

16. DIRECTORS' REPORT

*(Prepared for inclusion in this Prospectus)*

Registered Office:

Equine Capital Berhad  
C15-1, Level 15,  
Tower C, Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Date: 12 September 2003


The Shareholders  
Equine Capital Berhad

Dear Sir/Madam

On behalf of the Directors of Equine Capital Berhad ("ECB"), I report after due enquiry that during the period from 31 March 2003, being the date to which the last audited accounts of ECB and its subsidiaries ("ECB Group") have been made to 12 September 2003 (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of the ECB Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the ECB Group which have adversely affected the trading or the value of the assets of the ECB Group;
- (c) the current assets of the ECB Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees or indemnities given by the ECB Group;
- (e) there have been no default or known event subsequent to the last audited financial statements of the ECB Group which give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors of ECB are aware of; and
- (f) save as disclosed in Section 3.3.2 and 14.8 of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profit of the ECB Group.

Yours faithfully  
For and on behalf of the Board of Directors  
**EQUINE CAPITAL BERHAD**

  
Datuk Patrick Lim Soo Kit  
Executive Chairman

17. VALUATION CERTIFICATES

**REGROUP**  
ASSOCIATES  
(333510 P)

DIRECTORS

**Christopher Boyd** FISM, FRICS, AAPI, MSISV  
**Allan Soo** MISM, MRICS  
**Dr Iskandar Ismail** Ph. D, M. Sc, AFIABCI, MISM  
**Timmy Chan** MRICS, MISM  
**Wee Soon Chit** MISM

ASSOCIATE DIRECTORS

**Shah Reni Huzzeini** MISM  
**Paul Khong** MISM, MRICS

11<sup>th</sup> September 2003

Equine Capital Berhad  
C-15-1, Level 15, Tower C  
Megan Phileo Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Dear Sirs

**RE : VALUATION OF PROPERTIES BELONGING TO TAMAN EQUINE (M) SDN BHD**

This letter has been prepared for inclusion in the Prospectus of Equine Capital Berhad (ECB) to be dated 23 September 2003 in connection with the rights issue of up to 27,338,319 ordinary shares of RM1.00 each at an issue price of RM1.00 per new ordinary share and the offer for sale of up to 24,962,409 ordinary shares of RM1.00 each at an offer price of RM1.00 per ordinary share to the Malaysian public investors and the listing of and quotation for the entire issued and paid-up share capital of ECB on the Main Board of Kuala Lumpur Stock Exchange. This letter should be read in conjunction with Section 12.2 of the Prospectus of ECB to be dated 23 September 2003.

In accordance with the instruction from ECB, we have assessed the Market Value of the properties vide our Valuation Reports under reference as set out herein. These Reports and Valuations were prepared in conjunction with the Corporate and Debt Restructuring of Kuala Lumpur Industries Holdings Berhad and subsequent listing of ECB on the Main Board of the Kuala Lumpur Stock Exchange.

The inspection of the properties was carried out on 31<sup>st</sup> October 2001 and the respective dates of valuation are as set out herein. We have also verified the land titles at the Pejabat Pendaftar Hakmilik Tanah in Shah Alam, Selangor Darul Ehsan.

The Valuation Reports as set out herein have been prepared based on the 'Guidelines on Asset Valuation for Submission to the Securities Commission issued by the Securities Commission and the Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

We certify that in our opinion the total market value for the below mentioned properties using the valuation methods as stated overleaf as at 31<sup>st</sup> October 2001 amounts to RM220,010,000.00.

*(Ringgit Malaysia : Two Hundred Twenty Million and Ten Thousand Only).*

Yours faithfully  
**REGROUP ASSOCIATES SDN BHD**

**SHAH RENI AHMAD HUZZEINI BIN HUSSEIN MISM**  
Registered Valuer (V-475)  
Associate Director



REGISTERED VALUERS  
ESTATE AGENTS, AUCTIONEERS  
PROPERTY MANAGERS  
AND RESEARCHERS

REGROUP ASSOCIATES SDN BHD  
#9-11 LEVEL 9 MENARA PHILEO  
JALAN DANANLELA  
BINTU DAMANSARA  
50490 KUALA LUMPUR  
MALAYSIA

TEL: 03-2092 8855

FAX: 03-2092 5966

HOME PAGE: [www.regroup.com.my](http://www.regroup.com.my)

E-MAIL: [regroup@regroup.com.my](mailto:regroup@regroup.com.my)

17. VALUATION CERTIFICATES (CONT'D)

Ref No.	Registered Proprietor	Title Particulars	Land Area	Description	Tenure	Method of Valuation	Date of Valuation	Market Value Reported in our Supplementary Report & Valuation
V/2/2001/TKSA/148 & V/2/2001/TKSA/148-UD1	Taman Equine Industrial Sdn Bhd	Pajakan Negeri 7396, Lot 53382 (formerly Lot PT 27418), Mukim and District of Petaling, Selangor Darul Ehsan	48.469 acres (19.6146 hectares)	A parcel of agricultural land with approval for a commercial development to be known as Equine Business Park	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 43,400,000.00
V/2/2001/TKSA/149 & V/2/2001/TKSA/149-UD1	Taman Equine (M) Sdn Bhd	Pajakan Negeri 7397, Lot 53393 (formerly Lot PT 27419), Mukim and District of Petaling, Selangor Darul Ehsan	14.526 acres (5.8793 hectares)	A parcel of agricultural land with approval for 6 units of partial bungalow plots and part of a pole ground	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 6,300,000.00
V/2/2001/TKSA/151 & V/2/2001/TKSA/151-UD1	Equine Park Stud Sdn Bhd	Pajakan Negeri 9604, Lot 58745 (formerly part of parcel Lot PT 27421), Mukim and District of Petaling, Selangor Darul Ehsan	6.111 acres (2.473 hectares)	A parcel of residential land with planning approval for 122 units of townhouses	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 300,000.00
V/2/2001/TKSA/152 & V/2/2001/TKSA/152-UD1	Taman Equine (M) Sdn Bhd	Pajakan Negeri 7399, Lot 53386 (formerly Lot PT 27422), Mukim and District of Petaling, Selangor Darul Ehsan	38.252 acres (15.4961 hectares)	A parcel of agricultural land designated for green belt cum recreational use	99-year leasehold interest expiring on 18th September 2093	Comparison Method	31st October 2001	RM 1,500,000.00
V/2/2001/TKSA/153(I) & V/2/2001/TKSA/153(I)-UD1	Taman Equine Riding Sdn Bhd	HS (D) 139264, Lot PT 49664 (formerly part of Lot PT 27423), Mukim and District of Petaling, Selangor Darul Ehsan	53.37 acres (21.80 hectares)	A parcel of agricultural land but with planning approval for development of one hundred and thirty three (133) residential bungalow plots	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 25,900,000.00
V/2/2001/TKSA/153(II) & V/2/2001/TKSA/153(II)-UD1	Taman Equine Riding Sdn Bhd	HS (D) 139285, Lot PT 49665 (formerly part of Lot PT 27423), Mukim and District of Petaling, Selangor Darul Ehsan	44.924 acres (18.19 hectares)	A parcel of agricultural land but with planning approval for development of one hundred and six (106) residential bungalow plots	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 29,500,000.00
V/2/2001/TKSA/153(III) & V/2/2001/TKSA/153(III)-UD1	Taman Equine Riding Sdn Bhd	HS (D) 139263, Lot PT 49663 (formerly part of Lot PT 27423), Mukim and District of Petaling, Selangor Darul Ehsan	10.53 acres (4.26 hectares)	A parcel of residential land with planning approval for development of fifty (50) residential bungalow plots to be known as Shetland Avenue	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 510,000.00

## 17. VALUATION CERTIFICATES (CONT'D)

Ref No.	Registered Proprietor	Title Particulars	Land Area	Description	Tenure	Method of Valuation	Date of Valuation	Market Value Reported in our Supplementary Report & Valuation
V/22001/ORA/154 &	Equine Park Suid Sdn Bhd	Pajakan Negeri 7401, Lot 53388 (formerly Lot PT 27424), Mukim and District of Pelaling, Selangor Darul Ehsan	67.53 acres (27.33 hectares)	An on-going residential development comprising two hundred and five (205) units of residential bungalow plots	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 15,000,000.00
V/22001/ORA/154-UD1								
V/22001/TKS/A155 &	Pertanian Taman Equine Sdn Bhd	Pajakan Negeri 7402, Lot 53389 (formerly Lot PT 27425), Mukim Darul Ehsan	67.535 acres (27.3303 hectares)	A parcel of agricultural land with approval for 90 units of bungalow plots, 750 units of apartments, part of a polo ground and a commercial recreation area erected upon with a clubhouse known as Le Cheval Blanc and two (2) chalets	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 38,000,000.00
V/22001/TKS/A156 &	Pertanian Taman Equine Sdn Bhd	Pajakan Negeri 7403, Lot 53390 (formerly Lot PT 27426), Mukim Darul Ehsan	69.139 acres (27.9795 hectares)	An on-going residential cum commercial development comprising 260 units of double storey terrace houses, 235 units 2 1/2-storey terrace houses, 1,500 units of apartments, part of a polo ground, parts of 3 bungalow plots and parts of 2 commercial plots	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 7,900,000.00
V/22001/TKS/A155-UD1								
V/22001/TKS/A157 &	Taman Equine (M) Sdn Bhd as trustee	Pajakan Negeri 7404, Lot 53391 (formerly Lot PT 27427), Mukim and District of Pelaling, Selangor Darul Ehsan	44.617 acres (18.0559 hectares)	A parcel of agricultural land with approval for a commercial development to be known as Equine Square Park	99-year leasehold interest expiring on 18th September 2093	Residual and Comparison Methods	31st October 2001	RM 36,400,000.00
V/22001/TKS/A157-UD1								

17. VALUATION CERTIFICATES (CONT'D)

Ref No.	Registered Proprietor	Title Particulars	Land Area	Description	Tenure	Method of Valuation	Date of Valuation	Market Value Reported in our Supplementary Report & Valuation
V/2/2001/TKS/A158	Keleb Taman Equine Sdn Bhd	Pejalan Nagari 74/05, Lot 53392 (formerly Lot PT 27429), Mukim and District of Petaling, Selangor Darul Ehsan	50,724 acres (20,5273 hectares)	An on-going residential cum commercial development comprising 2 partial lots of commercial plots designated for commercial complexes, a kindergarten site, 56 units of 3-storey terraced shoppofices, 4 units of 4-storey terraced shoppofices, 1,200 units of medium-cost apartments and 300 units of low-cost flats with 59 units of shop lots located on the ground floor	99-year leasehold interest expiring on 18th September 2063	Residual and Comparison Methods	31st October 2001	RM 15,900,000.00
&								
V/2/2001/TKS/A158-UD1								
							Total	RM 220,010,000.00

17. VALUATION CERTIFICATES (CONT'D)



MOHD AZMI ARIFFIN  
FRICS FISM Dip. P.A. (M)  
Registered Valuer

S. GOPALA KRISHNAN SMS PJK  
FRICS FISM ARVA  
Registered Valuer



AZMI & CO SDN BHD (77155-D)

B9 Jalan Ampang Utama 2/2  
One Ampang Avenue  
68000 Ampang, Selangor Darul Ehsan  
Malaysia.

Telephone: 03-4256 6666  
Facsimile: 03-4252 5252

Website: www.azmigroup.com.my  
E-Mail: azmico@azmigroup.com.my

Our Reference : V. 301/01(SC)/SGK

Your Reference :

11 September 2003

The Board of Directors  
Equine Capital Berhad  
C-15-1, Level 15  
Tower C, Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Dear Sirs,

VALUATION OF PROPERTIES BELONGING TO  
TAMAN EQUINE (M) SDN BHD

This letter has been prepared for inclusion in the Prospectus of Equine Capital Berhad ("ECB") to be dated 23 September 2003 in connection with the rights issue of up to 27,338,319 ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share and the offer for sale of up to 24,962,409 ordinary shares of RM1.00 each at an offer price of RM1.00 per ordinary share to the Malaysian Public Investors and the listing of and quotation for the entire issued and paid-up share capital of ECB on the Main Board of the Kuala Lumpur Stock Exchange. This letter should be read in conjunction with Section 12.2 of the Prospectus of ECB to be dated 23 September 2003.

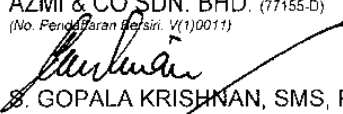
In accordance with the instruction from ECB, we have assessed the Market Value of the properties vide our Valuation Report under reference as set out herein. The Report and Valuation was prepared in conjunction with the corporate and debt restructuring of Kuala Lumpur Industries Holdings Berhad and subsequent listing of ECB on the Main Board of the Kuala Lumpur Stock Exchange.

The inspection of the properties was carried out on 24 December 2001 and the respective dates of valuation are as set out herein. We have also verified the land titles at the Registry of Titles, Selangor Darul Ehsan.

The Valuation Report as set out herein have been prepared based on the "Guidelines on Asset Valuation for Submission to the Securities Commission" issued by the Securities Commission and the Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

We certify that in our opinion the total market value of the property, as is, using the valuation methods as stated herein amounts to RM108.5 million (RINGGIT MALAYSIA: ONE HUNDRED EIGHT MILLION AND FIVE HUNDRED THOUSAND ONLY)

Yours faithfully  
AZMI & CO SDN. BHD. (77155-D)  
(No. Pendaftaran Bersiri: V(1)0011)

  
S. GOPALA KRISHNAN, SMS, PJK, FRICS, FISM, ARVA  
Registered Valuer (V-054)

NN/su

A member of the AZMI GROUP OF COMPANIES

International Associate: SMITHS GORE INTERNATIONAL

## 17. VALUATION CERTIFICATES (CONT'D)

Ref. No.	Registered Proprietor	i) Title Particulars ii) Land Area	Description	Tenure	Date of Project Commencement	Percentage of Land Ongoing & Developed	Method of Valuation	Market Value (RM)	Date of Valuation
V. 301/01(SC)	Tujuan Ehsan Sdn Bhd	Title Nos. H.S.(D) 138918 – 138927 (inclusive) for Lot Nos. P. T. 49054 – P.T. 49063 (inclusive), respectively, all located in the Mukim and District of Petaling, State of Selangor Darul Ehsan	An on-going mixed development scheme known as PUSAT BANDAR PUTRA PERMAI	Leasehold for a term of 99 years expiring on 27 May 2098	November 2000	Phase 1 15 – 20%  Phase 2A 6%  The remaining phases Vacant lands, cleared of trees/vegetation	Comparison and Development Approaches	108.5 million	31.10.2001