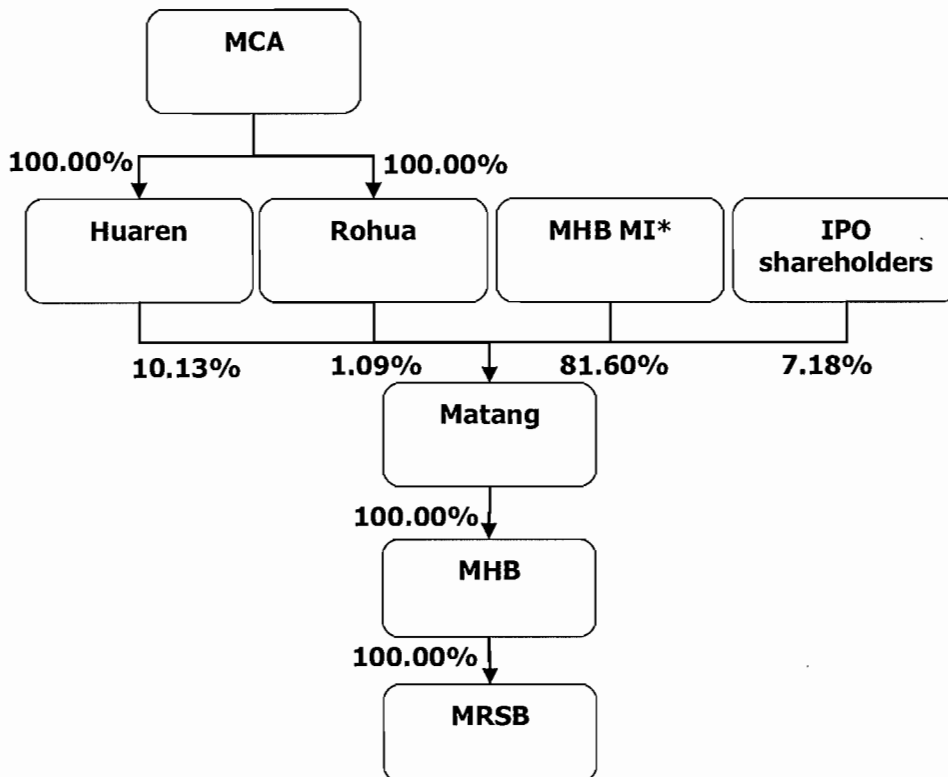


2. INFORMATION SUMMARY (Cont'd)

After the Completion of the Exchange of Shares



After the Exchange of Shares and Public Issue



2. INFORMATION SUMMARY (Cont'd)

Notes:

* Comprising the following (as at 30 November 2016):

- (a) 1,225,611,562 Shares held by 13,918 shareholders; and
- (b) 251,262,494 Shares held by the Trustee on behalf of 4,709 shareholders pursuant to the Trust Deed.

The details of our subsidiaries as at the LPD are summarised as follows:

Company	Principal activities
MHB	Investment holding, management of plantation estate and sale of FFB
MRSB ⁽¹⁾	Property investment holding

Note:

⁽¹⁾ Wholly-owned subsidiary of MHB.

As at the LPD, our Company does not have any associated company.

Further details of our Group and our business overview are set out in Sections 5 and 6 of this Prospectus, respectively.

2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

Our Promoters, substantial shareholders, Directors and key management are as follows:

Name	Designation
Promoters and substantial shareholders	
Huaren	Promoter and substantial shareholder
Rohua	Promoter and shareholder
MCA	Substantial shareholder (indirect)
Directors	
Dato' Teh Kean Ming	Independent Non-Executive Chairman
Datuk Kiat Swee Sung	Executive Deputy Chairman
Eng Cheng Guan	Executive Director
Lew Weng Ho	Independent Non-Executive Director
Tee Choon Yeow	Independent Non-Executive Director
Foong Chee Meng	Independent Non-Executive Director

2. INFORMATION SUMMARY (Cont'd)

Name	Designation
Datuk Tan Teck Poh @ Tan Ah Too	Non-Independent Non-Executive Director
Ng Keng Heng	Non-Independent Non-Executive Director
Datuk Dr Lee Hong Tee	Non-Independent Non-Executive Director
Lau Liang Fook	Non-Independent Non-Executive Director
Datuk Teoh Sew Hock	Non-Independent Non-Executive Director
Chong Pow On	Non-Independent Non-Executive Director
Key Management	
Ganasan A/L Perumal	Plantation Director
Woon Yoon Pa	Estate Manager
Cheong Siew Kin	Chief Financial Officer
Nyam Mei Ting	Finance and Admin Manager

Further details of the aforementioned persons are set out in Section 8 of this Prospectus.

2.3 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and growth is built on the following competitive strengths:

- (a) Experienced key management
- (b) Superior FFB yield
- (c) Young age profile of our plantations
- (d) Application of the best agronomy practices
- (e) Close proximity to a palm oil mill

Further details of our competitive strengths are set out in Section 6.2 of this Prospectus.

2.4 FUTURE PLANS

Our future plans are as follows:

- (a) Continuing replanting exercise
- (b) Increasing FFB yield through greater usage of fertilisers
- (c) Increasing operational efficiency through improvement of infrastructure and equipment

Further details of our future plans are set out in Section 6.3 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks factors as set out in Section 4 of this Prospectus, which are summarised below:

2.5.1 Risks relating to our business and our operations

- (a) We depend on the availability of high quality germinated seeds
- (b) Expiry of lease for the Larkin Investment Property
- (c) Dependency on major customer
- (d) We rely on the continued employment and performance of our key personnel
- (e) We may be adversely affected if we fail to obtain or renew licences for our plantation operations
- (f) Adequacy of insurance coverage
- (g) Competition risk
- (h) Our cost of fertilisers may be adversely affected by exchange rate fluctuation

2.5.2 Risks relating to our industry

- (a) Volatility of CPO prices
- (b) Dependency on the availability of an adequate labour force
- (c) Dependency on weather conditions
- (d) Risk pertaining to pests and diseases attack
- (e) Cyclical variation and seasonal factors resulting in variations in FFB yields
- (f) Palm oil faces competition from other substitute oils
- (g) Palm oil faces negative publicity
- (h) Political, economic and regulatory risks

2.5.3 Risks relating to the investment in our Shares

- (a) No prior market for our Shares
- (b) Failure/delay in or abortion of our Listing
- (c) Future dividend payment policy
- (d) Performance of our Shares' trading price and trading volume

2. INFORMATION SUMMARY (Cont'd)

2.5.4 Other Risks

- (a) Continued involvement by our Promoters
- (b) Forward-looking/prospective statements

2.6 PRINCIPAL STATISTICS RELATING TO OUR IPO

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

Details	No. of Shares	Par value RM	RM
Authorised share capital	3,000,000,000	0.10	300,000,000.00
Issued and fully paid-up			
As at the date of this Prospectus	1,680,000,256	0.10	168,000,025.60
To be issued pursuant to our Public Issue	130,000,000	0.10	13,000,000.00
Enlarged issued and paid-up share capital upon our Listing	1,810,000,256	0.10	181,000,025.60
IPO Price per Share (RM)			0.13
Market capitalisation (RM)⁽¹⁾			235,300,033.28
Pro forma NA based on our pro forma consolidated statements of financial position as at 30 June 2016			
Pro forma NA upon Listing (RM) ⁽²⁾			184,108,227
Pro forma NA per Share upon Listing (RM) ⁽³⁾			0.10

Notes:

- (1) Based on our IPO Price and our enlarged issued and paid-up share capital upon Listing.
- (2) After taking into account the adjustments for Exchange of Shares and Public Issue but before utilisation of proceeds.
- (3) Based on our enlarged issued and paid-up share capital upon Listing.

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

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2. INFORMATION SUMMARY (Cont'd)

2.7 UTILISATION OF PROCEEDS

The gross proceeds arising from the Public Issue of approximately RM16.90 million shall accrue entirely to us and will be utilised in the following manner:

Utilisation of proceeds	⁽¹⁾Estimated timeframe for utilisation	RM'000	%
Replanting exercise	24 months	250	1.5
Capital expenditure	36 months	2,550	15.1
General working capital	60 months	11,924	70.5
Estimated listing expenses	3 months	2,176	12.9
Total		16,900	100.0

Note:

(1) From the date of listing of our Shares.

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 3.10 of this Prospectus.

2.8 FINANCIAL HIGHLIGHTS

Our Group had previously applied FRS from FYE 2013 to FYE 2015. Our Group has decided to early adopt MFRS and IFRS as it is mandatory for agricultural entities, including our Group to adopt MFRS and IFRS by 1 January 2017. We adopted MFRS and IFRS for FYE 2016 and the financial statements for FYE 2013 to FYE 2015 were restated to comply with the MFRS and IFRS for comparative purpose.

The effects of adoption of MFRS and IFRS include the following:

(i) Bearer plants

Bearer plants include mature and immature oil palms owned by our Group. Bearer plants are depreciated when they are harvested (during the fifth year of replanting). They are depreciated over their useful life being year five (5) to year 25. No depreciation is provided on the immature bearer plants being year one (1) to year four (4).

The increase in bearer plants represents replanting costs incurred from the commencement of replanting to the date of maturity of the bearer plants. The replanting costs are initially capitalised at cost and subsequently depreciated when the bearer plants are ready to be harvested.

(ii) Agricultural produce

Agriculture produce is the produce growing on the bearer plants that has yet to mature.

The fair value of agriculture produce is determined based on the produce growing on bearer plants net of maintenance up to point of maturity and harvesting costs as at the end of the reporting period. The carrying amount is measured by reference to the

2. INFORMATION SUMMARY (Cont'd)

quantity of agriculture produce, the market price of matured agriculture produce and the estimated yield of FFB as at the reporting date. The market price of the FFB is largely dependent on the prevailing market prices of CPO and palm kernel. Agriculture produce is classified as current assets. Any resultant gains or losses arising from changes in fair value are recognised in the profit or loss.

(iii) Property, plant and equipment

Under FRS, freehold estate land is stated at valuation. Upon transition to MFRS and IFRS, Matang elected to apply the market value of the freehold estate land and bearer plants as their deemed costs.

Freehold estate land were valued on 4 March 2016 by the Directors based on a valuation exercise carried out by the independent firm of registered professional valuers using the discounted cash flow method.

(iv) Plantation development expenditure

Under FRS, plantation development expenditure are initially capitalised at cost and subsequently measured at revaluation. Upon transition to MFRS and IFRS, the plantation development expenditure had been reclassified as bearer plants. The previous amortisation charge of plantation development expenditure and its corresponding deferred tax expenses had been reclassified to retained earnings.

2.8.1 Combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our audited combined statements of profit or loss and other comprehensive income for the FYE 2013 to FYE 2016. The following selected historical financial information should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 11.2 of this Prospectus and the Accountants' Report and related notes set out in Section 12 of this Prospectus.

The selected historical financial information included in this Prospectus does not purport to predict our Group's financial position, results and cash flows.

(i) Combined statements of profit or loss and other comprehensive income as per FRS and reflecting the effects on adoption of MFRS and IFRS

	Combined Group			
	Audited	Audited	Audited	Audited
	FYE 2013	FYE 2014	FYE 2015	FYE 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	8,720	9,402	7,411	7,169
Cost of sales	(2,759)	(3,092)	(2,228)	(2,614)
GP	5,961	6,310	5,183	4,555
Other income	2,060	1,731	2,066	2,292
Administration expenses	(3,136)	(3,433)	(2,698)	(2,529)
Depreciation	(441)	(461)	(446)	(190)
Other expenses	(62)	(30)	(39)	(18)
PBT	4,382	4,117	4,066	4,110

2. INFORMATION SUMMARY (Cont'd)

	Combined Group			
	Audited	Audited	Audited	Audited
	FYE 2013	FYE 2014	FYE 2015	FYE 2016
	RM'000	RM'000	RM'000	RM'000
Tax expense	(1,140)	(1,145)	(966)	(612)
PAT	3,242	2,972	3,100	3,498
Effect on adoption of MFRS Framework				
Depreciation of bearer plants	(1,426)	(1,286)	(1,852)	(1,875)
Fair value adjustment for agricultural produce	(513)	(122)	(79)	(29)
Reversal of:				
- Amortisation of plantation development expenditure	150	171	203	-
- Corresponding deferred tax expenses	447	309	432	-
Profit for the financial year (after the effect of MFRS framework)	1,900	2,044	1,804	1,594
Items that may be reclassified subsequently to profit or loss				
- Gain on fair value changes of available-for-sale financial assets	-	-	16	-
Total comprehensive income	1,900	2,044	1,820	1,594

(ii) Combined statements of profit or loss and other comprehensive income as per MFRS and IFRS

	Combined Group			
	Audited	Audited	Audited	Audited
	FYE 2013	FYE 2014	FYE 2015	FYE 2016
	RM'000	RM'000	RM'000	RM'000
	(Restated)	(Restated)	(Restated)	
Revenue	8,720	9,402	7,411	7,169
Cost of sales	(2,759)	(3,092)	(2,228)	(2,614)
GP	5,961	6,310	5,183	4,555
Other income	2,060	1,731	2,066	2,292
Administration expenses	(3,136)	(3,433)	(2,698)	(2,529)
Depreciation	(1,718)	(1,576)	(2,095)	(2,064)
Other expenses	(574)	(152)	(118)	(48)
PBT	2,593	2,880	2,338	2,206
Taxation	(693)	(836)	(534)	(612)
PAT	1,900	2,044	1,804	1,594

2. INFORMATION SUMMARY (Cont'd)

	Combined Group			
	Audited	Audited	Audited	Audited
	FYE 2013	FYE 2014	FYE 2015	FYE 2016
	RM'000	RM'000	RM'000	RM'000
Items that may be reclassified subsequently to profit or loss				
- Gain on fair value changes of available-for-sale financial assets	-	-	16	-
Total comprehensive income	1,900	2,044	1,820	1,594
EBIT	2,593	2,880	2,338	2,206
EBITDA	4,311	4,456	4,433	4,270
GP margin (%)	68.36	67.11	69.94	63.54
PBT margin (%)	29.74	30.63	31.55	30.77
PAT margin (%)	21.79	21.74	24.34	22.24
Effective tax paid/(income) rate (%)	26.74	29.02	22.83	27.74
Gross EPS (sen) ⁽¹⁾	0.15	0.17	0.14	0.13
Net EPS (sen) ⁽¹⁾	0.11	0.12	0.11	0.10
Diluted net EPS (sen) ⁽²⁾	0.11	0.11	0.10	0.09

Notes:

- (1) Calculated based on our issued and paid-up share capital of 1,680,000,256 Shares but before our IPO.
- (2) Calculated based on our enlarged issued and paid-up share capital of 1,810,000,256 Shares after our IPO.

There were no exceptional or extraordinary items during the four (4) financial years from FYE 2013 to FYE 2016 under review. Our audited combined financial statements for the four (4) financial years from FYE 2013 to FYE 2016 under review were not subject to any audit qualifications.

2.8.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group based on our audited combined financial statements as at 30 June 2016 to show the effects of the Exchange of Shares and Public Issue.

The pro forma consolidated statements of financial position is presented for illustrative purposes only and should be read in conjunction with the Reporting Accountants' letter on the pro forma consolidated statements of financial position as set out in Section 13 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

	Matang	Pro forma Group		
		I	II	III
	As at 30 June 2016	After Exchange of Shares	After I and Public Issue	After II and utilisation of IPO proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	-	140,307	140,307	143,107
Investment properties	-	11,650	11,650	11,650
Other investments	-	162	162	162
Land held for property development	-	1,058	1,058	1,058
	-	153,177	153,177	155,977
CURRENT ASSETS				
Inventories	-	122	122	122
Agricultural produce	-	603	603	603
Trade and other receivables	-	1,345	1,345	651
Cash and bank balances	*	14,357	31,257	27,177
	*	16,427	33,327	28,553
TOTAL ASSETS	*	169,604	186,504	184,530
EQUITY AND LIABILITIES				
Share capital	*	168,000	181,000	181,000
Share premium	-	-	3,900	3,224
Available-for-sale reserve	-	38	38	38
Merger reserve	-	(108,000)	(108,000)	(108,000)
(Accumulated losses)/ Retained earnings	(23)	107,170	107,170	105,872
TOTAL EQUITY	(23)	167,208	184,108	182,134
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred tax liabilities	-	1,443	1,443	1,443
CURRENT LIABILITIES				
Trade and other payables	23	490	490	490
Current tax liabilities	-	463	463	463
	23	953	953	953
TOTAL LIABILITIES	23	2,396	2,396	2,396
TOTAL EQUITY AND LIABILITIES	*	169,604	186,504	184,530
Number of Shares in issue ('000)	^	1,680,000	1,810,000	1,810,000
NA (RM'000)	(23)	167,208	184,108	182,134

2. INFORMATION SUMMARY (Cont'd)

	Matang	Pro forma Group		
		I	II	III
	As at 30 June 2016	After Exchange of Shares	After I and Public Issue	After II and utilisation of IPO proceeds
	RM'000	RM'000	RM'000	RM'000
NA per Share (RM)	(115.31)	0.10	0.10	0.10
Borrowings (All interest bearing debts)	-	-	-	-
Gearing (times)	-	-	-	-
Current ratio (times)	- [#]	17.24	34.97	29.96

Notes:

- * Representing RM20 only.
- ^ Representing 200 Shares only.
- # Less than 0.01 times

2.8.3 Dividend Policy

We have not formulated a dividend policy or payout ratio. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Dividends declared for the past four (4) financial years from FYE 2013 to FYE 2016 are as follows:

	Combined Group			
	Audited FYE 2013 RM'000	Audited FYE 2014 RM'000	Audited FYE 2015 RM'000	Audited FYE 2016 RM'000
Dividends	12,000	3,000	2,400	-

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3. PARTICULARS OF OUR IPO

3.1 INTRODUCTION

This Prospectus is dated 19 December 2016. Our IPO is subject to the terms and conditions of this Prospectus.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Form with the CCM. Neither the SC nor the CCM takes any responsibility for its contents.

We have obtained the approval from Bursa Securities vide its letter dated 30 August 2016, for, *inter-alia*, our admission to the Official List of the ACE Market of Bursa Securities and for the listing of and quotation for all our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities.

Our Shares will be admitted to the Official List of the ACE Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.0% of our enlarged issued and paid-up share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon admission to the ACE Market of Bursa Securities. As at the date of this Prospectus, we have met the public shareholding requirement.

In the event we fail to proceed with our Listing on the ACE Market for whatsoever reason, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within fourteen (14) days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus and/or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

3. PARTICULARS OF OUR IPO (Cont'd)

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the making of our IPO in certain jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with M&A Securities as our Adviser, Sponsor and Underwriter, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

You must have a CDS account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS account number in the space provided in the Application Form. 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 IPO Shares. Please refer to Section 16 of this Prospectus for further details on the procedures for application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant 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. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

In the case of an Application by way of Internet Share Application, only an applicant who has a CDS account and an existing account to their internet financial services with the Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS account number to the Internet Participating Financial Institutions by keying your CDS account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

The SC and Bursa Securities assume no responsibility for the correctness of any statement made or of any opinion or report expressed in this Prospectus. Our admission to the Official List of the ACE Market of Bursa Securities shall not be taken as an indication of the merits of our Group, our Shares and/or our IPO exercise. This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

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

3.2 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 19 December 2016 and will remain open until at 5.00 p.m. on 3 January 2017 or such further period or periods as our Directors, Promoters and Underwriter may in their absolute discretion mutually decide. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

3. PARTICULARS OF OUR IPO (Cont'd)

3.3 IMPORTANT TENTATIVE DATES

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	19 December 2016
Closing of application for our IPO	3 January 2017
Balloting of the application for our IPO Shares	6 January 2017
Allotment of our IPO Shares to successful applicants	13 January 2017
Date of Listing	17 January 2017

These dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors, Promoters and Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the Application to a further date or dates. Should the closing date of the Application be extended, the dates for the balloting, allotment of our IPO Shares and the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities would be extended accordingly. Any changes to the closing date of the Application will be advertised in a widely circulated English, Bahasa Malaysia and Chinese daily newspaper in Malaysia prior to the original closing date of the Application.

3.4 DETAILS OF OUR IPO

3.4.1 Public Issue

A total of 130,000,000 Issue Shares representing approximately 7.18% of our enlarged issued and paid-up share capital are offered at our IPO Price. Our Public Issue is subject to the terms and conditions of this Prospectus. The Issue Shares shall be made available for application by the Malaysian Public, to be allocated via balloting process of which 50% shall be set aside for Bumiputera investors.

The basis of allocation for the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to the Malaysian public, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or 'greenshoe' option that will result in an increase in the number of our IPO Shares.

3.4.2 Underwriting arrangement

Our Underwriter will underwrite 130,000,000 Issue Shares made available for application by the Malaysian Public.

Any of our Issue Shares which are not subscribed for under Section 3.4.1 will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

3. PARTICULARS OF OUR IPO (Cont'd)**3.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS**

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	Par value RM	RM
Authorised share capital	3,000,000,000	0.10	300,000,000.00
Issued and fully paid-up			
As at the date of this Prospectus	1,680,000,256	0.10	168,000,025.60
To be issued pursuant to our Public Issue	130,000,000	0.10	13,000,000.00
Enlarged issued and paid-up share capital upon our Listing	1,810,000,256	0.10	181,000,025.60
Market capitalisation⁽¹⁾			235,300,033.28

Note:

(1) Based on our IPO Price and our enlarged issued and paid-up share capital upon Listing.

As at the date of this Prospectus, we have only one (1) class of shares, being ordinary shares of RM0.10 each, all of which rank pari passu amongst one another.

The Issue Shares will, upon allotment and issue, rank pari passu in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Memorandum and Articles of Association.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote, and in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Group and the provisions of Section 149(1)(b) of the Act shall not apply to our Group.

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3. PARTICULARS OF OUR IPO (Cont'd)

3.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (a) To provide an opportunity for the Malaysian Public to participate in our equity;
- (b) To enable our Group to raise funds for the purposes specified in Section 3.10 herein;
- (c) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities;
- (d) To enhance our Group's reputation as an oil palm plantation company; and
- (e) To enable our Group to gain recognition through our listing status and further enhance our corporate reputation and image.

3.7 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor and Underwriter, after taking into consideration the following factors:

- (a) The price-to-book multiple of approximately 1.3 times, based on our pro forma consolidated NA per Share as at 30 June 2016 after our IPO of approximately RM182.13 million and the enlarged issued and paid-up share capital of Matang of 1,810,000,256 Shares upon Listing which translates to NA per share of approximately RM0.10;
- (b) 1,680,000,056 new Matang Shares were issued to shareholders of MHB at the issue price of RM0.10 per share (at par value) under the terms of the Exchange of Shares (as further elaborated in Section 5.3 of the Prospectus).
- (c) Our historical average FFB yield which is higher than the average yield recorded in Malaysia as follows:

	Average FFB Yield (Mt/hectare)				
	July 2011 to June 2012	July 2012 to June 2013	July 2013 to June 2014	July 2014 to June 2015	July 2015 to June 2016
Matang Group ⁽¹⁾	23.54	24.97	24.97	24.66	17.37
Malaysia ⁽²⁾	18.42	19.43	19.22	18.48	17.13

Notes:

- (1) Based on management records.
- (2) Based on MPOB records.

- (d) Our competitive strengths as set out in Section 6.2 of this Prospectus; and
- (e) Our Group's future plans and prospects as further described in Section 6.3 of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 4 of this Prospectus before deciding to invest in our Shares.

3.8 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and our enlarged issued and paid-up share capital of 1,810,000,256 Shares upon Listing, our total market capitalisation is approximately RM235.3 million upon Listing.

3.9 DILUTION

Dilution is the amount by which our IPO Price exceeds the consolidated NA per Share immediately after our IPO.

Our consolidated NA per Share as at 30 June 2016 is RM0.10. After giving effect to the Exchange of Shares and Public Issue including adjustments for the utilisation of gross proceeds to be raised from the Public Issue, our pro forma consolidated NA per Share as at 30 June 2016 is RM0.10.

As such, there is no increase/decrease in the pro forma consolidated NA per Share to our existing shareholders. Based on the IPO Price, there is an immediate dilution in the pro forma consolidated NA per Share of RM0.03 to our new public investors.

The following table summarises our pro forma consolidated NA per Share:

	RM
Pro forma consolidated NA per Share as at 30 June 2016	0.10
Pro forma consolidated NA per Share as at 30 June 2016 after taking into account the Exchange of Shares and Public Issue	0.10
Increase/decrease in the pro forma consolidated NA per Share attributable to existing shareholders	-
IPO Price	0.13
Pro forma consolidated NA per Share as at 30 June 2016 after taking into account the Exchange of Shares and Public Issue	0.10
Dilution in the pro forma consolidated NA per Share to our new public investors	0.03
Dilution in the pro forma consolidated NA per Share as a percentage of our IPO Price	23.08%

Further details of our pro forma consolidated NA per Share as at 30 June 2016 is set out in Section 13 of this Prospectus.

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3. PARTICULARS OF OUR IPO (Cont'd)

The following table shows the average effective cost per Share paid by our existing shareholders for Shares acquired by them for the past three (3) years prior to the date of this Prospectus as well as new investors who subscribe for our Shares pursuant to our IPO:

Shareholders	No. of Shares	Total	Cost per Share
		consideration	RM
		RM	RM
Subscriber shareholders	200	20.00	0.10
Huaren ⁽¹⁾	183,358,000	18,335,800.00	0.10
Rohua ⁽¹⁾	19,768,000	1,976,800.00	0.10
MHB MI ⁽¹⁾	1,476,874,056	147,687,405.60	0.10
Total	1,680,000,256	168,000,025.60	-
New investors from the Public Issue	130,000,000	16,900,000.00	0.13

Note:

(1) Issued pursuant to the Exchange of Shares.

Apart from the Matang Shares received by our Directors/substantial shareholders pursuant to the Exchange of Shares, there is no material acquisition of any existing Shares that involved cash in our Company by our Directors, key management, substantial shareholders or persons connected with them, or in which they have the right to acquire, during the past three (3) years prior to the date of this Prospectus.

3.10 UTILISATION OF PROCEEDS**3.10.1 Public Issue**

The estimated gross proceeds arising from the Public Issue of approximately RM16.90 million shall accrue entirely to us and will be utilised in the following manner:

Utilisation of proceeds	Reference	Estimated timeframe for utilisation from the date of listing of our Shares	RM'000	%
Replanting exercise	(i)	24 months	250	1.5
Capital expenditure	(ii)	36 months	2,550	15.1
General working capital	(iii)	60 months	11,924	70.5
Estimated listing expenses	(iv)	3 months	2,176	12.9
Total			16,900	100.0

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3. PARTICULARS OF OUR IPO (Cont'd)

(i) Replanting exercise

As at 30 June 2016, 16.4 hectares, or 1.5% of our total oil palm plantation area has reached 21 years and above, which is past its peak production age and produces less FFB. Our oil palm trees are generally replanted when they are above 24 years of age and are low yielding. Our Group is committed to maintaining a low average age profile of our oil palms. As such, we plan to replant this field in 2017. It will take approximately four (4) years before our replanted oil palms mature and start producing FFBs.

We have earmarked RM250,000 of our IPO proceeds for our replanting exercise which shall include the purchase of the "Felda Yangambi" line of germinated seeds, purchase of topsoil for the palm seedlings, land clearing expenses and costs associated with the preparation of the palm groves where the seedlings are to be planted.

(ii) Capital expenditure

Our capital expenditure shall include the following:

Details	RM'000
(a) Road repair and resurfacing	500
(b) Improve water drainage	200
(c) Purchase of new equipment	1,500
(d) Rewiring of electricity supply cables	150
(e) Renovation of workers' quarters	200
Total	2,550

(a) Road repair and resurfacing

To ensure smoother field operations and collection of FFB, improvements and repairs are planned for the roads within the plantation. We plan to improve our main and secondary roads by implementing road grading and resurfacing.

(b) Improve water drainage

We plan to improve water drainage by installing U-shaped culverts in areas of our estate where water flow is obstructed. The total length of the drainage to be constructed is estimated at 35 kilometres. The drainage will help improve water flow and accessibility throughout the estate.

(c) Purchase of new equipment

We plan to purchase nine (9) tractors, one (1) backhoe and one (1) lorry for our plantation operations.

Additional details are set out in Section 6.3.3(iii) of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)**(d) Rewiring of electricity supply cables**

Currently, the existing electricity supply cables are old and are in need of repair. As such, we plan to reinstall a new set of over-head wiring. This helps to avoid any potential interruptions in our electric supply.

(e) Renovation of workers' quarters

Currently, our workers' quarters are more than 25 years old. As such, we plan to renovate our workers' quarters which will provide our employees with improved living conditions.

(iii) General working capital

We aim to increase the profitability of our Company in order to add value to our shareholders. As such, proceeds amounting to RM11.92 million (which constitutes 70.5% of the total proceeds raised) shall be utilised for day-to-day operational expenses and purchase of fertilisers for the purpose of upkeep and maintenance of our plantation estate and ensuring our oil palms are fertilised to yield an optimal level of FFB.

IPO proceeds earmarked for working capital are as follows:

Details	RM'000
(a) Day-to-day operational expenses	2,924
(b) Purchase of fertilisers	9,000
Total	11,924

(a) Day-to-day operational expenses

Day-to-day operational expenses for our plantation operations include labour cost, transportation cost as well as costs associated with the upkeep and maintenance of our plantation estate and equipment to be utilised within 60 months from the date of Listing.

The average operating expenses of Matang for the last four (4) financial years from FYE 2013 to FYE 2016 are as follows:

	Audited FYE 2013 RM'000	Audited FYE 2014 RM'000	Audited FYE 2015 RM'000	Audited FYE 2016 RM'000
Operating expenses ⁽¹⁾	1,190	1,342	1,162	1,216

Note:

- (1) Calculated based on the cost of sales excluding fertiliser cost and windfall tax expenses.

3. PARTICULARS OF OUR IPO (Cont'd)**(b) Purchase of fertilisers**

Our Group's main purchases are fertilisers, which are essential in ensuring that our oil palms have sufficient minerals and nutrients to yield an optimal level of FFB. Fertiliser cost for the past four (4) financial years from FYE 2013 to FYE 2016 is as follows:

	<u>FYE 2013</u> <u>RM'000</u>	<u>FYE 2014</u> <u>RM'000</u>	<u>FYE 2015</u> <u>RM'000</u>	<u>FYE 2016</u> <u>RM'000</u>
Fertiliser cost	1,505	1,716	1,066	1,398
Cost of sales	2,759	3,092	2,228	2,614
Fertiliser cost as a percentage of cost of sales	54.5%	55.5%	47.8%	53.5%

The fertiliser cost for the past four (4) financial years from FYE 2013 to FYE 2016, represents between 47.8% to 55.5% of our total cost of sales.

Our Group seeks to increase the amount of high grade fertilisers we procure from established distributors, to ensure that our estate is optimally fertilised with high quality fertilisers. In addition, using high quality fertilisers can also result in larger fruit sizes. We have allocated RM9.0 million from the IPO proceeds for the purchase of fertilisers over the next five (5) years.

Additional details are set out in Section 6.3.2 of this Prospectus.

(v) Listing expenses

The amount of RM2.18 million allocated is based on the estimated cost for our Listing. If our actual Listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual Listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements. The estimated listing expenses of RM2.18 million includes RM202,305 incurred as of 30 June 2016, which has been recorded as expenses.

The following summarises the estimated expenses incidental to our Listing to be borne by our Group as follows:

<u>Details</u>	<u>RM'000</u>
Professional fees ⁽¹⁾	1,300
Fees payable to the authorities	110
Underwriting and brokerage fees	676
Printing and advertising fees	70
Contingencies ⁽²⁾	20
Total	2,176

3. PARTICULARS OF OUR IPO (Cont'd)

Notes:

- (1) Includes advisory fees for, amongst others, our Adviser, Solicitors, Reporting Accountants and IMR.
- (2) Other incidental or related expenses in connection with our IPO.

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions and/or invested in short-term money market instruments.

3.10.2 Financial impact from utilisation of proceeds

The utilisation of IPO proceeds amounting to RM0.25 million for our replanting exercise is expected to improve the age profile of our oil palm estate and increase our FFB yield in the long term which will enhance our revenue.

RM2.55 million where we have allocated for capital expenditure purposes will be utilised for, among others, improving the road system, water drainage as well as for the purchase of new equipment for our operations. This is expected to enhance our effectiveness in operating our estate and is expected to lead to cost savings and contribute positively to our Group's revenue and profitability.

We intend to utilise approximately RM2.92 million from our IPO proceeds for our working capital requirements which will be used to finance our day-to-day operations such labour cost, transportation cost as well as costs associated with the upkeep and maintenance of our plantation estate and equipment deemed necessary for the smooth running of our operations.

RM9.00 million from our IPO proceeds will be utilised for the purchase of high grade fertilisers to increase FFB yield and contribute positively to our future revenue and profitability.

3.11 BROKERAGE AND UNDERWRITING COMMISSION

Underwriting commission

Our Underwriter has agreed to underwrite 130,000,000 Issue Shares made available for application by the Malaysian Public. We are obliged to pay our Underwriter an underwriting commission of 3.0% of the total value of the underwritten Shares at our IPO Price.

Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities to underwrite 130,000,000 Issue Shares ("Underwritten Shares") as set out in Section 3.4.2 of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)

The salient terms of the Underwriting Agreement are as follows:

- 1.1 Subject to the terms and conditions of the Underwriting Agreement, M&A Securities has agreed to underwrite 130,000,000 IPO Shares as set out in Section 3.4.2 of this Prospectus.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall be conditional upon ("Conditions Precedent"):
 - (a) The Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:
 - (i) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group from that subsequent to the date of the Underwriting Agreement; or
 - (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings by the Company materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by the Company;
 - (b) The Underwriter receiving a certificate in the form or substantially in the form, one dated the date of registration of the Prospectus and the other dated the Closing Date, all of which are to be signed by the duly authorised officers of the Company stating inter-alia that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in the Underwriting Agreement;
 - (c) The Underwriter receiving copies certified by a director or the company secretary of the Company to be a true and accurate copy and in full force and effect of a resolution of the directors:
 - (i) approving the Prospectus and the application forms, the Underwriting Agreement and the transactions contemplated by it;
 - (ii) authorising the issuance of the Prospectus; and
 - (iii) authorising a person to sign and deliver the Underwriting Agreement on behalf of the Company;
 - (d) The Underwriter being reasonably satisfied that the IPO not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by the Company under such laws for or in connection with the IPO and/or the listing and quotation for the entire issued and paid-up capital of the Company will be in force on the Closing Date;
 - (e) The Underwriter being satisfied that the Company has complied with and that the Shares are in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;

3. PARTICULARS OF OUR IPO (Cont'd)

- (f) The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") being not lower than ninety percent (90%) of the level of the Index for at least three (3) consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;
 - (g) All necessary consents, waivers, approvals, authorisations or other orders of all regulatory authorities, required for or in connection with the execution of this Underwriting Agreement and the issue of Matang Shares under the IPO and any other matters contemplated hereby:
 - (i) have been or will be unconditionally obtained by its due date;
 - (ii) if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and
 - (iii) are or will remain in full force and effect;
 - (h) There not having occurred on or prior to the Closing Date any breach of and/or failure to perform any of the undertakings by the Company contained in the Underwriting Agreement; and
 - (i) There not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter.
- 1.3 If after the Conditions Precedent has been complied with and the Company decides not to proceed with the IPO, the Underwriter shall be entitled to terminate the Underwriting Agreement, but without prejudice to the rights of the Underwriter. The parties shall be released and discharged from their respective obligation and the Underwriting Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save for any antecedent breaches.
- 1.4 The Underwriter may waive all or any of the conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- 1.5 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:
- (a) any of the Conditions Precedent under the Underwriting Agreement are not duly satisfied by the Closing Date; or
 - (b) there is any material breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the reasonable satisfaction of the Underwriter within ten (10) Market Days from the date the Company is notified by the Underwriter of such breach; or
 - (c) there is failure on the part of the Company to perform any of its or obligations contained in the Underwriting Agreement; or

3. PARTICULARS OF OUR IPO (Cont'd)

- (d) there is withholding of material information by the Company which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Issue Shares; or
- (e) the approval of Bursa Securities in respect of the IPO or the approval-in-principle of Bursa Securities for the listing and quotation of its entire issued and paid-up share capital on the ACE Market of Bursa Securities is withdrawn; or
- (f) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or the Group from that set out in the Prospectus which is material in the context of the offering of the Issued Shares and/or the Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties and undertakings as though given or made on the date of the Underwriting Agreement; or
- (g) the Closing Date of the application of the IPO Shares does not occur within three (3) months from the date of the Underwriting Agreement, subject to the extension of Closing Date which is approved by the Underwriter; or
- (h) the Company or any of its subsidiaries becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or
- (i) there shall have occurred, or happened any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rates (including but not limited to conditions on the stock market in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or
 - (ii) any new law or any change in the existing laws, regulations, directive, policy or ruling in any jurisdiction or any event or any change in the interpretation or application thereof by any court or other competent authority; or
 - (iii) any event or series of events beyond the reasonable control of the Underwriter including (without limitation), acts of God, government, national disorder, declaration of a state of national emergency, pandemics, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents; or
 - (iv) any imposition of moratorium, suspension or material restriction on trading of securities on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise; or
 - (v) any material adverse change in financial conditions to include stock market conditions and interest rates. For this purpose, a material adverse change in the stock market condition shall mean the Index is, at the close of normal trading on Bursa Securities, on any Market Day

3. PARTICULARS OF OUR IPO (Cont'd)

on or after the date of this Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) Market Days; or

- (vi) any government requisition or occurrence of any other nature which materially and adversely affect or will materially or adversely affect the business and/or financial position of the Group;

which, would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group as a whole, the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

- 1.6 In the event that the Underwriting Agreement is terminated pursuant to the terms and conditions therein, the Underwriter and the Company may confer with a view to deferring the Public Issue by amending its terms or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.

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4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

4.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

4.1.1 We depend on the availability of high quality germinated seeds

We use only high quality germinated seeds procured from established seed producers in order to achieve high FFB yields. Our FFB yield is higher than the average yield recorded in Johor for FYE 2012 to FYE 2015 and in Malaysia for FYE 2012 to FYE 2016. Further details on the average FFB yield recorded in Johor and Malaysia for FYE 2012 to FYE 2016 and the factors contributing to our superior yield are set out in Section 6.2.2 of this Prospectus.

As we do not possess seed production capabilities, we depend solely on external suppliers for such high quality germinated seeds. We currently procure high quality germinated seeds from Felda Agricultural Services Sdn Bhd, a well-established seed producer. We prefer the "Felda Yangambi" germinated seeds as it has higher FFB yield and oil extraction rate.

Prior to 2011, we used other types of germinated seeds, namely Chemara, Dunlop, SEU Supra germinated seeds sold by various seed producers. Subsequent to 2011, we used the "Felda Yangambi" germinated seeds as it has higher FFB yield and oil extraction rate. Higher FFB yield is preferred as we are able to harvest a higher tonnage of FFB per hectare while a higher oil extraction rate is preferred as the oil mills may extract a higher proportion of palm oil from the FFB.

A comparison of the FFB yield between the "Felda Yangambi" germinated seeds and other seeds currently available are set out below:

Types of seeds	FFB yield (Mt/hectare)
Felda Yangambi	24.62
NIFOR	24.24
La Me	24.44
AVROS	24.73

(Source: Malaysian Palm Oil Council)

We may face a risk of a supply shortage of the "Felda Yangambi" germinated seeds in the event of a reduced seed production by Felda Agricultural Services Sdn Bhd due to adverse weather, fire or other natural disasters. We believe that our operations and financial results will not be materially affected if we utilise other types of germinated seeds, as there are no inherent risks associated to using other types of germinated seeds as evidenced by our usage of different types of seeds in our plantation for prior years.

In addition, there are no risks in changing from other types of germinated seeds to that of "Felda Yangambi" and vice versa. Since 2011, we had not experienced any supply shortage of the "Felda Yangambi" germinated seeds.

4. RISK FACTORS (Cont'd)

4.1.2 Expiry of lease for the Larkin Investment Property

MHB owns an investment property comprising three (3) units of detached buildings at Kawasan Perindustrian Larkin (also known as Dato' Onn Industrial Estate), Johor Bahru. The said property is leased to multiple tenants for rental income.

The investment property is erected on a leasehold land measuring 1.295 hectares with a 60 year lease term expiring on 24 September 2031. As such, the remaining lease period for the land is approximately 15 years.

MHB had on 8 April 2012 made an application to Johor Bahru Land Administrator to seek an extension of the leasehold land tenure for 60 years. However, the application was rejected vide its letter dated 19 December 2013. On 10 February 2015, the Company had appealed to the Johor Bahru Land Administrator's decision.

In response, Johor Bahru Land Administrator had vide its letter dated 14 July 2015 stated the following:

- (i) the said land shall be developed for housing purposes; and
- (ii) in connection thereto, all applications for lease extension are on hold.

The rental income derived from the said investment property is as follows:-

	<u>FYE 2013</u>	<u>FYE 2014</u>	<u>FYE 2015</u>	<u>FYE 2016</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Rental income	1,068,549	998,353	860,957	868,998
EBITDA	4,310,747	4,456,672	4,432,828	4,270,167
PAT	1,899,650	2,044,318	1,804,008	1,594,080
Rental income as a percentage of EBITDA	24.79%	22.40%	19.42%	20.35%
Rental income as a percentage of PAT	56.25%	48.84%	47.72%	54.51%

For the FYE 2013 to FYE 2016, the rental income derived from this investment property as a percentage of our EBITDA is between 19.42% to 24.79% while the rental income as a percentage of our PAT is between 47.72% to 56.25%.

At the end of the lease, MHB will no longer be able to derive any rental income from the said investment property and this is expected to negatively affect our EBITDA and PAT. Currently, all the tenants are on short term lease. In addition, at the end of the lease, MHB is required to surrender the land to the Johor State Authority. The fair value of the investment property is derecognised when either they are permanently withdrawn from use or when they have been disposed of or no future economic benefit is expected from the rental income as indicated above upon the expiry of the lease term. Nonetheless, MHB is not required to derecognise the fair value of the investment property should the lease be extended, if any, in the future. The future market value has to be determined by an independent registered valuer.

4. RISK FACTORS (*Cont'd*)

In 2031, when the land is surrendered to the Johor State Authority, there will be an immediate loss of rental income. In anticipation of this, our Group plans to mitigate the potential loss of rental income by increasing our FFB sales volume and FFB yield by implementing our future plans as follows:

- (i) As at the LPD, 419.3 hectares or 38.7% of our oil palms are replanted with "Felda Yangambi" germinated seeds, of which 185.3 hectares or 17.1% have matured and are harvestable.

Our management intends to use "Felda Yangambi" germinated seeds for all future replanting exercise as it has higher FFB yield and oil extraction rate.

Our management believes our future FFB yield will further improve as more plantation area replanted with the "Felda Yangambi" germinated seeds matures and are harvestable.

- (ii) Our Group plans to improve our fertilising rotation with the purchase of 1,200 Mt of inorganic fertiliser to be applied in our plantation four (4) times a year, as well as 700 Mt of organic fertiliser to be applied two (2) times a year.

Our Group seeks to increase the amount of high grade fertilisers to ensure that our estate is optimally fertilised with high quality fertilisers. Using high quality fertilisers can also result in larger fruit sizes which will increase our FFB sales volume and FFB yield; and

- (iii) Our Group targets to increase our operational efficiency through improvement of infrastructure and equipment of our plantation to have cost savings and improvement in FFB yield. The improvement of infrastructure will ensure smoother field operations and collection of FFB, improvement in water flow and accessibility throughout the Matang Estate.

Our Company expects that the improvement in our FFB sales volume and FFB yield will be achievable in the next five (5) years after our replanted oil palms reaches its harvestable age of five (5) years and above.

In addition to the above, the total mature and old plantation area as at FYE 2016 is 848.1 hectares, which represents only 78.4% of its total plantation area. The plantation area that was replanted in FYE 2012 (178.3 hectares) will mature in 2017. As such, the total mature and old plantation area will increase to 1,010.0 hectares (net of area undergoing replanting of 16.4 hectares) in 2017 (93% of total plantation).

Resulting from the expected increase in total mature and old plantation area to 1,010.0 hectares in 2017, our total FFB production and sales volume of FFB for future financial years are expected to improve when our oil palms reach their mature age and thus increasing the harvestable area. This will contribute positively to the revenue of MHB.

Nevertheless, there is no assurance that the potential loss of rental income can be successfully mitigated as there is no assurance that our FFB sales volume and FFB yield may be improved.

4. RISK FACTORS (Cont'd)

4.1.3 Dependency on major customer

For FYE 2016, 100% of our revenue is derived from sales of FFB to Lenga. The palm oil mill of Lenga is located approximately 38 kilometres from Matang Estate. As all revenue during 2016 is derived from sales to one (1) customer, our Board is of the opinion that we are dependent on Lenga for our revenue.

The length of relationship between Lenga and our Group is ten (10) years and Lenga first become a major customer of our Company in FYE 2006. Notwithstanding this, Lenga may reduce or stop buying from us if Lenga's palm oil mill is affected by production disruptions resulting from machinery breakdown, fire or labour issues. In such event, we will sell our FFB to other customers. The factors that we take into consideration when selling our FFB are set out in Section 6.9.

Our dependency on Lenga is mitigated by the following:

- (i) FFB is a commodity with no product differentiation. As such, in the event that Lenga is unable or unwilling to purchase the FFB harvested from our Group's plantations for whatsoever reasons, we may sell it to other palm oil mills located nearby.

Irawi Holdings Sdn Bhd ("Irawi") (previously the major customer of MHB for FYE 2012 and FYE 2013) is approximately 100 kilometres from Matang Estate. However, in the event that MHB sells its FFB to Irawi additional transportation costs will be incurred at the expense of MHB. Nevertheless, the increase in transportation cost is not expected to materially affect the GP margin of the Matang Group. Nothing has come to the attention of the Board to believe that Irawi will not buy from the Company in the event that Lenga no longer buys from the Company.

In addition to Irawi, Matang has the flexibility to sell its FFB to a number of customers. For the past financial years, in addition to Lenga and Irawi, Matang has sold FFB to Kilang Kelapa Sawit Bukit Pasir Sdn Bhd as well as Mewah Mega Enterprise.

- (ii) In view that FFB is a commodity, its selling price is determined by market forces, ie supply and demand. As such, in the event that MHB sells its FFB to other palm oil mills, there will not be any material difference in the selling price and as such, MHB's revenue will not be materially affected.
- (iii) MHB has been selling to Lenga for the past financial years since FYE 2006 and has fostered a good working relationship with Lenga. Nothing has come to the attention of our Board to suggest that Lenga will not continue buying from MHB.

Subsequent to FYE 2016, we began selling our FFB to Milik Mestika Sdn Bhd ("Milik Mestika") which operates Kilang Kelapa Sawit Ledang Mas ("Kilang Ledang Mas"), a palm oil mill located approximately eight (8) kilometres from Matang Estate. The sales volume of FFB for September 2016 and October 2016 are as follows:

	September 2016		October 2016	
	Mt	%	Mt	%
Lenga	826.83	65.4	427.29	33.2
Milik Mestika	436.79	34.6	858.39	66.8
Total	1,263.62	100.0	1,285.68	100.0

4. RISK FACTORS (Cont'd)

Kilang Ledang Mas started operations on 1 August 2016. In view of the close distance between Matang Estate and Kilang Ledang Mas, the Board of MHB has decided to sell our harvested FFB to Milik Mestika. The sale of FFB to Milik Mestika will reduce our dependency on Lenga in addition to providing an opportunity to bring down our transportation costs.

4.1.4 We rely on the continued employment and performance of our key personnel

The experiences, abilities and efforts of our existing Directors and key management team contribute to the continued success of our Group's business. Having a strong key management team is vital to maintain our Group's operations and maintaining our FFB yield.

Our Executive Deputy Chairman, Datuk Kiat Swee Sung, has over 36 years of experience in oil palm plantation operations. Our Executive Director, Eng Cheng Guan, has 29 years of experience in oil palm plantation operations. Our Plantation Director, Ganasan A/L Perumal, has been involved in our plantation operations since 1984, and is well-versed in the daily field operations and office management. Our Estate Manager, Woon Yoon Pa, has over 42 years of experience in oil palm plantation operations.

Our Group strives to minimise this risk by ensuring that it has the ability to retain the existing Directors and key management. Our Group recognises the importance of attracting and retaining the key personnel and have a human resource plan that include suitable remuneration packages, career development, training and development for all levels of staff besides plans for incentive schemes that serve to attract, motivate and retain key personnel.

Although our Group seeks to limit and minimise this risk, though, there can be no assurance that the above measures will always be successful in retaining our Directors and key personnel or in ensuring a smooth transition or management succession plan should such key persons no longer be able to serve our Group.

4.1.5 We may be adversely affected if we fail to obtain or renew licences for our plantation operations

Our Group requires the following licences for our plantation operations:

	Name of Licence/Permit	Purpose	Issuer	Renewal
(i)	Estate licence	To sell and move FFB	MPOB	Annual
(ii)	Nursery licence	To produce, sell, move and store oil palm seedlings	Ministry of Plantation Industries and Commodities, Malaysia and MPOB	Annual

Additional details on our licences are set out in Section 5.6 of this Prospectus.

There is no assurance that in the future, the relevant authorities will issue or renew any required licences in a timely manner or at all. Our licences and permits may not be issued/ renewed in the event that the conditions imposed are not met. Failure to renew, maintain or obtain the required licences and permits may interrupt our Group's operations and may have a material adverse effect on the operations and financial performance of our Group. For the past three (3) financial years, there were no instances whereby the Company's licences were not approved for renewal.

4. RISK FACTORS (Cont'd)

4.1.6 Adequacy of insurance coverage

Our Group maintains insurance coverage to protect against various losses and liabilities for selected and important properties, equipment and employees. However, the insurance coverage may not be adequate to cover all losses or liabilities that might be incurred in our Group's operations. For example, we do not have insurance coverage to protect against losses at our oil palm plantation estate as a result of fire or natural disasters. Our Group believes that this is in line with standard industry practices.

In addition, our Group will be subject to risk that in the future it may not be able to maintain or obtain insurance of the type and amount at commercially reasonable rates, or at all. If our Group were to incur a significant liability for which our business is not fully insured, it could have a material adverse effect on the operations and financial performance of our Group.

A portion of our plantation estate is along a river and is low-lying. As such, this area is prone to occasional flooding. Nevertheless, this has not materially affected our operations as the occasional flooding subsides in a short span of time. For the past three (3) financial years, save for the occasional flooding of low-lying areas, our Group had not experience any occurrences of fire, natural disasters or burglary.

4.1.7 Competition risk

Our Group operates in the palm oil industry that is highly competitive and comprises large integrated oil palm plantation players as well as small to medium sized local companies. Operating in Johor, we consider our immediate competitors to be FFB producers that operate in the same state, owing to the nature of FFB which requires processing within 48 hours after harvesting.

According to the IMR Report, Johor has the third largest oil palm planted area in Malaysia after Sabah and Sarawak. In 2014, there were 647 oil palm estates in Johor that were operated by various large integrated plantation companies and other small to medium sized local plantation companies. Some of the notable plantation companies operating in the oil palm plantation segment in Johor include but is not limited to Felra Global Ventures Holdings Berhad, Sime Darby Berhad, IOI Corporation Berhad, Kuala Lumpur Kepong Berhad, United Plantations Berhad, Kulim (Malaysia) Berhad, Genting Plantations Berhad, Boustead Holdings Berhad, United Malacca Berhad, Felcra Berhad and Tradewinds Plantation Berhad. Given the highly competitive environment, there can be no assurance that our Group will continue to be able to compete successfully with other industry players and new entrants in the future.

Notwithstanding the competitive environment, we have successfully sold all FFBs harvested from Matang Estate to our customers for the past three (3) financial years. For FYE 2016, our FFBs were entirely sold to Lenga, which has been one of our major customers for the past ten (10) years. Subsequent to FYE 2016, we began selling our FFB to Milik Mestika which operates Kilang Ledang Mas, a palm oil mill located approximately eight (8) kilometres from Matang Estate. Kilang Ledang Mas started operations on 1 August 2016. In view of the close distance between Matang Estate and Kilang Ledang Mas, the Board of MHB has decided to sell our harvested FFB to Milik Mestika. The sale of FFB to Milik Mestika will reduce our dependency on Lenga in addition to providing an opportunity to bring down our transportation costs.

4. RISK FACTORS (Cont'd)

Our Group's future success will depend upon our ability to amongst others, maintain or increase our FFB yield, to maintain or lower our production costs and adapt to future policy and regulatory environment in Malaysia. Notwithstanding that, our Group will be actively planning and implementing our future plans to increase our revenue, there can be no assurance that changes in the competitive environment will not have any material adverse effect in our financial performance. We believe that our competitive strengths such as competent management capabilities, superior FFB yield, young age profile of our plantations and application of the best agronomy practices, can help to provide us with the edge to maintain or expand our market position and market share. Further details on our competitive strengths are set out in Section 6.2 of this Prospectus.

4.1.8 Our cost of fertilisers may be adversely affected by exchange rate fluctuation

The cost of fertilisers constitutes a substantial portion of our Group's purchases. For FYE 2016, the cost of fertilisers made up to 89.7% of our Group's total purchases. Although the fertilisers used in our plantation operation were sourced from our local suppliers and transacted in RM, our local suppliers may import selected ingredients that are not available locally. Therefore, the cost of fertilisers provided by our local suppliers is affected by, exchange rate fluctuation. The main ingredients are imported by our local suppliers from People's Republic of China, Peru, Canada and USA. As the import of these ingredients are generally denominated in USD, a depreciation of the RM against USD may increase our fertilisers cost and adversely affect our financial performance.

A weakened RM against the USD may increase our fertilisers cost particularly the cost of ingredients that are imported by our local suppliers, thus adversely affect our financial performance. Nonetheless, our Group has not experienced any material adverse impact arising from the cost of fertilisers in relation to the fluctuations of the foreign exchange rates during the financial periods under review. In addition, it is our practice to request for quotations from various local suppliers before our purchase. Notwithstanding the above, there can be no assurance that the fluctuation in prices of fertilisers in relation to exchange rate fluctuation will not materially adversely affect the financial performance of our Group in the future.

4.2 RISKS RELATING TO OUR INDUSTRY**4.2.1 Volatility of CPO prices**

For the FYE 2016, our revenue is contributed solely from the sale of FFB. Our financial performance is dependent on the prices at which we can sell FFB. FFB prices are positively correlated with CPO prices. FFB prices typically go up when CPO prices go up and vice versa.

CPO is a commodity product which is subject to price fluctuations based on supply and demand conditions in relation to the level of global consumption of edible oils, availability and pricing of substitute products, as well as the FFB production. Further details on the supply and demand conditions are set out in Section 4.6 of Section 7 of this Prospectus.

The prices of CPO are influenced by a high degree of volatility and cyclicity and vary on a daily basis and as such, the earnings from our oil palm plantation business are subject to market vagaries. The prices of CPO are also susceptible to fluctuations in the USD/RM exchange rate given that the trade and exports of Malaysia's CPO are undertaken in USD. Any significant and prolonged reduction in the prices of CPO and FFB is expected to adversely affect our financial performance.

4. RISK FACTORS (Cont'd)

The average prices for CPO are set out below:

Year	2009	2010	2011	2012	2013	2014	2015	2016-2017 ^f
CPO⁽¹⁾ (RM/Mt)	2,237	2,701	3,219	2,764	2,371	2,383	2,153	2,200-2,900

Notes:

- (1) Prices of local delivered CPO
f denotes forecast

Moving forward, Protégé Associates estimates that CPO and FFB prices are expected to value at an average of between RM2,200 to RM2,900 per Mt and between RM480 to RM600 per Mt respectively for the period of 2016 and 2017, along with an anticipation for fluctuations in the short term, as demand and supply conditions of the CPO remain unstable.

(Source: IMR Report)

There is no assurance that the volatility of CPO prices will not affect the financial performance of our Group.

4.2.2 Dependency on the availability of an adequate labour force

The palm oil industry is labour intensive in nature. It requires extensive labour force to plant, harvest and maintain the planted areas to achieve optimal yields. The palm oil industry in Malaysia has been facing difficulty in recruiting Malaysian workers and has resorted to employing foreign workers to cope with any shortfall in the recruitment of Malaysian workers.

Our Group employs a reasonably large number of foreign workers for our oil palm plantation operations. As at the LPD, we have a labour force of 81 employees of whom 47 or 58.0% are foreign workers. We adhere strictly to a policy of employing only legal workers. All our foreign workers have obtained valid working visa permits from the Ministry of Home Affairs of Malaysia.

The local palm oil industry has faced a shortage of foreign labour in recent years. Sourcing Indonesian labour to work in palm oil plantations is preferred in Malaysia as there is no language barrier between the locals and Indonesian labourers. It is also the general sentiment that the Indonesian workers are more likely to have had previous experience in palm oil estates, and would work more efficiently compared to other foreign workers.

In recent years, more foreign plantation workers particularly fruit harvesters and collectors from Indonesia, have opted to head home given the improving oil palm sector in Indonesia, and the number of Indonesians willing to leave their homes and families is dwindling due to higher wages at home and rapid urbanisation in Indonesia. Robust economic growth in Indonesia has boosted consumer confidence and opened up more jobs outside the agriculture industry and narrowed the salary gap between Malaysia and Indonesia. This led to a reducing willingness among Indonesians to work abroad.

(Source: IMR Report)

As at the LPD, all of our foreign workers are from Indonesia, and the booming palm oil industry and rapid urbanisation in Indonesia has made it more difficult for us to source foreign labour from there.

4. RISK FACTORS (Cont'd)

In order to attract and retain employees, our Group provides competitive incentives, benefits, welfare schemes and facilities for our employees, including lodging located within the estate being provided for the plantation workers and office staff, and medical coverage for the staff, among others.

The mechanisation of some field operations such as the use of tractors in spraying fertilisers and pesticides have, to some extent, insulated our Group's oil palm plantation operations from disruptions arising from labour shortages. Although our Group believes that continuous improvements in our plantation operations can, to a certain extent, reduce our dependency on foreign workers, no assurance can be given that our Group will not face any labour shortage in the future. Furthermore, changes in immigration and labour policies by the Malaysian Government in respect of foreign workers may affect the availability of labour force for our oil palm plantation operations and in turn, may affect the performance of our Group.

In addition, the levy for foreign workers in Peninsular Malaysia has increased from RM590 to RM640 per year for each worker, effective 18 March 2016. As at the LPD, we have 47 foreign employees. The implementation of new levy will incur an additional labour cost of RM2,350 per year, which is not expected to materially affect our profitability.

The recruitment of foreign workers is outsourced to third-party agents. Our operations may be adversely affected if these third-party agents are unable to supply us with foreign workers for any reason whatsoever. In the last three (3) years, we have not faced major shortage of foreign workers that disrupt our oil palm plantation operations.

4.2.3 Dependency on weather conditions

The climatic condition is a critical factor in oil palm cultivation that would impact the FFB yield. Production can be adversely affected if rainfall does not meet the water demand for the growth of oil palm trees, for example during El Nino-induced drought where dry conditions last from 8 to 16 weeks. Prolonged dry conditions may result in low soil moisture for the growth of oil palm trees and adversely affect the FFB production.

Conversely, excessive rainfall conditions such as the monsoons, or the La Nina phenomenon that follow after drier weather brought by El Nino phenomenon, may also disrupt the harvesting and logistics within the plantations segment. Prolonged exposure to excessive water levels may result in moisture stress in oil palms; affecting the grading of palm oil and eventually forcing the plantation player to sell the palm oil at discount.

(Source: IMR Report)

Although it is impossible to regulate rainfall patterns, our plantation management team takes practical steps to mitigate the effects of adverse weather conditions as follows:

- (i) to mitigate the effects of excessive drought, we plant legume cover crops and carry out empty fruit bunch mulching to retain soil moisture in our plantation; and
- (ii) A portion of our plantation estate is along a river and is low-lying. As such, this area is prone to occasional flooding. Nevertheless, this has not materially affected our operations as the occasional flooding subsides in a short span of time. To mitigate the effects of excessive rainfall, we constructed silt pits and trenches to improve water drainage and prevent flooding.

Notwithstanding the above, there is no assurance that adverse weather conditions will not have any material adverse effect on the production of FFB which in turn, may affect the plantation operations and financial performance of our Group.

4. RISK FACTORS (Cont'd)

4.2.4 Risk pertaining to pests and diseases attack

Oil palm plantations are susceptible to pest and diseases and that could impact the amount of harvestable FFB to a significant extent. Common pests that infest oil palm plantations include rats, bagworms, nettle caterpillars, rhinoceros beetles, bunch moths and termites. In addition, oil palm crops are also affected by common soil borne fungus, such as Ganoderma, one of the more prominent diseases affecting oil palm trees.

The outbreak of pests and diseases may result in the destruction of oil palm trees and a decrease in FFB production. The ultimate result is not only loss of crop and lower profitability but also higher expenditure incurred in order to control such outbreaks. In mitigating the risk of pests and diseases attack, our Group takes measures to control the population of pests in our estate primarily by close monitoring and regular pesticide spraying operations. We have also installed owl boxes throughout our estate, to minimise crop losses to rats by introducing their natural predator, the barn owl, to the plantation. For the past three (3) financial years, our Group has not encountered any pests or diseases attack which result in a material adverse effect on the results of operations and financial performance of our Group.

4.2.5 Cyclical variation and seasonal factors resulting in variations in FFB yields

Oil palms are perennial crops that are subject to physiological stress on a cyclical basis. Although crops are produced by oil palms throughout the year, there are seasonal variations. In addition, production varies with the condition and age of oil palms as well as the local environment and weather conditions. There is normally a cyclical pattern in the annual FFB yield with higher yields experienced at certain intervals. As a result of a period of production stress, an exceptionally high yielding year will likely be followed by lower yielding years.

Our FFB production for the past financial years is as follows:

	<u>FYE 2013</u>	<u>FYE 2014</u>	<u>FYE 2015</u>	<u>FYE 2016</u>
Total sales volume of FFB (Mt)	17,452	18,135	17,415	14,731
FFB yield (FFB (Mt) /mature and old area)	24.97	24.97	24.66	17.37

From FYE 2013 to FYE 2014, our total sales volume of FFB has been increasing. However, in FYE 2015, the total sales volume decreased due to the replanting exercise of 20.0 hectares carried out during 2015 which resulted in the decrease in the total harvestable area (consisting of both mature and old area) from 726.3 hectares to 706.3 hectares.

In FYE 2016, our total sales volume of FFB decreased due to the El Nino phenomenon, which negatively impacted FFB yield. The decrease in FFB yield was also due to the reclassification of 158.2 hectares of Matang Estate from immature area to mature area. The oil palms in the said area are five (5) years of age and its FFB harvested is generally not as high as the volume of FFB harvested from oil palms aged between seven (7) years to 18 years, being the peak production years.

The FFB yield is calculated based on volume of FFB over total mature and old area. As a result of the reclassification, the total mature and old area increased from 706.3 hectares to 848.1 hectares. In relation thereto, the FFB yield for FYE 2016 had decreased as the FFB yield computed is based on lower FFB volume (primarily due to the El Nino phenomenon) over an increased total mature and old area of 848.1 hectares.

4. RISK FACTORS (Cont'd)

Our Group mitigates this risk by periodically reviewing the maturity profile of oil palms at our plantation and seeks to have a balanced maturity profile as well as using high quality germinated seeds. For the FYE 2014, 3.0% or 32.8 hectares of our plantation area are over 21 years old, and 1.9% or 20.0 hectares of our plantation area has been replanted. For the FYE 2016, we underwent a replanting exercise of 16.4 hectares or 1.5% of our plantation. We shall continue with our replanting exercise and target to replant 16.4 hectares during 2017.

In addition to the above, the total mature and old plantation area as at FYE 2016 is 848.1 hectares, which represents only 78.4% of its total plantation area. The plantation area that was replanted in FYE 2012 (178.3 hectares) will mature in 2017. As such, the total mature and old plantation area will increase to 1,010.0 hectares (net of area undergoing replanting of 16.4 hectares) in 2017 (93% of total plantation). As such, the replanting exercise in 2016 and 2017 is not expected to negatively impact our FFB yield.

Additional information of our replanting exercise is set out in Section 6.3.1 of this Prospectus.

4.2.6 Palm oil faces competition from other substitute oils

Palm oil faces competition from other substitute oils such as soybean and rapeseed oils. Any significant change in consumers' preference towards the substitutes for palm oils and fats will affect the demand and prices of palm oil products which in turn, may affect the financial performance of our Group.

Notwithstanding the continued support from the Malaysian Government for the palm oil industry which includes research, development and marketing promotions undertaken by MPOB, there can be no assurance that the palm oil industry will be able to maintain or expand its existing market share in the future amidst the competition from other substitute oils.

4.2.7 Palm oil faces negative publicity

In the past, certain non-governmental and environmental organisations throughout Europe and USA alleged that palm oil is detrimental to health and that oil palm plantation activities adversely affect the environment, including destroying the habitat of endangered wildlife. This has resulted in palm oil being surrounded by negative publicity.

Notwithstanding the efforts undertaken by industry players, associations and the Malaysian Government to challenge the aforesaid allegations, no assurance can be given that prolonged efforts to undermine palm oil and its related products will not have a material adverse effect on the palm oil industry.

4.2.8 Political, economic and regulatory risks

External factors beyond the control of our Group may also have adverse effects on our operations and financial performance. These include, but are not limited to changes in the political, economic and regulatory conditions in Malaysia and other countries where palm oil products are exported to.

Oil palm plantation business is sensitive to changes in labour laws, interest rates, taxation, tariffs and duties. Besides that, the bilateral relationships between Malaysia and its major palm oil products trading partners such as China, India, the European Union and the USA also play an important factor in CPO demand.

4. RISK FACTORS (Cont'd)

Our Group has not in the past experienced any severe restrictions on our conduct of business and will take steps to comply with any new laws and regulations imposed. However, there is no assurance that any adverse development or changes in the political, economic or regulatory environment will not have a significant effect on our Group's business operations and financial performance. Our DDWG confirms that our Group has complied with all Malaysian government policies and regulations pertaining to the palm oil industry that are applicable to Matang.

4.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

4.3.1 No prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained. Our IPO Price was determined after taking into consideration a number of factors including but not limited to our pro forma consolidated NA per share, our historical FFB yield, our competitive strengths and our prospects and future plans. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market of Bursa Securities upon or subsequent to our Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

The price at which our Shares will trade on the ACE Market of Bursa Securities may be influenced by a number of factors including, amongst others, the depth and liquidity of the market for our Shares, investors' individual perceptions of our Group, market and economic conditions.

4.3.2 Failure/delay in or abortion of our Listing

Our Listing is exposed to the risk that it may be aborted or delayed. Upon the occurrence of such events, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of any application for our Shares within fourteen (14) days, failing which the provisions of sub-sections 243(2) and 243(6) of the CMSA will apply accordingly and we will repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

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

4. RISK FACTORS (Cont'd)

4.3.3 Future dividend payment policy

Our Company, an investment holding company, derives its income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividends and our ability to sustain our dividend policy in the future are largely dependent on the performance of our subsidiary companies. In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, availability of distributable reserves and tax-exempt profits/tax credits, future expansion plans, loan covenants and compliance with regulatory requirements.

4.3.4 Performance of our Shares' trading price and trading volume

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed shares.

Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of securities listed on Bursa Securities.

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4. RISK FACTORS (Cont'd)

4.4 OTHER RISKS

4.4.1 Continued involvement by our Promoters

Our Promoters will collectively hold 11.22% of our enlarged issued and paid-up share capital upon Listing. Collectively, our Promoters shall be our single largest shareholder and shall hold significant voting rights in certain matters requiring the vote of our shareholders unless they abstain from voting voluntarily or as required by law and/or the relevant authorities.

As a step towards good corporate governance, we have appointed four (4) Independent Non-Executive Directors and set up an Audit Committee to ensure that, *inter-alia*, all future transactions involving related parties are entered into at arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of our minority shareholders.

4.4.2 Forward-looking/prospective statements

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our Shares.

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5. GENERAL INFORMATION ON OUR GROUP

5.1 INCORPORATION AND HISTORY

Matang Berhad (Company No. 1142377-X) was incorporated in Malaysia on 28 April 2015 under the Act as a public limited company under our current name. We are incorporated as a special purpose vehicle to facilitate the listing of MHB on the ACE Market of Bursa Securities. Through our subsidiaries, we are involved in the management of plantation estate, sale of FFB and property investment holding.

The shareholders of MHB had, at an Extraordinary General Meeting/Court Convened Meeting held on 15 October 2016 approved the Exchange of Shares. The Exchange of Shares was completed on 14 November 2016 and thereafter, MHB and its wholly-owned subsidiary, MRSB became our wholly-owned subsidiaries. Further details of the Exchange of Shares are set out in Section 5.3 of this Prospectus.

Please refer to Section 6.1 of this Prospectus for detailed information of our Group's history.

5.2 SHARE CAPITAL

Our authorised share capital is RM300,000,000 comprising 3,000,000,000 ordinary shares of RM0.10 each, of which RM168,000,025.60 comprising 1,680,000,256 Shares have been issued and fully paid-up as at the LPD. The movements in our issued and paid-up share capital since the date of our incorporation are set out below:

Date of Allotment	No. of Shares Allotted	Consideration/ Types of Issue	Par Value RM	Cumulative Issued and Paid-up Share Capital RM
28 April 2015	200	RM20.00/ Subscribers' shares	0.10	20.00
14 November 2016	1,680,000,056	RM168,000,005.60/ Issued pursuant to Exchange of Shares	0.10	168,000,025.60

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Matang. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged issued and paid-up share capital will be increased to RM181,000,025.60 comprising 1,810,000,256 Shares from the issuance of 130,000,000 Issue Shares.

5.3 EXCHANGE OF SHARES

Pursuant to the Scheme Agreement, MHB undertook a members' scheme of arrangement under Section 176 of the Act, to enable the entire issued and paid-up share capital of MHB of RM60,000,002 comprising 120,000,004 MHB Shares to be transferred to our Company and exchanged for 1,680,000,056 new Matang Shares on the basis of 14 new Matang Shares for every one (1) MHB Share held.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

The following approvals have been obtained for the Exchange of Shares:

(a) Approval of the shareholders of MHB in an Extraordinary General Meeting/Court Convened Meeting

Pursuant to Section 176(1) of the Act, the High Court of Malaya ("High Court") had on 19 September 2016 granted an order for MHB to convene a Court Convened Meeting on the Exchange of Shares.

On 15 October 2016, the Exchange of Shares was approved by a majority of the shareholders of MHB in number, representing three-fourths (3/4) in value of the shareholders of MHB present and voting in the Court Convened Meeting as required under Section 176(3) of the Act.

(b) Approval of the High Court

Pursuant to Section 176(3) of the Act, subsequent to the approval by a majority of the shareholders of MHB during the Court Convened Meeting, MHB filed a notice to the High Court to seek its approval for the Exchange of Shares. On 7 November 2016, the High Court granted an order sanctioning the Exchange of Shares and a copy of the court order was lodged by MHB with the CCM on 14 November 2016, thereby effecting the Exchange of Shares.

Resulting from the Exchange of Shares, 1,680,000,056 new Matang Shares were allotted to the existing shareholders of MHB on the basis of 14 new Matang Shares for every one (1) MHB Share held. In view that the issue price of the new Matang Shares is RM0.10 per Matang Share, the total exchange value is RM168,000,005.60.

The exchange ratio of 14 Matang Shares for every one (1) MHB Share was arrived at after taking into consideration the audited consolidated NA of MHB as at 31 December 2015 of RM165,891,974. As such, the exchange value of RM168,000,005.60 represents a premium of approximately RM2,108,031.60 or 1.27% to the NA of MHB as at 31 December 2015 of RM165,891,974.

The premium between the exchange value and the NA of MHB as at 31 December 2015 is approximately 1.27%. In view of the minimal premium, the Board is of the opinion that the exchange ratio of 14 Matang Shares for every one (1) MHB Share is fair and reasonable.

The new Shares issued pursuant to the Exchange of Shares rank *pari passu* in all respects with our existing issued and paid-up Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issue and allotment of the new Shares.

Upon the completion of the Exchange of Shares, the shareholding structure of Matang is as follows:

Shareholders	No. of MHB Shares held before the Exchange of Shares	% of share capital	Matang Shares held after the Exchange of Shares	
			No. of Matang Shares	%
Subscriber shareholders	-	-	200	-(¹)
Huaren	13,097,000	10.91	183,358,000	10.91
Rohua	1,412,000	1.18	19,768,000	1.18
MHB MI	105,491,004	87.91	1,476,874,056 ⁽²⁾	87.91
Total	120,000,004	100.00	1,680,000,256	100.0

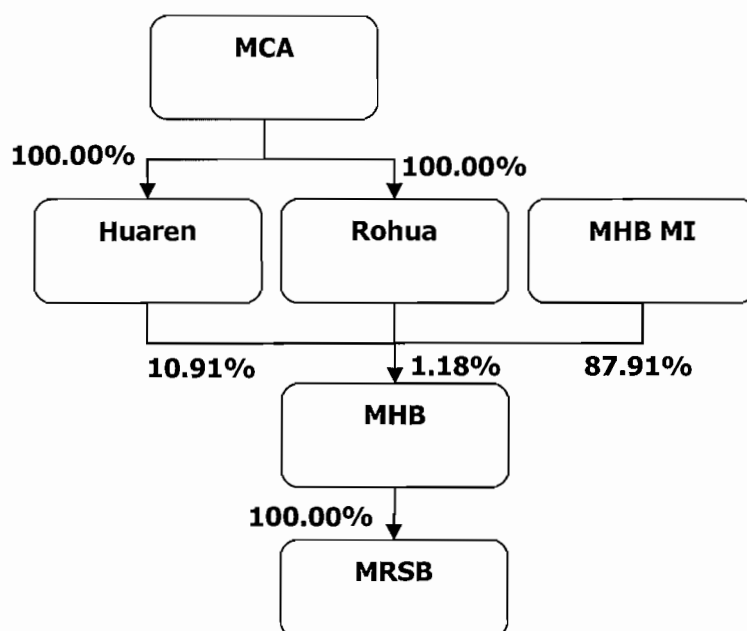
5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Negligible.
- (2) Comprising the following (as at 30 November 2016):
 - (a) 1,225,611,562 Shares held by 13,918 shareholders; and
 - (b) 251,262,494 Shares held by the Trustee on behalf of 4,709 shareholders pursuant to the Trust Deed.

Our Group structure before and after the Exchange of Shares as well as upon completion of the Listing is as follows:

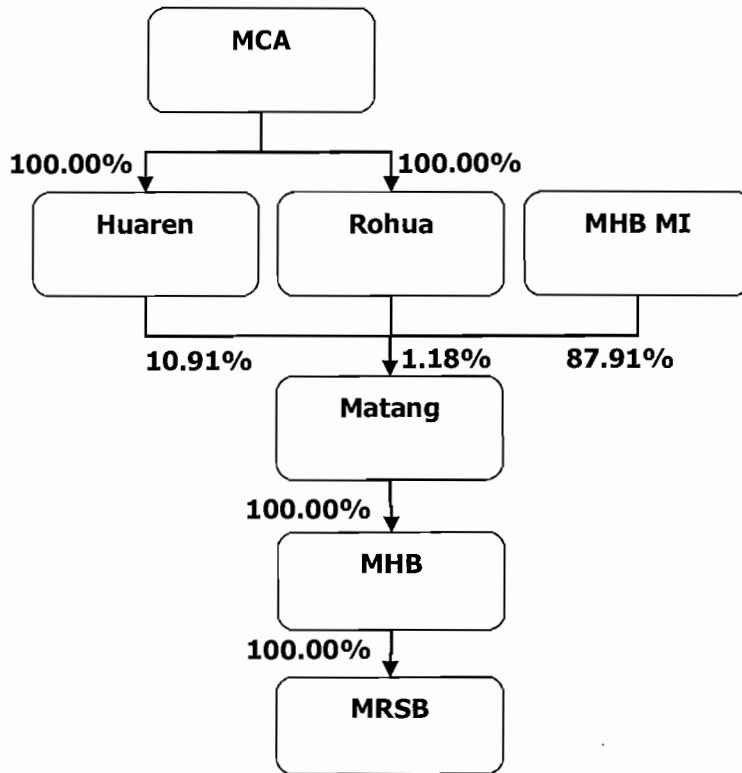
Before the Exchange of Shares



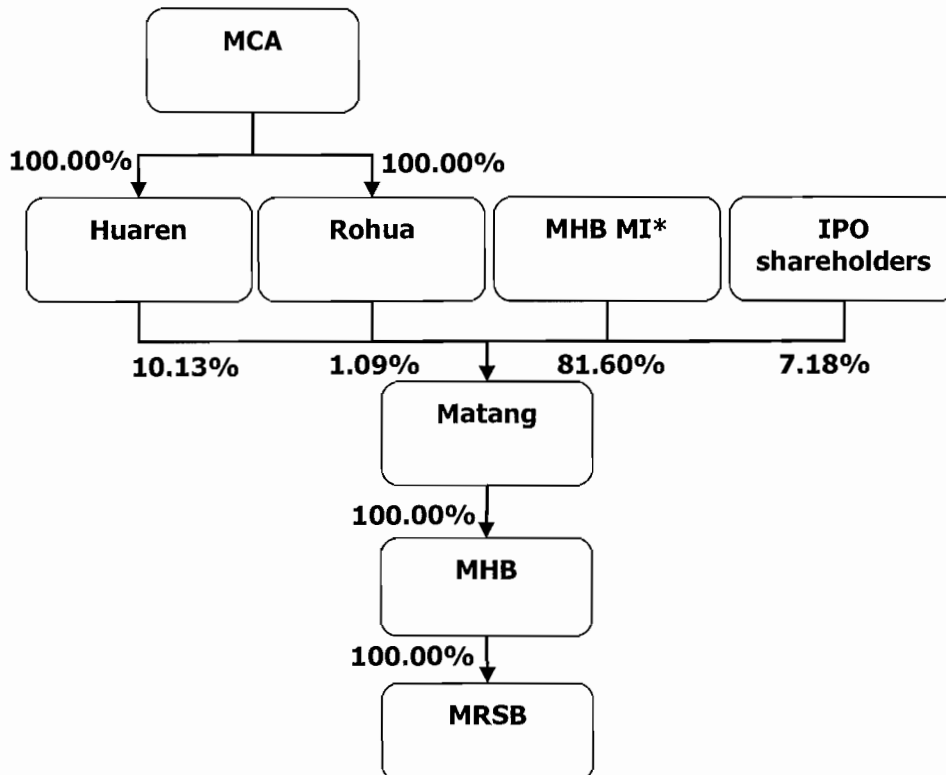
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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

After the Completion of the Exchange of Shares



After the Exchange of Shares and Public Issue



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Notes:

- * Comprising the following (as at 30 November 2016):
- (a) 1,225,611,562 Shares held by 13,918 shareholders; and
 - (b) 251,262,494 Shares held by the Trustee on behalf of 4,709 shareholders pursuant to the Trust Deed.

5.4 LISTING SCHEME

Details of our Listing Scheme are as follows:

(a) Public Issue

Pursuant to our Public Issue, we shall issue 130,000,000 Issue Shares at our IPO Price to be made available for application by the Malaysian Public, to be allocated via balloting.

Upon completion of our Public Issue, our issued and paid-up share capital will increase from RM168,000,025.60 comprising 1,680,000,256 Shares to RM181,000,025.60 comprising 1,810,000,256 Shares.

(b) Listing

Upon completion of our IPO, our Company's entire enlarged issued and paid-up share capital of RM181,000,025.60 comprising 1,810,000,256 Shares shall be listed on the ACE Market of Bursa Securities.

5.5 SUBSIDIARIES

All of our subsidiaries are wholly-owned by our Company. As at the date of this Prospectus, we do not have any associated company. Details of our subsidiaries are summarised as follows:

Company (Company No.)	Date / Place of incorporation	Date of commencement of business	Authorised share capital RM	Issued and paid-up share Capital RM	Effective equity interest %	Principal activities
MHB (38557-X)	3 April 1978/ Malaysia	8 October 1980	120,000,004	60,000,002	100.0	Investment holding, management of plantation estate and sale of FFB
MRSB ⁽¹⁾ (89846-T)	11 September 1982/ Malaysia	9 October 1996	50,000,000	37,926,971	100.0	Property investment holding

Note:

- ⁽¹⁾ Wholly-owned subsidiary of MHB.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.5.1 MHB

(a) History and business

MHB was incorporated in Malaysia on 3 April 1978 under the Act as a public limited company.

MHB is involved in management of plantation estate and sale of FFB. The detailed history of MHB is set out in Section 6.1 of this Prospectus.

MHB also owns the Larkin Investment Property which comprises three (3) units of detached buildings at Kawasan Perindustrian Larkin, Johor Bahru. The said property is leased to multiple tenants for rental income.

There have been no material changes in the manner in which MHB conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

As at the LPD, MHB's authorised share capital is RM100,000,000 comprising 200,000,000 MHB Shares. Its issued and paid-up share capital is RM60,000,002 comprising 120,000,004 MHB Shares.

The changes in the issued and paid-up share capital of MHB since its incorporation are as follows:

<u>Date of allotment</u>	<u>No. of MHB Shares allotted</u>	<u>Consideration/ Types of issue</u>	<u>Par value RM</u>	<u>Cumulative issued and paid-up share capital RM</u>
3 April 1978	4	RM2/ Subscribers' shares	0.50	2.00
15 December 1981	120,000,000	RM60,000,000/ Cash	0.50	60,000,002.00

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in MHB. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

(c) Substantial shareholders and directors

MHB is a wholly-owned subsidiary of our Company. As at the LPD, the Directors of MHB are as follows:

<u>Name</u>	<u>Designation</u>	<u>Date of Appointment</u>
Datuk Kiat Swee Sung	Executive Chairman	21 July 2014
Eng Cheng Guan	Executive Director	19 September 2014
Ganasan A/L Perumal	Plantation Director ⁽¹⁾	22 June 2015
Datuk Teoh Sew Hock	Non-Executive Director	13 June 2013
Ng Keng Heng	Non-Executive Director	13 June 2013

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Name	Designation	Date of Appointment
Lau Kok Guan @ Low Kok Guan	Non-Executive Director	30 July 2013
Lau Liang Fook	Non-Executive Director	10 December 2013
Chong Pow On	Non-Executive Director	10 December 2013
Datuk Tan Teck Poh @ Tan Ah Too	Non-Executive Director	21 July 2014

Note:

- (1) Ganasan A/L Perumal is a board member of MHB. He holds an executive position on the board of MHB.

(d) Subsidiaries and associated companies

As at the LPD, details of the subsidiary of MHB are summarised as follows:

Company/ Company No.	Date/ Country of Incorporation	Authorised Share Capital RM	Issued and Paid-up Share Capital RM	Equity Interest %	Principal Activity
MRSB/ 89846-T	11 September 1982/ Malaysia	50,000,000	37,926,971	100	Property investment holding

As at the LPD, MHB does not have any other associated company.

5.5.2 MRSB**(a) History and business**

MRSB was incorporated in Malaysia under the Act on 11 September 1982 as a private limited company. The principal activity of MRSB is property investment holding. MRSB is the registered owner of the Matang Estate which comprises 45 contiguous pieces of agricultural lands located within the District of Ledang and District of Segamat, Johor with a total land area of 1,096.3 hectares. The said estate houses our Group's plantation operations.

MRSB is also the registered owner of the Tangkak Investment Land which is a vacant land measuring approximately 5,016.85 square metres which is held for property development. The development land is located in Tangkak, District of Ledang, Johor.

There have been no material changes in the manner in which MRSB conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

As at the LPD, MRSB's authorised share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM37,926,971 comprising 37,926,971 ordinary shares of RM1.00 each.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued and paid-up share capital of MRSB since its incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Par value RM	Cumulative issued and paid-up share capital RM
11 September 1982	2	RM2/ Subscribers' shares	1.00	2
9 October 1996	37,926,969	RM37,926,969/ Others ⁽¹⁾	1.00	37,926,971

Note:

(1) Issued in consideration for the sale of Matang Estate by MHB to MRSB.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in MRSB.

(c) Substantial shareholders and directors

MRSB is a wholly-owned subsidiary of our Company. As at the LPD, the Directors of MRSB are as follows:

Name	Designation	Date of Appointment
Datuk Kiat Swee Sung	Director	25 July 2016
Datuk Teoh Sew Hock	Director	13 June 2013

(d) Subsidiaries and associated companies

As at the LPD, MRSB does not have any other subsidiary or associated company.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.6 MAJOR APPROVALS AND LICENCES**

Save for the major licences, permits and certificates obtained by our Group as disclosed below, as at the LPD, there are no other major approvals, major licences and permits issued to our Group in order for us to carry out our operations:

No.	Licencee	Issuing Authority / Registration No.	Date of issue	Date of expiry	Nature of Licences/ Permits and Certificates	Equity and/or major conditions imposed	Compliance status
1.	MHB	Johor Bahru City Council / L2013LI00203 Serial number for advertising license: JB/I/2015/12/2039	14 December 2015	31 December 2016	Business premise and advertising licence for office purpose	(i) This licence is not transferable to another person; (ii) This licence may be revoked if the licensee is found not to be conducting business at the business premise; (iii) This licence shall be displayed in a place which is significant and shall be produced to the officers of Johor Bahru City Council and/or police officers for inspection upon request; and (iv) The licensee is required to provide and make available fire extinguishers and first aid kit in the business premise.	Complied
2.	MHB	MPOB / 501755902000	21 January 2016	28 February 2017	Licence to sell and move FFB	(i) A licensee shall, in relation to the categories specified in its licence, maintain and update on a daily basis records which are complete, true and accurate; (ii) A licensee shall, in relation to the categories specified in its licence, submit monthly statement containing information which to their knowledge is complete, true and accurate to the MPOB every month and shall be received by the MPOB not less than the seventh (7th) day of the following month;	Complied

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing Authority / Registration No.	Date of issue	Date of expiry	Nature of Licences/ Permits and Certificates	Equity and/or major conditions imposed	Compliance status
						(iii) A licensee shall, in relation to the categories specified in its licence, submit periodic information containing information which to their knowledge is complete, true and accurate to the MPOB every month and shall be received by the MPOB as may be determined by the MPOB;	
						(iv) A licensee is not permitted to sell oil palm to anybody except to a person who has a licence to buy oil palm fruits;	
						(v) A licensee is only permitted to sell and move oil palm fruit from the estates specified in the licence; and	
						(vi) A licensee shall make a declaration of the oil palm fruit consignment by sea within Malaysia which to their knowledge is complete, true and accurate to the MPOB in form MPOB Q2 not less than two (2) days before the date of commencement of loading of the oil palm fruit.	
3.	MHB	MPOB / 566114011000	1 November 2016	31 October 2017	Licence to produce, sell, move and store oil palm seedlings	(i) A licensee shall, in relation to the categories specified in its licence, maintain and update on a daily basis records for which is complete, true and accurate;	Complied
						(ii) A licensee shall, in relation to the categories specified in its licence, submit monthly statement containing information which to their knowledge is complete, true and accurate to the MPOB every month and shall be received by the MPOB not less than the seventh (7 th) day of the following month;	

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No. Licencee	Issuing Authority / Registration No.	Date of issue	Date of expiry	Nature of Licences/ Permits and Certificates	Equity and/or major conditions imposed	Compliance status
					(iii) A licensee shall, in relation to the categories specified in its licence, submit periodic information containing information which to their knowledge is complete, true and accurate to the MPOB every month and shall be received by the MPOB as may be determined by the MPOB;	
					(iv) A licensee is required to submit document certifying the genuineness of the oil palm seeds or plants from oil palm tissues obtained from every purchase;	
					(v) A licensee is not permitted to purchase oil palm seeds or oil palm seedlings or plants from oil palm tissues from anybody except from a person who has a licence to sell oil palm seeds or oil palm seedlings or plants from oil palm tissues;	
					(vi) A licensee is not permitted to sell oil palm seedlings with age of less than ten (10) months old;	
					(vii) A licensee shall comply with at least the minimum guidelines in the Guidelines for the Commercial Production and Maintenance of Oil Palm Seedlings from Germinated Oil Palm Seeds or any other guidelines as may be determined by the MPOB;	
					(viii) A licensee shall be required to have at least one (1) officer with qualifications as may be determined by the MPOB working for it;	

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing Authority / Registration No.	Date of issue	Date of expiry	Nature of Licences/ Permits and Certificates	Equity and/or major conditions imposed	Compliance status
						(ix) A licensee shall ensure that all sale of oil palm seedlings is accompanied by the Oil Palm Planting Materials Declaration of Sale and Receipt Form which is completed with true and complete particulars; and (x) A licensee shall make a declaration of the oil palm seedlings consignment by sea within Malaysia which to their knowledge is complete, true and accurate to the MPOB in form MPOB Q2 not less than two (2) days before the date of commencement of loading of the oil palm seedlings.	
4.	MHB	Ministry of Plantation Industries and Commodities, Malaysia and MPOB/ CoP/ET/0095-1	21 April 2016	20 April 2019	Certificate confirming the fulfilment of the requirements of Code of Good Agricultural Practice for Oil Palm Estates and Smallholdings based on the evidence of compliance audit	None	Not applicable
5.	MHB	Ministry of Domestic Trade, Co-operatives and Consumerism, Malaysia / J023664	10 February 2016	10 February 2017	Permit for storage of 9,100 litres of diesel	(i) A licensee is not permitted to store scheduled controlled item in any place other than the location set out in the permit; (ii) A licensee shall not own or control any scheduled controlled items in excess of the quantity set out in the permit;	Complied

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing Authority / Registration No.	Date of issue	Date of expiry	Nature of Licences/ Permits and Certificates	Equity and/or major conditions imposed	Compliance status
(iii)						This permit shall not be transferable to another person;	
(iv)						The scheduled controlled item set out in the permit is for the licensee's own internal use and not for resale;	
(v)						A licensee shall maintain all proof of purchase of the scheduled controlled items set out in the permit for inspection purposes; and	
(vi)						The skid tank used for storage of the scheduled controlled item shall be labelled.	

The Malaysian government policies and regulations pertaining to the palm oil industry that are applicable to Matang include *inter-alia* the following:

- Land Acquisition Act 1960
- National Land Code 1965
- Workers Minimum Standard of Housing & Amenities Act 1990
- Occupational Safety & Health Act, 1994
- Malaysian Palm Oil Board Act 1998
- Malaysian Palm Oil Board (Licensing) Regulation 2005
- Environment Quality Act 1974

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.7 PROPERTIES OF OUR GROUP****5.7.1 Properties owned by our Group**

Details of the properties owned by Matang Group as at the LPD are as follows:

(i) Matang Estate

Our oil palm plantation comprises of 45 contiguous pieces of agricultural lands located within the District of Ledang and District of Segamat, State of Johor Darul Takzim, collectively known as Matang Estate. Details of the oil palm plantation are as follows:

Registered proprietor	:	MRSB																		
Total Net Land Area based on titles ⁽¹⁾	:	1,092.2 hectares (2,698.8 acres)																		
Total Net Land Area ⁽¹⁾	:	1,096.3 hectares (2,709.1 acres)																		
Market Value	:	RM141,000,000.00 ⁽²⁾ as at 4 March 2016																		
Net book value	:	RM140,293,501 as at 30 June 2016																		
Existing use	:	Oil palm plantation																		
Tenure	:	Freehold																		
Total plantation area and age profile of the oil palm (as at 30 June 2016) ⁽³⁾	:	<table border="1"> <thead> <tr> <th>Age profile</th> <th>Plantation area Hectares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>- Old area (21 to 25 years)</td> <td>16.4</td> <td>1.5</td> </tr> <tr> <td>- Mature area (5 to 20 years)</td> <td>831.7</td> <td>76.9</td> </tr> <tr> <td>- Immature area (1 to 4 years)</td> <td>217.6</td> <td>20.1</td> </tr> <tr> <td>- Replanting</td> <td>16.4</td> <td>1.5</td> </tr> <tr> <td>Total plantation area</td> <td>1,082.1</td> <td>100.0</td> </tr> </tbody> </table>	Age profile	Plantation area Hectares	%	- Old area (21 to 25 years)	16.4	1.5	- Mature area (5 to 20 years)	831.7	76.9	- Immature area (1 to 4 years)	217.6	20.1	- Replanting	16.4	1.5	Total plantation area	1,082.1	100.0
Age profile	Plantation area Hectares	%																		
- Old area (21 to 25 years)	16.4	1.5																		
- Mature area (5 to 20 years)	831.7	76.9																		
- Immature area (1 to 4 years)	217.6	20.1																		
- Replanting	16.4	1.5																		
Total plantation area	1,082.1	100.0																		

Notes:

- (1) The total net land area as stated in the particulars of titles is 1,092.2 hectares (2,698.8 acres). However, Jurukur Jasa Jaya Sdn Bhd, a licenced land surveyor, had vide its letter dated 26 June 2015 certified that the total land area is 1,096.3 hectares (2,709.1 acres). For the purpose of valuation, KGV International Property Consultants (Johor) Sdn Bhd has adopted the total net land area of the Matang Estate of approximately 1,096.3 hectares.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

- (2) As valued by KGV International Property Consultants (Johor) Sdn Bhd using the Discounted Cash Flow approach. A copy of the valuation certificate is enclosed as Annexure of this Prospectus. The gain on the revaluation surplus amounted to RM46.63 million were recognised as retained earnings and has been reflected in the audited consolidated financial statements for FPE 2015. The above valuation does not require the approval of the SC.
- (3) The total plantation area of 1,082.1 hectares refers to the total area that is marked for plantation. The difference in the area of 14.2 hectares comprise nursery, building sites, roads, drains etc.

MRSB had received the following notifications on the compulsory acquisition of part of the Matang Estate pursuant to the Land Acquisition Act, 1960 to upgrade the existing Muar-Tangkak-Segamat Road Package 3:

- (a) Notification dated 27 September 2016 from Pentadbir Tanah Segamat ("PTS") in relation to the land title Geran 37583 for Lot 6185 and Geran 37585 for Lot 6187 in Mukim Jementah, Daerah Segamat for which the land area to be acquired by the State Government of Johor is 0.7418 hectares and 1.2994 hectares respectively; and
- (b) Notification dated 12 October 2016 from Pejabat Tanah Tangkak ("PTT") in relation to the land title Geran 2752 for Lot 984 in Mukim Tangkak, Daerah Tangkak for which the land area to be acquired by the State Government of Johor is 0.1116 hectares.

Particulars of title	Owner	Age of trees planted on respective land	Titular land area (hectares)	Land area for compulsory acquisition (hectares)	% land area for compulsory acquisition over Matang Estate* (%)	Net Book Value as at 30 June 2016 ^ (RM)	Compensation Sum by land office (RM)
Lot 6185, Geran 37583 (Mukim Jementah, Daerah Segamat)	MRSB	Over 18 years	1.968	0.7418	0.07%	94,928	432,464
Lot 6187, Geran 37585 (Mukim Jementah, Daerah Segamat)	MRSB	Over 18 years	3.403	1.2994	0.12%	166,284	767,212
Lot 984, Geran 2752 (Mukim Tangkak, Daerah Tangkak)	MRSB	Over 12 years	1.776	0.1116	0.01%	14,281	41,000
TOTAL			7.147	2.1528	0.20%	275,493	1,240,676

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Notes:

* Calculated based on land area of 1,096.3 hectares.

^ Net book value for land area to be acquired under the compulsory acquisitions, the value of which is arrived at in proportion to total NBV of RM140,293,501 as at 30 June 2016 for the total land area of 1,096.3 hectares.

As a result of the compulsory acquisitions, the land area of Matang Estate shall decrease by 2.1528 hectares or 0.20%. Nevertheless, the decrease in Matang Estate land area is not expected to materially impact the revenue, profitability and/or operations of Matang going forward due to the minimal reduction in land area of 0.20%.

Kindly refer to **Annexure A** for additional details on Matang Estate.

(ii) Larkin Investment Property

Particulars of title	:	HSD 8796, Lot No. TLO 703, Town of Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim bearing postal address No. 83A, Jalan Langkasuka, Kawasan Perindustrian Larkin (also known as Dato' Onn Industrial Estate), 80350 Johor Bahru, Johor Darul Takzim.
Registered proprietor	:	MHB
Land area	:	1.3 hectares (3.2 acres / 139,392 sq ft)
Tenure	:	Leasehold for 60 years expiring on 24 September 2031 with a remaining leasehold period of approximately 15 years.
Category of land use	:	Industrial
Existing use, age of building and occupancy rates	:	Erected upon the land are three (3) units of detached buildings identified as Block A, Block B and Block C, two (2) guardhouses and other ancillary structures. Block A Block A is a 1 1/2-storey detached warehouse. The age of Block A is approximately 40 years old and it has a total gross floor area of 15,340 sq ft. The net lettable area is 12,000 sq ft. As at LPD, it is fully occupied and used as a furniture showroom.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

	<p>Block B</p> <p>Block B is a 1 1/2-storey warehouse cum factory. The age of Block B is approximately 27 years old and it has a total gross floor area of 32,160 sq ft. The net lettable area is 28,900 sq ft. As at the LPD, it is fully occupied and used as a badminton court.</p> <p>Block C</p> <p>Block C is a 5-storey detached flatted factory building with a lower ground floor. The age of Block C is approximately 18 years old and it has a total gross floor area of 203,137 sq ft. The net lettable area is 108,480.39 sq ft. As at the LPD, 54,894.99 sq ft is leased to multiple tenants while the remaining 53,585.40 sq ft is unoccupied. The occupancy rate is 50.60%.</p> <p>As at the LPD, the combined occupancy rate of Block A, B and C are approximately 64.10%.</p>
Restriction-in-interest	: Nil
Market value	: RM11,650,000 ⁽¹⁾ as at 30 April 2015
Net book value	: RM11,650,000 as at 30 June 2016
Date of Issuance of Certificate of Fitness for Occupation ("CFO")	: The CFO for Block A, Block B and Block C were issued on 22 June 1976, 18 September 1989 and 26 November 1998 respectively.
Term of tenancy	: Generally, the term of the tenancy is on a short-term basis between one (1) – three (3) years.

Note:

- (1) As valued by PPC International Sdn Bhd using the Comparison Approach and Cost Approach. A copy of the valuation certificate is enclosed as Annexure B of this Prospectus. The above valuation does not require the approval of the SC.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**(iii) Tangkak Investment Land**

Particulars of title	:	HSD 4636, Lot No. PTD 10109, Mukim of Tangkak, District of Ledang, State of Johor Darul Takzim
Location	:	Situated along Jalan Bidara 9 and Jalan Bidara 10, Taman Tangkak Jaya, Tangkak, Johor Darul Takzim
Registered proprietor	:	MRSB
Land area	:	5,016.85 square metres (54,001 sq ft)
Tenure	:	Freehold
Category of land use	:	Building
Existing use	:	Vacant
Restriction-in-interest	:	<ol style="list-style-type: none"> 1. Once the ownership of this land is transferred to a Bumiputera, it shall not subsequently be sold, leased or transferred by any means to a non-Bumiputera without the consent from the state authority. 2. Once the ownership of this land is subdivided into subsidiary titles and transferred to a Bumiputera, it shall not subsequently be sold, leased or transferred by any means to a non-Bumiputera without the consent from the state authority.
Market value	:	RM1,600,000 ⁽¹⁾ as at 30 April 2015
Net book value	:	RM1,057,730 as at 30 June 2016
Date of Issuance of Certificate of Fitness for Occupation	:	Nil

Note:

- (1) As valued by PPC International Sdn Bhd using the Comparison Approach. A copy of the valuation certificate is enclosed as Annexure C of this Prospectus. The above valuation does not require the approval of the SC.

The DDWG is of the view that none of the properties owned by our Group are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.7.2 Property rented by our Group**

Details of property rented by us as at the LPD are set out below:

No.	Address	Owner/ Tenant	Description/ Existing Use	Built-up Area Sq ft	Period of tenancy / Rental per month	Date of issuance of certificate of fitness for occupation
(a)	Suite 905, 9 th Floor, City Plaza, 21 Jalan Tebrau, 80300 Johor Bahru, Johor	Han Kim Lan, Shu Tai Yong and So Heng Hock /	A unit located on the 9 th floor is being used as an office /	1,629	Six (6) months commencing from 1 November 2016 and expiring on 30 April 2017 /	18 November 1998
		MHB	Corporate office of our Group		RM3,450.00	

The DDWG is of the view that none of the property leased by our Group is in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land laws or building regulations/by-laws.

5.7.3 Acquisition of properties

Our Group has not acquired any properties during the past two (2) years preceding the date of this Prospectus.

5.7.4 Regulatory requirements and environmental issues

The DDWG is of the view that there are no regulatory requirements and/or major environmental issues which may affect our Group's operations arising from the utilisation of our assets.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.7.5 Material capital expenditures and divestitures

Save as disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for the past four (4) financial years from FYE 2013 to FYE 2016:

Description	FYE 2013	FYE 2014	FYE 2015	FYE 2016
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	102	11	-	-
Plant and machinery	34	55	10	9
Total	136	66	10	9

The above material capital expenditures were mainly for our operations and financed by internally generated funds.

5.7.6 Material plans to construct, expand or improve facilities

Save as disclosed below, we do not have immediate plans to construct, expand or improve our existing facilities:

- (a) To replant 16.4 hectares or 1.5% of our total oil palm plantation area in 2017. Our replanting exercise is expected to improve the age profile of our oil palm estate and increase our FFB yield in the long term which will enhance our revenue; and
- (b) To improve our facilities as well as the infrastructure located in our plantation estate as follows:
 - (i) road repair and resurfacing;
 - (ii) improve water drainage;
 - (iii) purchase of new equipment including nine (9) tractors, one (1) backhoe and one (1) lorry for our plantation operations;
 - (iv) rewiring of electricity supply cables; and
 - (v) renovation of workers quarters.

The improvement of our facilities is expected to enhance our effectiveness in operating our estate and is expected to lead to cost savings (from the expected reduction in equipment maintenance costs and fuel reduction from the use of new vehicles and resurfaced roads) in the long term and contribute positively to our Group's revenue and profitability.

We have allocated RM2.80 million from the proceeds of our IPO for the abovementioned expenditures. Kindly refer to Section 3.10 of this Prospectus for detailed information on the utilisation of proceeds.

Additional information on the abovementioned expenditures are also set out in Section 6.3 of this Prospectus.

6. BUSINESS OVERVIEW

Unless otherwise stated, for the purpose of this Section 6, references to "Matang Group", "Group", "we", "us", "our" and "ourselves" are to Matang, MHB and MRSB taken as a whole or the Matang Group.

6.1 OUR HISTORY

Matang Berhad was incorporated in Malaysia on 28 April 2015 under the Act as a public limited company under our current name. We are incorporated as a special purpose vehicle to facilitate the listing of MHB on the ACE Market of Bursa Securities. Through our subsidiaries, Matang Group is involved in the management of plantation estate, sale of FFB and property investment holding.

The history of Matang Group can be traced back to the 1970's era when businesses were mostly small family-owned sole proprietorships or partnerships that relied heavily on the involvement of family members. As the Malaysian economy grew, MCA felt the need for Chinese entrepreneurs to break away from traditional family business practices, and began to effect the formation of large corporations in order to withstand increasing business competition. This led to the establishment of Multi-Purpose Holdings Berhad (currently known as Magnum Berhad) in 1975 by MCA, a company that raised capital from the Chinese community for investment purposes. Subsequent to this successful initiative, another four (4) corporations were formed by various MCA branches during the period from 1978 to 1981 including Aik Hua Holdings Berhad by Selangor MCA, Panwa Development Berhad by Pahang MCA, Peak Hua Holdings Berhad by Perak MCA and MHB by Johor MCA.

Our wholly-owned subsidiary, MHB was incorporated in Malaysia under the Act on 3 April 1978 as a public limited company under its present name. MHB began its fund raising exercise in 1981. The fund raising exercise was completed on 15 December 1981 and MHB successfully raised RM60 million with the issuance of 120,000,000 new MHB Shares at RM0.50 each.

On 11 September 1982, MRSB, our wholly-owned subsidiary was incorporated. The principal activity of MRSB is property investment holding.

In September 1983, MHB acquired Matang Estate for a total purchase consideration of RM19.64 million.

Subsequent to the completion of acquisition of Matang Estate, we ventured into the plantation sector with the cultivation of rubber (on 72.6% of the land area) and oil palm (on the remaining 27.4% of land area) in Matang Estate in 1983.

In 1984, MHB paid its first dividend of 2.5 sen per MHB Share to its shareholders.

In 1988, MHB acquired the Larkin Investment Property for a total purchase consideration of RM2.8 million. At the time of acquisition, the Larkin Investment Property had a 1½-storey detached warehouse (Block A) which was built in 1976.

In 1989, MHB completed the construction of another 1½-storey detached warehouse cum factory (Block B) on the Larkin Investment Property.

To continue to add value to our shareholders, from the 1980s to mid-1990s, we diversified our investment portfolio to include other business activities. These include the provision of financial services through Matang Factoring Sdn Bhd (initially known as Matang Credit and Leasing Sdn Bhd) from 1982 to 1992, invested in cocoa plantation through our stake in Susuki Sdn Bhd from 1984 to 1991, production of disposable examination gloves through

6. BUSINESS OVERVIEW (Cont'd)

Matang Manufacturing Sdn Bhd from 1988 to 1993, as well as multiple investments in public listed companies throughout the period.

In 1996, our rubber yield declined drastically due to our ageing rubber trees. During this period, palm oil demand was on the rise which led to our management's decision to cease our rubber plantation activities and to replace the rubber trees with oil palms.

In 1996, MHB sold the Matang Estate to MRSB for the total consideration of RM54.18 million, satisfied partly via the allotment of 37.93 million ordinary shares of RM1.00 each in MRSB to MHB and partly via cash payment of RM16.25 million.

In 1998, MHB completed the construction of a 5-storey detached flatted factory (Block C) on the Larkin Investment Property.

In 2001, MRSB acquired the Tangkak Investment Land for a total purchase consideration of RM1.2 million.

In 2012, MHB was certified as having fulfilled the requirements of the 'Code of Good Agriculture Practice for Oil Palm Estates and Smallholdings' from the MPOB.

On 19 November 2012, Scope Industries Berhad ("Scope") and MHB had entered into a conditional business merger agreement ("BMA") for the sale and transfer of the entire business and undertakings, including all assets and liabilities of MHB to Scope for a total merger consideration amounting to RM145.0 million ("Scope Merger").

On 31 May 2013, the Scope Merger was tabled to the shareholders of MHB at an Extraordinary General Meeting. However, the resolutions in relation to the Scope Merger were not carried.

On 8 September 2014, Scope notified MHB that the BMA was terminated as the conditions precedent of the BMA were not fulfilled in accordance with the timeframe stipulated under the BMA. Resulting thereto, the Scope Merger was aborted.

On 6 May 2016, MHB and Matang entered into the Scheme Agreement to facilitate the Exchange of Shares.

On 15 October 2016, the shareholders of MHB had, at an Extraordinary General Meeting/Court Convened Meeting approved the Exchange of Shares. The Exchange of Shares was completed on 14 November 2016 and thereafter, MHB and its wholly-owned subsidiary, MRSB became our wholly-owned subsidiaries. Further details of the Exchange of Shares are set out in Section 5.3 of this Prospectus.

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6. BUSINESS OVERVIEW *(Cont'd)*

6.2 COMPETITIVE STRENGTHS

6.2.1 Experienced key management

Our Group has a management team with competent management capabilities, sound operational knowledge and in-depth industry expertise and experience in their respective fields.

Our Group's key management team, position and years of relevant experience are as follows:

No.	Key management	Position	Years of relevant experience Years	Years employed in Matang Group Years
(i)	Datuk Kiat Swee Sung	Executive Deputy Chairman	36	2
(ii)	Eng Cheng Guan	Executive Director	41	2
(iii)	Ganasan A/L Perumal	Plantation Director	32	32
(iv)	Woon Yoon Pa	Estate Manager	42	3
(v)	Cheong Siew Kin	Chief Financial Officer	16	1
(vi)	Nyam Mei Ting	Finance and Admin Manager	22	5

At the core of our business lies the expertise of our management team that manages our plantation operations. Our Executive Deputy Chairman, Datuk Kiat Swee Sung has over 36 years of experience in the oil palm plantation business, having been involved in various areas of the industry, ranging from plantation operations to estate maintenance to transportation. He is supported by Eng Cheng Guan, our Executive Director who oversees our estate division. He has more than 41 years of experience in various segments of the agricultural industry.

Our Plantation Director, Ganasan A/L Perumal, has been involved in our plantation operations since 1984, and is responsible for the administrative functions within our plantation estate.

Our Estate Manager, Woon Yoon Pa, has over 42 years of experience in daily field operations in plantation which includes but not limited to seedling planting, fertilisers and pesticides spraying, weeding and harvesting, estate infrastructure and estate maintenance. He has been with our Group as the Estate Manager since 2013.

Our Chief Financial Officer, Cheong Siew Kin, is responsible for our Group's financial and accounting functions. In addition to being a Chartered Accountant and holding a Master of Business Administration, he has over 16 years of experience in the fields of audit and finance.

Our Finance and Admin Manager, Nyam Mei Ting, has over 22 years of experience in various finance and administration roles. She is responsible for the general administrative functions of our Group.

Please refer to Sections 8.2.2 and 8.3.3 of this Prospectus for further details of the credentials of our key management team.

6. BUSINESS OVERVIEW (Cont'd)**6.2.2 Superior FFB yield**

We achieved higher FFB yield than the average yield recorded in Johor and in Malaysia for FYE 2012 to FYE 2015.

	Average FFB Yield (Mt/hectare)				
	July 2011 to June 2012	July 2012 to June 2013	July 2013 to June 2014	July 2014 to June 2015	July 2015 to June 2016
Matang Group ⁽¹⁾ (FFB (Mt) /mature and old area)	23.54	24.97	24.97	24.66	17.37
Johor ⁽²⁾	18.35	19.72	19.81	20.23	18.14
Malaysia ⁽²⁾	18.42	19.43	19.22	18.48	17.13

Notes:

- (1) Based on management records.
 (2) Based on MPOB records.

We believe the following factors contributed to our superior FFB yield:

(i) Terrain

The majority of our plantation is located on flat or undulating terrain, which has a positive impact on our productivity as it eases our operations such as planting, field maintenance and harvesting.

(ii) Use of high quality germinated seeds

Our Group procures high quality germinated seeds from Felda Agricultural Services Sdn Bhd, an established seed producer. Our Group had selected the "Felda Yangambi" line of germinated seeds as it has historically generated higher FFB yield.

(iii) Young age profile

As at 30 June 2016, 76.9% or 831.7 hectares of our oil palms are mature, while only 1.5% or 16.4 hectares of our oil palms are above 21 years old, which are past the peak production age of 18 years old which produces less FFB.

Notwithstanding the above, the FFB yield of Matang Group of 17.37 Mt/hectare (based on the average FFB Yield from July 2015 to June 2016) is lower as compared to previous financial years. We believe that the decrease in yield is due to the El Nino phenomenon, which negatively impacted FFB yield. We further believe that the El Nino phenomenon has also affected the palm oil industry as a whole.

The decrease in FFB yield was also due to the reclassification of 158.2 hectares of Matang Estate from immature area to mature area. The oil palms in the said area are five (5) years of age and its FFB harvested is generally not as high as the volume of FFB harvested from oil palms aged between seven (7) years to 18 years, being the peak production years.

The FFB yield is calculated based on volume of FFB over total mature and old area. As a result of the reclassification, the total mature and old area increased from 706.3 hectares to 848.1 hectares. In relation thereto, the FFB yield for FYE 2016 had decreased as the FFB yield computed is based on lower FFB volume (primarily due to the El Nino phenomenon) over an increased total mature and old area of 848.1 hectares. The estimated average FFB yield in the event where there are no reclassification of immature area of 158.2 hectares to mature area is 21.35 Mt/hectare.

6. BUSINESS OVERVIEW (Cont'd)

6.2.3 Young age profile of our plantations

Oil palms require approximately four (4) years to mature. Oil palms will typically start to produce FFB at the age of five (5) years. The mature age for oil palms ranges from five (5) years to 20 years. While oil palms typically start to produce FFB at the age of five (5) years, there are instances where immature oil palms start producing FFBs which are smaller in size and have lower oil content.

Notwithstanding the above, the peak production years for oil palms typically range from seven (7) years to 18 years after planting, which are within the mature period. Oil palms that are of 21 years of age and above are considered old, with their production of FFB gradually declining over time.

Our total sales volume, plantation area and FFB yield for FYE 2013 to FYE 2016 are shown in the table below:

	FYE 2013	FYE 2014	FYE 2015	FYE 2016*
Total sales volume of FFB (Mt)	17,452	18,135	17,415	14,731
Plantation area (hectares)				
- Old area (21 to 25 years)	52.8	52.8	32.8	16.4
- Mature area (5 to 20 years)	646.0	673.5	673.5	831.7
- Immature area (1 to 4 years)	364.0	355.8	355.8	217.6
- Replanting	19.3	-	20.0	16.4
Total	1,082.1	1,082.1	1,082.1	1,082.1
FFB yield (FFB/mature and old area)	24.97	24.97	24.66	17.37

Note:

* The details of the plantation area of Matang Estate are as follows:

	Replanting	Immature area (1-4 years)	Mature area (5 – 10 years)	Mature area (11 – 15 years)	Mature area (16 – 20 years)	Old area (21 - 25 areas)	Total
Plantation area (Hectares)	16.4	217.6	244.9	216.8	370.0	16.4	1,082.1
%	1.5	20.1	22.6	20.1	34.2	1.5	100.0

As at 30 June 2016, 76.9% or 831.7 hectares of our oil palms are mature, which is between five (5) to 20 years of age, while 20.1% or 217.6 hectares of our oil palms are immature, being one (1) to four (4) years of age. Only 1.5% or 16.4 hectares of our oil palms are above 21 years old, which are past the peak production age which produces less FFB while 1.5% or 16.4 hectares of our oil palm is undergoing replanting as at the LPD.

Our replanting schedule is as follows:

Year	Hectares
July 2016 – June 2017	16.4*
July 2017 – June 2018	16.4

6. BUSINESS OVERVIEW (Cont'd)

Note:

* Replanting has commenced.

The next replanting schedule subsequent to June 2018 has yet to be determined at this juncture. From FYE 2013 to FYE 2016, we produced 17,452 Mt, 18,135 Mt, 17,415 Mt and 14,731 Mt of FFBs, respectively.

In addition, we have also undertaken a replanting programme in FYE 2012 and FYE 2013, replanting 16.48% or 178.3 hectares and 1.78% or 19.3 hectares of our total plantation area, respectively. The first batch of the oil palms replanted in FYE 2012 will start producing fruits in 2016 and will provide us with additional FFB. We undertook another replanting programme in 2015 and 2016 for 20.0 hectares and 16.4 hectares, or 1.90% and 1.50% of our total plantation area respectively.

Our expected plantation area for FYE 2017, 2018 and 2019 are as follows:

	FYE 2017	%	FYE 2018	%	FYE 2019	%
Plantation area (hectares)						
- Mature and Old area (5 to 25 years)	1,010.0	93.3	1,029.3	95.1	1,029.3	95.1
- Immature area (1 to 4 years)	55.7	5.2	52.8	4.9	52.8	4.9
- Replanting	16.4	1.5	-	-	-	-
Total	1,082.1	100.0	1,082.1	100.0	1,082.1	100.0

We believe that our FFB yields will improve accordingly as more of our oil palms reach their mature age. The total mature and old plantation area will increase to 1,010.0 hectares* in 2017 (93% of total plantation).

Resulting from the expected increase in total mature and old plantation area in 2017, the total sales volume of FFB for future financial years is expected to increase as well and this will contribute positively to the revenue of MHB. For FYE 2018 and FYE 2019, the total mature and old plantation area will maintain at 1,029.3 hectares* (95% of total plantation area).

Note:

* Net of area undergoing replanting and immature area.

6.2.4 Application of the best agronomy practices

Our Group has adopted the following best practices in our oil palm plantations.

(i) Use of high quality germinated seeds

Our Group procures high quality germinated seeds from Felda Agricultural Services Sdn Bhd, an established seed producer. Our Group had selected the "Felda Yangambi" line of germinated seeds as it has historically generated higher FFB yield, and our Group has used this germinated seeds since 2011. FFB produced from the "Felda Yangambi" line of germinated seeds are also preferred by palm oil mills due to its higher oil extraction rate. Higher oil extraction rate is preferred as the oil mills may extract a higher proportion of palm oil from the FFB.

6. BUSINESS OVERVIEW *(Cont'd)*

(ii) Use of high quality fertilisers

Our Group is also committed to using high quality fertilisers that are suitable for the oil palms in our plantations. We fertilise our oil palm with "NPK fertilisers", which are inorganic fertilisers composed of Nitrogen, Phosphorus and Potassium, each of which are essential for optimum oil palm nutrition. Nitrogen helps in the growth of oil palm by increasing the production of fruits; Phosphorus aids in the photosynthesis process by supporting the formation of oils, sugars and starches in the plant; Potassium, on the other hand, improves the fruit quality and helps to reduce the chances of disease.

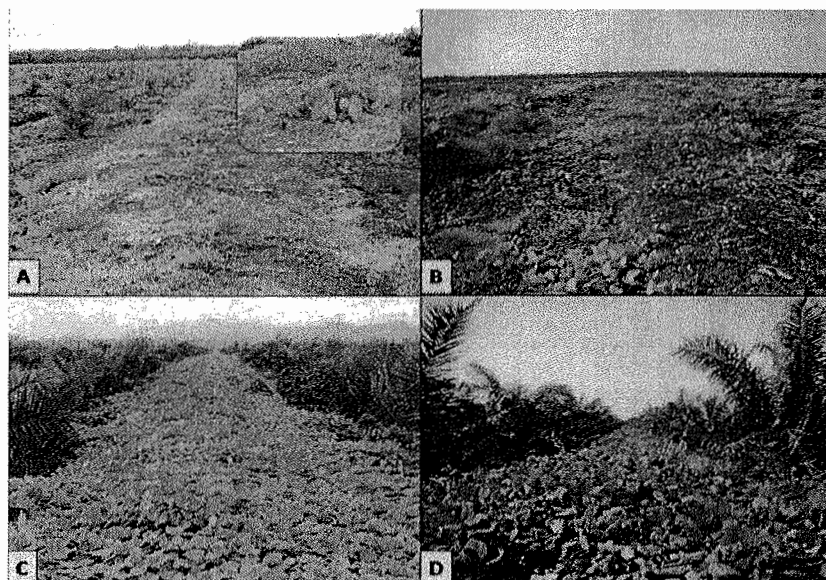
In addition to the use of inorganic fertilisers, organic fertilisers are also applied in our plantations. Continuous use of inorganic fertilisers will result in higher acidity in the soil that will ultimately harden the soil, impeding the delivery of nutrients from fertilisers to oil palm. Organic fertilisers, on the other hand, help to soften soil and would improve the soil nutrients if used continuously. Therefore, inorganic fertilisers are used interchangeably with organic fertilisers in order to maintain the optimum condition of the soil.

The recommended dosage for the application of fertiliser is ascertained by applying leaf and soil tests. Our Group believes that the optimum use of fertilisers involves the right application of the right type of fertiliser in the right dosage and at the right time.

(iii) Use of legume ground cover

In an oil palm plantation, the legume ground cover can help to improve the soil structure by protecting the soil from erosion and enriching its organic content leading to better aeration, infiltration and retention of moisture. This cover plant can also minimise the leaching losses of nutrients, and they can increase the amount of nitrogen in the soil that is available to the oil palms. Our Group prefers the use of mucuna as the leguminous cover plant in our plantations as it has superior shade, drought tolerance and deep roots. It can also smother noxious weeds well, deter cattle and insects, and produce significant quantities of litter that decomposes slowly to increase the fertility of surface soil.

The ground coverage of mucuna after planting: (A) three (3) months; (B) six (6) months; (C) 12 months; and (D) 24 months is shown below:



6. BUSINESS OVERVIEW (Cont'd)

Our approach to best agronomy practices was recognised by the MPOB. In 2012, MHB was certified as having fulfilled the requirements of the 'Code of Good Agriculture Practice for Oil Palm Estates and Smallholdings' from the MPOB. Our Group believes the continued adoption of best agronomy practices in our plantation activities will lead to the stable development of our plantation and increase our FFB yield.

6.2.5 Close proximity to a palm oil mill

FFB harvested from oil palm plantations must be delivered to palm oil mills for processing within 48 hours to prevent a rapid rise in free fatty acids, which could affect the quality of the extracted crude palm oil. Therefore, the strategic location of our plantation that is situated near to a palm oil mill facilitates the timely transportation of our FFB.

Our Group has chosen to focus on the oil palm plantation segment without venturing into the milling activity, as the size of our plantation and the production levels of FFB do not warrant an investment in milling activities. Notwithstanding the above, our plantation is strategically located in close proximity to a palm oil mill owned by Lenga in Tangkak, Johor.

For FYE 2016, 100% of our harvested FFB are sold to Lenga which is located approximately 38 kilometres from Matang Estate. As such, we are able to deliver our FFB to the palm oil mill with minimal spoilage whilst minimising the transportation costs associated with FFB delivery. Subsequent to FYE 2016, we began selling our FFB to Milik Mestika which operates Kilang Ledang Mas, a palm oil mill located approximately eight (8) kilometres from Matang Estate. Kilang Ledang Mas started operations on 1 August 2016. In view of the close distance between Matang Estate and Kilang Ledang Mas, the Board of MHB has decided to sell our harvested FFB to Milik Mestika. The sale of FFB to Milik Mestika will reduce our dependency on Lenga in addition to providing an opportunity to bring down our transportation costs.

6.3 FUTURE PLANS AND PROSPECTS

6.3.1 Continuing replanting exercise

As at 30 June 2016, 16.4 hectares, or 1.5% of our total oil palm plantation area has reached 21 years and above, which is past its peak production age and produces less FFB. Our Group is committed to maintaining a low average age profile of our oil palms. As such, we plan to replant this field in 2017. It will take approximately four (4) years before our replanted oil palms mature and start producing FFBs. Our Group utilises the "Felda Yangambi" line of germinated seeds as it has historically generated a higher FFB yield. In addition, the line of seeds is also preferred by palm oil mills due to its higher oil extraction rate.

The replanting process in our estate begins by procuring high-quality germinated seeds and planting them in our nursery. Then, we clear out the old oil palms by felling the oil palms and shredding them. This allows for nutrient recycling, soil improvement and faster establishment of the oil palm field as compared to the burning method for removing old oil palms. The oil palm seedlings are planted after this, and leguminous cover plants are subsequently established around them to improve the soil structure and minimise the loss of nutrients. Constant maintenance and care of the young oil palms after this is essential in cultivating high-yielding oil palms.

We believe that our replanting programme can help to improve the age profile of our oil palm estate and increase our FFB yield in the long term. We have earmarked RM0.25 million of our IPO proceeds for our replanting exercise. We target to replant 16.4 hectares of our plantation area in 2017.

6. BUSINESS OVERVIEW (Cont'd)

6.3.2 Increasing FFB yield through greater usage of fertilisers

Oil palms cultivated in well fertilised soil will have sufficient mineral salts and nutrients to bear more fruits leading to higher FFB yields. Using high quality fertilisers can also result in larger fruit sizes. Hence, the use of fertilisers in an oil palm plantation is essential.

Our Group seeks to increase the amount of high grade fertilisers we procure from established distributors, to ensure that our estate is optimally fertilised with high quality fertilisers. Currently, we carry out four (4) to five (5) fertilising rotations of both organic and inorganic fertilisers on the plantation every year. Upon completion of IPO, we plan to improve our fertilising rotation with the purchase of 1,200 Mt of inorganic fertiliser to be applied in our plantation four (4) times a year, as well as 700 Mt of organic fertiliser to be applied two (2) times a year.

Continuous use of inorganic fertilisers will result in higher acidity in the soil that will ultimately harden the soil, impeding the delivery of nutrients from fertilisers to oil palm. Organic fertilisers, on the other hand, help to soften soil and would improve the soil nutrients if used continuously. Therefore, inorganic fertilisers are used interchangeably with organic fertilisers in order to maintain the optimum condition of the soil.

We have earmarked RM9.00 million of our IPO proceeds for this purpose.

6.3.3 Increasing operational efficiency through improvement of infrastructure and equipment

In order to increase the efficiency of our operations, our Group plans to improve our facilities as well as the infrastructure located in our plantation estate as follows:

(i) Road repair and resurfacing

To ensure smoother field operations and collection of FFB, improvements and repairs are planned for the roads within the plantation. We plan to improve our main and secondary roads by implementing road grading and resurfacing.

We have earmarked RM0.50 million of our IPO proceeds for this purpose.

(ii) Improve water drainage

We plan to improve water drainage by installing U-shaped culverts in areas of our estate where water flow is obstructed. The total length of the drainage to be constructed is estimated at 35 kilometres. The drainage will help improve water flow and accessibility throughout the estate.

We have earmarked RM0.20 million of our IPO proceeds for this purpose.

(iii) Purchase of new equipment

As at the LPD, we have nine (9) tractors on our estate for field operations of which five (5) tractors are used for the spraying of fertilisers (with an average age of 25 years) and manuring and four (4) tractors are used for transporting FFBs within our estate (with an average age of 11 years). We plan to replace all nine (9) tractors which are expected to improve efficiency on our plantation estate as well as to avoid high maintenance costs in the future.

6. BUSINESS OVERVIEW (Cont'd)

We utilise Empty Fruit Bunches (EFB) for mulching on the estate. Mulching is done by applying EFB on the area surrounding the oil palm which seeks to conserve moisture, improve fertility and health of the soil and reduce weed growth. We plan to purchase one (1) unit of backhoe for the loading/unloading of EFB and one (1) lorry for EFB distribution.

We have earmarked RM1.50 million of our IPO proceeds for this purpose.

(iv) Rewiring of electricity supply cables

Currently, the existing electricity supply cables are old and are in need of repair. As such, we plan to reinstall a new set of over-head wiring. This helps to avoid any potential interruptions in our electric supply.

We have earmarked RM0.15 million of our IPO proceeds for this purpose.

(v) Renovation of workers' quarters

Currently, our workers' quarters are more than 25 years old. As such, we plan to renovate our workers' quarters which will provide our employees with improved living conditions.

We have earmarked RM0.20 million of our IPO proceeds for this purpose.

Our future plans are expected to be fully implemented within five (5) years from the date of our Listing.

6.4 KEY ACHIEVEMENTS AND MILESTONES

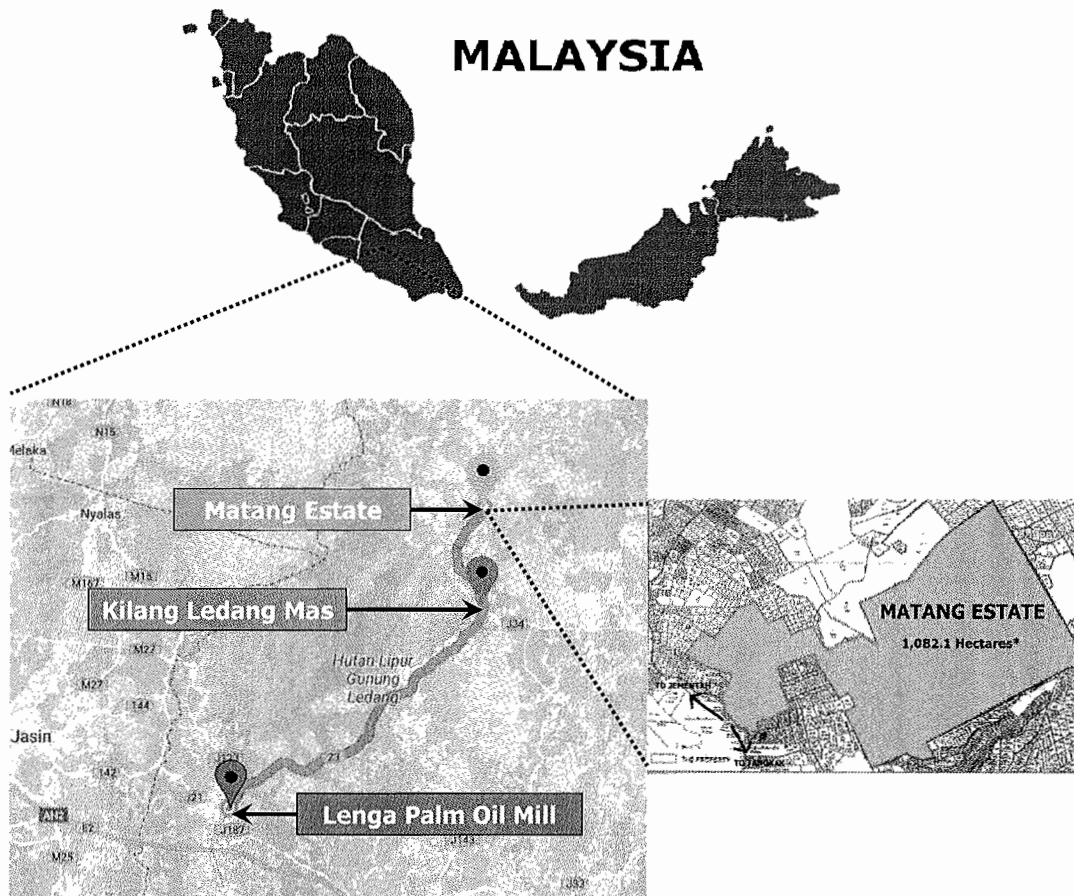
Our key achievements and milestones are as follows:

Year	Achievement or Milestones
1981	MHB completed a capital raising exercise and raised RM60 million
1983	Acquisition of Matang Estate and ventured into the plantation sector with the cultivation of rubber (on 72.6% of the land area) and oil palm (on the remaining 27.4% of land area) in Matang Estate in 1983
1988	Acquisition of Larkin Investment Property which comprises a 1½-storey detached warehouse (Block A)
1989	Construction of another 1½-storey detached warehouse cum factory (Block B) on the Larkin Investment Property
1996	Replanting of Matang Estate to focus on oil palm and ceased our rubber plantation activities
1998	Construction of a 5-storey detached flatted factory (Block C) on the Larkin Investment Property
2012	Certified as having fulfilled the requirements of the 'Code of Good Agriculture Practice for Oil Palm Estates and Smallholdings' from the MPOB

6. BUSINESS OVERVIEW (Cont'd)

6.5 DESCRIPTION OF OUR BUSINESS

Our Group is principally involved in the management of plantation estate, sale of FFB and property investment holding.



Note:

* Total plantation area

Our oil palms are cultivated and our FFBs are harvested on 1,082.1 hectares of plantation estate land located in Johor known as the Matang Estate. Based on the valuation report prepared by KGV International Property Consultants (Johor) Sdn Bhd on Matang Estate, there are approximately 134 oil palms for every hectare of plantation.

Oil palm age profile

The age profile of our oil palms as at 30 June 2016 is as follow:

Age profile	Total plantation area Hectares	% of Total plantation area
Replanting (less than 1 year)	16.4	1.5
Immature (1-4 years)	217.6	20.1
Mature (5-20 years)	831.7	76.9
Old (21-25 years)	16.4	1.5
Total	1,082.1	100.0

6. BUSINESS OVERVIEW (Cont'd)

As at 30 June 2016, 76.9% or 831.7 hectares of our oil palms are mature, which is between five (5) to 20 years of age, while 20.1% or 217.6 hectares of our oil palms are immature, being one (1) to four (4) years of age. Only 1.5% or 16.4 hectares of our oil palms are above 21 years old, which are past the peak production age which produces less FFB while 1.5% or 16.4 hectares of our oil palm is undergoing replanting as at the LPD.

Soil type

Our oil palms are planted on two (2) main soil types namely Renggam soil and Gajah Mati soil. A summary of the soil profile of our plantation estate is as follows:

Soil Type	Total plantation area Hectares	% of Total plantation area
Renggam	541.1	50.0
Gajah Mati	486.9	45.0
Others	54.1	5.0
Total	1,082.1	100.0

Both Renggam soil and Gajah Mati soil are generally suitable for a wide range of crops. Renggam soil is well drained and has good permeability, allowing water to pass through quickly. On the other hand, Gajah Mati soil has low acidity, allowing the root to better access to water and nutrients. As such, these soils are also suitable for the cultivation of oil palms. Our Group further improves the soil condition by applying organic and inorganic fertilisers.

Terrain

429.6 hectares or 39.7% of our plantation area is on flat terrain, with a slope class of 0-2 degrees, and 357.1 hectares or 33.0% of our plantation area is on undulating terrain, with a slope class of 2-6 degrees. Details of our terrain are as follows:

Terrain type	Total plantation area Hectares	% of Total plantation area
Flat (slope class 0-2)	429.6	39.7
Undulating (slope class 2-6)	357.1	33.0
Rolling (slope class 6-12)	71.4	6.6
Hilly (slope class >12)	224.0	20.7
Total	1,082.1	100.0

Having a majority of the oil palms on flat and undulating terrain, as opposed to rolling and hilly slope terrain eases our plantation operations as it allows our vehicles and machinery to have easier access to the oil palms as well as minimises soil erosion. This makes our harvesting, maintenance and planting operations more efficient and cost effective.

6.6 PROCESS FLOW

The major processes involved in the planting of oil palm are as follows:



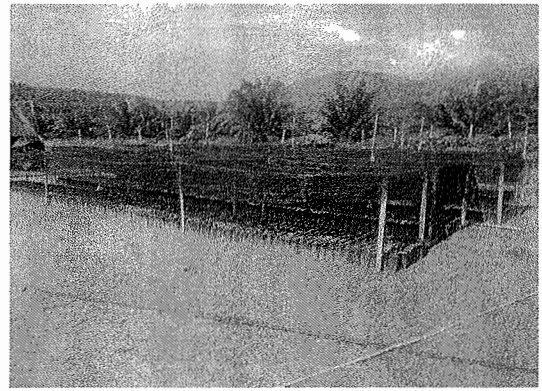
6. BUSINESS OVERVIEW (Cont'd)

Procurement of germinated seeds



FFB production begins with the selection of oil palm seeds.

Planting seedlings in the nursery



The germinated seeds are planted and grown in our nursery for a period of 10 to 12 months. During this period, the seedlings are nurtured with structured topsoil to promote optimal seedling growth. In the meantime, we prepare the palm groves in which the seedlings are to be planted in, fertilise the soil so that it is rich in minerals and suitable for oil palms, as well as establishing leguminous cover plants over the palm grove to prevent surface run-off and improve soil structure.

Planting seedlings in palm groves



6. BUSINESS OVERVIEW (Cont'd)

After 10 to 12 months in the nursery, the seedlings are planted in the palm groves. The distribution and planting density ranges from 104 to 163 oil palms per hectare depending on the terrain of the land.

We fertilise our oil palms to ensure that they have enough minerals and nutrients to absorb by carrying out four (4) to five (5) fertilising rotations with both organic and inorganic fertilisers on the plantation every year. We carry out pruning on our oil palms two (2) times every year to ensure the oil palms grow well. Additionally, we spray pesticides around the plantation three (3) to four (4) times a year, and spray the young oil palms (aged one (1) to four (4) years) two (2) times a month. This is to minimise crop losses and also ensure pests do not adversely affect the growth of the oil palms. The oil palms will begin producing clusters of fruit in approximately four (4) years.

Harvesting FFB from mature oil palms



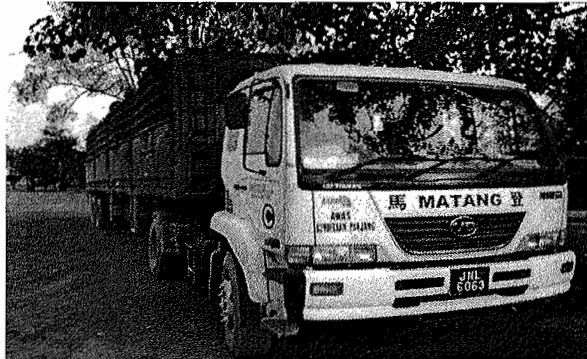
Oil palms begin to bear fruits three (3) to four (4) years after replanting. FFBs are harvested five (5) years after the oil palms are planted using sickles and chisels. Prior to harvesting, FFBs are examined through visual inspection and observation of loose fruits that have detached from the bunch. For visual inspection, a reddish-orange colour of the fruit indicates ripeness and as a result better palm oil quality, compared to unripe fruits, which would be blacker in colour and would yield a relatively low amount of palm oil. The number of loose fruits that have separated from the bunch also indicates the level of ripeness of the FFB. If 5-10 fruits have detached from the bunch, it is categorised as ripe and is harvested.

The yield per oil palm will continue to increase progressively throughout the mature production years, from five (5) to 20 years. The yield of the oil palms will increase from five (5) to seven (7) years after replanting and the peak production years for oil palms typically range from seven (7) years to 18 years after planting. At its peak production, the average yield per oil palm will range from 23 Mt/hectare to 27 Mt/hectare.

We generally replant the oil palm in stages when they are above 24 years of age and are low yielding, ie below 10 Mt/hectare.

6. BUSINESS OVERVIEW (Cont'd)

Sale of FFB to third party millers



FFBs harvested are then loaded onto our trailer lorry. The weights of the FFBs are recorded by weighing the trailer lorry on a weighbridge before and after FFBs are loaded. To ensure the quality of the FFB, FFBs are transported to third party millers within 48 hours after harvesting.

6.7 PRINCIPAL MARKET

For the four (4) financial years from FYE 2013 to FYE 2016, our Group's revenue was generated solely from the sale of FFB in the Malaysian market.

6.8 SALES AND MARKETING NETWORK

Our Group's FFB are sold to customers located in Malaysia based on prevailing market prices. All sales records are lodged with the MPOB before the 7th day of every month in accordance with the MPOB's licensing requirements.

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6. BUSINESS OVERVIEW (Cont'd)**6.9 MAJOR CUSTOMERS**

Our major customers for the past four (4) financial years from FYE 2013 to FYE 2016 are as follows:

Rank	Customer	FYE 2013		FYE 2014		FYE 2015		FYE 2016		Length of relationship Years
		Revenue RM	%	Revenue RM	%	Revenue RM	%	Revenue RM	%	
1	Irawi Holdings Sdn Bhd	1,251,525	14.4	117,533	1.2	-	-	-	-	3
2	Lenga	-	-	4,922,346	52.4	7,410,726	100.0	7,168,904	100.0	10
3	Mewah Mega Enterprise	7,468,228	85.6	4,362,106	46.4	-	-	-	-	3
	Total	8,719,753	100.0	9,401,985	100.0	7,410,726	100.0	7,168,904	100.0	

We take into consideration the following in determining our customers:

(i) Payment terms

The normal credit period granted by our Group in respect of our trade receivables is 14 days from the date of invoice. As such, we prefer customers who are able to make payment within our normal credit period. For FYE 2016, all payments for trade receivables are received within 14 days from the issuance of the relevant invoices.

(ii) Delivery distance

As we deliver our FFB to our customers, we seek to minimise transportation charges by selling to the oil palm mills located nearest to our plantation estate. For FYE 2016, 100% of our revenue is derived from sales of FFB to Lenga. The palm oil mill of Lenga is located approximately 38 kilometres from Matang Estate. Subsequent to FYE 2016, we sold FFB to Milik Mestika Sdn Bhd, which is approximately eight (8) kilometres from Matang Estate.

Apart from Lenga and Milik Mestika Sdn Bhd, Irawi Holdings Sdn Bhd is approximately 100 kilometres from Matang Estate. The distance between Mewah Mega Enterprise and Matang is not available as Mewah Mega Enterprise is a FFB trader and does not own any palm oil mill. In addition, FFBs sold to Mewah Mega Enterprise are collected by them directly from Matang Estate and we are charged a transportation cost:

6. BUSINESS OVERVIEW (Cont'd)

For the past four (4) financial years from FYE 2013 to FYE 2016, our revenue was generated from the sale of FFB to three (3) customers, namely Lenga, Mewah Mega Enterprise and Irawi Holdings Sdn Bhd. For FYE 2013, Mewah Mega Enterprise contributed to 85.6% of our revenue and Irawi Holdings Sdn Bhd contributed to 14.4% of our revenue. For FYE 2014, Lenga contributed to 52.4% of our revenue, Mewah Mega Enterprise contributed to 46.4% of our revenue and Irawi Holdings Sdn Bhd contributed to 1.2% of our revenue.

For FYE 2015 and FYE 2016, 100% of our revenue is derived from sales of FFB to Lenga. As all revenue is derived from sales to one (1) customer, our Board is of the opinion that we are dependent on Lenga for our revenue. Lenga first emerged as the major customer of our Group in FYE 2006, contributing 38% of our total sales for FYE 2006. Prior to FYE 2012, Lenga was our major customer. However, during FYE 2012, Lenga has informed that it does not have the capacity to accept sales from Matang. As such, between FYE 2012 to FYE 2014, we had sold our FFB to Irawi Holdings Sdn Bhd and Mewah Mega Enterprise. In FYE 2014, Lenga had informed that they have the capacity to accept our FFB and as such, we resumed sales to Lenga. In FYE 2015, we ceased sales to Irawi Holdings Sdn Bhd and Mewah Mega Enterprise.

6.10 MAJOR SUPPLIERS

Our major suppliers which contributed more than 5% of the total purchases for each of the four (4) financial years from FYE 2013 to FYE 2016 are as follows:

Rank	Supplier	FYE 2013		FYE 2014		FYE 2015		FYE 2016		Length of relationship Years	Products Sourced
		Purchase value RM	%	Purchase value RM	%	Purchase value RM	%	Purchase value RM	%		
1.	Fertitrade (M) Sdn Bhd	396,390	14.6	1,953,385	89.0	551,043	38.5	38,160	2.1	6	Fertilisers
2.	Hexstar Fertilisers Sdn Bhd	1,192,950	44.0	28,000	1.3	505,580	35.3	-	-	4	Fertilisers
3.	Sing Lean Hing Sdn Bhd	11,100	0.4	138,485	6.3	28,320	2.0	-	-	17	Pesticides
4.	SK Pee Trading	224,034	8.3	-	-	-	-	-	-	4	Tools, hardware and pesticides
5.	Kien Leong Trading	744,529	27.4	-	-	-	-	-	-	5	Provision of machineries and replanting earthworks

6. BUSINESS OVERVIEW (Cont'd)

Rank	Supplier	FYE 2013		FYE 2014		FYE 2015		FYE 2016		Length of relationship Years	Products Sourced
		Purchase value RM	%	Purchase value RM	%	Purchase value RM	%	Purchase value RM	%		
6.	Twin Arrow Fertilizer Sdn Bhd	-	-	-	-	219,802	15.4	1,259,545	68.2	2	Fertilisers
7.	Nisin Bio-Technology (M) Sdn Bhd	-	-	-	-	-	-	358,386	19.4	1	Fertilisers
	Sub-total	2,569,003	94.7	2,119,870	96.6	1,304,745	91.2	1,656,091	89.7		
	Other purchases	144,415	5.3	74,060	3.4	125,333	8.8	190,838	10.3		
	Total purchases	2,713,418	100.0	2,193,930	100.0	1,430,078	100.0	1,846,929	100.0		

Our Group's main purchases are fertilisers, which are essential in ensuring that our oil palms have sufficient minerals and nutrients to yield an optimal level of FFB. We also purchase pesticides, which are used for pests control on the plantation. Diesel is required as fuel for our vehicles.

Our major suppliers for the past three (3) financial years from FYE 2013 to FYE 2015 were Fertitrade (M) Sdn Bhd and Hextar Fertilisers Sdn Bhd. All of the purchases from Fertitrade (M) Sdn Bhd and Hextar Fertilisers Sdn Bhd were for fertilisers for our oil palms. For FYE 2016, our major suppliers were Twin Arrow Fertilizer Sdn Bhd and Nisin Bio-Technology (M) Sdn Bhd, both were for the purchases of fertilisers.

For FYE 2013, Fertitrade (M) Sdn Bhd contributed to 14.6% of our purchases, while Hextar Fertilisers Sdn Bhd contributed to 44.0% of our purchases. For FYE 2014, Fertitrade (M) Sdn Bhd contributed to 89.0% of our purchases, while Hextar Fertilisers Sdn Bhd contributed to 1.3% of our purchases. For FYE 2015, Fertitrade (M) Sdn Bhd contributed to 38.5% of our purchases, while Hextar Fertilisers Sdn Bhd contributed to 35.4% of our purchases. For FYE 2016, Twin Arrow Fertilizers Sdn Bhd contributed to 68.2% of our purchases, while Nisin Bio-Technology (M) Sdn Bhd contributed to 19.4% of our purchases.

In determining our suppliers, we first take into consideration the quality of the products offered by the suppliers. If two (2) or more suppliers are able to provide products of similar quality, we shall then take into consideration the pricing of the product.

6. BUSINESS OVERVIEW (Cont'd)

For the past financial years/period, there were fluctuations between our purchases from fertiliser suppliers, namely Fertitrade (M) Sdn Bhd, Hextar Fertilisers Sdn Bhd, Twin Arrow Fertilizer Sdn Bhd and Nisin Bio-Technology (M) Sdn Bhd. As these suppliers were able to offer fertilisers of similar quality, we had purchased from suppliers which offered the lowest pricing.

Our fertiliser suppliers are all based in Malaysia. There are numerous fertiliser producers and traders that are able to supply us fertilisers that meet our quality requirements and specifications. Hence, we are not dependent on any of our current fertiliser suppliers.

6.11 TYPES, SOURCES AND AVAILABILITY OF RESOURCES

Our Group's purchases for FYE 2016 are as follows:

Purchases	Value of purchases RM	% of total Group purchases
Fertilisers	1,656,091 [^]	89.7
Pesticides	16,371	0.9
Diesel	61,475	3.3
Others*	112,992	6.1
Total	1,846,929	100.0

Notes:

[^] The value of fertilisers purchased of RM1,656,091 represents the fertilisers purchased by Matang during FYE 2016; while the fertiliser cost for FYE 2016 amounted to RM1.398 million disclosed in Section 3.10.1(iii)(b) above represents the value of fertilisers utilised during FYE 2016.

* Includes machinery and motor vehicles parts, small tools used for harvesting.

All materials purchased were sourced locally.

The primary raw material used for our plantation operation is fertiliser. In FYE 2016, our fertilisers are sourced from Twin Arrow Fertilizer Sdn Bhd, Nisin Bio-Technology (M) Sdn Bhd and Fertitrade (M) Sdn Bhd. For FYE 2016, fertilisers purchased amounted to RM1.66 million (89.7% of total purchases). Prices of fertilisers are determined based on prevailing market prices.

Although the fertilisers used in our plantation operation were sourced from our local suppliers and transacted in RM, our local suppliers may import selected ingredients that are not available locally. Therefore, the cost of fertilisers provided by our local suppliers are affected by, exchange rate fluctuation. The main ingredients are imported by our local suppliers from People's Republic of China, Peru, Canada and USA. As the import of these ingredients are generally denominated in USD, a depreciation of the RM against USD may increase our fertilisers cost and adversely affect our financial performance.

6.12 SEASONAL OR CYCLICAL EFFECTS

Our Group's revenue solely comes from the sale of FFB grown and harvested at our plantation. The seasonal factor that affects our revenue is mainly the weather conditions which affect the oil palm production.

6. BUSINESS OVERVIEW (Cont'd)

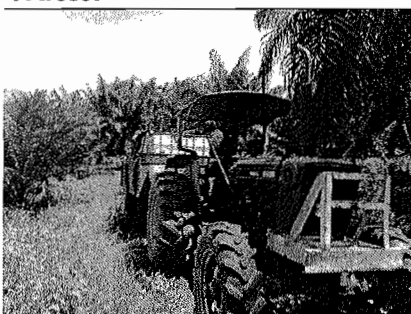
In the event of an El Nino phenomenon, insufficient rainfall results in moisture stress in oil palms which can adversely affect our FFB production. Conversely, periods of heavy rainfall such as monsoons or La Nina phenomenon can be disruptive towards the harvesting and transportation operations, thus affecting the amount of FFBs harvested.

Generally, our Group experiences higher FFB production during the second and third quarter of the year, attributed to favourable weather and rainfall patterns in Johor during these times.

6.13 TECHNOLOGIES USED

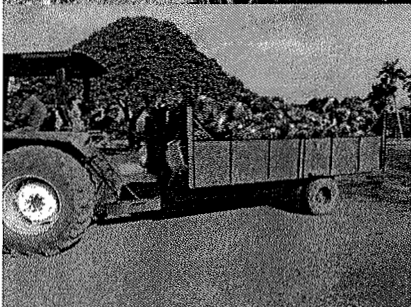
Our operations in the plantation industry are labour dependent with some application of mechanisation in field maintenance activities, which involves the utilisation of tractors in spraying of fertilisers and pesticides as well as for FFB transportation within the plantation estate. The functions of our tractors are shown below:

Tractor



Function

Spraying of fertilisers and pesticides as well as manuring within our estate




FFB transportation within our estate



Other than the mechanisation mentioned above, we are not dependent on other technologies in the operation of our estate.

6.14 INTELLECTUAL PROPERTIES

Save as disclosed below, we have not registered any brand names, patents, trademarks or other intellectual property rights:

Application no./ Class	Mark	Issuing authority	Description	Issuance date	Expiry date
2015062513 / Class 35		Intellectual Property Corporation Malaysia	Business management; business planning and business strategic planning	29 April 2016	31 July 2025

6. BUSINESS OVERVIEW (Cont'd)

Application no./ Class	Mark	Issuing authority	Description	Issuance date	Expiry date
2015062517 / Class 36		Intellectual Property Corporation Malaysia	Commercial property investment services; property portfolio management and leasing of property	5 May 2016	31 July 2025
2015062509 / Class 31		Intellectual Property Corporation Malaysia	Agricultural, horticultural and forestry products (not included in other classes)	20 May 2016	31 July 2025

6.15 QUALITY

We adopt stringent quality control practices at our plantations, and are committed to the use of best estate practices, which includes good field and harvesting standards and proper application of fertilisers to optimise FFB yield. We also place emphasis on the ripeness and freshness of our FFB to ensure the quality of our FFB is consistently maintained. Over-ripe FFBs lead to poor quality CPO after processing, as such, we aim to minimise the amount of over-ripe FFBs by conducting harvesting rounds no less than two (2) times a month on average, to ensure that the ripe FFBs are harvested on time. Our plantation workers are also trained to identify ripe FFBs, harvest them and collect all the loose fruits as well.

All harvested FFBs are transported to the palm oil mill within 48 hours of being harvested. Prior to delivery, we conduct inspections on the FFBs to ensure that the fruits we send out are of high quality, and will yield high oil extraction rate for the oil palm mill we sell to. FFBs that are not of high quality are discarded.

Our approach to best agronomy practices was recognised by the MPOB. In 2012, MHB was certified as having fulfilled the requirements of the 'Code of Good Agriculture Practice for Oil Palm Estates and Smallholdings' from the MPOB. The accreditation is in recognition of our continuous improvement in yield and productivity and also proper handling of FFB during harvesting process.

6.16 HEALTH, SAFETY AND ENVIRONMENTAL FACTORS

Our compliance to the health, safety and environmental requirements and regulations are essential to ensuring the well-being of our employees, and the continuity of our day-to-day operations. Our Group has established an in-house policy on health, safety and environment to provide a favourable working environment for our employees and to fulfil our role as a responsible corporate citizen. All employees are required to adhere to the requirements of our Group's health, safety and environmental policy.

6. BUSINESS OVERVIEW (Cont'd)**6.17 VEHICLES, EQUIPMENT, PLANT AND MACHINERY****(i) Vehicles and equipment**

As at 30 June 2016, our material vehicles and equipment are as follows:

Vehicles and Equipment	Description/ Function	No of units	Audited NBV as at 30 June 2016 RM	Average age/Average estimated remaining useful life Years	Estimated cost per unit RM
Pick-up truck	General plantation operations	3	4,602	6 / 2	90,000
Tractor	Spraying of fertilisers and pesticides as well as manuring	5	5	25 / ⁽¹⁾	70,000
Tractor	Transporting FFBs within our estate	4	1,865	11 / 1	80,000
Trailer lorry	Transporting FFBs to oil palm mill	1	18,627	4 / 4	340,000
Electronic road weighbridge	Weighing FFBs and fertilisers	2	91,218	4 / 9	160,000
Total			116,317		

Note:

- (1) Notwithstanding that the average useful life of a tractor is 12 years, our Group has continued using these tractors.

Maintenance of our vehicles and equipment are carried out based on our maintenance schedule to ensure that our operations are not affected by the breakdown of vehicles and equipment.

(ii) Plant and machinery

As at 30 June 2016, our material plant and machinery are as follows:

Plant	Description/ Function	Audited NBV as at 30 June 2016 RM
Workers' quarter	Bungalow, gate railing and improvements to staff quarters at Matang Estate	263,889
Road and bridge	Culverts, estate road, bridges and walkway at Matang Estate	97,782
Office building and garage	Safety signboard, renovation for estate office, store, extension of office building at Matang Estate	64,631
Total		426,302

6. BUSINESS OVERVIEW (Cont'd)

6.18 INTERRUPTIONS TO OUR PLANTATION OPERATIONS

We have not encountered any interruptions in our plantation operations which had a significant effect on our revenue during the past 12 months preceding the LPD.

6.19 OTHER INVESTMENTS

Apart from our plantation operations, we have the following investments:

(i) Larkin Investment Property

Matang owns an investment property located at No. 83A, Jalan Langkasuka, Kawasan Perindustrian Larkin (also known as Dato' Onn Industrial Estate), 80350 Johor Bahru, comprising one (1) unit of 1½-storey detached warehouse (Block A), one (1) unit of 1½-storey detached warehouse cum factory (Block B), a 5-storey detached flatted factory (Block C), two (2) guardhouses and other ancillary structures.

As at the LPD, the premises are currently being tenanted by third parties. Kindly refer to Section 5.7.1(ii) of the Prospectus for further details of the Larkin Investment Property.

(ii) Tangkak Investment Land

MRSB owns a vacant land measuring approximately 5,016.85 square metres which is held for property development. The development land is located in Tangkak, District of Ledang, Johor. MRSB had initially intended to venture into property development to develop the said land into 24 units of three-storey terrace shop offices. However, the proposed development was rejected by the Majlis Daerah Tangkak on 29 November 2011 due to the requirement for an additional electricity substation which was not agreed by MRSB. Thereafter, plans to develop the said land were halted.

At this juncture, the Board has the following options:

- (i) to seek the requisite approvals and recommence the development of this land; or
- (ii) to dispose the land and realise its investments.

Nevertheless, the Board has not finalised its plans with regards to this development land.

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7. EXECUTIVE SUMMARY OF THE IMR REPORT

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Protégé
ASSOCIATES

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28 NOV 2016

The Board of Directors
Matang Berhad
Suite 905, 9th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim

Dear Sirs,

Executive Summary of the Strategic Analysis of the Palm Oil Industry Focusing on the Plantation Segment in Malaysia

This Executive Summary of the 'Strategic Analysis of the Palm Oil Industry Focusing on the Plantation Segment in Malaysia' is prepared by Protégé Associates Sdn. Bhd. ("Protégé Associates") dated 28th November 2016 for inclusion in the Prospectus of Matang Berhad ("Matang" or "the Company") in relation to the proposed listing of and quotation for the entire issued and paid-up share capital of Matang on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

1 MALAYSIAN ECONOMIC OVERVIEW

The Malaysian economy registered a strong finish in 2014. It expanded at a faster pace of 6.0 percent in 2014 on the back of continued expansion in domestic demand and an improvement in external trade performance. In 2015, the Malaysian economy registered a commendable growth against a backdrop of challenging developments such as a slowing world trade, heightened volatility in the international financial markets and the collapse of energy price. Malaysia's real gross domestic product ("GDP") expanded at a slower pace of 5.0 percent in 2015 as compared to 6.0 percent registered in 2014. The growth is mainly driven by the continued expansion in domestic demand.

The Malaysian economy is expected to grow by 4.0 percent to 4.5 percent in 2016. The services sector is expected to remain the largest contributor to the economy by accounting for more than half of Malaysia's real GDP in 2016.

2 INTRODUCTION TO THE PALM OIL INDUSTRY

2.1 INTRODUCTION TO PALM OIL

Palm oil is one of the 17 major oils traded in the global edible oils and fats market. Due to its availability and relatively low production cost, it has become a vital component in the increasing intake of oils and fats in the world. Malaysia and Indonesia are the 2 largest producers of crude palm oil ("CPO") and CPO derivatives in the world.

The oil palm has a unique characteristic compared to other oil-bearing crops because it can produce 2 types of oil from its fruit, which are palm oil from the mesocarp and palm kernel oil from the kernel. About 1 metric tonne ("MT") of palm kernel oil is obtained for every 10 MT of palm oil.

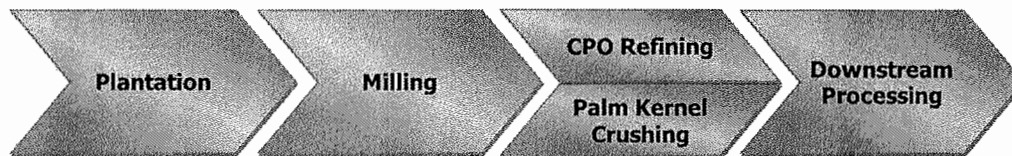
7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



2.2 INTRODUCTION TO THE PALM OIL INDUSTRY

The palm oil industry features a diverse range of value generating activities ranging from plantation to various downstream refining and manufacturing activities.

Figure 1: Creating Value in the Palm Oil Industry

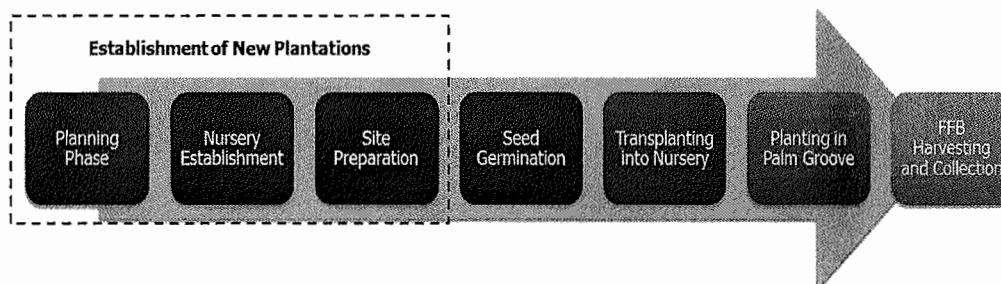


Source: Protégé Associates

2.2.1 Plantation

The plantation segment includes the planning phase, nursery establishment and site preparation for the establishment of new plantations, and the subsequent process on the seed germination, transplanting seed to nursery, planting seedling in palm grove, and lastly, fresh fruit bunches (“FFB”) harvesting and collection.

Figure 2: Value Chain of the Plantation Segment



Note: The planning phase, nursery establishment and site preparation activities are only applicable for new plantations.

Source: Protégé Associates

Planning Phase

The establishment of new plantations requires that feasibility studies and environment impact assessment (“EIA”) be conducted for the development of primary and secondary forest areas in excess of 500 hectares (“ha”). An EIA is also required for the development involving changes in the types of agricultural use of land of over 500 ha.

7. EXECUTIVE SUMMARY OF THE IMR REPORT *(Cont'd)*



Nursery Establishment

The establishment of the nursery begins as soon as the land is found to be suitable and approved for development by the relevant government agencies. A nursery is a small plot of land for the seedlings to develop. Generally, the nursery is established on soil that is rich in nutrients. Growers may also improve the soil structure by sowing green-manure crops and tilting the grown crops into the soil to provide nutrients to seedlings at a later stage. On top of that, soil erosion preventive measures are also essential at this stage. The methods of prevention include mulching, where the ground is covered with herbage or cluster residues.

Site Preparation

This stage includes various activities such as land surveys, clearing of existing vegetation, establishment of roads and a field drainage system, soil conservation measures such as terracing, conservation bunds and silt pits; and sowing of leguminous cover crops.

Seed Germination

During the seed germination process, the seeds are kept in a room with high temperature to promote the germination process, typically for 90 to 100 days. Each germinated seed is then planted in a small plastic container. The young seedling stays in the container for 4 to 5 months, and a new leaf grows every month. The seedling is ready to be transplanted into a nursery when a bifid leaf appears.

The process of seed germination requires an extensive biological knowledge, as well as deep understanding of the plant species. Generally, nursery operators and oil palm growers may source for young seedlings that have 4 to 5 leaves from local research stations or extension services and transplant these seedlings into their nurseries.

Transplanting into Nursery

After the seeds have been germinated and seedlings have been produced, they are transplanted into the site that had been prepared as a nursery. The seedling is grown in a nursery for a period of 12 to 18 months before being planted in the palm grove when it has about 15 green leaves.

Planting in Palm Grove

This stage revolves around the lining, holing and planting of seedlings, typically at a density of 136 to 148 oil palms per ha, depending on the soil type.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



Fertilisers are spread few months after planting near the end of the rainy season. The application of fertilisers can be carried manually using labour, or mechanically using tractor mounted spreader.

The seedlings grow into oil palm trees and bear fruits 30 months after planting. This is also the longest period in the entire value chain of the plantation segment. Therefore, proper field maintenance is essential in ensuring an optimal FFB yield. During the growing period, labourers are needed to take care of the plantation, and to perform activities such as the removal of weeds and the cutting away of dry leaves in order for the plant to grow well. Soil fertilisation is another essential aspect in ensuring sufficient minerals for the growth of oil palm. Labourers are also needed in monitoring and making sure the drainage system works efficiently. Labourers are also needed in monitoring and making sure the drainage system works efficiently.

Integrated pest management involving a mix of cultural, physical, chemical and biological control approaches to minimise crop losses to pests is commonly adopted in plantations. Environmentally friendly pesticides can also be used, usually in the event of an outbreak situation, when the above method of introducing a natural enemy or predator is not sufficient to control the pests. The pesticides spraying are conducted mechanically.

Oil palm trees bear fruit 30 months upon planting, and have an economic life of 20 to 30 years. The yield of a normal plantation is approximately 19 MT of FFB per ha per year. A mature tree produces 10 to 15 FFB yearly. Each FFB weighs about 10 to 20 kilogrammes ("kg") and has between 1,000 and 3,000 fruitlets. Each 10g fruitlet has a kernel which is the source of palm kernel oil. When pressed, the fruitlets give palm oil with an oil extraction rate ("OER") of about 20.0 percent.

FFB Harvesting and Collection

A cluster is ripe for harvesting when the fruits begin to turn red, and when 5 or 6 fruits drop to the ground. Harvesting is done manually, using a chisel in young palms or a sickle mounted on a bamboo or aluminium pole in taller palms. Mechanised approaches are also adopted to replace labour during the harvesting due to an increasing shortage of available labour, and to increase productivity.

Harvesting occurs all the year round which produces an uninterrupted supply of oil. The resulting FFB are processed within 24 to 48 hours to prevent a rapid rise in free fatty acids ("FFA"), which could affect the quality of the CPO. Thus, palm oil mills are usually located in

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



close proximity to the plantations to facilitate timely transportation and effective processing of FFB.

2.2.2 Milling

At the mill, the fruits are sterilised, stripped off the bunches and crushed to extract the CPO. The CPO collected in a tank contains impurities such as fruit fibres, free moisture and nut shells, which are later removed through a purification process. In the meantime, the nut shells are further processed to separate the kernels from the shells. At the end of the milling process, CPO and palm kernels are produced. CPO is then sent to the refineries for further processing while the palm kernels are sent to the crushers for the palm kernel oil to be extracted.

2.2.3 Refining

CPO is processed by either physical or chemical refining to produce refined, bleached and deodorised ("RBD") palm oil or neutralised, bleached and deodorised ("NBD") palm oil. Physical refining is the preferred method used by the refineries as it is simpler, less capital intensive, more efficient and produces a lower effluent load compared to chemical refining.

2.2.4 Crushing

Palm kernels are processed in another plant known as crushers, to obtain crude palm kernel oil ("CPKO") and a by-product, palm kernel cake which is used as an animal feed.

2.2.5 Downstream Processing

Downstream processing results in various palm oil derivatives that can be utilised for food and non-food applications. This is further elaborated in the next section.

2.3 PALM OIL APPLICATIONS AND DERIVATIVES

Palm oil is consumed worldwide in more than 100 countries. Most of the world's palm oil is consumed in the form of food such as cooking oil, cookies, margarine, and chocolate amongst others. In addition, palm oil is an ingredient found in a host of non-food household and industrial products such as soaps, detergents, cosmetics, and pharmaceuticals.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Food Applications

Usage of palm oil as food dates back over 5,000 years and approximately 80.0 percent of palm oil is used in food applications today.

Figure 3: Food Uses of Palm Oil and its Downstream Products

Product	Palm Oil	Palm Olein	Double Fractionated Palm Oil (Super Olein) IV>60	Palm Mid Fraction (Soft)	Palm Mid Fraction (Hard)	Palm Stearin (Soft) IV>30	Palm Stearin (Hard) IV 20-30	Palm Stearin (Soft) IV<20
Cooking Oil	◇	●	●					
Frying Fats	●	●	●			●	●	●
Shortening / Dough Fats	●	●	●			●	●	●
Vegetable Ghee	●	●	●	◇	◇	●	●	●
Margarine	●	●	●	●	●	●	●	●
Specialty Fats for Coatings	◇			●	●		*	●
Ice Cream Fats	◇			●	●			
Chocolate Fats	◇			●	●	●	●	●
Milk Fat Replacers	●	●	●	●	●	●	●	●
Butter Oil Substitutes	●	●	●	●	●	●	●	●
Confectionery Fats	●	●	●	●	●	●	●	●
Non-dairy Creamer	●							

Notes:● *Highly suitable*◇ *Suitable** *Minor applications only*IV = *Iodine Value**Source: Protégé Associates*

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



Non-Food Applications

About 20.0 percent of all oil palm products are utilised in non-food applications. Oleochemicals are chemicals derived from oils and fats; they are analogous to petrochemicals which are chemicals derived from petroleum.

Figure 4: Basic Oleochemicals and their Applications

Type	Application
Fatty acids	<ul style="list-style-type: none"> • Medium chain triglycerides for use in the flavour and fragrance industries • Processing aids for rubber products, for softening and plasticising effect • Production of candles • Production of soaps • Production of cosmetic products
Fatty methyl esters	<ul style="list-style-type: none"> • Production of pure soap – better quality than soaps from fatty acids • Active ingredients for washing and cleaning products • As a substitute for diesel fuel for vehicles and engines
Fatty alcohols	<ul style="list-style-type: none"> • Production of cleaning and washing products
Fatty nitrogen compounds	<ul style="list-style-type: none"> • Good surface active properties for rust prevention • Softeners
Glycerine	<ul style="list-style-type: none"> • Wide range of applications such as a solvent for pharmaceutical products, humectants in cosmetics and tobacco, stabilisers, lubricants, antifreeze, etc

Source: Protégé Associates

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3 OVERVIEW OF THE PALM OIL INDUSTRY IN MALAYSIA

Plantation

The plantation segment involves the cultivation of oil palm fruit to produce FFB that are subsequently harvested to produce CPO. According to the Malaysian Palm Oil Board ("MPOB"), the total oil palm planted area stood at 5.39 million ha in 2014, an increase of 3.1 percent of the 5.23 million ha from the previous year. As at December 2014, 87.0 percent of the oil palm planted area in Malaysia is mature, while the remaining is immature. Slightly more than half (51.5 percent) of the plantation area is concentrated in East Malaysia with the rest in Peninsular Malaysia.

In 2015, the total oil palm planted area stood at 5.64 million ha, an increase of 4.6 percent from 5.39 million ha in 2014. This is mainly due to the increase in planted areas in Sarawak, which expanded by 13.9 percent from 1.26 million ha in 2014 to around 1.44 million ha in 2015. As at December 2015, 86.1 percent of the oil palm planted area in Malaysia is mature, while the remaining is immature. 52.9 percent of the plantation area is concentrated in East Malaysia with the rest in Peninsular Malaysia.

Johor has the third largest oil palm planted area in Malaysia after Sabah and Sarawak. In Johor, the total oil palm planted area stood at 733,467 ha in 2014, an increase of 0.4 percent of the 730,694 ha from the previous year. In 2015, Johor's total oil palm planted area increased by 0.8 percent from the previous year to 739,583 ha. As at December 2014, 88.8 percent of the oil palm planted area in Johor is mature, while the remaining is immature. And as at December 2015, 90.0 percent of the oil palm planted area in Johor is mature, while the remaining is immature.

In 2015, private estates owned around 61.0 percent of the planted area in Malaysia, while the remaining ownership belonged to the following respective groups. Firstly, government and state agencies took up about 6.0 percent. This was followed by the Federal Land Development Authority ("Felda"), the Federal Land Consolidation and Rehabilitation Authority ("FELCRA"), and the Rubber Industry Smallholders Development Authority ("RISDA"), with approximately 13.0 percent, 3.0 percent and 1.0 percent ownership respectively. Small holders within the Malaysian oil palm industry made up the rest.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Germinated seeds are produced from various research stations in Malaysia. Based on the latest Directory of Oil Palm Seed Producers and Nursery Operators from MPOB, there are 24 seed producers in the country. These producers supplied about 50.0 million seeds at about RM2-RM3 each to local market in 2013. There are also 571 nursery operators in Malaysia based on the latest Directory of Oil Palm Seed Producers and Nursery Operators from MPOB that procure and grow the germinated seeds into seedlings, and sell these onwards to growers to plant. Out of the 571 nursery operators in Malaysia, 96 of them are located in Johor.

In Malaysia, FFB are harvested and sold to local mills through 2 channels; i.e. direct supply from the plantation or through FFB dealers for processing. Based on the latest Directory of Malaysian Oil Palm FFB Dealers from MPOB, there were 2,229 FFB dealers in Malaysia, of which 647 of them were located in Johor.

In terms of production, FFB yield in Malaysia slipped to 18.63 MT per ha in 2014 from 19.02 MT per ha recorded in 2013, according to the MPOB. The decrease in yield was mainly attributed to lower yield in Peninsular Malaysia and Sarawak. During the year, FFB yield for Peninsular Malaysia declined by 5.3 percent to 18.2 MT per ha while Sarawak declined by 0.6 percent to 16.1 MT per ha. Nonetheless, the OER improved marginally from 20.3 percent in 2013 to 20.6 percent in 2014. For the first half of 2015, FFB yield stood at 8.35 MT per ha, lower as compared to 8.5 MT per ha recorded in the corresponding period in 2014 due to lower yield recorded in several states, namely Kelantan, Pahang, Terengganu, Sabah and Sarawak.

As for the calendar year 2015, FFB yield in Malaysia was lower to 18.48 MT per ha as compared to 18.63 MT per ha in 2014. The decrease in yield was mainly attributed to lower yield in Sabah which declined by 6.3 percent to around 20.0 MT per ha. For the same period, OER declined by 0.8 percent to approximately 20.5 percent due to low quality of FFB processed by mills. For the first half of 2016, FFB yield stood at 7.00 MT per ha, lower as compared to the 8.5 MT per ha and 8.35 MT per ha recorded in the corresponding period in 2014 and 2015 respectively as all states recorded lower FFB yield due to El Nino drought that affected the production of FFB.

Despite an expansion in its planted area from 730,649 ha in 2013 to 733,467 ha in 2014, FFB yield in Johor recorded growth from 19.49 MT per ha to 19.50 MT per ha during the same period. And for the first half of 2015, FFB yield in Johor stood at 9.29 MT per ha. As for the calendar year 2015, FFB yield in Johor improved to 20.0 MT per ha as compared to the

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

preceding year. For the first half of 2016, FFB yield in Johor dropped to 7.43 MT per ha due to El Nino drought that affected the production of FFB.

The palm oil processing segment, including the milling, refining and crushing activities, uses the FFB for CPO extraction and refining as well as CPKO production using palm kernel. As such, the performance and capacity of the palm oil processing segment is essential in supporting the demand and growth of the plantation segment.

The following section details the performance of each palm oil processing segment within the palm oil industry in Malaysia. The performance of the downstream processing segment is also detailed in the subsequent section.

Milling

According to the MPOB, there were 439 mills in Malaysia with a total capacity of 105.8 million MT of FFB per year in 2014. Collectively, they processed a total of 95.4 million MT of FFB to produce 19.7 million MT of CPO. The OER was stronger in 2014. In 2014, OER of CPO in Malaysia increased to 20.6 percent as opposed to 20.3 percent in 2013, with improvement on OER across the states in Malaysia.

In 2015, there were 445 mills in Malaysia with a total capacity of 108.4 million MT of FFB per year. Collectively, they processed a total of 97.6 million MT of FFB to produce close to 20.0 million MT of CPO. Despite an increase in FFB processed by mill, OER of CPO in Malaysia decreased to around 20.5 percent as opposed to 20.6 percent in 2014, mainly due to lower quality of FFB processed by mills.

Johor ranked third in terms of total FFB processed in 2014 and 2015. In 2014, Johor processed 15.1 million MT or 15.8 percent of total FFB processed in Malaysia to produce 3.0 million MT of CPO. In the same year, Johor's OER expanded to 20.2 percent from 19.8 percent in 2013. Moving to 2015, Johor processed 15.4 million MT or 15.8 percent of total FFB processed in Malaysia to produce 3.1 million MT of CPO. Johor's OER stood at 20.2 percent in 2015.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Refining**

According to the MPOB, there were 54 refineries in operation with total processing capacity of 26.1 million MT of CPO per year in 2014. In 2015, there were 52 refineries in operation with total processing capacity of 25.3 million MT of CPO per year. Peninsular Malaysia has 35 refineries while Sabah and Sarawak has 12 and 5 refineries respectively.

A majority of the operating refineries are associated with the oil palm plantation and milling sectors, or both. Some of the refineries are also manufacturers of specialty products and oleochemicals or have joint ventures with such manufacturers.

Malaysia processed a total of 15.3 million MT of CPO in 2014, down from approximately 16.0 million MT of CPO processed in 2013. In 2015, CPO processed by refinery continued on its downward trend to around 14.6 million MT in tandem with a decreased capacity in operation.

Johor processed close to 3.6 million MT of CPO in 2014, the second largest amount after Sabah. However, the amount contracted by 0.8 percent compared to 2013. In 2015, Johor processed around 3.5 million MT of CPO, representing 1.1 percent of contraction from the preceding year.

Crushing

According to the MPOB, there were 44 crushers in Malaysia with a total capacity of close to 6.9 million MT of palm kernel a year in 2014. The total production of CPKO and palm kernel cake stood at approximately 2.3 million MT and 2.5 million MT respectively. However in Johor, production of CPKO and palm kernel cake slipped marginally.

In 2015, the total production of CPKO and palm kernel cake stood at close to 2.3 million MT and 2.5 million MT respectively. Johor's production of both CPKO and palm kernel cake improved from the previous year.

Downstream Processing

According to the MPOB, exports of oleochemicals improved from 2.7 million MT in 2013 to 2.8 million MT in 2014, which led to an increase in export revenue from RM9.3 billion to RM11.3 billion during the same period.

On the contrary, export of biodiesel contracted from 175,032 MT in 2013 to 87,356 MT in 2014. The contraction was mainly attributed to falling crude oil prices thus resulting in weaker demand for biofuel which is used as an alternative to petrol and fuel.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

In 2015, volume of oleochemicals export increased marginally but revenue contracted amid lower CPO prices which affected the prices of its derivatives. However, export of biodiesel registered an encouraging performance by increasing over one fold in volume while revenue increased by 87.9 percent.

Moving forward, local consumption of biodiesel remained supportive in relation with the government's support. In Malaysia, the government has introduced the use of B5 biodiesel in 2011 in the Central region comprising Putrajaya, Melaka, Negeri Sembilan, Kuala Lumpur and Selangor. B5 biodiesel is a type of biofuel blended with 5.0 percent of palm oil biodiesel and 95.0 percent of petroleum diesel. B5 biodiesel is typically suitable to be used in diesel engines. The B5 programme was expanded to the Southern region encompassing Pahang, Terengganu and Kelantan in 2012.

In December 2014, the Malaysian government introduced the replacement of B5 biodiesel with B7 biodiesel, which involves the blending of 7.0 percent of palm oil with 93.0 percent of petroleum diesel in Peninsular Malaysia. The B7 biodiesel programme was later implemented in East Malaysia in January 2015. The implementation of biodiesel programme is set to increase the domestic demand for palm oil moving forward.

3.1 HISTORICAL PERFORMANCE OF THE PALM OIL INDUSTRY IN MALAYSIA

In 2014, CPO production and prices saw improved performance against the prior year, while export and import volumes declined during the year. The CPO was traded at a higher price during the first half of 2014 at an average of RM2,605 per MT. Moving into the second half of 2014, CPO prices trended downwards and closed at an average of RM2,183 per MT. This was attributed to a weaker price of soybean oil (which can be used as a substitute of palm oil) and slumping crude oil prices, which affected the demand for biofuel.

CPO production grew from 19.2 million MT in 2013 to 19.7 million MT in 2014. The growth in CPO production was driven by a higher OER from 20.3 percent in 2013 to 20.6 percent in 2014, coupled with an expansion in harvested area from 4.53 million ha to 4.69 million ha during the same period.

However, total export volume of all palm oil products decreased by 2.7 percent to 25.0 million MT in 2014 from 25.7 million MT in 2013, mainly attributed to the lower export volume of

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

palm oil which fell 4.8 percent from 18.1 million MT in 2013 to 17.3 million MT in 2014. On top of that, total import of palm oil decreased by 12.6 percent from 555,776 MT in 2013 to 485,567 MT in 2014.

In 2015, CPO production improved against the prior year, while prices declined during the year. CPO was traded at an average of RM2,219 in the first half of 2015 and trended downwards during the second half of 2015. The declining trend was attributed to weaker prices of soybean and rapeseed oil (which can be used as a substitute of palm oil), a weaker demand from China, and the continued weak crude oil prices that affected the demand for biofuel. The average CPO price in 2015 stood at RM2,153 per MT.

CPO production grew from 19.7 million MT in 2014 to close to 20.0 million MT in 2015. The growth in CPO production was driven by a higher FFB processed as new mature areas coming in production. In 2015, palm oil mills in Malaysia processed a total of 97.6 million MT of FFB, representing 2.3 percent increase from 95.4 million MT of FFB processed in 2014.

Total export volume of all palm oil products increased marginally by 1.0 percent to 25.3 million MT in 2015 from 25.1 million MT in 2014, mainly attributed to the higher export volume of palm oil and biodiesel. Export of palm oil increased by 0.8 percent to 17.4 million MT while export of biodiesel expanded over one fold to 178,942 MT in 2015. On top of that, total import of palm oil increased by 111.5 percent from 485,567 MT in 2014 to 1.0 million MT in 2015.

The palm oil industry is still very much driven by its upstream business which accounted for 79.3 percent, 70.0 percent and 76.9 percent of export value in 2013, 2014 and 2015 respectively. In addition, while Malaysia produces about 20.0 percent of world's basic oleochemicals (intermediate products), further downstream activities involving the manufacture of high-value end products remain limited and insignificant in the country.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

4 STRATEGIC ANALYSIS OF THE PALM OIL INDUSTRY FOCUSING ON THE PLANTATION SEGMENT IN MALAYSIA

4.1 MARKET DYNAMICS SCORECARD

Figure 5: Market Dynamics Scorecard for the Palm Oil Industry Focusing on the Plantation Segment in Malaysia

Market Dynamics Indicators	Measurement	Trends
2015 Market Size (RM billion)*	42.19	-
2020 Forecast Market Size (RM billion)*	58.12	-
Forecast Period Market Compound Annual Growth Rate ("CAGR") (2015-2020)(%)	6.6	-
Pricing Trends	Prices of FFB are sensitive to demand for CPO in tandem with the global supply and demand for edible oil As CPO exports are traded in USD, a weaker Ringgit would result in higher translated local prices of CPO, resulting in increased FFB prices in relation to CPO prices	Volatile
Types of Market Players	Dominated by First-Tier Palm Oil Market Players	Stable
2015 to 2020 Demand Conditions	Driving the Market	Increasing
2015 to 2020 Supply Conditions	Driving the Market	Increasing

* Market size of the plantation segment is measured in terms of total FFB sale at mill gate

Source: Protégé Associates

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

4.2 HISTORICAL MARKET PERFORMANCE AND GROWTH FORECAST

In 2014, the palm oil industry focusing on the plantation segment in Malaysia stood at RM46.33 billion, representing a 9.0 percent growth from RM42.52 billion in 2013. The growth was mainly attributed to a higher FFB price that improved from RM485 per MT in 2013 to RM519 per MT in 2014, coupled with an expansion of mature area from 4.53 million ha to 4.69 million ha during the said period that contributed to the growth in FFB production.

In 2015, the palm oil industry focusing on the plantation segment in Malaysia exhibited a contraction in growth in tandem with a lower FFB price that dropped to RM459 per MT as compared to RM519 per MT in the previous year, coupled with a declined FFB yield to 18.48 MT per ha as compared to 18.63 MT per ha in 2014. The palm oil industry focusing on the plantation segment in Malaysia contracted by 9.0 percent to RM42.19 billion in 2015.

Figure 6: Market Size and Growth Forecast for the Palm Oil Industry Focusing on the Plantation Segment in Malaysia, 2013-2020

Year	Market Size (RM billion)	Growth Rate (%)
2013	42.52	-
2014	46.33	9.0
2015	42.19	-9.0
2016	44.80	6.2
2017	48.14	7.5
2018	52.48	9.0
2019	55.89	6.5
2020	58.12	4.0

CAGR (2015-2020): 6.6 percent

Notes:

- 1) All figures are rounded; the base year is 2015;
- 2) Market size and growth forecast of the plantation segment is measured in terms of total FFB sale at mill gate;
- 3) Market size and its corresponding growth rate from 2016 to 2020 are forecast.

Source: MPOB and Protégé Associates

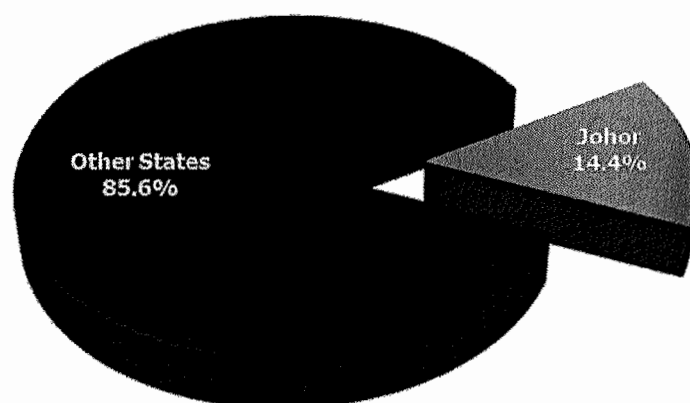
The palm oil industry focusing on the plantation segment in Malaysia is forecast to undergo cyclical movements from 2016 to 2020. This cyclical movement is mainly caused by the demand for FFB and its prices in relation to CPO moving forward.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

The general trend from 2016 to 2020 is likely to show an upward movement over the period due to increasing global population and rising incomes, which will increase the demand for palm oil and accordingly, improve the demand for FFB from the processing segment. The growth of the market is also impacted in a positive way by the growing environmental concerns over climate change, resulting in more vegetable oils such as palm oil being used as fuel to replace fossil fuel. A higher demand for palm oil for biofuel is likely to spur the demand for FFB, the feedstock for palm oil production. In addition, the palm oil industry and its plantation segment have the full support of the Malaysian government, which has called out palm oil as one of the main sectors to help Malaysia achieve developed nation status by the year 2020.

Protégé Associates estimates that Malaysia's plantation segment was valued at RM46.33 billion in 2014. Of this, 14.4 percent or RM6.67 billion was contributed by Johor. In 2015, the Malaysia's plantation segment was valued at RM42.19 billion. Of this, 14.8 percent or RM6.25 billion was contributed by Johor. Moving forward, the plantation segment within the palm oil industry in Malaysia is projected to grow at a CAGR of 6.6 percent during the forecast period from 2015 to 2020 to value at RM58.12 billion in 2020.

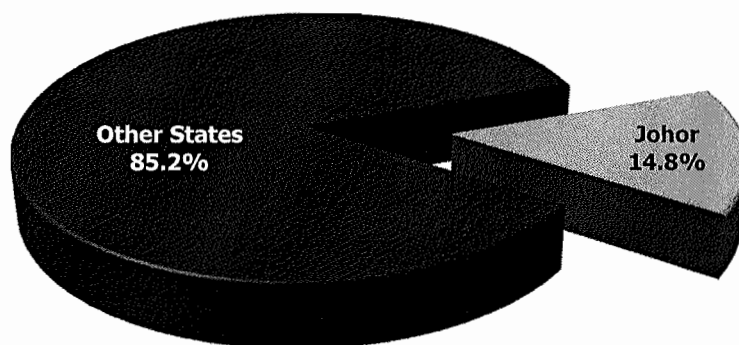
Figure 7: Johor's Share in the Palm Oil Industry Focusing on the Plantation Segment in Malaysia, 2014



Source: Protégé Associates

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 8: Johor's Share in the Palm Oil Industry Focusing on the Plantation Segment in Malaysia, 2015



Source: Protégé Associates

4.3 COMPETITIVE ANALYSIS

Generally, market participants in the palm oil industry can be segregated into 2 tiers as detailed below.

First Tier

Market participants within the first tier comprise mostly large private sector companies that participate at multiple points across the value chain in the palm oil industry, from having large plantations to manufacturing facilities in the oleochemical and biofuels industries. Many of the first tier companies also have plantation estates in Indonesia, as well as refineries and downstream manufacturing facilities overseas, such as in China and Europe. Among the companies in the first tier are Felda Global, Sime Darby Berhad ("Sime Darby"), IOI Corporation Berhad ("IOI"), Kuala Lumpur Kepong Berhad ("KLK"), United Plantations Berhad ("United Plantations"), Kulim (Malaysia) Berhad ("Kulim") and Wilmar International Limited ("Wilmar").

Second Tier

Market participants within the second tier have a high level of fragmentation, with a variety of market players that typically only participate in 1 or 2 segments in the value chain. These market players include small to medium sized local plantation companies that are also participants of the plantation segment, independent palm oil millers, individual small holders and small government schemes such as FELCRA and RISDA. Independent palm oil millers

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



generally link with small to medium sized local plantation companies in close proximity to process the FFB after harvest.

Some of the private companies in the second tier include Inno-Wangsa Oils & Fats Sdn Bhd in Johor, Lee Oilmills Sdn Bhd in Selangor and Matang and its subsidiaries ("Matang Group").

4.3.1 Selected Second Tier Market Players

Matang Group participates in the palm oil industry in Malaysia as a second tier market player that is principally involved in oil palm plantation, with its revenue generated primarily from the sale of FFB. In 2016, Matang Group owned 1,082.1 ha of oil palm plantation in Johor. Based on publicly available information, Protégé Associates has identified the following market participants in the second tier that are comparable to Matang Group based on the following selection criteria:

- i. Involved in the plantation segment of the palm oil industry in Malaysia;
- ii. Strong business focus on the plantation segment with more than 50.0 percent of the total revenue generated from plantation segment

These comparable market players are Astral Asia Berhad ("Astral Asia"), Dutaland Berhad ("Dutaland"), Gopeng Berhad ("Gopeng") and Riverview Rubber Estates Berhad ("Riverview Rubber Estates").

These market participants can be further segregated into 3 groups based on their FFB production. Group 1 comprises market participant with FFB production of over 80,000 MT, namely Dutaland. Group 2 market participants have a FFB production of over 40,000 MT but less than 80,000 MT, namely Astral Asia and Riverview Rubber Estates. Group 3 market participants recorded FFB production of less than 40,000 MT, namely Gopeng and Matang Group.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 9: Comparison between Matang Group with Selected Market Players

Company	Astral Asia	Dutaland	Gopeng	Matang Group	Riverview Rubber Estates
Principal Activities	Operations of oil palm estates and the provision of estates management, and property development and construction activities	Oil palm cultivation and sales of oil palm fruits, and development of residential and commercial properties	Cultivation of oil palm	Management of plantation estate, sale of FFB and property investment holding	Oil palm cultivation, and development and renting of properties
Location of Plantation	Pahang	Sabah	Perak	Johor	Perak
Plantation Result for Financial Year Ended	31.12.2015	30.6.2015	31.12.2014	30.6.2016	31.12.2015
Total Plantation Area (ha) ⁽¹⁾	5,446	10,536	1,500	1,082	2,544
• Mature Area (ha)	NA	10,032	NA	848.1	2,207
• Immature Area (ha)	NA	504	NA	234.0	337
FFB Production (MT)	46,020	87,294 ⁽²⁾	19,550	14,731	62,594
FFB Yield (MT per ha)	NA	NA	NA	17.37	28.36
Financial Result for Financial Year Ended	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015
Revenue (RM million)	24.6	37.8	9.2	7.2	31.1
Segmental Revenue of Oil Palm Plantation (RM million)	23.2	37.6	9.2	7.2	29.5
% of Oil Palm Plantation	94.3	99.6	100.0	100.0	94.7

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Astral Asia	Dutaland	Gopeng	Matang Group	Riverview Rubber Estates
Revenue					
Gross Profit (RM million)	6.5	NA	1.0	4.6	17.0
Gross Profit Margin (%)	26.5	NA	11.1	63.5	54.6
Gearing Ratio (Times)	0.07	0.0022	0.0002	-	-
Net Asset (RM million)	296.5	981.0	293.3	184.1	325.2
Shareholding as at⁽⁴⁾	30.05.2016	05.09.2016	15.04.2016	-(5)	01.04.2016
Number of Shares Issued and Fully Paid-up	659,984,000 ⁽³⁾	846,118,039	179,328,982	1,810,000,256	64,850,448
Closing Price as at 28.11.2016 ⁽⁴⁾	0.22	0.40	1.28	0.13 ⁽⁵⁾	3.59
Market Capitalisation (RM) ⁽⁴⁾	145,196,480	338,447,216	229,541,097	235,300,033 ⁽⁵⁾	232,813,108
Price-to-book ratio	0.49	0.35	0.78	1.28	0.72

Notes:

1. The list of market players is alphabetically arranged and does not constitute as a ranking;
2. NA denotes the information is not publicly available;
3. % contribution of oil palm plantation to net profit is not publicly available;
4. Net asset of Matang Group is based on proforma group's net asset after public issue, indicative IPO price of Matang Group of RM0.13, and the enlarged share capital of 1,810,000,256 shares upon listing;
5. Gearing ratio of Matang Group and Riverview Rubber Estates are not applicable as no borrowings were reported;
6. At the time of publication, the latest plantation results available for Dutaland is for financial year ended 30 June 2015, while the latest plantation results available for Gopeng is for financial year ended 31 December 2014; and

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



7. ⁽¹⁾ Total plantation area:
- (i) The mature and immature areas of comparable companies are extracted from their respective annual reports;
 - (ii) The mature area of Matang Group is based on total mature and old area while the immature area is based on total immature and replanting area;
- ⁽²⁾ FFB production of Dutaland for financial year ended 30 June 2016;
- ⁽³⁾ On 30 May 2016, Astral Asia completed a bonus issuance of 539,986,500 new ordinary shares of RM0.20 each that were credited as fully paid-up;
- ⁽⁴⁾ Market capitalisation of each market player, except for Matang Group, based on closing price on 28 November 2016 and authorised, issued and paid-up capital from the reported date for shareholding;
- ⁽⁵⁾ Matang Group's market capitalisation based on indicative IPO price of RM0.13 and the enlarged share capital of 1,810,000,256 shares upon listing.

Source: Annual reports of Astral Asia, Dutaland, Gopeng, Riverview Rubber Estates as well as Matang Group, Bursa Securities and Protégé Associates

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7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



4.3.2 Market Share Analysis

For the financial year ended 30 June 2014, Matang Group's total revenue was RM9.4 million. This is equivalent to 0.1 percent share of the palm oil industry focusing on the plantation segment in Johor during the year. This is based on Matang Group's revenue of RM9.4 million against Johor's plantation market size of RM6.67 billion in 2014.

For the financial year ended 30 June 2015, Matang Group's total revenue was RM7.4 million. This is equivalent to 0.1 percent share of the palm oil industry focusing on the plantation segment in Johor during the year. This is based on Matang Group's revenue of RM7.4 million against Johor's plantation market size of RM6.25 billion in 2015.

4.4 DEMAND AND SUPPLY CONDITIONS

4.4.1 Demand Conditions

The demand conditions of the palm oil industry focusing on the plantation segment are highly dependent on the demand conditions of its derivatives. A higher demand for derivatives is likely to spur the growth within the processing segment in order to meet the demand and accordingly, catalyse growth in FFB demand as the raw materials for the processing segment.

Increase in Global Population, Income and Per Capita Consumption

Palm oil will see a growth in demand over the long term considering the increase in population, income as well as per capita consumption. The United Nations Food and Agricultural Organisation ("FAO") projected that the world population will grow to 9.73 billion by 2050 (from 7.35 billion as at 2015) with the majority of growth occurring in Asia. In the developing countries, it is estimated that oils and fats consumption per year will increase from 10 to 15 kg per capita to 25 kg per capita within 20 years.

Another important factor is income. A strong economic growth will lead to a rise in income through such factors as greater economic activities and better employment opportunities taking place and ultimately drive higher consumption and demand. China and India are taking the lead in terms of economic growth. Both countries are already the world's largest 3 consumers of vegetable oils together with the European Union ("EU").

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

**Increasing Demand for Biofuel**

The growing concern on climate change and the over reliance on crude mineral oil as a source of fuel has created a growing demand for all vegetable oils including palm oil to be used as fuel. The EU, being the major user of biofuels, targets for the use of biofuel to reach 5.0 percent of total transport fuel demand by 2020, according to European Commission.

In Malaysia, the government has introduced the use of B5 biodiesel in 2011 in the Central region comprising Putrajaya, Melaka, Negeri Sembilan, Kuala Lumpur and Selangor. B5 biodiesel is a type of biofuel blended with 5.0 percent of palm oil biodiesel and 95.0 percent of petroleum diesel. B5 biodiesel is typically suitable to be used in diesel engines. The B5 programme was expanded to the Southern region encompassing Pahang, Terengganu and Kelantan in 2012.

In December 2014, the Malaysian government introduced the replacement of B5 biodiesel with B7 biodiesel, which involves the blending of 7.0 percent of palm oil with 93.0 percent of petroleum diesel in Peninsular Malaysia. The B7 biodiesel programme was later implemented in East Malaysia in January 2015. The implementation of biodiesel programme is set to further increase the domestic demand for FFB and CPO moving forward.

Low Price of Palm Oil Compared to Other Major Oil and Fats

According to the MPOB, price of palm oil in global market is still the lowest in comparison with other vegetable oils such as soybean oil, sunflower oil and rapeseed oil. In tandem with the decrease in vegetable oil prices in 2014, price of CPO was USD821 per MT compared to soybean oil's price of USD909 per MT, the most expensive oil among the 4 compared. Prices of sunflower oil and rapeseed oil in 2014 were USD909 per MT and USD907 per MT respectively. In 2015, price of CPO was USD623 per MT, the lowest among the 4 compared. Prices of soybean oil, sunflower oil and rapeseed oil in 2015 were USD757 per MT, USD847 per MT and USD776 per MT respectively. The relatively low price of palm oil is expected to drive its demand over the long term.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**4.4.2 Supply Conditions****Long Economic Lifespan of the Oil Palm Tree and Expansion in Planted Area**

The long natural economic lifespan of the oil palm tree of approximately 25 years, and the ability to harvest the fruit all year round ensures a consistent supply of FFB to meet demand from the processing segment. On average, one ha of oil palm plantation produces 19 MT of FFB per year. In 2014, there was an expansion in the oil palm planted area in Malaysia that reached a total of 5.39 million ha as compared to 5.23 million ha in 2013. The oil palm planted area in Malaysia continued to expand in 2015 to 5.64 million ha. The continued expansion in planted area ensures a sustained harvest of oil palm fruit and a consistent supply of FFB in the long term. This supply condition is expected to have high impact on the plantation segment from 2015 to 2020.

Palm Oil as One of the 12 National Key Economic Areas

The palm oil industry is currently the fourth largest contributor to the national economy and accounts for RM53 billion in Gross National Income ("GNI"). Under the government's Economic Transformation Programme ("ETP"), palm oil is one of the 12 National Key Economic Areas ("NKEAs") and is projected to generate an additional RM125 billion to GNI to reach RM178 billion by 2020. Among the entry point projects ("EPPs") outlined under the palm oil NKEA that may improve the FFB supply include the following – accelerating replanting, improving FFB yield and improving workers' productivity. These EPPs are likely to increase the supply of FFB in the long term.

Dependency on Natural Elements in the Plantation Segment

The plantation segment within the palm oil industry is highly reliant on the natural conditions in the production of FFB. Some of the notable conditions that impact the plantation segment include weather conditions, as well as pests and crop disease as detailed below.

Weather Condition

The climatic condition is a critical factor in oil palm cultivation that would impact the FFB yield, which in turn has a significant influence over the pricing trend of FFB and CPO. Production can be adversely affected if rainfall does not meet the water demand for the growth of oil palm trees, for example during El Nino phenomenon where dry conditions last from 8 to 16 weeks. Prolonged dry conditions may result in low soil moisture for the growth of oil palm trees and adversely affect the FFB production.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Conversely, excessive rainfall conditions such as the monsoons, or the La Nina phenomenon that follow after drier weather brought by El Nino phenomenon, may also disrupt the harvesting and logistics within the plantations segment. Prolonged exposure to excessive water levels may result in moisture stress in oil palms; affecting the grading of palm oil and eventually forcing the plantation player to sell the palm oil at discount.

Pests and Crop Diseases

Pests and crop diseases impact the amount of harvestable FFB to a significant extent. Common pests that infest oil palm plantations include rats, bagworms, nettle caterpillars, rhinoceros beetles, bunch moths and termites. In addition, oil palm crops are also affected by common soil borne fungus, such as the Ganoderma, one of the more prominent diseases affecting oil palm trees. The Ganoderma is a genus of wood-decaying fungi that affect all types of woody trees, including oil palm trees. The Ganoderma infections result in a disease called basal stem rot that is lethal, with the fungus gradually overwhelming the lower trunk of the oil palm tree, rotting it from the inside. Infected oil palm trees often exhibit wilting or desiccated leaves and eventually these trees experience a severe decline in the production of FFB.

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4.5 MARKET CHALLENGES

Shortage of Labour

The lack of participation among Malaysians in the plantation sector had caused an acute labour shortage resulting in a heavy dependence on foreign workers. Shortage of labour (fruit harvesters) in the oil palm estates has caused losses in palm oil crops as uncollected FFB are left rotting in the fields. According to Performance Management and Delivery Unit ("PEMANDU") in the ETP, foreign workers in Malaysian oil palm plantations are estimated to comprise 80.0 percent of total industry workforce.

Aging Profile of Oil Palm Plantations

Oil palm is a perennial crop with a maturity period of 25 years. According to the Malaysian government, Malaysia has a backlog of 365,414 ha of palm oil trees aged above 25 years. These trees typically have lower yield due to the reluctance of smallholders to replant to avoid losses of income during the 3-year replanting and maturity period. If replanting is not accelerated, there would be potential decline in FFB output in long run.

Pressure from Anti-Palm Oil Lobbyists and Environmental NGOs from the West

Scare-mongering and smear campaigns against palm oil have been rife. Many parties including the EU have alleged that palm oil production in Malaysia is environmentally unsustainable as the expansion of oil palm plantation brings about widespread deforestation and resulted in the destruction of orang utans and loss of biodiversity. The EU also pointed that the palm oil in Malaysia does not meet its environmental sustainability standard of 35.0 percent greenhouse gas emissions savings, and as such, is not entitled to incentives, thereby reducing its competitiveness.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



4.6 PRICING TREND

The palm oil industry is capital intensive and operating margins in this industry have been volatile. Margins are sensitive to supply and demand of the global market for edible oil and the demand for CPO which is generally linked to the level of global consumption of edible oil. Other factor that could impact the demand for CPO includes the demand for biofuel which is generally linked to the prices of crude oil. Any fluctuation in CPO price would impact the prices of FFB in tandem with the changes in demand for the derived oil palm products. Therefore, palm oil including FFB and CPO are subject to price fluctuations based on supply of, and demand for FFB and CPO, weather conditions, as well as availability and pricing of substitute products (e.g. other vegetable oils) and other factors.

As a feedstock for CPO production, demand for FFB is reliant on the production of CPO in Malaysia. Production of CPO is affected by factors noted above, notably demand for CPO in the global market for edible oil in relation to the level of global consumption of edible oil as well as the prices and availability of substitute products (i.e. other vegetable oils). Other factor that may affect the demand for FFB in relation to demand for CPO is the pricing trend of crude oil that may impact the demand for biofuel.

Changes in demand for FFB are set to influence all market participants within the plantation segment of the palm oil industry, including Matang Group. As the fruits are required to be processed within 24 to 48 hours to prevent a rapid rise in free fatty acids which could affect the quality of the CPO, lower demand for FFB from the milling segment result in excessive FFB production and eventually forcing the plantation players to sell the FFB at discount. Conversely, higher demand, if not met by higher production, is set to spur growth in the pricing trend of FFB and CPO.

Moving forward, the palm oil industry focusing on the plantation segment is projected to undergo cyclical movements in relation to the demand for FFB and its prices in relation to CPO. Nonetheless, the plantation segment within the palm oil industry in Malaysia is projected to grow at a CAGR of 6.6 percent during the forecast period from 2015 to 2020 to value at RM58.12 billion in 2020. Such development is expected to augur well for the development of plantation segment within the palm oil industry in Malaysia.

The average prices for CPO and FFB for the calendar years 2009 to 2017 and the CPO closing stock from 2009 to 2016 are set out below.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Figure 10: Annual Average Prices of Oil Palm Products and CPO Closing Stock, 2009-2017**

RM/ MT	2009	2010	2011	2012	2013	2014	2015	2016-2017f
CPO*	2,237	2,701	3,219	2,764	2,371	2,383	2,153	2,200-2,900
FFB	465	587	738	615	485	519	459	480-600
CPO Closing Stock (million MT)	1.2	0.7	1.1	1.6	1.0	1.0	1.6	1.0 ⁽¹⁾

Notes:

- 1) * Prices of local delivered CPO;
- 2) ⁽¹⁾ Average closing stock of CPO for the first 10 months of 2016;
- 3) f denotes forecast

Source: MPOB and Protégé Associates

In 2012, the average price of FFB as the feedstock for CPO production trended downward to RM615 per MT in tandem with a lower CPO price that declined to RM2,764 per MT. The downward trend in CPO price was attributed to a higher stock level of CPO and a lower demand for CPO in the global market. The 1.1 million MT of CPO stock that was carried forward from 2011 increased the supply of CPO. However, CPO demand from the export market was lower in the second half of the year due to the Euro-zone financial crisis that led to a lower demand for oils and fats. Higher imports of palm oil in Malaysia further increased the CPO stock, and weighed on its pricing. As a result, CPO price decreased to RM2,764 per MT in 2012, alongside a reduced price of FFB as the feedstock for CPO production at RM615 per MT during the same period. CPO closing stocks increased by 47.7 percent to 1.6 million MT in 2012.

In 2013, the average CPO price dropped further to an average of RM2,371 per MT and the price of FFB as its feedstock decreased to RM485 per MT. The decline in CPO price mainly attributed to high CPO stock levels particularly during first quarter of 2013 due to the 1.6 million MT of CPO stock that was carried forward from 2012. In addition, the CPO demand from export market was lower during second quarter of 2013. Nonetheless, the price of CPO increased towards end of the year to close at RM2,575 per MT on the back of lower CPO stock levels. Notwithstanding the upward trend towards end of the year, the price of FFB as the feedstock for CPO production dropped to RM485 per MT in 2013 in tandem with a lower CPO prices.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

In 2014, FFB price was higher at an average of RM519 per MT, moving upwards alongside the increase in CPO prices. CPO was traded at a higher price during the first half of 2014 at an average of RM2,605 per MT. Moving into the second half of 2014, CPO prices trended downwards and closed at an average of RM2,183 per MT. This was attributed to a lower price of soybean oil (which can be used as a substitute of palm oil) and slumping crude oil prices which affected the demand for biofuel. However, the average price of CPO was higher by a marginal 0.5 percent to RM2,383 per MT in 2014. Despite the fluctuation in CPO prices throughout the year, the average price of FFB as the feedstock for CPO production increased to RM519 per MT in 2014 as the average CPO price escalated.

In 2015, FFB price was lower at an average of RM459 per MT amid lower CPO prices. CPO was traded at an average of RM2,219 per MT in the first half of 2015 and trended downwards during the second half of 2015. The declining trend was attributed to weaker prices of soybean and rapeseed oil (which can be used as a substitute of palm oil), a weaker demand from China, and the continued weak crude oil prices that affected the demand for biofuel. The average CPO price in 2015 stood at RM2,153 per MT.

Nonetheless, CPO prices began to exhibit signs of recovery as the prices increased from RM2,251 per MT in January to approximately RM2,720 per MT in October 2016 amid prolonged impact from the El Nino drought and its subsequent lagged impact that affected the FFB yield thus resulting in lower feedstock for CPO production. CPO supply declined in tandem with lower production, thus augurs well for the growth of CPO and FFB prices.

However, weak crude oil prices may continue to have an impact on the demand for biofuel, which is used as an alternative to petrol and fuel. Crude oil prices have seen a sharp decrease since the second half of 2014. The downward pricing trend persisted in 2015 and PETRONAS expects oil prices to remain low in 2016. As crude oil prices become more affordable, demand for energy products will likely be even more focused on crude oil, and will increasingly move away from alternative energy sources such as biofuel. As the decline in oil prices prolongs, demand for biofuels may be negatively influenced and this will weigh on the demand and prices of palm oil. However, the impact of decreasing crude oil prices on palm oil is anticipated to be minimal given that only 16.0 percent of global CPO production is for biofuel in 2014, according to the Malaysian Biodiesel Association.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

The situation surrounding the movement of FFB prices that fluctuate in tandem with CPO prices remains volatile moving forward. Protégé Associates estimates that CPO and FFB prices are expected to value at an average of between RM2,200 to RM2,900 per MT and between RM480 to RM600 per MT respectively for the period of 2016 and 2017, along with an anticipation for fluctuations in the short term (2016 to 2017), as demand and supply conditions of the CPO remain unstable.

The average closing stock of CPO for the first 10 months of 2016 stood at around 1.0 million MT, lower as compared to the 1.2 million MT recorded in the corresponding period in 2015 in line with a lower CPO production. The production of CPO was lower by 15.6 percent at around 14.3 million MT for the first 10 months of 2016 as compared to 16.9 million MT in the corresponding period in 2015 amid prolonged El Nino drought and its subsequent lagged impact that resulted in lower FFB yield, thus impacting feedstock supply for CPO production. Nonetheless, FFB yield and CPO production are expected to improve as the impact from El Nino drought fades.

CPO export in the first 10 months of 2016 was slightly lower at 3.4 million MT as compared to 4.2 million MT in the corresponding period in 2015. However, Malaysia's CPO export is anticipated to improve in the long term in line with the expected increase in Indonesia's domestic demand for its biofuel production. The Indonesian government aims to promote biodiesel usage with the introduction of mandatory 15 percent blend of biodiesel in diesel products in 2015 and 20 percent blend in 2016, and is targeting to increase the mandated bio content to 30 percent in 2020. Henceforth, Indonesia's CPO export is expected to reduce as its domestic demand increases, and such development augurs well for Malaysia's export to fulfil the global CPO demand.

As CPO exports are traded in USD, a weaker Ringgit would result in higher translated local CPO prices, resulting in increased FFB prices in relation to CPO prices. Domestically, the demand for FFB in relation to CPO increase in tandem with the demand for biofuel followed the introduction of B7 biodiesel programme that was introduced in December 2014 in Peninsular Malaysia, and in January 2015 in East Malaysia. The implementation of biodiesel programme is set to further increase the domestic demand for FFB in relation to CPO and accordingly, spur the growth of the FFB and CPO prices.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



4.7 RELIANCE AND VULNERABILITY TO IMPORT

The plantation segment within the palm oil industry in Malaysia is not vulnerable to the import of FFB due to the vast number of oil palm plantations in the country. In 2014, the total oil palm planted area in Malaysia stood at 5.39 million ha with FFB yield of 18.63 MT per ha. And in 2015, the total oil palm planted area in Malaysia stood at 5.64 million ha with FFB yield of 18.48 MT per ha.

In terms of resources for plantation activities, the plantation segment within the palm oil industry in Malaysia is not dependent on import for the oil palm seeds. The oil palm plantation segment is also not dependent on the import for pesticides and other agrochemical products due to the availability of local production.

Meanwhile, the plantation segment is fairly reliant on and vulnerable to imports of fertilisers as some key constituents of fertilisers such as phosphate and potash are not available in Malaysia. The government also promotes the recycling and use agricultural waste, such as empty oil palm fruit bunches produced after FFB milling, as organic fertilisers for the plantation activities.

4.8 SUBSTITUTE PRODUCTS

Palm oil is seen largely as general purpose oil; hence it can be substituted with other oils, particularly soybean, rapeseed (also known as canola) and sunflower. Due to this reason, these 4 oils are mutual competitors, although palm oil is the strongest contender in the market in terms of production.

In 2015, close to 176.1 million MT of vegetable oils were produced globally. Palm oil and palm kernel oil combined was the largest contributor to the world supply of vegetable oils with a total of 39.0 percent. Soybean oil, rapeseed oil, and sunflower oil accounted for 27.8 percent, 15.4 percent and 8.4 percent respectively. These 4 oils contributed 90.6 percent to the world production of vegetable oils.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**4.9 GOVERNMENT POLICIES AND REGULATIONS**

The following is a list of Malaysian laws regulation its palm oil industry while highlighting selected pertaining to the practices of palm oil production:

- Malaysian Palm Oil Board (Licensing) Regulations, 2005 in exercise of the powers conferred by the Malaysian Palm Oil Board Act, 1998
- Land Acquisition Act 1960
- Land Conservation Act, 1960, revised 1989
- National Land Code 1965
- Protection of Wildlife Act 1972
- Environmental Quality Act 1974 (Prescribed Premises) (Crude Palm Oil) Regulations, 1977 in exercise of the powers conferred by the Environmental Quality Act, 1974
- Workers Minimum Standard of Housing & Amenities Act 1990
- Occupational Safety & Health Act, 1994
- Pesticide Act 1974 (pesticide registration) Rules, 2005
- Pesticide (Licensing for sale and storage for sale) Rules, 2007
- Pesticide (labelling) Regulations, 1984
- Factories & Machinery Act, 1967
- Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order, 1987 in exercise of the powers conferred by the Environmental Quality Act, 1974
- The National Parks Act, 1980
- Sabah Wildlife Conservation Enactment, 1997
- Sabah Water Resource Enactment, 1998
- Sabah Biodiversity Enactment, 2000
- National Forestry Act, 1984
- Aboriginal People Act, 1954
- Sarawak Land Code, Chapter 81, revised 1985
- Sarawak Native Code, 1992

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



- Sarawak Biodiversity Centre Ordinance, 1997
- Sarawak Wildlife Protection Ordinance, 1998

4.10 OUTLOOK OF THE PALM OIL INDUSTRY FOCUSING ON THE PLANTATION SEGMENT IN MALAYSIA

Malaysia's palm oil industry and its plantation segment face a bright outlook from 2015 to 2020. Growth in the plantation segment is highly dependent on the demand conditions of FFB derivatives; a higher demand for derivatives is likely to spur the growth within the processing segment in order to meet the demand and accordingly, catalyse growth in FFB demand as the raw materials for the processing segment. Protégé Associates anticipates that the growth within the palm oil industry and its plantation segment are likely to be driven by an increasing global population, rise in incomes and per capita consumption throughout the period from 2016 to 2020. Other factors driving market growth are the increasing use of palm oil in biofuels and the lower price of palm oil, as compared to other major vegetable oils, which is a crucial and acts as a deciding factor in promoting a higher consumption of palm oil.

Supporting the supply for Malaysia's palm oil industry and its plantation segment are the long economic lifespan of the oil palm trees and the expansion in planted area. Both of these factors ensure a continued cultivation of oil palm fruit and consistent supply of FFB. The support from the Malaysian government also acts as a positive supply condition. The palm oil industry has been identified as one of the 12 NKEAs. To enhance the development of the palm oil industry, various initiatives under the ETP have been developed as a means to boost the industry's activities. Among the EPPs that have been identified to improve FFB production include those that aim to accelerate replanting, improve FFB yield and improve workers' productivity. These EPPs are likely to increase the supply of FFB in the long term.

The palm oil industry focusing on the plantation segment in Malaysia is valued at RM42.19 billion in 2015 and is expected to grow at a CAGR of 6.6 percent during the forecast period from 2015 to 2020 to value at RM58.12 billion in 2020.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



Protégé Associates has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "SEOW CHEOW SENG". The signature is stylized with a large circular flourish and a horizontal line crossing through it.

SEOW CHEOW SENG

Managing Director

Protégé Associates Sdn Bhd

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

8.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

8.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Country of incorporation / registration	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Huaren	Malaysia	183,358,000	10.91	-	-	183,358,000	10.13	-	-
Rohua	Malaysia	19,768,000	1.18	-	-	19,768,000	1.09	-	-
MCA ⁽³⁾	Malaysia	-	-	203,126,000	12.09	-	-	203,126,000	11.22

Notes:

- (1) Based on the issued and paid-up share capital of 1,680,000,256 Shares after the Exchange of Shares but before our IPO.
- (2) Based on the enlarged issued and paid-up share capital of 1,810,000,256 Shares after our IPO.
- (3) Deemed interest by virtue of its shareholdings in Huaren and Rohua.

8.1.2 Profiles of Promoters and substantial shareholders

The profiles of the Promoters and substantial shareholders of our Company are set out below:

(a) Huaren

Huaren was incorporated in Malaysia on 4 February 1977 under the Act as a private limited company. It was incorporated as an investment holding company to own the assets of MCA.

Huaren's principal activity is investment holding.

As at the LPD, Huaren has an authorised share capital of RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each, all of which have been issued and are fully paid-up.

The Directors in Huaren are as follows:

Name	Nationality	Date of Appointment
Dato' Dr Neoh Soon Bin	Malaysian	19 April 2010
Tan Sri Dr Fong Chan Onn	Malaysian	19 April 2010
Tan Sri Dato' Sri Ir Kuan Peng Ching @ Kuan Peng Soon	Malaysian	31 March 2014
Dato' Sri Datuk Chuah Poh Kiang	Malaysian	31 March 2014
Datuk Kiat Swee Sung	Malaysian	22 April 2014
Dato' Lim Cheng Ling	Malaysian	22 April 2014

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

The shareholders of Huaren are as follows:

Name	Nationality/ Country of registration	Direct		Indirect	
		No. of shares	%	No. of shares	%
(a) Held collectively by:				-	-
Dato' Sri Liow Tiong Lai; Malaysian and Tan Sri Dato' Sri Ir Kuan Malaysian Peng Ching @ Kuan Peng Soon		1	*^	-	-
(b) Held collectively by:	Malaysian	1	*^	-	-
Dato' Sri Liow Tiong Lai; and Dato' Seri Ong Ka Chuan	Malaysian			-	-
(c) MCA	Malaysia	49,999,998	99.99	2	*

Notes:

* Negligible.

^ Held in trust for MCA.

(b) Rohua

Rohua was incorporated in Malaysia on 11 January 1983 under the Act as a private limited company. It was incorporated as an investment holding company to own the assets of MCA in Johor.

Rohua's principal activity is investment holding.

As at the LPD, Rohua has an authorised share capital of RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each, of which 706,002 ordinary shares of RM1.00 each have been issued and are fully paid-up.

As at the LPD, the Directors of Rohua are as follows:

Name	Nationality	Date of Appointment
Datuk Lim Pay Hen	Malaysian	18 September 2014
Datuk Kiat Swee Sung	Malaysian	21 May 2013
Chia Song Cheng	Malaysian	18 September 2014

As at the LPD, the shareholders of Rohua are as follows:

Name	Nationality /Country of registration	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datuk Lim Pay Hen	Malaysian	282,400 ⁽¹⁾	40.0	-	-
Datuk Kiat Swee Sung	Malaysian	282,401 ⁽¹⁾	40.0	-	-
Chia Song Cheng	Malaysian	141,201 ⁽¹⁾	20.0	-	-
MCA	Malaysia	-	-	706,002	100.0

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

Note:

(1) Held in trust for MCA

(c) MCA

MCA was formed in Malaysia on 27 February 1949 and registered on 3 August 1950 under the Societies Ordinance, 1949.

Today, MCA is a uni-racial political party in Malaysia that represents the Malaysian Chinese ethnicity and it is one (1) of the three (3) major component parties of the ruling coalition in Malaysia, the Barisan Nasional.

The incumbent leadership of MCA, elected by general assembly delegates on 21 December 2013 is as follows:

Position	Name
President	Dato' Sri Liow Tiong Lai
Deputy President	Datuk Seri Ir Dr Wee Ka Siong
Secretary-general	Dato' Seri Ong Ka Chuan
1st Vice President	Dato' Lee Chee Leong
2nd Vice President	Dato' Dr Hou Kok Chung
3rd Vice President	Datuk Chua Tee Yong
4th Vice President	Datin Paduka Chew Mei Fun
5th Vice President (Youth Chief)	Datuk Chong Sin Woon
6th Vice President (Woman Chief)	Datuk Heng Seai Kie
Treasurer-general	Tan Sri Dato' Sri Ir Kuan Peng Ching @ Kuan Peng Soon
National organising secretary	Datuk Yoo Wei How

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.1.3 Changes in the Promoters' and substantial shareholders' shareholdings**

The changes in our Promoters and substantial shareholders' respective shareholdings since our Company's incorporation on 28 April 2015 are as follows:

Promoters/Substantial Shareholders	At incorporation			Since incorporation but prior to the Exchange of Shares		
	Direct	Indirect	%	Direct	Indirect	%
Chen Sow May	100	-	50.00	100	-	50.00
Chew Pei Ling	100	-	50.00	-	-	-
Woo Min Fong	-	-	-	100	-	50.00
Huaren	-	-	-	-	-	-
Rohua	-	-	-	-	-	-
MCA	-	-	-	-	-	-

Promoters/Substantial Shareholders	After the Exchange of Shares ⁽¹⁾			After IPO ⁽²⁾		
	Direct	Indirect	%	Direct	Indirect	%
Chen Sow May	100	-	*	100	-	*
Chew Pei Ling	-	-	-	-	-	-
Woo Min Fong	100	-	*	100	-	*
Huaren	183,358,000	-	10.91	183,358,000	-	10.13
Rohua	19,768,000	-	1.18	19,768,000	-	1.09
MCA ⁽³⁾	-	203,126,000	12.09	-	203,126,000	11.22

Notes:

* Negligible.

(1) Based on the issued and paid-up share capital of 1,680,000,256 Shares after the Exchange of Shares but before our IPO.

(2) Based on the enlarged issued and paid-up share capital of 1,810,000,256 Shares after our IPO.

(3) Deemed interest by virtue of its shareholdings in Huaren and Rohua.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.1.4 Persons exercising control over the corporation**

Save for Huaren, Rohua and MCA, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

8.2 DIRECTORS**8.2.1 Directors' shareholdings**

The shareholdings of our Directors in our Company before and after our IPO are set out below:

Name	Designation/ Nationality	Before IPO ⁽¹⁾			After IPO ⁽²⁾		
		Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
Dato' Teh Kean Ming	Independent Non- Executive Chairman /Malaysian	-	-	-	-	-	-
Datuk Kiat Swee Sung	Executive Deputy Chairman /Malaysian	-	-	-	-	-	-
Eng Cheng Guan	Executive Director /Malaysian	140,000	-	0.01	140,000	-	0.01
Lew Weng Ho	Independent Non- Executive Director /Malaysian	-	-	-	-	-	-
Tee Choon Yeow	Independent Non- Executive Director /Malaysian	-	-	-	-	-	-

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

Name	Designation/ Nationality	Before IPO ⁽¹⁾			After IPO ⁽²⁾		
		Direct	Indirect		Direct	Indirect	
		No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Foong Chee Meng	Independent Executive / Malaysian	-	-	-	-	-	-
Datuk Tan Teck Poh @ Tan Ah Too	Non-Independent Non-Executive Director / Malaysian	168,000	0.01	-	168,000	0.01	-
Ng Keng Heng	Non-Independent Non-Executive Director / Malaysian	889,000	0.05	-	889,000	0.05	-
Datuk Dr Lee Hong Tee	Non-Independent Non-Executive Director / Malaysian	14,000	-*	-	14,000	-*	-
Lau Liang Fook ⁽³⁾	Non-Independent Non-Executive Director / Malaysian	126,000	-*	20,055,000	126,000	1.19	20,055,000
Datuk Teoh Sew Hock	Non-Independent Non-Executive Director / Malaysian	28,000	-*	-	28,000	-*	-
Chong Pow On	Non-Independent Non-Executive Director / Malaysian	-	-	-	-	-	-

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (*Cont'd*)

Notes:

- * Negligible.
- (1) Based on the issued and paid-up share capital of 1,680,000,256 Shares after the Exchange of Shares and inclusive of 200 subscriber shares before the Public Issue.
 - (2) Based on the enlarged issued and paid-up share capital of 1,810,000,256 Shares after our IPO.
 - (3) Deemed interest by virtue of his shareholding in Lau Chek Min Sdn Bhd, his siblings (Lau Ai Choo and Lau Ai Fong)'s shareholdings in our Company.

8.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Dato' Teh Kean Ming

Dato' Teh Kean Ming, a Malaysian, aged 61, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 September 2015.

He graduated in 1981, with a Bachelor of Engineering from the University of New South Wales, Australia. Upon graduation, he joined HCH & N Consortium (a consortium of two (2) consulting engineers namely Hussein & K.H. Chong Sdn Bhd and Perunding Hashim & NEH Sdn Bhd) and participated in the development of Dayabumi Phase 3 project as a Resident Civil and Structural Engineer from 1981 to 1983. Subsequently, he was employed by Malayan Banking Berhad as Resident Engineer for the development of Menara Maybank from 1983 to 1987. Subsequently, he joined Antah Biwater J.V. Sdn Bhd as an Area Engineer in 1987. In 1989, he left Antah Biwater J.V. Sdn Bhd to join IJM Construction Sdn Bhd as a Project Manager. He was promoted to Senior Project Manager in 1994 and to Project Director in 1998.

He was then transferred to IJM Corporation Berhad ("IJM") from 2001 to 2008 as the head of the Property Division while holding other positions in the IJM and subsidiaries, such as Group General Manager of IJM (from April 2001 to December 2004).

In 2005, he joined the Board of Directors of IJM as an Alternate Director. He was appointed as Deputy Chief Executive Officer and Deputy Managing Director of IJM from 2008 to 2010. He was appointed as the Chief Executive Officer and Managing Director of IJM in January 2011 and subsequently retired as the Chief Executive Officer and Managing Director of IJM on 5 April 2015.

Dato' Teh was previously a Non-Independent Non-Executive Director of IJM Plantations Berhad, a Non-Independent Non-Executive Director of IJM Land Berhad and a Non-Independent Non-Executive Director of Scomi Group Berhad, all of which he resigned in 2015. In July 2015, he was appointed as the Managing Director of JKG Land Berhad (formerly known as Keladi Maju Berhad).

Datuk Kiat Swee Sung

Datuk Kiat Swee Sung, aged 53, a Malaysian, is our Executive Deputy Chairman and is also a member of the Remuneration Committee. He was appointed to our Board on 1 September 2015. He is also the Executive Chairman of MHB and is responsible for overseeing both our estate division as well as finance and administration division.

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

He completed his secondary education in 1979. He began his career in 1980, working as a plantation contractor in Wong Foo Chong Trading. In 1984, he left Wong Foo Chong Trading and joined an oil palm plantation in Keratong, Pahang, called Mekassar Estate, as an Estate Supervisor. In 1987, Datuk Kiat joined Adebayo Development Bhd in Sabah, as an Estate Developer and left in 1990.

He established Transkina Enterprise Sdn Bhd with his wife in 1991, a plantation contractor and transportation company, involved in planting works, road maintenance, jungle clearing, and field maintenance of oil palm plantations for various firms including Asiatic Development Bhd (currently known as Genting Plantation Group) and IOI group. Datuk Kiat's involvement was limited as a Non-Executive Director (appointed in 1999) and a shareholder. Transkina Enterprise Sdn Bhd ceased operations in 2012.

In 1994, together with his wife, Datuk Kiat established Kiat Swee Sang Property Sdn Bhd and Rising Cosmos Trading Sdn Bhd, which owned oil palm estates approximately 526.1 hectares and 161.9 hectares in sizes respectively, both located at Lahad Datu, Sabah. Currently, he is a Non-Executive Director and shareholder of Kiat Swee Sang Property Sdn Bhd of which he was appointed in 1994 and Non-Executive Director and shareholder of Rising Cosmos Trading Sdn Bhd of which he was appointed in 1994 and is not involved in the day-to-day operations of these companies.

In 2007, Datuk Kiat was appointed as a Director of MHB, and was redesignated as the Executive Chairman in 2010. He resigned from MHB in 2012. He was subsequently re-appointed as a Director of MHB in 2014, and was redesignated as the Executive Chairman in the same year. He was appointed as a Non-Executive Director of Rohua and Huaren, our Promoters, in 2013 and 2014 respectively. He was also appointed as a Non-Executive Director of Huaren Management Sdn Bhd, a wholly-owned subsidiary of Huaren, in 2014.

He is currently the Chairman of MCA Sekijang division and he is the Treasurer of MCA Johor.

Eng Cheng Guan

Eng Cheng Guan, aged 56, a Malaysian, is our Executive Director. He was appointed to our Board on 1 September 2015. He is also the Executive Director of MHB. He is responsible for overseeing our estate division.

He completed his Sijil Rendah Pelajaran (currently known as Penilaian Menengah Rendah) in 1975. Leveraging on his experience in vegetable farming which he gained while helping out in his family-owned farms when he was still studying, he started his own vegetable farming and sold the produce at wet markets. During this period, he expanded his farming business by leasing and purchasing more lands. In 1995, he established Eng Cheng Guan Vegetable Farm, which is involved in farming and sale of various fruits and vegetables. The vegetable farm is currently managed by his children.

In 1987, his family ventured into the operation of oil palm plantation through an acquisition of an oil palm plantation of approximately 40.5 hectares in size, in Kluang, Johor. Mr Eng was managing the oil palm plantation under his personal capacity from 1987 to 1994 and under Eng Cheng Guan Vegetable Farm from 1995 to 2014. The said plantation is currently managed by his children. Save for his role as the owner of this plantation, he has no other role. In 2014, Mr Eng was appointed as the Director of MHB and was subsequently redesignated to the position of Executive Director in 2015.

He is currently serving as the Chairman of MCA Simpang Renggam division, Vice Chairman of MCA Johor, as well as the Assistant of National Organising Secretary of MCA.

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

Lew Weng Ho

Lew Weng Ho, aged 68, a Malaysian, is our Independent Non-Executive Director. He is also the Chairman of the Audit Committee, a member of the Nomination Committee and Remuneration Committee. He was appointed to our Board on 1 September 2015.

Mr Lew became a member of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom in 1978, after completing four (4) years of articleship in Dublin, Ireland. He was admitted as a member of the Malaysian Institute of Accountants in 1980, and became a fellow of the ACCA in 1983.

Upon his return from Dublin to Malaysia in 1978, Mr Lew began his career in Coopers & Lybrand (currently known as PricewaterhouseCoopers) as an Audit Supervisor. In 1981, he took up the position of Chief Accountant in Antah Holdings Berhad. He was subsequently appointed to the Board of Antah Holdings Berhad as Finance Director in 1990 and was responsible for the group financial management and policy, and investment portfolio. He also served on the Board of its various subsidiaries and associated companies which operated across diverse industries including financial services, trading and manufacturing, property development, and oil and gas until his retirement in 1999.

He served as a Director in the Federation of Public Listed Companies Berhad from 1997 to 2000. Since 2000, he works as a free-lance financial advisor and business consultant to private companies and private individuals. Mr Lew served as an Independent Non-Executive Director and Chairman of the Audit Committee of MNC Wireless Berhad from 2005 until 2013.

In 2010, Mr Lew was appointed as the Managing Director of AMB Packaging (Malaysia) Sdn Bhd, which principal activity involves manufacturing and selling of corrugated carton boxes. In 2014, he was redesignated as the Non-Executive Director and subsequently resigned in 2015.

In 2011, Mr Lew was appointed as an Independent Non-Executive Director of Star Media Group Berhad (formerly known as Star Publications (Malaysia) Berhad), a local news publisher, an appointment which he is holding as at the LPD. In 2012, he was appointed as the Non-Independent Non-Executive Chairman of Cityneon Holdings Ltd, a public listed company on the Singapore Stock Exchange, which provides interior architecture, events, exhibitions and experiential environment to businesses, government and international agencies worldwide, an appointment which he is holding as at the LPD.

Tee Choon Yeow

Tee Choon Yeow, aged 64, a Malaysian, is our Independent Non-Executive Director. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He was appointed to our Board on 1 September 2015.

He graduated in 1977 with a Bachelor of Commerce from University of Canterbury, New Zealand. He became the member of the Chartered Accountant of the Institute of Chartered Accountants New Zealand and Malaysia Institute of Accountants in year 1981 and 1983 respectively. In year 2008, he became the fellow of the Certified Public Accountants of Australia.

In 1978, he joined Public Bank Berhad as a graduate trainee. Subsequently in 1980, he joined London & Pacific Insurance Company Berhad (currently known as LPI Capital Bhd, a company listed on Main Market of Bursa Securities) as an Accountant. In 1991, he was promoted to the position of General Manager of LPI Capital Bhd and was in charge of overall operations of the company. In the same year, he was appointed to the Board of LPI Capital Bhd as the

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

Executive Director. Mr Tee was then redesignated to the position of Chief Executive Officer of LPI Capital Bhd in 1998 and remained in the same position till he retired in 2013. He continues to serve on the Board of LPI Capital Bhd as Non-Independent Non-Executive Director after his retirement until 2015, when he was redesignated as the Independent Non-Executive Co-Chairman of LPI Capital Bhd.

Mr Tee was appointed as a Chief Executive Officer and Executive Director of Lonpac Insurance Bhd, a wholly-owned subsidiary of LPI Capital Bhd in 1999, and was subsequently redesignated to Non-Independent Non-Executive Director in 2008. He is also an Independent Non-Executive Director of Railway Assets Corporation, a Federal Statutory Body under Ministry of Transport Malaysia of which he was appointed in 2015.

Foong Chee Meng

Foong Chee Meng, aged 50, a Malaysian, is our Independent Non-Executive Director. He was appointed to our Board on 1 September 2015. He is also the Chairman of the Nomination Committee and a member of the Audit Committee.

Mr Foong graduated with a Bachelor of Economics, Bachelor of Laws (Hons) and Master of Laws from the University of Sydney in 1987, 1989 and 1993, respectively. In 1989, he was admitted as a solicitor in the Supreme Court of New South Wales and the Federal Court of Australia.

In 1989, Mr Foong joined Messrs Baker & McKenzie in Sydney, Australia as a solicitor. Subsequently in 1993, he joined Messrs Zaid Ibrahim & Co as a pupil and completed his pupillage, and was admitted as Advocate and Solicitor of High Court of Malaya in the same year. Mr Foong became a partner at Messrs Zaid Ibrahim & Co in 1996, where he led the Corporate & Commercial and Foreign Investment practice groups in the law firm. In 2003, he left Messrs Zaid Ibrahim & Co and set up Messrs Foong & Partners and currently holds the position of the Managing Partner. He was previously the Independent Non-Executive Director of Bintai Kinden Corporation Berhad (from 2008 to 2010), a company listed on Main Market of Bursa Securities.

Datuk Tan Teck Poh @ Tan Ah Too

Datuk Tan Teck Poh @ Tan Ah Too, aged 70, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015.

He completed his secondary education in 1963. He then helped in his family-run coffee shop. In 1967, he took over the operation of his family-run rubber plantation and participated in the plantation business since then. In 1984, Datuk Tan diversified his family's rubber plantation business after acquiring a piece of land measuring 16.2 hectares at Parit Sulong, Johor (held under his personal capacity) and planted oil palm. He gained his experience in palm oil plantation during this period of overseeing the cultivation and harvesting of oil palm. Datuk Tan is also an Executive Director and a shareholder of Murniwasa Sdn Bhd, a property development company that owns nine (9) commercial shoplots as at the LPD.

In addition to his family-run plantation business, Datuk Tan also sits on Board of several private companies. Since 1979, he is a shareholder and an Executive Director of Ban Dung Palm Oil Industries Sdn Bhd, a company which owns and operates a palm oil mill located in Batu Pahat, Johor. Also in 1984, he established Tan Teck Poh Realty Sdn Bhd as a palm oil estate investment holding company to hold palm oil estates, and was appointed as the Managing Director. Subsequently, the palm oil estate held under the company was disposed. As at the LPD, there are no palm oil estates held under Tan Teck Poh Realty Sdn Bhd. In 2002, he was appointed as an Executive Director of Westgold Dynasty Sdn Bhd, a company involved in the operation of a petrol station in Batu Pahat, Johor.

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

Since 1979, he is an Executive Director and shareholder of The Coffee Commercial Trading Sdn Bhd, a cigarette and liquor trading company in Batu Pahat. Since 2006, he is an Executive Director and a shareholder of Megabyte Valley Sdn Bhd, a property developer in Batu Pahat. In 1967, he was appointed as an Executive Director of Ban Joo Credit Sdn Bhd, a loan and insurance firm and resigned in 2015.

He is currently the Chairman of MCA Parit Sulong division.

Ng Keng Heng

Ng Keng Heng, aged 49, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015.

He completed his secondary education in 1985. He started his career in 1986 before continuing with his education by enrolling in an undergraduate programme in Human Resources Management in Open University Malaysia in 2005. In 2010, he graduated with a Bachelor Degree in Human Resource Management.

He started his career in 1986 by helping in his family business, Luckyway Enterprise which is involved in selling electrical appliances. In 1989, he worked as a Marketing Representative in a motor vehicle spare parts company called Starlai Sdn Bhd in Johor. In 1992, he joined Megah Auto Sdn Bhd in Kota Kinabalu, Sabah as an Executive to develop the company's business in selling motor vehicle spare parts.

Leveraging on the experience and network he gained in the spare parts business, he set up his own trading company called Bumi Kota Trading Company in 1994, a partnership involved in motor vehicle spare parts trading in Kota Tinggi, Johor Bahru. Bumi Kempas Sdn Bhd was incorporated in 1995 to assume the business of Bumi Kota Trading Company. His role in Bumi Kempas Sdn Bhd was in sales and marketing of motor vehicles spare parts. He has ceased to be the Executive Director of Bumi Kempas Sdn Bhd in 2014 and shareholder in 2015. In 2013, he was appointed as an Executive Director of Bumi Kempas Motor Sdn Bhd, involved in trading of motor vehicle spare parts and imported used cars, of which he is also a shareholder.

In 2015, he was appointed as a Non-Executive Director of Master Natural Herbal Sdn Bhd, a company principally involved in manufacturing of herbal products. Mr Ng is currently also an Executive Director of Billion Series Sdn Bhd, involved in the trading of motor vehicle spare parts.

He is currently serving as the Chairman of MCA Kota Tinggi division, as well as the Vice Chairman of MCA Johor.

Datuk Dr Lee Hong Tee

Datuk Dr Lee, a Malaysian aged 53, was appointed to our Board as a Non-Independent Non-Executive Director on 1 September 2015.

Datuk Dr Lee graduated from the Universiti Kebangsaan Malaysia in 1990, obtaining a Doctor of Medicine Degree. In 1990, he started his housemanship at the General Hospital Seremban until 1991. In 1991, Datuk Dr Lee completed his housemanship, he was then registered under the Malaysian Medical Council as a qualified medical practitioner and was subsequently posted from General Hospital Seremban to Segamat District Hospital. He worked in Segamat District Hospital as a Medical Officer until 1994. In 1994, he set up his private medical clinic, Klinik Lee Dan Surgeri. As at the LPD, he is still running his own private medical clinic.

Datuk Dr Lee is an Executive Director of MRSB since 2013. He was appointed as an Executive Director of MHB in 2013 and subsequently redesignated to Non-Executive Director in 2015.

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

He resigned from MHB in 2015. He is the Non-Executive Director of Huaren Resources Sdn Bhd, a wholly-owned subsidiary of Huaren.

Datuk Dr Lee was previously the Chairman of MCA Segamat division from 2005 to 2015. He is currently serving as the MCA Central Committee member, Chairman of State Liaison of Social Development Committee of MCA Johor and State Assembly Candidate of MCA representing Tasik Biru, Johor.

Lau Liang Fook

Lau Liang Fook, aged 55, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015.

Mr. Lau graduated from Foon Yew High School in 1979 and furthered his studies in City and Guilds of London Institute from 1985 to 1987, where he obtained the Certificate of Telecommunication Technician. In 1992 and 1993, Mr Lau obtained the Certificate in Supervisory Management Studies and the Diploma in Management respectively, both issued by the Institute of Supervisory Management, United Kingdom. This Institute of Supervisory Management is now part of Institute of Leadership and Management after merging with National Examining Board for Supervision and Management in November 2001. In 1994, he obtained the Postgraduate Diploma in Business Administration and the Certified Professional Manager qualification, both issued by The Society of Business Practitioners.

He started his career in 1980, when he joined Capital Motor Trading, a company involved in the provision of hire purchase financing services as a Junior Clerk where he was involved in administrative work and left in 1989. In 1989, he joined Next Electronic Technology Sdn Bhd, an electronic assembly factory, as a Quality Assurance Supervisor, and was subsequently promoted to Production Cum Inventory Manager in 1994, and was also placed in charge of the purchasing department. In 2001, he left Next Electronic Technology Sdn Bhd and joined Jian Da Industries Sdn Bhd, a metal stamping factory, as a Factory Manager. Then subsequently, in 2006, he left Jian Da Industries Sdn Bhd and joined Everspark Industries Sdn Bhd, working there as the General Manager.

In 1984, he joined Lau Chek Min Sdn Bhd (his family-owned investment holding company in properties and shares whose subsidiary, Wangda Leasing and Credit Sdn Bhd is a hire purchase agency) as an Executive Director and was subsequently redesignated to Executive Chairman in 2006. In 2010, he left Everspark Industries Sdn Bhd and thereafter focuses solely on his work in Lau Chek Min Sdn Bhd.

Datuk Teoh Sew Hock

Datuk Teoh Sew Hock, aged 47, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015.

He completed his secondary education in 1987. He then attended Campbell University, United States, where he obtained a Bachelor of Science Degree in 1994.

He began his career in 1995 as Managing Director of Local Basic Sdn Bhd, a family-owned business which is involved in manufacturing, assembly and sale of bicycle components, electrical appliances and components in Gelang Patah, Johor.

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

In 2004, he was appointed as a Non-Executive Director of Success Service & Maintenance Sdn Bhd, a company involved in the servicing and maintenance of motor vehicles. In 2006, he established Success Local Development Sdn Bhd, a property development firm, which invested in land development in Kota Iskandar, Nusajaya, Johor and was appointed as a Director. In 2006, he established Southern Birdnests Sdn Bhd, a company involved in the farming of swiftlet bird nests and was appointed as a Non-Executive Director. In 2008, he established Just Birdnest Sdn Bhd, a company involved in the collection, processing and marketing of bird nest products as well as restaurant operation and was appointed as a Non-Executive Director.

In 2011, he was appointed as a Non-Executive Director of Profit Composite Sdn Bhd, a company involved in property development. In 2013, he established Success E Hotel Sdn Bhd, a budget hotel management company and was appointed as a Non-Executive Director. In 2014, he established Local Holdings Sdn Bhd, an investment holding company, and was appointed as an Executive Director. In the same year, he established Success Local Management Sdn Bhd, a company involved in property investment and the rental of hostels and was appointed as a Non-Executive Director.

He was appointed as a Non-Executive Director of Growmate Engineering Sdn Bhd in 2000, a Non-Executive Director of Permata Mulia Sdn Bhd in 2002 and a Non-Executive Director of Growmate Marketing Sdn Bhd in 2005. He was appointed as an Executive Director of Local Casting Sdn Bhd in 2004 where he is involved in day-to-day operations of the company. Mr Teoh was appointed as an Executive Director of MRSB, our subsidiary in 2013.

Mr Teoh is currently the MCA Central Committee member, Central Chairman of Public Complaints & Services Bureau, Chairman of State Liaison of Economic Consultative Committee of MCA Johor and Chairman of MCA Gelang Patah division.

Chong Pow On

Chong Pow On, aged 55, a Malaysian, is our Non-Independent Non-Executive Director. He was appointed to our Board on 1 September 2015.

In 1974, he left his secondary education to help out on his family's oil palm plantation in Port Dickson where he was involved in the day-to-day operations of the oil palm plantation business, including overseeing the cultivation and harvesting of oil palm and sale of FFB. He worked in the said plantation until 2000. In 2001, Mr Chong established Perniagaan Emas Kim Sheng, a company which is involved in the sale of gold and jewellery. In 2006, he set up another gold and jewellery retail business named Gold Point Jewellerys. Both companies are owned by Mr Chong and his wife, and are currently in operation. In 2016, he set up a partnership, Kien On Transport Trading, which is currently dormant.

In 2007, he was appointed as an Executive Director of Dynasty Tauge (M) Sdn Bhd, a company involved in vegetable farming. He served there as an Executive Director until 2012. He was appointed as a Non-Executive Director of Golden Initials Sdn Bhd, an investment holding company from 2013 to 2014. In 2015, he joined a partnership, Lee & Hiew Trading, which has expired since August 2016 as the partners decided not to renew the registration of the said partnership in accordance with the Registration of Businesses Act 1956.

He is currently serving as the Vice Chairman of MCA Sekijang division.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.2.3 Principal Business Performed Outside our Group**

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past five (5) years up to the LPD:

Dato' Teh Kean Ming

Company	Principal activities	Involvement/ Position held / Percentage of direct and indirect equity interest	Appointment date	Resignation Date
<i>Present involvement</i>				
JKG Land Berhad (formerly known as Keladi Maju Berhad)	Property development and investment holding	Managing Director	1 July 2015	-
JKG Central Park Sdn Bhd ⁽¹⁾	Property development	Managing Director	1 July 2015	-
Citra Canggih Sdn Bhd ⁽¹⁾	Investment holding of a company involved in the cultivation of oil palm and property development	Non-Executive Director	1 September 2015	-
Bunga Raya Inn Sdn Bhd ⁽¹⁾	Dormant	Non-Executive Director	1 September 2015	-
Keladi Land Sdn Bhd ⁽¹⁾	Property development and investment holding	Non-Executive Director	1 September 2015	-
Keladi Harta Sdn Bhd ⁽¹⁾	Cultivation of oil palm and property development	Non-Executive Director	1 September 2015	-
Keladi Kulim Sdn Bhd ⁽¹⁾	Property development and investment holding	Non-Executive Director	1 September 2015	-
Muda Gagah Sdn Bhd ⁽¹⁾	Property development	Non-Executive Director	1 September 2015	-
Neraca Rancak Sdn Bhd ⁽¹⁾	Dormant	Non-Executive Director	1 September 2015	-
Kekalasia (M) Sdn Bhd ⁽¹⁾	Property development	Non-Executive Director	1 September 2015	-

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

Company	Principal activities	Involvement/ Position held / Percentage of direct and indirect equity interest	Appointment date	Resignation Date
<i>Past involvement</i>				
Masscorp-Vietnam Sdn Bhd	Investment holding of a company involved in property development	Non-Executive Director	28 March 2007	27 April 2015
Earning Edge Sdn Bhd	Investment holding of a company involved in hotel operations	Non-Executive Director	4 February 2008	18 June 2015
Cypress Potential Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development and property investment	Non-Executive Director	20 January 2009	17 April 2015
Sierra Selayang Sdn Bhd	Dormant	Non-Executive Director	19 January 2006	17 April 2015
Good Debut Sdn Bhd	Property development	Non-Executive Director	17 November 2006	17 April 2015
NS Central Market Sdn Bhd ⁽ⁱⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	8 August 2001	17 April 2015
Nasa Land Sdn Bhd	Property development	Non-Executive Director	11 June 2012	17 April 2015
Valencia Terrace Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	4 September 2006	22 April 2015
Kuantan Pahang Holdings Sdn Bhd	Investment holding of a company involved in property development	Non-Executive Director	11 August 2014	6 April 2015
ERMS Berhad ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Investment holding, hotel and recreation club operation	Non-Independent Non-Executive Director	7 July 2009	31 March 2015
Aqua Aspect Sdn Bhd ⁽ⁱⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	10 July 2004	17 April 2015
Astaka Tegas Sdn Bhd	Dormant	Non-Executive Director	5 August 2004	17 April 2015
IJM Overseas Ventures Sdn Bhd ⁽ⁱⁱ⁾	Dormant	Non-Executive Director	5 August 2009	18 May 2015
Malaysia-China Industrial Park Sdn Bhd	Property development	Non-Executive Director	11 August 2014	17 April 2015
Nilai Cipta Sdn Bhd ⁽ⁱ⁾	Dormant	Non-Executive Director	23 March 2007	17 April 2015

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

Company	Principal activities	Involvement/ Position held / Percentage of direct and indirect equity interest	Appointment date	Resignation Date
IJM Management Services Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Providing project and construction management services, sales and marketing	Non-Executive Director	29 June 2001	22 April 2015
Worldwide Ventures Sdn Bhd ⁽ⁱⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development and investment holding	Non-Executive Director	29 June 2001	17 April 2015
Laticarman Corporation Sdn Bhd	Real estate development	Non-Executive Director Shareholder (33.3 % - Direct interest)	3 August 1988	4 November 2011
Community Resort Development System Sdn Bhd	Dormant	Non-Executive Director	16 June 2003	17 October 2014
Suria Bistari Development Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	29 June 2001	17 April 2015
Manda'rina Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	29 June 2001	17 April 2015
Radiant Pillar Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Investment holding and property development	Non-Executive Director	28 February 2007	17 April 2015
Scomi Group Bhd	Investment holding and provision of management services to its subsidiary companies and associated companies	Non-Independent Non-Executive Director	22 October 2012	31 May 2015
Bandar Rimbayu Sdn Bhd ⁽ⁱ⁾	Construction contracting and property development	Non-Executive Director	16 October 2006	22 April 2015
Kuantan Port Consortium Sdn Bhd ⁽ⁱ⁾	Port management	Non-Executive Director	16 November 2010	27 April 2015
Jelutong Development Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development	Non-Executive Director	29 June 2001	17 April 2015
Industrial Concrete Products Sdn Bhd ⁽ⁱⁱ⁾	Manufacturing and sale of concrete piles	Non-Executive Director	31 March 2009	27 April 2015
RB Land Sdn Bhd ⁽ⁱ⁾ ⁽ⁱⁱⁱ⁾	Property development and construction activities	Non-Executive Director	24 August 2007	22 April 2015

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

Company	Principal activities	Involvement/ Position held / Percentage of direct and indirect equity interest	Appointment date	Resignation Date
Road Builder (M) Holdings Bhd (ii)	Investment holding, as a holding company of companies which involve in toll and port infrastructure	Non-Independent Non-Executive Director	20 July 2009	27 April 2015
IJM Corporation Berhad	Construction, property development, manufacturing and quarrying, hotel operations, port operations, tollway operations, plantations and investment holding	Deputy Chief Executive Officer and Deputy Managing Director	1 July 2008	Redesignated on 1 January 2011
IJM Plantations Berhad (ii)	Cultivation of oil palm, investment holding and provision of management services	Chief Executive Officer and Managing Director	1 January 2011	5 April 2015
IJM Construction Sdn Bhd (ii)	Civil and building construction and investment holding	Non-Independent Non-Executive Director	9 July 2009	5 April 2015
Inti International College Penang Sdn Bhd	Management of college	Non-Executive Director	6 May 2009	5 April 2015
IJM Land Berhad (iii)	Investment holding of companies involved in property development and other related activities	Non-Independent Non-Executive Director	12 November 2007	5 September 2011
Elegan Pesona Sdn Bhd	Property development	Non-Executive Director	9 November 2007	5 April 2015
Bionic Land Berhad	Investment holding and provision of management service for its subsidiary companies	Non-Executive Director	16 March 2005	30 April 2012
Maxharta Sdn Bhd (ii) (iii)	Investment holding of companies involved in property development	Non-Independent Non-Executive Director	26 April 2002	12 September 2011
Wedec Sdn Bhd	Wound up	Non-Executive Director	29 June 2001	11 November 2011
Chen Yu Land Sdn Bhd (ii) (iii)	Property development	Non-Executive Director	29 June 2001	8 June 2011
IJM Properties Sdn Bhd (ii) (iii)	Investment holding, property development and related activities	Non-Executive Director	29 June 2001	8 June 2011
			29 June 2001	17 April 2015

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

Notes:

- (i) Subsidiary of JKG Land Berhad.
- (ii) Subsidiary of IJM Corporation Berhad.
- (iii) Subsidiary of IJM Land Berhad.

Datuk Kiat Swee Sung

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i>				
Huaren	Investment holding company to own the assets of MCA	Non-Executive Director	22 April 2014	-
Huaren Management Sdn Bhd	Investment holding of shares	Non-Executive Director	22 April 2014	-
Transkina Enterprise Sdn Bhd	Dormant	Non-Executive Director	6 May 1999	-
Rising Cosmos Trading Sdn Bhd	Oil palm plantation	Shareholder (99.99% - Direct interest; 0.01% - Indirect interest)	26 September 1994	-
Kiat Swee Sang Property Sdn Bhd	Oil palm plantation	Non-Executive Director	20 September 1994	-
Sadamas Sdn Bhd	Dormant	Shareholder (50.0% - Direct interest; 50.0% - Indirect interest)	6 May 2008	-
Rohua	Investment holding company to own the assets of MCA in Johor	Non-Executive Director	21 May 2013	-

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**Eng Cheng Guan**

Sole Proprietor	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Establishment date
<i>Present involvement</i> Eng Cheng Guan Vegetable Farm	Vegetable farming	Sole proprietor (100% - Direct interest)	26 June 1995

Lew Weng Ho

Company	Principal activities	Involvement/Position held / Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Super Six M&E Services Sdn Bhd	Mechanical and electrical contractor	Non-Executive Director Shareholder (0.5% - Direct interest)	1 November 2014	-
Star Media Group Berhad (previously known as Star Publications (Malaysia) Berhad)	Publication and distribution of newspaper and advertising and printing services	Independent Non-Executive Director	26 May 2011	-
Lagroup Capital Sdn Bhd	Trading in tiles, sanitary wares and related products	Shareholder (99.00% - Indirect interest)	-	-
Perfect Peak Sdn Bhd	Property holding and investment	Non-Executive Director	2 September 2009	-
Lavender Heights Sdn Bhd	Dormant	Non-Executive Director	15 September 2009	-
Ah Koong Eating House Sdn Bhd	Food and beverage operation	Non-Executive Director	25 August 2009	-
Bounty Wizards Sdn Bhd	Food and beverage operation	Non-Executive Director	25 August 2009	-
Decanter Sdn Bhd	Food and beverage operation	Non-Executive Director	25 August 2009	-

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

Company	Principal activities	Involvement/Position held / Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Ultimate E&M Engineering Sdn Bhd	Mechanical and electrical engineering activities	Non-Executive Director Shareholder (50.0% Direct interest)	12 December 2005	-
Aneka Media Sdn Bhd	Advertising agent	Non-Executive Director	29 March 2001	-
Speedy Creation Sdn Bhd	Dormant	Non-Executive Director	29 December 2003	-
Filter Two Thousand (M) Sdn Bhd	Trading in tiles and investment holding company	Non-Executive Director	4 April 1997	-
My Ceramica Marketing Sdn Bhd	Supplying and trading of tiles	Shareholder (70.0% Direct interest)	-	-
Cityneon Holdings Limited ⁽ⁱ⁾	Provisions of services for interior architecture, experiential environments, events and exhibitions	Shareholder (60.0% Direct interest)	-	-
		Non-Independent Non-Executive Director	10 August 2012	Redesignated on 6 December 2012
		Non-Independent Non-Executive Chairman	6 December 2012	-
<i>Past involvement</i>				
AMB Packaging (Penang) Sdn Bhd	Manufacturing and sale of carton boxes	Executive Director	31 March 2010	8 January 2014
Elle Six Sdn Bhd	Business of producing, exhibiting and teaching of artworks	Non-Executive Director	25 August 2009	8 April 2015
Kemboja Embun Sdn Bhd	Food and beverage operation	Non-Executive Director	25 August 2009	2 September 2013
Merpati Anika Sdn Bhd	Dormant	Non-Executive Director	9 April 2007	29 June 2012
Lagroup Capital Sdn Bhd	Trading in tiles, sanitary wares and related products	Non-Executive Director	14 April 2005	15 September 2014
M N C Wireless Berhad	Sales and marketing, research and development of wireless, mobile and multimedia solutions and content and investment holding	Independent Non-Executive Director	16 August 2005	29 August 2013

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

Company	Principal activities	Involvement/Position held / Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Super Six Builders Sdn Bhd	Property construction, electrical engineering and related activities and provision of related management services	Non-Executive Director	8 December 2003	9 September 2010
ECM Oilfield Services Sdn Bhd	Oil and gas extraction service activities provided on a fee or contract basis	Non-Executive Director	9 February 2015	23 June 2015
AMB Packaging (Malaysia) Sdn Bhd	Manufacture and sale of corrugated fibre containers	Managing Director	31 March 2010	Redesignated on 1 January 2014
		Non-Executive Director Shareholder (ceased to be a shareholder on 30 June 2015)	1 January 2014	5 November 2015

Note:

- (i) Subsidiary of Star Media Group Berhad.

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

Tee Choon Yeow

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Railway Assets Corporation	Railway Assets Corporation is a Federal Statutory Body under Ministry of Transport Malaysia. It is responsible for the management, development, redevelopment and finance of railway infrastructures in Malaysia	Independent Non-Executive Director	1 August 2015	-
LPI Capital Bhd	General insurance and investment holding	Executive Director Shareholder (0.3% - Direct interest)	29 October 1991	Redesignated on 29 April 1998
		Chief Executive Officer	29 April 1998	Redesignated on 1 March 2013
		Non-Independent Non- Executive Director	1 March 2013	Redesignated on 8 July 2015
		Independent Non- Executive Co-Chairman	8 July 2015	-
		Chief Executive Officer and Executive Director	3 May 1999	Redesignated on 9 April 2008
Lonpac Insurance Bhd ⁽ⁱ⁾	General insurance	Non-Independent Non- Executive Director Shareholder (0.3% - Direct interest)	9 April 2008	-

Note:

(i) Subsidiary of LPI Capital Bhd.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**Foong Chee Meng**

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Omega Court Sdn Bhd	Property investment for derivation of rental income	Executive Director Shareholder (55.0% - Direct interest)	16 May 2007	-
Upsilon Strategic Advisory Sdn Bhd	Provision of business management consultancy services	Non-Executive Director Shareholder (50.0% - Direct interest)	18 September 2014	-
Data Agresif Sdn Bhd	Dormant	Executive Director Shareholder (50.0% - Direct interest)	14 February 2005	-
Foong & Partners	Provision of legal services/ legal firm	Managing Partner	Formed on 16 October 2003	-

Datuk Tan Teck Poh @ Tan Ah Too

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Suria Delima Development Sdn Bhd	Dormant	Executive Director Shareholder (50.0% - Direct interest)	21 October 2009	-
Westgold Dynasty Sdn Bhd	Operation of petrol station	Executive Director	22 February 2002	-
Prominent Leaders Sdn Bhd	Dormant	Executive Director Shareholder (60.0% - Direct interest)	1 February 2008	-

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

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Tah Keng Holdings Sdn Bhd	Property holding and investment	Executive Director Shareholder (41.9% - Direct interest)	1 April 1984	-
Murniwasia Sdn Bhd	Property development	Executive Director Shareholder (18.8% - Direct interest)	14 April 1997	-
Tan Teck Poh Realty Sdn Bhd	Estate investment holding	Managing Director Shareholder (3.3% - Direct interest)	24 March 1984	-
Yik Hoe Guan Enterprise Sdn Bhd	Dormant	Executive Director Shareholder (26.5% - Direct interest)	21 March 1978	-
Ban Dung Palm Oil Industries Sdn Bhd	Operation of palm oil mill	Executive Director Shareholder (2.6% - Direct interest)	28 December 1979	-
Megabyte Valley Sdn Bhd	Property development	Executive Director Shareholder (33.3% - Direct interest)	15 August 2006	-
The Coffee Commercial Trading Sdn Bhd	Dealing with cigarettes, beer, soft drinks and sundry goods	Executive Director Shareholder (2.0% - Direct interest)	8 July 1979	-
In addition to the above, Datuk Tan Teck Poh @ Tan Ah Too, owns a oil palm plantation estates (16.2 hectares in size) in Parit Sulong, Johor.				
<i>Past involvement</i>				
Ban Joo Credit Sdn Bhd	Provision of loan and insurance	Executive Director	28 June 1967	1 December 2015

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**Ng Keng Heng**

Company	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Bumi Kempas Motor Sdn Bhd	Trading of motor vehicle spare parts and imported used cars	Executive Director Shareholder (50.0% - Direct interest)	18 June 2013	-
Billion Series Sdn Bhd	Trading of motor vehicle spare parts	Executive Director Shareholder (50.0% - Direct interest; 50.0% - Indirect interest)	21 November 2005	-
Master Natural Herbal Sdn Bhd	Manufacture of herbal products	Non-Executive Director	6 March 2015	-
<i>Past involvement</i> Bumi Kempas Sdn Bhd	Trading of motor vehicle spare parts	Executive Director Shareholder (ceased as a shareholder on 1 January 2015)	5 December 1995	1 November 2014

Datuk Dr Lee Hong Tee

Company / Sole proprietor	Principal activities	Involvement/Position held / Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Kedai Emas Lian Sing Sdn Bhd	Pawnshops and pawnbrokers	Shareholder (6.5% - Direct interest)	-	-

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

Company / Sole proprietor	Principal activities	Involvement/ Position held / Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Pancaran Jaring Sdn Bhd	Dormant	Executive Director Shareholder (50.0% - Direct interest)	18 December 2010	-
Huaren Resources Sdn Bhd	Management of real property	Non-Executive Director	1 July 2013	-
Pajak Gadai Lian Shung Sdn Bhd	Operation of pawnshop	Shareholder (6.3% - Direct interest)	-	-
Klinik Lee Dan Surgeri	Provision of healthcare services	Sole proprietor (100.0% - Direct interest)	Established in June 1994	-
<u>Lau Liang Fook</u>				
Company/Sole proprietor	Principal activities	Involvement/ Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i>				
Sun Ready Sdn Bhd	Sale of lottery tickets	Executive Director	29 November 2013	-
Wangda Leasing And Credit Sdn Bhd	Hire purchase agency and investment	Executive Director	1 February 1999	-
Lau Chek Min Sdn Bhd	Investment in properties and shares	Executive Director	27 August 1984	Redesignated on 20 June 2006
		Executive Chairman Shareholder (20.0% - Direct interest; 80.0% - Indirect interest)	20 June 2006	-
Tampoi Satay	Operation of hawker stall	Sole proprietor (100.0% - Direct interest)	14 March 2011	-

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

Company/Sole proprietor	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Past involvement</i> Green Energy Technology Solution (M) Sdn Bhd	Manufacturing and distributing energy saving products and to provide installation and design services	Executive Director Shareholder (30.0% - Direct interest)	27 February 2012	The company was struck off on 27 March 2013
<u>Datuk Teoh Sew Hock</u>				
Company / Partnership	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i> Local Basic Sdn Bhd	Manufacturer, assembler and dealer of bicycle components, electrical appliances and components	Executive Director Shareholder (80.0% - Direct interest)	30 October 1995	-
Success Service & Maintenance Sdn Bhd	Servicing and maintenance of motor vehicle	Non-Executive Director Shareholder (32.5% - Direct interest; 50.0% - Indirect interest)	20 October 2004	-
Growmate Marketing Sdn Bhd	Wholesalers of packaging materials, factory consumables, transportation of goods and sub-contractors for machine operations	Non-Executive Director Shareholder (25.0% - Direct interest; 75.0% - Indirect interest)	13 May 2005	-
Growmate Engineering Sdn Bhd	Supply of mechanical components and manpower, engineering fabrication and repair works	Non-Executive Director Shareholder (15.8% - Direct interest; 52.5% - Indirect interest)	24 March 2000	-

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

Company / Partnership	Principal activities	Involvement/ Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Just Birdnest Sdn Bhd	Collect, process and market birdnest products and as a restaurant operator	Non-Executive Director Shareholder (25.0% - Direct interest; 35.0% - Indirect interest)	8 May 2008	-
Success E Hotel Sdn Bhd	Operation of budget hotel	Non-Executive Director Shareholder (75.0% - Direct interest; 20.0% - Indirect interest)	1 November 2013	-
Local Holdings Sdn Bhd	Investment holding of shares	Executive Director Shareholder (55.0% - Direct interest, 30.0% - Indirect interest)	7 January 2014	-
Permata Mulia Sdn Bhd	Provision of surface treatment services on aluminium and metal parts	Non-Executive Director Shareholder (20.0% - Direct interest; 40.0% - Indirect interest)	26 March 2002	-
Southern Birdnests Sdn Bhd	Farming of swiftlet birdnests	Non-Executive Director Shareholder (48.4% - Direct interest; 41.2% - Indirect interest)	24 August 2006	-
Local Casting Sdn Bhd	Casting and manufacturing of aluminium parts	Executive Director Shareholder (22.0% - Direct interest; 44.0% - Indirect interest)	4 March 2004	-
Success Local Management Sdn Bhd	Property investment and rental hostel	Non-Executive Director Shareholder (40.0% - Direct interest; 50.0% - Indirect interest)	26 February 2014	-

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

Company / Partnership	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Profit Composite Sdn Bhd	Property development	Non-Executive Director Shareholder (14.3% - Direct interest)	23 December 2011	-
Grand Straits Garden Seafood Restaurant Sdn Bhd	Food and beverage operation	Shareholder (5.9% - Direct interest)	-	-
Success Local Development Sdn Bhd	Property development	Non-Executive Director Shareholder (45.0% - Direct interest; 30.0% - Indirect interest)	20 November 2006	-
<i>Past involvement</i>				
Local Aquatic Sdn Bhd	Aquafarming	Non-Executive Director	6 September 2004	2 January 2012
<u>Chong Pow On</u>				
Company / Partnership / Sole proprietor	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
<i>Present involvement</i>				
NPL Debt Collectors Sdn Bhd	Dormant	Shareholder (25.0% - Direct interest)	-	-
Gold Point Jewellerys	Trading of gold and jewellery	Partner (50.0% - Direct interest; 50.0% - Indirect interest)	Formed on 16 October 2006	-
Perniagaan Emas Kim Sheng	Trading of gold and jewellery	Partner (50.0% - Direct interest; 50.0% - Indirect interest)	Formed on 17 May 2001	-

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

Company / Partnership / Sole proprietor	Principal activities	Involvement/Position held/ Percentage of direct and indirect equity interest	Appointment Date	Resignation date
Kien On Transport Trading	Dormant	Partner (50.0% - Direct interest; 50.0% - Indirect interest)	Formed on 10 May 2016	-
<i>Past involvement</i>				
Dynasty Tauge (M) Sdn Bhd	Vegetable farming	Executive Director	18 July 2007	20 January 2012
Golden Initials Sdn Bhd	Investment holding of shares	Non-Executive Director	31 July 2013	27 August 2014
Lee & Hiew Trading	Dormant	Partner (50.0% - Direct interest; 50.0% - Indirect interest)	Joined on 4 August 2015	Partnership has expired since 9 August 2016

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group. Additional information on our Directors in other businesses or corporations carrying on a similar or related trade as Matang are set out in Section 10.2 of this Prospectus.

In order to mitigate any possible conflict of interest situation, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will then evaluate if such Director's involvement give rise to a potential conflict of interest with our Group's business. It is the Director's fiduciary duty to avoid conflict. Our Directors are required to attend courses which provide guidelines to them on their fiduciary duties.

In relation to matters or transactions requiring the approval of our Board, the relevant Directors who are deemed interested or conflicted in such matters or transactions shall be required to declare their interests and abstain from deliberations and voting on the resolutions relating to these matters or transactions.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.2.4 Directors' remuneration and benefits**

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2016 and FYE 2017 are as follows:

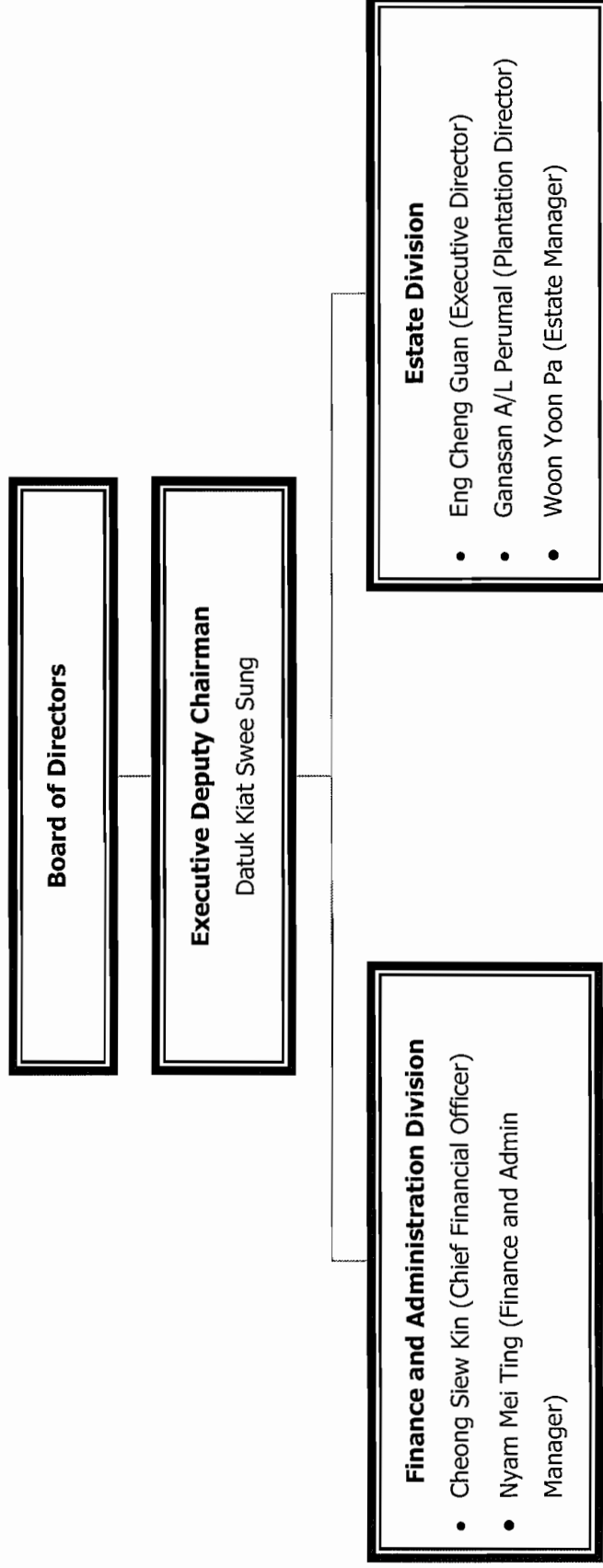
Director	Remuneration band	
	FYE 2016 RM	Proposed for FYE 2017 RM
Dato' Teh Kean Ming	0 – 50,000	0 – 50,000
Datuk Kiat Swee Sung	0 – 50,000	0 – 50,000
Eng Cheng Guan	50,001 – 100,000	50,001 – 100,000
Lew Weng Ho	0 – 50,000	0 – 50,000
Tee Choon Yeow	0 – 50,000	0 – 50,000
Foong Chee Meng	0 – 50,000	0 – 50,000
Datuk Tan Teck Poh @ Tan Ah Too	0 – 50,000	0 – 50,000
Ng Keng Heng	0 – 50,000	0 – 50,000
Datuk Dr Lee Hong Tee	0 – 50,000	0 – 50,000
Lau Liang Fook	0 – 50,000	0 – 50,000
Datuk Teoh Sew Hock	0 – 50,000	0 – 50,000
Chong Pow On	0 – 50,000	0 – 50,000

The remuneration includes our Directors' salaries, bonus, fees and allowances as well as other benefits, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Memorandum and Articles of Association must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 15.2 of this Prospectus for further details.

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

8.3 KEY MANAGEMENT

8.3.1 Management Structure



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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**8.3.2 Key Management's Shareholdings**

The shareholdings of our key management in our Company before and after our IPO are set out below:

Name	Designation/ Nationality	Before IPO ⁽¹⁾			After IPO ⁽²⁾		
		Direct No. of Shares	Indirect No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	%
Ganasan A/L Perumal	Plantation Director/ Malaysian	28,000	-	-*	28,000	-	-*
Woon Yoon Pa	Estate Manager/ Malaysian	-	-	-	-	-	-
Cheong Siew Kin	Chief Financial Officer/ Malaysian	70,000	-	-*	70,000	-	-*
Nyam Mei Ting	Finance and Admin Manager/ Malaysian	196,000	-	0.01	196,000	-	0.01

Notes:

* Negligible.

(1)

Based on the issued and paid-up share capital of 1,680,000,256 Shares after the Exchange of Shares but before our IPO.

(2)

Based on the enlarged issued and paid-up share capital of 1,810,000,256 Shares after our IPO.

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

8.3.3 Profiles of Key Management

Save for the profiles of our Directors, which are disclosed in Section 8.2.2 of this Prospectus, the profiles of the other key management of our Group are as follows:

Ganasan A/L Perumal

Ganasan A/L Perumal, aged 48, a Malaysian, is our Plantation Director. He is responsible for the administrative functions within our plantation estate.

He completed his Sijil Rendah Pelajaran (currently known as Penilaian Menengah Rendah) in 1983. In 1984, he joined our Group's plantation operations as an Administrative Assistant, where he assisted in the general day-to-day operations in the office and duties in Matang Estate. In 1991, he was promoted to a Senior Administrative Assistant, where he assisted the then Chief Clerk in recording inventory such as fertilisers and pesticides used in the operation of plantation. Subsequently, he was promoted to Chief Clerk in 2003, where he was responsible for the management of inventory, salaries of foreign workers as well as liaising with government authorities, such as the Department of Immigration, Social Security Organisation and Department of Occupational Safety and Health.

In 2010, he was further promoted to Senior Conductor, where he continued his administrative role in our plantation estate with the job scope of inventory management, managing salaries of foreign workers, liaising with government authorities and overseeing daily field operations in our plantation estate. In 2014, he was promoted as our Estate Cadet before his appointment as our Plantation Director in 2015.

Woon Yoon Pa

Woon Yoon Pa, aged 65, a Malaysian, is our Estate Manager. He is responsible for overseeing daily field operations in our plantation estate.

He completed his Malaysian Certificate of Education (currently known as Sijil Pelajaran Malaysia) in 1973. In 1974, he joined Lum Trading Oil Palm Estate as a Field Conductor until 1977. In 1978, he joined Suburban Properties Oil Palm estate as a Field Conductor and Store-Keeper, and was promoted to a Cadet in 1984. He left in 1995 to join PT Rudy Agung in Indonesia as an Estate Manager, responsible for the planning and setting up the oil palm nursery on a 7,000 hectares land and worked there until 2001.

From 2002 to 2004 he was the Estate Manager of PT Tunjuk Langit Sejahtera in Indonesia, and was responsible for planting and field maintenance of a 8,000 hectares oil palm plantation. From 2005 to 2007, he was the Estate Manager for Pengerang Estate in Kota Tinggi, Johor, and was responsible for overseeing the operations of 1,902 hectares of the oil palm plantation.

From 2008 to 2009, he was self-employed, and established his own oil palm nursery. He ran the nursery until 2010. The nursery ceased operation in 2010. In 2010, he joined Wan Lan Rubber Estate in Gua Musang, Kelantan as a Manager, and was responsible for overseeing the set up of the plantation including design of the roads and culverts, terracing, planting as well as field maintenance. He left Wan Lan Rubber Estate in 2012, and joined our Group as an Estate Manager in 2013.

Cheong Siew Kin

Cheong Siew Kin, aged 40, a Malaysian, is our Chief Financial Officer, and is responsible for the financial and accounting functions of our Group.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

He graduated from Universiti Putra Malaysia with a Bachelor of Accountancy in 2000. He is also a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants since 2002, and a Chartered Accountant of the Malaysian Institute of Accountants since 2003. In 2007, he graduated with a Master of Business Administration at University Putra Malaysia.

He started his career at Khoo, Wong & Chan Chartered Accountants in 2000, as an Audit Assistant. In 2003, he left Khoo, Wong & Chan Chartered Accountants and joined JTi Business Services (Asia) Sdn Bhd, a firm involved with regional financial reporting, as an Executive. In 2004, he left JTi Business Services (Asia) Sdn Bhd and joined CC Lee & Associate, an Audit and Taxation firm, as an Audit Supervisor. In 2006, he left CC Lee & Associate and moved to ACN System Solutions Sdn Bhd, an information technology company, as the Finance cum Admin Manager. In 2009, he left ACN System Solutions Sdn Bhd. Mr Cheong was recruited by MCA, as the Head of Finance from 2009 to 2015. In 2010, Mr Cheong became the Non-Executive Director and a shareholder of PPK Utama Sdn Bhd, a company involves in the sales of computer hardware, the positions of which he still retain up to the LPD. In 2015, Mr Cheong joined our Group as Chief Financial Officer.

Nyam Mei Ting

Nyam Mei Ting, aged 41, a Malaysian, is our Finance and Admin Manager, and is responsible for general administrative functions of our Group.

In 1992, she completed her intermediate stage for a Business Statistic Calculation Course at Maju Commercial Institute, Johor, before continuing her education for London Chamber of Commerce & Industry ("LCCI") qualification at Cambridge College, Johor (formerly known as Maktab Cambridge). In 1994, she obtained her Level 3 LCCI Group Diploma.

She began her career in 1994 with Transmark Corporation (M) Sdn Bhd, a company that distributes health and fitness equipment, and worked there as an Account Executive, until 1998, after which she was promoted to Accounts Cum Branch Manager. She left Transmark Corporation (M) Sdn Bhd in 2003, joining Arrow Power Sdn Bhd as an Account Executive where she was responsible for the preparation of accounts as well as documents for export of furniture. In 2004, she left Arrow Power Sdn Bhd and joined Local Basic Sdn Bhd, a company involved in manufacturing, assembly and sale of bicycle components, electrical appliances and components in Gelang Patah, Johor as an Account Executive. Her role in Local Basic Sdn Bhd was to manage the company accounts and finance related work.

Ms Nyam's involvement in MHB began in 2011 where she was appointed as a Non-Executive Director of MHB. In 2013, she joined MHB as the Account cum Administrative Manager and resigned as a Non-Executive Director of MHB. From 2013 to 2015, Ms Nyam holds full time employment in Local Basic Sdn Bhd and part time employment in MHB. Subsequently in 2015, Ms Nyam resigned as the Account Executive from Local Basic Sdn Bhd to take up full time employment in MHB. She was subsequently redesignated as the Finance and Admin Manager of MHB in 2015. In 2016, Ms Nyam became the Non-Executive Director and a shareholder of Natural E Marketing Sdn Bhd, a company involves in the sales of health foods and products.

She is currently serving as the Chief of MCA Wanita Gelang Patah branch, member of the MCA Wanita Central Committee and the Secretary of MCA Wanita Johor.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

8.3.4 Principal Business Performed Outside our Group

Save as disclosed below, none of our key management has any other principal directorship and/or principal business activities performed outside our Group in the past five (5) years up to the LPD:

Cheong Siew Kin

Company	Principal activities	Involvement/Position held	Appointment date
<i>Present involvement</i>			
PPK Utama Sdn Bhd	Sale of computer hardware	Non-Executive Director Shareholder (direct interest – 50.0%)	2 December 2010

Nyam Mei Ting

Company	Principal activities	Involvement/Position held	Appointment date
<i>Present involvement</i>			
Natural E Marketing Sdn Bhd	Sale of health foods and products	Non-Executive Director Shareholder (direct interest – 0.05%)	9 November 2016

The involvement of our key management in other business activity outside our Group does not give rise to any conflict of interest situation with our business. Our Board has taken cognisance of the involvement of our key management personnel in other existing business activity and are of the view that his involvement in other business activity will not affect his responsibilities to our Group.

The basis leading to our Board's view is as follows:

- (i) our key management does not have any executive role or is involved in the day-to-day operations of the business; and
- (ii) the involvement of our key management in the business does not affect his contributions and responsibilities to our Group.

Moving forward, our Board shall discourage our key management personnel from undertaking other business activities which may affect their contributions and responsibilities to our Group.

8.4 BOARD PRACTICE

8.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (a) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;

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

- (b) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code of Corporate Governance 2012;
- (e) To review and approve our annual business plans, financial statements and annual reports;
- (f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
- (g) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

In accordance with our Articles of Association, at our first annual general meeting, all our Directors shall retire from office. Thereafter, at the annual general meeting in every subsequent year, one-third of our Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office provided always that all our Directors including the Executive Directors shall retire from office at least once in each three (3) years period but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires. An election of directors shall take place each year.

The members of our Board are set out in Section 8.2 of this Prospectus.

All our Directors were only appointed to our Board on 1 September 2015 and have served for less than three (3) years as at the LPD.

8.4.2 Audit Committee

The main function of our Audit Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial reporting matters. The terms of reference of our Audit Committee include the following:

- (a) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (b) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;

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

- (c) To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group; and
- (d) To perform such other functions as may be requested by our Board.

The recommendations of our Audit Committee are subject to the approval of our Board.

The members of our Audit Committee as at the LPD are as follows:

Name	Designation	Directorship
Lew Weng Ho	Chairman	Independent Non-Executive Director
Foong Chee Meng	Member	Independent Non-Executive Director
Tee Choon Yeow	Member	Independent Non-Executive Director

Our Board will review the composition, performance and effectiveness of our Audit Committee annually.

8.4.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The terms of reference of our Remuneration Committee include the following:

- (a) To provide assistance to our Board in establishing the policy and framework for our Directors' remuneration and the remuneration of certain senior management personnel, including the setting of their key performance indicators;
- (b) To ensure that our Group's remuneration and incentive policies, practices and key performance indicators are appropriately established and are aligned with our Group's vision, values and business objectives and market trends;
- (c) To provide assistance to our Board on matters relating to, amongst others, management grievances, compensation strategy, management development and other compensation arrangements;
- (d) To ensure corporate accountability and governance in respect of our Board remuneration and compensation; and
- (e) To perform such other functions as may be requested by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

The members of our Remuneration Committee as at the LPD are as follows:

Name	Designation	Directorship
Tee Choon Yeow	Chairman	Independent Non-Executive Director
Lew Weng Ho	Member	Independent Non-Executive Director
Datuk Kiat Swee Sung	Member	Executive Deputy Chairman

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

8.4.4 Nomination Committee

The terms of reference of our Nomination Committee include the following:

- (a) To assist our Board in the effective discharge of its responsibility to ensure that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;
- (c) To evaluate the effectiveness of our Board and the relevant Board committees; and
- (d) To ensure an appropriate framework and succession planning for our Board.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The members of our Nomination Committee as at the LPD are as follows:

Name	Designation	Directorship
Foong Chee Meng	Chairman	Independent Non-Executive Director
Lew Weng Ho	Member	Independent Non-Executive Director
Tee Choon Yeow	Member	Independent Non-Executive Director

8.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined under Section 122A of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key management as the LPD:

- (i) Datuk Kiat Swee Sung, Eng Cheng Guan, Foong Chee Meng, Datuk Tan Teck Poh @ Tan Ah Too, Ng Keng Heng, Datuk Dr Lee Hong Tee, Lau Liang Fook, Datuk Teoh Sew Hock and Chong Pow On who are our Directors, Cheong Siew Kin, who is our Chief Financial Officer, Nyam Mei Ting, who is our Finance and Admin Manager and Woon Yoon Pa, who is our Estate Manager, are also members of MCA, which is our substantial shareholder;
- (ii) Datuk Kiat Swee Sung who is our Executive Deputy Chairman, is also a director of Huaren and Rohua, which are our Promoters and substantial shareholders; and
- (iii) MCA, our substantial shareholder, is the controlling shareholder of Huaren and Rohua, who are our Promoters and substantial shareholders.

8.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements (contracts for services) entered into between the companies within our Group, with our Directors or key management personnel.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

8.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY MANAGEMENT

As at the LPD, none of our Promoters, Directors or key management is or has been involved in any of the following events (whether within or outside Malaysia):

- (a) A petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (b) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) Charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) Any judgment that was entered against him involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.8 BENEFITS PAID OR INTENDED TO BE PAID

Save for the our Directors' remuneration and benefits as disclosed in Section 8.2.4, there is no amount and benefit that has been or is intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.

8.9 EMPLOYEES

As at the LPD, we have 81 employees, all of which are employed as full-time employees. The following depicts the breakdown of our employees in our Group:

Category of employees	Number of employees				
	FYE 2013	FYE 2014	FYE 2015	FYE 2016	LPD
As at					
Directors ⁽¹⁾	2	2	3	3	3
Management	1	2	2	3	3
Executive/Clerical	8	10	14	12	14
Support staff ⁽²⁾	13	14	12	8	6
Plantation workers	50	55	48	54	55
TOTAL	74	83	79	80	81

Notes:

- (1) Comprising Executive Directors only.
- (2) Comprising guards, gardeners and drivers.

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

Further details of our employee structure as at the LPD are as follows:

Category of employees	Length of service (years)			Total number of employees	% of total employees	Number local employees ⁽¹⁾	Number of foreign employees
	Less than one (1) year	More than one (1) year but less than five (5) years	More than five (5) years				
Directors	-	2	1	3	3.7	3	-
Management	-	3	-	3	3.7	3	-
Executive/Clerical	2	1	11	14	17.3	14	-
Support staff	-	2	4	6	7.4	6	-
Plantation workers	18	25	12	55	67.9	8	47
Total	20	33	28	81	100.0	34	47

Note:

(1) Local employees refer to Malaysians.

The breakdown of our local and foreign employees by country as at the LPD, is as follows:

Country	Number of employees	% of total employees
Malaysia		
- Local employees ⁽¹⁾	34	42.0
- Foreign employees	47	58.0
Total	81	100.0

Note:

(1) Local employees refer to Malaysians.

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

The number of employees increased from 74 in FYE 2013 to 83 in FYE 2014, thereafter decreased to 79 in FYE 2015, increased to 80 in FYE 2016 then increased to 81 as at the LPD mainly due changes in the foreign labour in the workforce. Before the expiry of our foreign worker's work permits, they have to be repatriated. When they leave, other foreign workers are recruited to increase the workforce. Such changes cause the number of employees in our Group to vary.

Our Group is largely dependent on foreign employees, primarily from Indonesia as our plantation operations is largely labour intensive and the rising standard of living in Malaysia has made it difficult to procure Malaysian employees to carry out laborious work in our plantation estate. As at the LPD, the foreign workers constituted approximately 58.0% of our total workforce. All of our foreign employees have valid working permits.

None of our employees belong to any labour union. The relationship and cooperation between our management and our employees have always been good and this is expected to continue in the future. As at the LPD, there is no industrial dispute pertaining to our employees.

8.10 TRAINING AND DEVELOPMENT

We view our employees as one of our key assets that play an instrumental role in our continuous growth. We place great emphasis on staff retention by cultivating a conducive working environment within our organisation, ensuring skills development across our Group and identifying employee performance improvement opportunities for career advancement.

We train our employees to improve their skills set in order to enhance productivity and operational efficiencies. As training and development is a continuing process, we encourage our employees to continually increase their skills and knowledge through on-the-job training.

In 2014, our plantation management attended a Plantation Sector Dialogue organised by the Department of Occupational Safety and Health Malaysia. As our plantation management are in charge of training the plantation workers, it is important for them to be aware of the safety hazards that could happen on a plantation, how to handle plantation operations safely, and be able to train the plantation workers accordingly.

8.11 MANAGEMENT SUCCESSION PLAN

Our Group recognises the importance of succession planning to ensure business continuity, and to maintain our competencies and competitiveness in the industry. We encourage our key management, to groom the other executives and to provide them with the skill sets and experiences required to take over certain key positions once it is vacant.

Our Board is involved in the process of reviewing the potential successor's readiness, and in identifying key competencies and requirements for managerial and key senior positions for succession planning.

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