

9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
MSM Malaysia Holdings Berhad
PwC/TSP/AZ/nm/1944J
20 May 2011

C FELDA GLOBAL VENTURES PERLIS SDN BHD ('FGVP')/CHUPING CANE DIVISION, A FORMER DIVISION OF PPB ('CHUPING CANE DIVISION') (CONTINUED)

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION

6.1 REVENUE

	<u>Financial year ended</u>		Period from 30.10.2009 (date of incorporation) to <u>31.12.2010</u> Successor
	<u>31.12.2008</u> Predecessor RM	<u>31.12.2009</u> Predecessor RM	RM
Sales of sugar cane	<u>18,805,939</u>	<u>25,414,735</u>	<u>25,549,870</u>

6.2 FINANCE COSTS

Interest expense: Loan from immediate holding company	<u>-</u>	<u>-</u>	<u>2,163,460</u>
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- C FELDA GLOBAL VENTURES PERLIS SDN BHD ('FGVP')/CHUPING CANE DIVISION, A FORMER DIVISION OF PPB ('CHUPING CANE DIVISION') (CONTINUED)
- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.3 LOSS BEFORE TAXATION

The following items have been charged/(credited) in arriving at loss before taxation:

	<u>Financial year ended</u>		Period from 30.10.2009 (date of incorporation) to 31.12.2010 Successor RM
	<u>31.12.2008</u> <i>Predecessor</i> RM	<u>31.12.2009</u> <i>Predecessor</i> RM	
Directors' remuneration*	-	-	75,094
Auditors' remuneration*	-	-	20,000
Loss on write-off of property, plant and equipment	543	1,468	8,137
(Gain)/loss on disposals of property, plant and equipment	(31,045)	20,639	-
Depreciation of property, plant and equipment	1,497,426	953,511	4,903,942
Inventories consumed	10,822,550	12,372,423	7,996,023
Realisation of the fair value adjustment made to biological assets (Note 6.15)	-	-	6,134,869
Changes in the balance of biological assets (excluding fair value adjustment)	3,222,107	3,340,880	3,072,572
Harvesting and transport costs	(2,922,801)	(1,700,012)	1,282,854
Staff costs	8,482,220	7,994,762	8,180,519
Rental income	(189,209)	(171,281)	(207,999)
Interest income	-	-	(119,182)
	<u>8,482,220</u>	<u>7,994,762</u>	<u>8,180,519</u>
Staff costs comprise :			
Wages, salaries and bonuses	6,085,816	5,644,236	5,887,257
Defined contribution retirement plan	902,203	797,244	815,396
Other employee benefits	1,494,201	1,553,282	1,477,866
	<u>8,482,220</u>	<u>7,994,762</u>	<u>8,180,519</u>

* During the financial years ended 31 December 2008 and 2009, these remunerations were not allocated by PPB to Chuping Cane Division.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.4 TAXATION

As described in Notes 3 (i) the current and deferred taxation the financial years ended 31 December 2008 and 2009 were not reflected in the historical divisional financial information as the current and deferred taxation were accounted by PPB as a separate legal entity. As a result, the management had computed the theoretical current and deferred taxation to be presented in the carve-out financial statements. These estimates were based on the assumption that Chuping Cane Division was operating as a legal entity and the temporary differences will originate and reverse in future periods in accordance with FRS 112 Income Taxes.

	<u>Financial year ended</u>		Period from 30.10.2009 (date of incorporation) to 31.12.2010
	<u>31.12.2008</u>	<u>31.12.2009</u>	Successor
	<i>Predecessor</i>	<i>Predecessor</i>	RM
	RM	RM	
In respect of the current financial period :			
- Malaysian income tax	-	-	(675,867)
- Deferred taxation	1,421,117	380,827	3,332,468
	<u>1,421,117</u>	<u>380,827</u>	<u>2,656,601</u>

The numerical reconciliation between taxation and the product of accounting loss multiplied by the Malaysian income tax rate is as follows:

	<u>Financial year ended</u>		Period from 30.10.2009 (date of incorporation) to 31.12.2010
	<u>31.12.2008</u>	<u>31.12.2009</u>	Successor
	<i>Predecessor</i>	<i>Predecessor</i>	RM
	RM	RM	
Loss before taxation	<u>(4,894,777)</u>	<u>(1,150,914)</u>	<u>(11,004,293)</u>
Tax calculated at the Malaysian income tax rate (2010: 25%; 2009: 25%; 2008: 26%)	1,272,642	287,729	2,751,073
Tax effects of :			
- expenses not deductible for tax purposes	(12,992)	(31,513)	(94,472)
- utilisation of current year tax loss	(20,442)	(9,636)	-
- change in tax rate	181,909	134,247	-
Taxation	<u>1,421,117</u>	<u>380,827</u>	<u>2,656,601</u>

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.5 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment of Chuping Cane Division are as follows:

2008	Leasehold	Freehold	Leasehold	Plant,	Irrigation	Furniture,	Motor	Work-in	Total
Predecessor	land	land	buildings	machinery	equipment	and other	vehicles	progress	RM
Cost	RM	RM	and	and	RM	equipment	RM	RM	RM
			structure	equipment		RM			
At 1.1.2008	-	41,320	7,256,459	14,838,291	7,958,947	1,078,310	3,047,388	1,652,291	35,873,006
Amendments to FRS 117 (Note 6.20)	21,236,284	-	-	-	-	-	-	-	21,236,284
As restated	21,236,284	41,320	7,256,459	14,838,291	7,958,947	1,078,310	3,047,388	1,652,291	57,109,290
Additions	-	-	84,147	117,155	-	73,902	-	-	275,204
Disposals	-	-	-	-	-	(775)	(221,968)	-	(222,743)
Write-offs	-	-	-	(646,836)	(25,760)	(31,379)	-	-	(703,975)
Reclassification	-	-	-	1,652,291	-	-	-	(1,652,291)	-
At 31.12.2008	21,236,284	41,320	7,340,606	15,960,901	7,933,187	1,120,058	2,825,420	-	56,457,776
<u>Accumulated depreciation</u>									
At 1.1.2008	-	-	5,602,791	13,713,434	7,910,740	988,150	2,734,190	-	30,949,305
Amendments to FRS 117 (Note 6.20)	7,003,904	-	-	-	-	-	-	-	7,003,904
As restated	7,003,904	-	5,602,791	13,713,434	7,910,740	988,150	2,734,190	-	37,953,209
Charge for the financial year	254,835	-	294,871	758,865	35,432	75,217	78,206	-	1,497,426
Disposals	-	-	-	-	-	(773)	(221,965)	-	(222,738)
Write-offs	-	-	-	(646,585)	(25,723)	(31,124)	-	-	(703,432)
At 31.12.2008	7,258,739	-	5,897,662	13,825,714	7,920,449	1,031,470	590,431	-	38,524,466
<u>Net book value</u>									
At 31.12.2008	13,977,545	41,320	1,442,944	2,135,187	12,738	88,588	234,989	-	17,933,331

Cash payment of RM1,914,526 was made during the financial year to purchase property, plant and equipment. The remaining unpaid amount of RM6,771 as at 31 December 2008 is included in other payables.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The details of property, plant and equipment of Chuping Cane Division are as follows:

	Leasehold land	Freehold land	Buildings and structure	Plant, machinery and equipment	Irrigation equipment	Furniture, fixtures, office and other equipment	Motor vehicles	Total
2009 Predecessor	RM	RM	RM	RM	RM	RM	RM	RM
<u>Cost</u>								
At 1.1.2009	21,236,284	41,320	7,340,606	15,960,901	7,933,187	1,120,058	2,825,420	56,457,776
Additions	19,530	-	172,847	122,867	9,313	17,089	243,709	585,355
Disposals	-	-	(24,877)	(35,747)	-	(1,750)	(95,769)	(158,143)
Write-offs	-	-	-	(232,288)	(531,377)	(29,942)	-	(793,607)
At 31.12.2009	21,255,814	41,320	7,488,576	15,815,733	7,411,123	1,105,455	2,973,360	56,091,381
<u>Accumulated depreciation</u>								
At 1.1.2009	7,258,739	-	5,897,662	13,825,714	7,920,449	1,031,470	2,590,431	38,524,465
Charge for the financial year	255,070	-	273,207	315,772	1,862	41,935	65,665	953,511
Disposals	-	-	(16,518)	(35,747)	-	(1,312)	(71,827)	(125,404)
Write-offs	-	-	-	(231,569)	(531,353)	(29,217)	-	(792,139)
At 31.12.2009	7,513,809	-	6,154,351	13,874,170	7,390,958	1,042,876	2,584,269	38,560,433
<u>Net book value</u>								
At 31.12.2009	13,742,005	41,320	1,334,225	1,941,563	20,165	62,579	389,091	17,530,948

Cash payment of RM571,071 was made during the financial year to purchase property, plant and equipment. The remaining unpaid amount of RM1,525 as at 31 December 2009 is included in other payables.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The details of property, plant and equipment of FGVP are as follows:

2010 Successor	Leasehold land RM	Buildings and structure RM	Plant, machinery and equipment RM	Irrigation equipment RM	Furniture, fixtures, office and other equipment RM	Motor vehicles RM	Total RM
<u>Cost</u>							
At date of incorporation	-	-	-	-	-	-	-
Acquisition of sugar cane cultivation business (Note 6.15)	142,000,000	7,550,000	4,545,000	1,287,000	62,581	1,203,000	156,647,581
Additions	-	21,861	138,351	-	119,886	-	280,098
Write-offs	-	-	(145)	(14,733)	-	-	(14,878)
At 31.12.2010	142,000,000	7,571,861	4,683,206	1,272,267	182,467	1,203,000	156,912,801
<u>Accumulated depreciation</u>							
At date of incorporation	-	-	-	-	-	-	-
Charge for the financial period	2,698,952	669,867	948,474	261,119	58,583	266,947	4,903,942
Write-offs	-	-	(78)	(6,663)	-	-	(6,741)
At 31.12.2010	2,698,952	669,867	948,396	254,456	58,583	266,947	4,897,201
<u>Net book value</u>							
At 31.12.2010	139,301,048	6,901,994	3,734,810	1,017,811	123,884	936,053	152,015,600

Cash payment of RM272,426 was made during the financial period to purchase property, plant and equipment. The remaining unpaid amount of RM7,672 as at 31 December 2010 is included in other payables.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.6 PREPAID LEASE PAYMENTS

<u>Valuation</u>	<u>As at 31 December</u>		<u>As at</u>
	<u>2008</u>	<u>2009</u>	<u>31 December</u>
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
At beginning of the year/at date of incorporation	21,236,284	-	-
Amendments to FRS 117 (Note 6.20)	(21,236,284)	-	-
At 31 December	-	-	-
<u>Accumulated amortisation</u>			
At beginning of the year/at date of incorporation	7,003,904	-	-
Amendments to FRS 117 (Note 6.20)	(7,003,904)	-	-
At 31 December	-	-	-
<u>Net book value</u>			
At 31 December	-	-	-

6.7 INVENTORIES

	<u>As at 31 December</u>		<u>As at</u>
	<u>2008</u>	<u>2009</u>	<u>31 December</u>
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
Fertilizer	575,339	705,459	541,045
Agro chemical	562,948	484,904	567,305
Spare parts	1,781,072	1,649,053	1,945,446
Fuel and lubricant	292,321	199,255	220,566
	<u>3,211,680</u>	<u>3,038,671</u>	<u>3,274,362</u>

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.8 BIOLOGICAL ASSETS

	As at 31 December		As at
	2008	2009	31 December
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
Planting cost	12,052,752	13,752,764	11,360,151

6.9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables	169,330	151,332	189,801
Deposits	28,071	26,071	2,875
Prepayments	61,947	70,017	87,145
	259,348	247,420	279,821

Other receivables, deposits and prepayment are all denominated in Ringgit Malaysia.

As at 31 December 2008, 31 December 2009 and 31 December 2010, there were no other receivables that were past due but not impaired or impaired and provided for.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.10 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

(a) Related parties and relationship

(i) FGVP is a wholly owned subsidiary of FGVH. FGVH is a wholly owned subsidiary of FELDA, the ultimate holding controlling party.

The related parties and their relationship with FGVP are as follows:

<u>Related parties</u>	<u>Relationship</u>
FELDA	Ultimate holding controlling party
FGVH	Immediate holding company
KGFP	Fellow subsidiary company
FHB	FELDA owns 49% of its shareholding
KPF	Holding company of FHB
Felda Trading	Subsidiary of KPF
Felda D'Saji	Subsidiary of KPF
Felda Plantations Sdn Bhd ('FPSB')	Subsidiary of FHB

All assistant general managers and above of FGVP are regarded as key management personnel.

(ii) In respect for the financial years ended 31 December 2008 and 2009 (Chuping Cane Division)

The associate company of Chuping Cane Division is KGFP, of which 50% of its equity interest was owned by PPB up to the date of acquisition of the cane cultivation operations by FGVH in January 2010.

All assistant general managers and above of FGVP are regarded as key management personnel.

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.10 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(b) Related party balances

Related party	Type of transactions	As at 31 December		As at
		2008	2009	31 December
		Predecessor	Predecessor	Successor
		RM	RM	RM
Amount due from KGFP	Sales of sugar cane	643,613	2,890,193	1,578,706
	Accrued revenue on sales of sugar cane	-	4,519,283	-
		-	7,409,476	1,578,706
Amounts due to related parties:				
- KGFP	Non-trade charges	26,754	6,428	15,139
- Others	Non-trade charges	-	-	10,137
		26,754	6,428	25,276

Amounts due from/(to) related parties are denominated in Ringgit Malaysia, unsecured, interest free and have credit terms range from 14 to 60 days. As at 31 December 2010, there is no amount due from a fellow subsidiary that was past due but not impaired or impaired and provided for.

(c) Loan from immediate holding company (FGVP only)

	As at
	31 December 2010
	RM
Drawdown of loan during the financial period	45,000,000
Converted to share capital	(500,000)
	44,500,000
Accrued interest	2,163,460
At 31 December 2010	46,663,460
Representing:	
Amounts due within the next twelve months	2,163,460
Amounts due after the next twelve months	44,500,000
	46,663,460

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.10 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(c) Loan from immediate holding company (FGVP only) (continued)

The loan from immediate holding company is to finance the acquisition of land and sugar cane cultivation operations as disclosed in Note 6.15. The loan is denominated in Ringgit Malaysia, unsecured, repayable by 14 half yearly instalments commencing on 30 June 2013 and subject to interest of 4.98% per annum.

The maturity profiles of the loan from immediate holding company are as follows:

	As at 31 December 2010 Successor RM
Repayments due:	
- Not later than 1 year	2,163,460
- Later than 1 year and not later than 5 years	12,714,286
- Later than 5 years	31,785,714
	<u>46,663,460</u>

(d) Significant related party transactions

Significant transactions with related parties during the financial year other than disclosed elsewhere in this report are as follows:

	<u>Financial year ended</u>		Period from 30.10.2009 (date of incorporation) to 31.12.2010 Successor RM
	31.12.2008 Predecessor RM	31.12.2009 Predecessor RM	
Transactions with KGFP:			
- Sales of sugar cane (Note 6.1)	<u>18,805,939</u>	<u>25,414,735</u>	<u>25,549,870</u>

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- 6.10 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(e) Key management personnel compensation

Included in the staff costs are compensation paid to key management personnel as follows:

	<u>Financial year ended</u>		<u>Period from 30.10.2009 (date of incorporation) to 31.12.2010</u>
	<u>31.12.2008</u>	<u>31.12.2009</u>	
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
Salary and bonuses	1,088,517	1,031,189	798,036
Defined contribution retirement plan	176,676	136,993	108,972
Other short term employee benefits	13,200	12,000	6,437
	<u>1,278,393</u>	<u>1,180,182</u>	<u>913,445</u>

6.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as represented in the statement of cash flows comprise the following:

	<u>As at 31 December</u>		<u>As at 31 December 2010</u>
	<u>2008</u>	<u>2009</u>	
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
Deposits with a licensed bank	-	-	5,400,000
Bank balances	317,098	388,973	164,832
Cash in hand	9,240	9,324	4,046
	<u>326,338</u>	<u>398,297</u>	<u>5,568,878</u>

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- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.11 CASH AND CASH EQUIVALENTS (CONTINUED)

Substantially all deposits, bank balances and cash in hand are denominated in Ringgit Malaysia.

The effective interest rate in respect of the deposits with a licensed bank of FGVP for the financial year ended 31 December 2010 ranges from 2.70% to 3.02% per annum.

Deposits with a licensed bank of FGVP at 31 December 2010 have an average maturity range from 8 days to 272 days.

Bank balances are deposits held at call with banks.

6.12 SHARE CAPITAL

	<u>As at</u> <u>31 December</u> <u>2010</u> <i>Successor</i> RM
Authorised:	
Ordinary shares of RM1 each:	
At 30 October 2009 (date of incorporation)	100,000
Created during the financial period	<u>900,000</u>
At 31 December 2010	<u>1,000,00</u>
Issued and fully paid:	
Ordinary shares of RM1 each:	
At 30 October 2009 (date of incorporation)	2
Issued during the financial period	<u>500,000</u>
At 31 December 2010	<u>500,002</u>

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.13 DEFERRED TAX LIABILITIES

Deferred taxation was not reflected in the historical divisional financial information of Chuping Cane Division as the current and deferred taxation were accounted by PPB as a separate legal entity. As a result, the management had computed the theoretical current and deferred taxation to be presented in the carve-out financial statements. These estimates were based on the assumption that Chuping Cane Division was operating as a legal entity and the temporary differences will originate and reverse in future periods in accordance with FRS 112 Income Taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting is shown in the statement of financial position:

	As at 31 December		As at
	2008	2009	31 December
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
Deferred tax liabilities	(3,490,435)	(3,109,608)	(35,960,022)

The movements during the financial period relating to deferred tax liabilities are as follows:

	As at 31 December		As at
	2008	2009	31 December
	<i>Predecessor</i>	<i>Predecessor</i>	<i>Successor</i>
	RM	RM	RM
At beginning of the year/at date of incorporation	(4,911,552)	(3,490,435)	-
Acquisition of sugar cane cultivation business (Note 6.15)	-	-	(39,292,490)
Credited to income statement:			
- Property, plant and equipment	304,754	144,680	355,063
- Prepaid lease payments	158,561	151,019	674,738
- Biological assets	(668,629)	(304,475)	2,028,999
- Accruals	-	-	273,668
- Unabsorbed tax losses	1,626,431	389,603	-
	<u>1,421,117</u>	<u>380,827</u>	<u>3,332,468</u>
At 31 December 2010	<u>(3,490,435)</u>	<u>(3,109,608)</u>	<u>(35,960,022)</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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C FELDA GLOBAL VENTURES PERLIS SDN BHD ('FGVP')/CHUPING CANE DIVISION, A FORMER DIVISION OF PPB ('CHUPING CANE DIVISION') (CONTINUED)

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.13 DEFERRED TAX LIABILITIES (CONTINUED)

	As at 31 December		As at
	2008	2009	31 December
	Predecessor	Predecessor	Successor
	RM	RM	RM
Subject to income tax :			
Deferred tax assets (before offsetting)			
- Property, plant and equipment	244,392	389,072	-
- Unabsorbed tax losses	2,161,536	2,551,139	-
- Accruals	-	-	273,668
	<u>(2,405,928)</u>	<u>(2,940,211)</u>	<u>(273,668)</u>
- Offsetting	<u>(2,405,928)</u>	<u>(2,940,211)</u>	<u>(273,668)</u>
Deferred tax assets (after offsetting)	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities (before offsetting)			
- Property, plant and equipment	-	-	(2,371,335)
- Prepaid lease payments	(2,762,647)	(2,611,628)	(31,389,760)
- Biological assets	(3,133,716)	(3,438,191)	(2,472,595)
	<u>(5,896,363)</u>	<u>(6,049,819)</u>	<u>(36,233,690)</u>
- Offsetting	<u>2,405,928</u>	<u>2,940,211</u>	<u>273,668</u>
Deferred tax liabilities (after offsetting)	<u>(3,490,435)</u>	<u>(3,109,608)</u>	<u>(35,960,022)</u>

6.14 PAYABLES AND ACCRUALS

	As at 31 December		As at
	2008	2009	31 December
	Predecessor	Predecessor	Successor
	RM	RM	RM
Trade payables	1,281,554	1,463,593	1,240,444
Other payables	98,035	102,392	112,799
Current tax provision	-	-	596,348
Accruals	493,801	457,444	1,445,638
	<u>1,873,390</u>	<u>2,023,429</u>	<u>3,395,229</u>

Payables and accruals are all denominated in Ringgit Malaysia.

Included in accruals was provision for bonus amounting to RM1,094,667 made by FGVP during the financial year ended 31 December 2010. No provision for bonus was provided by Chuping Cane Division for the financial years ended 31 December 2008 and 2009.

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- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.15 ACQUISITION OF SUGAR CANE CULTIVATION OPERATIONS BY FGVP

On 30 October 2009, FGVH entered into an agreement with PPB to acquire 11 parcels of leasehold land measuring a total of 5,797 hectares located in Chuping, Perlis ('Land') and the sugar cane cultivation operations from PPB. FGVH nominated FGVP to be the transferee of the Land and to take over the business operations.

The total allocated purchase consideration for the acquisition of the sugar cane cultivation operations amounted to RM141,571,470. The acquisition was part financed by a long term loan of RM45,000,000 from FGVH under the Loan Facility Agreement dated 12 January 2010. The difference between the fair values of net assets and liabilities acquired and long term loan including share capital issued resulted in a capital contribution of RM96,571,470.

The assets and liabilities arising from acquisition are as follows:

	<u>Note</u>	<u>Acquiree's carrying value</u> RM	<u>Fair value</u> RM
Property, plant and equipment	6.5	3,747,623	14,647,581
Prepaid lease payments	6.6	13,742,005	142,000,000
Inventories		3,028,002	3,028,002
Biological assets*		12,643,005	18,777,874
Other receivables, deposits and prepayments		2,530,835	2,530,833
Other payables and accruals		(120,330)	(120,330)
Deferred tax liabilities	6.13	<u>(2,969,285)</u>	<u>(39,292,490)</u>
Net identifiable assets		<u>32,601,855</u>	141,571,470
Purchase consideration			
- Capital contribution from immediate holding company			(96,571,470)
- Loan from immediate holding company			<u>(45,000,000)</u>
Cash flow from acquisition			<u>-</u>

* The fair value adjustment of biological assets realised and charged to income statement during the financial period amounted to RM6,134,869.

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C FELDA GLOBAL VENTURES PERLIS SDN BHD ('FGVP')/CHUPING CANE DIVISION, A FORMER DIVISION OF PPB ('CHUPING CANE DIVISION') (CONTINUED)

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.16 CAPITAL COMMITMENTS

	<u>As at 31 December</u>		<u>As at</u>
	<u>2008</u>	<u>2009</u>	<u>31 December</u>
	<i>Predecessor</i>	<i>Predecessor</i>	<u>2010</u>
	RM	RM	<i>Successor</i>
			RM
Commitments in respect of plant and equipment - approved but not contracted for	412,856	234,600	159,300

6.17 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	<u>As at</u>	<u>As at</u>
	<u>31 December</u>	<u>31 December</u>
	<u>2009</u>	<u>2010</u>
	<i>Loan and</i>	<i>Loan and</i>
	<i>receivables</i>	<i>receivables</i>
	<i>Predecessor</i>	<i>Successor</i>
	RM	RM
Financial assets:		
Other receivables and deposits	177,403	192,676
Amount due from a related party	7,409,476	1,578,706
Tax recoverable	-	690,249
Deposits with a licensed bank	-	5,400,000
Cash and bank balances	398,297	168,878
Total financial assets	<u>7,985,176</u>	<u>8,030,509</u>
	<i>Financial</i>	<i>Financial</i>
	<i>liabilities at</i>	<i>liabilities at</i>
	<i>amortised</i>	<i>amortised</i>
	<i>costs</i>	<i>cost</i>
Financial liabilities:	RM	RM
Trade payables, other payables and accruals	2,023,429	3,395,229
Amounts due to related parties	6,428	25,276
Loan from immediate holding company	0	46,663,460
Total financial liabilities	<u>2,029,857</u>	<u>50,083,965</u>

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6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.17 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments

The carrying value less accumulated impairment of current receivables and payables are assumed to approximate their fair values due to their short term nature or are repaid frequently. The fair value of non-current financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to FGVP for similar financial instruments at statement of financial position date.

6.18 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

Chuping Cane Division/FGVP's activities expose it to a variety of financial risks: market risk (i.e. interest rate risk), credit risk and liquidity risk. Chuping Cane Division/FGVP's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on Chuping Cane Division/FGVP's financial performance.

Risk management of Chuping was carried out by the central treasury function through risk review, internal control system and adherence to financial risk management policies. The management reviews and agrees on policies for managing the credit risk and liquidity risk.

Risk management is carried out by FGVP under policies approved by the Board of Directors of FGVP. FGVP identifies, evaluates and may hedges financial risks in close co-operation with the immediate holding company's central treasury department. The Board of FGVP provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and investment of excess liquidity.

Market risk - Interest rate risk

FGVP's exposure to interest rate risk is mainly confined to long term loan from immediate holding company and deposits placed with financial institutions. The long term loan from immediate holding company is on fixed rate terms with the objective of minimising interest burden. Therefore, FGVP is not exposed to any material adjustment from fluctuation in the interest rate.

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- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.18 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

Credit risk

Chuping Cane Division/FGVP's credit risk exposure is concentrated as the sales of sugar cane are made to KGFP, an associate company/a fellow subsidiary of Chuping Cane Division and FGVP respectively.

FGVP's cash and cash equivalent were largely placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote after taking into account their financial strength.

Liquidity risk

Liquidity risk is the risk that Chuping Cane Division/FGVP will encounter difficulty in meeting its obligation due to shortage of funds. Both Chuping Cane Division and FGVP maintains sufficient level of cash and cash equivalents to meet the operational needs by continuously monitoring both the rolling forecasts and actual cash flows. Fund will be transmitted from central treasury function as and when it is needed by Chuping Cane Division. FGVP also maintains sufficient and appropriate credit facilities with different financial institutions. Excess cash of FGVP is placed in fixed deposits with reputable government approved financial institutions.

(b) Capital risk management

Capital risk management for Chuping Cane Division was managed by PPB at entity level. As funding is provided by PPB, Chuping Cane Division was not allowed to source external borrowings. FGVP's objectives when managing capital are to safeguard FGVP's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, FGVP may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, FGVP monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus total borrowings.

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- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.19 SIGNIFICANT SUBSEQUENT EVENTS

On 2 March 2011, both the Boards of Directors of FGVH and FGVP approved the proposed transfer of the entire business operations of FGVP comprise of assets (excluding 2 parcels of leasehold land measuring approximately 1,343 hectares) and liabilities (excluding the long term loan and outstanding loan interest due to FGVH) to KGFP. The sales consideration was determined based on the fair value of FGVP's leasehold land (i.e. 9 parcels of leasehold land measuring approximately 4,454 hectares with net book value amounted to approximately RM107,060,000) and buildings erected thereon and carrying value of other assets and liabilities (excluding the long term loan and outstanding loan interest due to FGVH) as at 31 December 2010.

The sales consideration of the proposed transfer was satisfied by issuance of ordinary shares of KGFP. FGVP nominated FGVH to receive the ordinary shares of KGFP to settle the long term loan and outstanding loan interest due to FGVH. After the settlement of the long term loan and outstanding interest, the remaining sales consideration was accounted for as non-trade balance due from FGVH.

Upon completion of the proposed transfer, FGVP granted a tenancy of a parcel of leasehold land measuring approximately 1,244 hectares to KGFP at a rental determined based on market value. As a result, the principle activities of FGVP were changed from sugar cane cultivation to investment holding. The Directors of FGVP have reviewed the other possible future activities of the Company including the usage for the remaining parcel of leasehold land measuring approximately 99 hectares upon completion of the proposed transfer.

On 4 March 2011, FGVH submitted its application to the relevant government authority for waiver of the Real Property Gain Tax ('RPGT') of 5% on behalf of the FGVP as the sales consideration was expected to exceed its acquisition costs. The application for RPGT waiver was approved on 23 March 2011.

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- 6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.20 EFFECTS OF THE ADOPTION OF NEW ACCOUNTING STANDARD

Reclassifications have been made in the financial information of Chuping Cane Division in accordance with the requirements the Amendment to FRS 117 'Leases' balances and restatement of comparables are highlighted below:

Impact on statement of financial position as at 31 December 2007:

	As previously stated RM	FRS 117 adjustment RM	As restated RM
<i>Predecessor</i>			
Property, plant and equipment	4,923,701	14,232,380	19,156,081
Prepaid lease payment	14,232,380	(14,232,380)	-
	<u> </u>	<u> </u>	<u> </u>

Impact on statement of financial position as at 31 December 2008:

	As previously stated RM	FRS 117 adjustment RM	As restated RM
<i>Predecessor</i>			
Property, plant and equipment	3,955,766	13,977,545	17,933,311
Prepaid lease payment	13,977,545	(13,977,545)	-
	<u> </u>	<u> </u>	<u> </u>

SECTION D

ASTAKONAS SDN BHD ('ASTAKONAS')

9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
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D ASTAKONAS SDN BHD ('ASTAKONAS')

1 GENERAL INFORMATION

Astakonas was incorporated on 23 November 1990 as a private limited liability company.

The principal activity of Astakonas is provision of lorry transportation services to immediate holding company.

The address of the registered office of Astakonas is located at 3rd Floor, Balai Felda, Jalan Gurney Satu, 54000 Kuala Lumpur. The principal place of business of Astakonas is 18th Floor, Wisma Jerneh, No. 38, Jalan Sultan Ismail, 50250 Kuala Lumpur.

On 20 January 2010, PPB, the previous intermediate holding company, completed the disposal of its entire 100% equity interest in MSM, which is the immediate holding company of Astakonas, to FGVH. As a result, Astakonas become a subsidiary of group headed by FELDA.

2 FINANCIAL STATEMENTS AND AUDITORS

We are the auditors for the financial year ended 31 December 2010.

The financial statements of Astakonas for the financial year ended 31 December 2010 have been drawn up so as to give a true and fair view of the financial position of the Company and of its financial performance and cash flows and reported on by us without qualification to the shareholders of the Company as a body in accordance with Section 174 of the Companies Act, 1965 and for no other purpose.

For the financial year ended 31 December 2008, Astakonas was audited by Moores Rowland and for the financial year ended 31 December 2009, Astakonas was audited by Mazars. Both firms are located at 7th Floor South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur. The financial statements of Astakonas for financial year ended 31 December 2008 and 31 December 2009 were reported on without qualification to the shareholders of the Company as a body in accordance with Section 174 of the Companies Act, 1965 and for no other purpose.

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT

The historical financial information included in this Report has been prepared based from the audited financial statements for the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2010.

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D ASTAKONAS SDN BHD ('ASTAKONAS')

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT
 (CONTINUED)

The financial information of Astakonas included in this Report has been prepared using the Financial Reporting Standards, the Malaysian Accounting Standard Board ('MASB') Approved Accounting Standards for Entities Other than Private Entities.

(i) Standards early adopted by Astakonas as of 1 January 2009 :

- FRS 139 Financial Instruments: Recognition and Measurement
- FRS 7 Financial Instruments: Disclosures

The impact of the adoption of FRS 139 is disclosed in Note 7.13 to the financial statements. The impact of the adoption of FRS 7 is mainly disclosures.

(ii) Standards, amendments to published standards and interpretations adopted by Astakonas:

Financial year ended 31 December 2008:

- FRS 112 Income Taxes
- FRS 107 (revised) Cash Flow Statements
- FRS 118 (revised) Revenue
- FRS 137 (revised) Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above new/ revised standards did not have significant impact on the results and financial position of Astakonas

Financial year ended 31 December 2009:

There were no new accounting standards that were applicable to Astakonas for the financial year ended 31 December 2009.

Financial year ended 31 December 2010:

- FRS 123 Borrowing Costs
- Revised FRS 101 Presentation of Financial Statements
- Amendment to FRS 7 Financial Instruments: Disclosures
- Amendment to FRS 132 Financial Instruments: Presentation and FRS 101 (revised) 'Presentation of Financial Statements' - Puttable financial instruments and obligations arising on liquidation
- Amendment to FRS 139 Financial Instruments: Recognition and Measurement
- IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amendment to IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvement to FRSs (2009)

9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ("ASTAKONAS")

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT (CONTINUED)

(ii) Standards, amendments to published standards and interpretations adopted by Astakonas (continued):

The adoption of the above new/revised standards and interpretations did not have a significant financial impact on Astakonas and did not result in substantial changes in Astakonas's accounting policies except for:

- FRS 101 (revised) 'Presentation of Financial Statements' prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result MSM presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share

The effects on the financial statements following the adoption of FRS 101 are mainly disclosures.

(iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to Astakonas but not yet effective and have not yet been early adopted

- Amendment to FRS 7 'Financial Instruments: Disclosures' (effective from 1 January 2011) enhanced the disclosure on fair value measurement using three level of fair value hierarchy and reinforces existing principles for disclosure about liquidity risk. Astakonas will apply this standard from financial periods beginning on 1 January 2011.
- Amendment to FRS 132 'Financial Instruments Presentation: The Classification of Rights Issues' (effective from 1 March 2010). The amendment stated that the Rights Issues are classified as the equity regardless of the currency in which the exercise price is denominated if the certain conditions are met. Astakonas will apply this standard from financial periods beginning on 1 January 2011.
- FRS 101 'Presentation of financial statements' (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Astakonas will apply this standard from financial periods beginning on 1 January 2011.

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3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT
 (CONTINUED)

(iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to Astakonas but not yet effective and have not yet been early adopted (continued)

- Amendment to IC Interpretation 9 'Reassessment of Embedded Derivatives' (effective from 1 July 2010) clarifies that embedded derivatives in contracts acquired in a combination of entities or businesses under common control is not within the scope of IC Interpretation 9. Astakonas will apply this standard from financial periods beginning on 1 January 2011.
- IC Interpretation 4 'Determining whether an Arrangement Contains a Lease' (effective from 1 January 2011) requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 'Leases' should be applied to the lease element of the arrangement. Astakonas will apply this standard from financial periods beginning period 1 January 2011.

(iv) Standards which is applicable and proposed to be effective from 1 January 2012

- Revised FRS 124 Related Party Disclosures
- Amendment to FRS 7 Disclosures – Transfers of Financial Assets
- Amendment to IAS 12 Deferred tax – Recovery of Underlying Assets

The preparation of financial information in conformity with the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

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D ASTAKONAS SDN BHD ('ASTAKONAS')

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT (CONTINUED)

(v) Critical accounting estimates

The preparation of financial information requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources associated of estimation uncertainty at the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their cost to their residual values over their estimated useful lives.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

Going concern

As at 31 December 2019, the Company's current liabilities exceeded its current assets by RM334,444. However, the Company has been able to generate operating cashflows to sustain its operations while repaying its debt to immediate holding company. Nevertheless, its immediate holding company has continued its intention to provide financial support.

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D ASTAKONAS SDN BHD ('ASTAKONAS')

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Financial assets

Classification

Astakonas classifies its financial assets in the following category; loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Astakonas's loans and receivables comprise trade and other receivables, loans and amounts due from related companies and cash and cash equivalents in the statement of financial position.

Prior to adoption of FRS 139, these financial assets were carried at anticipated realisable value and the difference between the carrying amount would be recognised as allowance in the income statement. There was no significant impact as a result of adoption of FRS 139.

Recognition and measurement

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and Astakonas has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial liabilities

Financial liabilities within the scope of FRS 139 are recognised on the statements of financial position when, and only when, Astakonass becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives which are measured at fair value if any.

For financial liabilities other than derivatives, gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Prior to adoption of FRS 139, financial liabilities were recognised in the period in which they were incurred. There was no significant impact as a result of adoption of FRS 139.

(c) Impairment of financial assets

(i) Assets carried at amortised cost

Astakonass assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ('ASTAKONAS')

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)

Astakonas first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost or valuation less accumulated depreciation and impairment losses. Historical cost includes their purchase cost and any incidental expenditure that is directly attributable to the acquisition of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to Astakonas and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives summarised as follows:

<u>Property, plant and equipment</u>	<u>Estimated useful lives (years)</u>
Motor vehicles	5 to 7
Computers	3 to 6
Office equipment	7
Furniture and fittings	10



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale. Depreciation on assets under construction commences when the assets are ready for their intended use.

At each statement of financial position date, Astakonass assess whether there is any indication of impairment. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies note 4(g) on impairment of assets. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets and are included in the income statement.

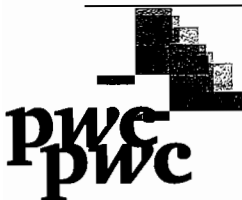
(e) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Bad debts are written off in the year in which they are identified. An estimate is made for provision for impairment of receivables based on a review of all outstanding accounts at the year end. The provision is established when there is objective evidence that Astakonass will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. The amount of provision is recognised in the income statement.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

9. ACCOUNTANTS' REPORT (Cont'd)



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The impairment loss is charged to the income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets are reviewed for possible reversal of impairment at each reporting date.

(h) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the statement of financial position date.

Deferred tax is provided for, using the 'liability method', on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in reserve, in which case the deferred tax is also recognised directly in reserve.

(i) Functional and presentation currency

Items included in the financial statements of Astakonon are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ringgit Malaysia (RM), which is Astakonon's functional and presentation currency.

9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ('ASTAKONAS')

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenue recognition

Revenue from transportation services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(k) Borrowing costs

Borrowing costs are recognised in profit and loss using the effective interest method except for those costs that are directly attributable to the construction or development of property, plant and equipment. This includes those costs on borrowings acquired specifically for the construction or development of property, plant and equipment, as well as those in relation to general borrowings used to finance the construction or development of property, plant and equipment.

(l) Payables

Payables are obligation to pay for service that have been acquired in the ordinary course of business from a supplier and is classified as current liability if payment is due within one year. If not, they are presented as non current liabilities. Payable is recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Astakon has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs incurred to finance qualifying assets are capitalised as part of the cost of the assets during the period of time that is required to complete and prepare the assets for their intended use. All other borrowing costs are expensed as incurred.

9. ACCOUNTANTS' REPORT (Cont'd)



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight line basis over the period of the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(o) Share capital

(i) Classification

Ordinary shares and special share with discretionary dividends are classified as equity.

(ii) Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, sick leave, bonuses and non monetary benefits are accrued in the period in which associated services are rendered by employees of Astakonass.

(ii) Defined contribution plan

Astakonass's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, Astakonass has no further payment obligations.

9. ACCOUNTANTS' REPORT (Cont'd)



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5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

Astakonas's activities expose it to a variety of financial risks: credit risk and liquidity risk. Astakonas's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Astakonas's financial performance.

Financial risk management is carried by a central treasury department (group treasury) under approval by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and investment of excess liquidity.

Credit risk

Astakonas's credit risk is concentrated as its services are entirely rendered to its immediate holding company.

Liquidity and cash flow risks

Astakonas's primary customer is its immediate holding company, which has very low history of default in payment. In addition, being wholly-owned and controlled by the immediate holding company, Astakonas secures advances from the immediate holding company as and when necessary. Thus, the exposure relating to liquidity and cash flow risk is very limited.

Interest rate risk

Astakonas's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate risk relates primarily to Astakonas's fixed deposits.

9. ACCOUNTANTS' REPORT (Cont'd)



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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

Interest rate risk (continued)

Fixed deposits generate interest income based on prevailing market rates. Astakonas manages its interest rate risk by placing such deposits on short tenures of less than one year.

Astakonas does not have floating rate borrowings. Therefore, a change in interest rate at the end of the financial year would not affect profit or loss.

(b) Fair value estimation

The fair value of financial instruments traded in active markets (such as fair value through profit or loss and available-for-sale financial assets) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by Astakonas is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. Astakonas uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the statement of financial position date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Astakonas for similar financial instruments.

9. ACCOUNTANTS' REPORT (Cont'd)



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- D ASTAKONAS SDN BHD ("ASTAKONAS")
- 6 HISTORICAL FINANCIAL INFORMATION
- 6.1 INCOME STATEMENTS

	Note	Financial year ended 31 December		
		2008 RM	2009 RM	2010 RM
Revenue	7.1	5,879,616	6,086,399	6,856,012
Cost of sales		(5,649,450)	(5,610,465)	(6,201,172)
Gross profit		230,166	475,934	654,840
Other operating income	7.3	18,300	-	-
Finance income	7.2	-	1,814	1,248
Finance cost		-	(64,139)	(120,864)
Administrative and general expenses		(407,616)	(402,561)	(439,398)
(Loss)/profit before taxation	7.3	(159,150)	11,048	95,826
Taxation	7.4	-	(454)	(312)
(Loss)/profit for the financial year		(159,150)	10,594	95,514

6.2 STATEMENTS OF COMPREHENSIVE INCOME

(Loss)/profit for the financial year	(159,150)	10,594	95,514
Total comprehensive income for the financial year	(159,150)	10,594	95,514

9. ACCOUNTANTS' REPORT (Cont'd)



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- D ASTAKONAS SDN BHD ('ASTAKONAS')
- 6 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.3 STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Note	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	7.5	2,618,452	2,576,123	1,692,911
Total non-current assets		<u>2,618,452</u>	<u>2,576,123</u>	<u>1,692,911</u>
<u>Current assets</u>				
Receivables, deposits and prepayments	7.6	150,713	137,830	116,299
Amount due from immediate holding holding	7.7	-	-	274,294
Cash and cash equivalents	7.8	85,024	321,810	75,613
Total current assets		<u>235,737</u>	<u>459,640</u>	<u>466,206</u>
TOTAL ASSETS		<u><u>2,854,189</u></u>	<u><u>3,035,763</u></u>	<u><u>2,159,117</u></u>
EQUITY AND LIABILITIES				
Equity	7.9	1,067,356	1,262,953	1,358,467
<u>Non-current liabilities</u>				
Advances due to immediate holding company	7.7	882,720	1,079,136	-

9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ('ASTAKONAS')

6 HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.3 STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December		
		2008 RM	2009 RM	2010 RM
<u>Current liabilities</u>				
Payables and accruals	7.10	521,530	193,674	450,128
Advance due to immediate holding company	7.7	382,583	500,000	350,522
Total current liabilities		904,113	693,674	800,650
Total liabilities		1,786,833	1,772,810	800,650
TOTAL EQUITY AND LIABILITIES		2,854,189	3,035,763	2,159,117

6.4 STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital contribution RM	Accumulated losses RM	Total equity RM
At 1 January 2008	1,500,000	-	(273,494)	1,226,506
Loss and total comprehensive loss	-	-	(159,150)	(159,150)
At 31 December 2008	1,500,000	-	(432,644)	1,067,356
1 January 2009				
Effects of adopting FRS 139 (Note 7.13)	-	80,994	-	80,994
As restated	1,500,000	80,994	(432,644)	1,148,350
Profit and total comprehensive income	-	-	10,594	10,594
Transaction with owner:				
- Capital contribution	-	104,009	-	104,009
At 31 December 2009	1,500,000	185,003	(422,050)	1,262,953
Profit and total comprehensive income	-	-	95,514	95,514
At 31 December 2010	1,500,000	185,003	(326,536)	1,358,467

9. ACCOUNTANTS' REPORT (Cont'd)



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- D ASTAKONAS SDN BHD ('ASTAKONAS')
- 6 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 6.5 STATEMENTS OF CASH FLOWS

	Note	As at 31 December		
		2008 RM	2009 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit for the financial year		(159,150)	10,594	95,514
Adjustments for:				
Taxation		-	454	312
Depreciation of property, plant and equipment		836,619	972,199	877,418
Gain on disposal of property, plant and equipment		(18,000)	-	-
Property, plant and equipment written off		20,000	-	5,794
Interest income		-	(1,814)	(1,248)
Unwinding of discount		-	64,139	120,864
Operating profit before working capital changes		679,469	1,045,572	1,098,654
Receivables		(227)	12,883	21,531
Payables		241,016	(226,622)	256,455
Intercompany		(936,535)	-	(723,772)
Cash (used in)/ generated from operations		(16,277)	831,833	652,868
Interest received		-	1,814	1,248
Tax paid		-	(454)	(312)
Net cash (used in)/ generated from operating activities		(16,277)	833,193	653,804

9. ACCOUNTANTS' REPORT (Cont'd)



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- D ASTAKONAS SDN BHD ('ASTAKONAS')
6 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
6.5 STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	As at 31 December		
		2008 RM	2009 RM	2010 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in fixed deposit pledged		(48,100)	(1,814)	(1,248)
Purchase of property, plant and equipment	7.11	(141,930)	(1,031,104)	-
Proceeds from disposal of property, plant and equipment		18,000	-	-
Net cash used in investing activities		<u>(172,030)</u>	<u>(1,032,918)</u>	<u>(1,248)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from immediate holding company		-	817,280	-
Repayment to immediate holding company		-	(382,583)	(900,000)
Net cash generated from/ (used in) financing activities		-	<u>434,697</u>	<u>(900,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(188,307)</u>	<u>234,972</u>	<u>(247,444)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>225,231</u>	<u>36,924</u>	<u>271,896</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	7.8	<u>36,924</u>	<u>271,896</u>	<u>24,452</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION

7.1 REVENUE

Revenue represents the invoiced value of transportation services rendered.

7.2 FINANCE INCOME

Financial year ended 31 December

2008	2009	2010
RM	RM	RM

Interest income	-	1,814	1,248
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7.3 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

Auditors' remuneration

- current year	4,800	5,500	6,600
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- underprovision in prior year	300	-	-
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Depreciation on property, plant and equipment	836,619	972,199	877,418
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Property, plant and equipment written off	20,000	-	5,794
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Repair and maintenance of motor vehicles	985,977	794,296	1,091,361
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Diesel and fuel	1,479,687	1,435,212	1,584,416
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Tyres	375,786	423,203	451,697
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Gain on disposal of property, plant and equipment	(18,000)	-	-
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Sales of parts	(300)	-	-
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Operating lease rental on land and building	14,688	14,688	17,883
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Directors' allowance	-	-	3,000
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Staff costs	1,487,744	1,586,522	1,682,969
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Staff costs comprise:

Wages, salaries, allowances and bonuses	1,311,724	1,394,455	1,478,624
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Defined contribution plan	159,999	173,850	185,509
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Others	16,021	18,217	18,836
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	1,487,744	1,586,522	1,682,969
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9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ("ASTAKONAS")

7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.4 TAXATION

	<u>Financial year ended 31 December</u>		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Current taxation	-	454	312

The numerical reconciliations of the relationship between taxation and profit before taxation are as follows:

	<u>Financial year ended 31 December</u>		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
(Loss)/profit before taxation	(159,150)	11,048	95,826
Tax at Malaysian tax rate (2010: 25%; 2009: 25%; 2008: 20%)	(31,830)	2,762	23,956
Tax arising from:			
- non-deductible expenses	133	17,122	30,556
- utilisation of deferred tax assets previously not recognised	-	(19,430)	(54,200)
- current year deferred tax assets not recognised	31,697	-	-
	-	454	312

The following temporary differences of which deferred tax benefits have not been recognised in the financial statements as at 31 December:

	<u>Financial year ended 31 December</u>		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Unabsorbed capital allowances	1,808,436	1,961,631	1,428,168
Less: Excess of capital allowances claimed on property, plant and equipment over accumulated depreciation	(1,369,184)	(1,600,104)	(714,746)
	439,252	361,527	713,422

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.4 TAXATION (CONTINUED)

The Directors do not anticipate the Company to have adequate profits to enable realisation of deferred tax assets not recognised in the foreseeable future.

7.5 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles and <u>equipments</u> RM	<u>Computer</u> RM	Office <u>equipment</u> RM	Furniture and <u>fittings</u> RM	<u>Total</u> RM
<u>2008</u>					
<u>Cost/valuation</u>					
At 1.1.2008	7,883,074	34,354	9,392	17,692	7,944,512
Additions	174,720	30,194	-	1,550	206,464
Disposals	(207,323)	-	-	-	(207,323)
Write-offs	(209,230)	-	-	-	(209,230)
At 31.12.2008	<u>7,641,241</u>	<u>64,548</u>	<u>9,392</u>	<u>19,242</u>	<u>7,734,423</u>
<u>Accumulated depreciation</u>					
At 1.1.2008	4,631,950	30,966	5,555	7,434	4,675,905
Charge for the year	822,951	10,818	925	1,925	836,619
Disposals	(207,323)	-	-	-	(207,323)
Write-offs	(189,230)	-	-	-	(189,230)
At 31.12.2008	<u>5,058,348</u>	<u>41,784</u>	<u>6,480</u>	<u>9,359</u>	<u>5,115,971</u>
<u>Net book value</u>					
At 31.12.2008	<u>2,582,893</u>	<u>22,764</u>	<u>2,912</u>	<u>9,883</u>	<u>2,618,452</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles and <u>equipments</u> RM	<u>Computer</u> RM	Office <u>equipment</u> RM	Furniture and <u>fittings</u> RM	<u>Total</u> RM
<u>2009</u>					
<u>Cost/valuation</u>					
At 1.1.2009	7,641,241	64,548	9,392	19,242	7,734,423
Additions	882,040	46,550	1,280	-	929,870
Write-offs	-	(3,160)	-	-	(3,160)
At 31.12.2009	<u>8,523,281</u>	<u>107,938</u>	<u>10,672</u>	<u>19,242</u>	<u>8,661,133</u>
<u>Accumulated depreciation</u>					
At 1.1.2009	5,058,348	41,784	6,480	9,359	5,115,971
Charge for the year	944,997	24,236	1,105	1,861	972,199
Write-offs	-	(3,160)	-	-	(3,160)
At 31.12.2009	<u>6,003,345</u>	<u>62,860</u>	<u>7,585</u>	<u>11,220</u>	<u>6,085,010</u>
<u>Net book value</u>					
At 31.12.2009	<u>2,519,936</u>	<u>45,078</u>	<u>3,087</u>	<u>8,022</u>	<u>2,576,123</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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D ASTAKONAS SDN BHD ('ASTAKONAS')

7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<u>Motor vehicles and equipments</u> RM	<u>Computer</u> RM	<u>Office equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Total</u> RM
<u>2010</u>					
Cost/valuation					
At 1.1.2010	8,523,281	107,938	10,672	19,242	8,661,133
Write-offs	-	(6,900)	-	(16,955)	(23,855)
At 31.12.2010	<u>8,523,281</u>	<u>101,038</u>	<u>10,672</u>	<u>2,287</u>	<u>8,637,278</u>
<u>Accumulated depreciation</u>					
At 1.1.2010	6,003,345	62,860	7,585	11,220	6,085,010
Charge for the year	851,744	23,426	1,104	1,144	877,418
Write-offs	-	(6,899)	-	(11,162)	(18,061)
At 31.12.2010	<u>6,855,089</u>	<u>79,387</u>	<u>8,689</u>	<u>1,202</u>	<u>6,944,367</u>
<u>Net book value</u>					
At 31.12.2010	<u>1,668,192</u>	<u>21,651</u>	<u>1,983</u>	<u>1,085</u>	<u>1,692,911</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.6 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Sundry receivable	7,937	7,530	6,700
Deposits	23,600	1,625	1,625
Prepayments	119,176	128,675	107,974
	<u>150,713</u>	<u>137,830</u>	<u>116,299</u>

All amounts are denominated in Ringgit Malaysia.

As at 31 December 2010, 31 December 2009 and 31 December 2008, all sundry receivables were aged less than 30 days past due and were not significantly impacted by credit or default risk.

7.7 AMOUNT DUE FROM/(TO) IMMEDIATE HOLDING COMPANY

	As at 31 December		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Amount due from immediate holding company	-	-	274,294
Amount due to immediate holding company			
- Current liability	(382,583)	(500,000)	(350,522)
- Non-current liability	(882,720)	(1,079,136)	-
	<u>(1,265,303)</u>	<u>(1,579,136)</u>	<u>274,294</u>

The amount due from immediate holding company is trade related, unsecured, interest free and is expected to be repaid within the next 12 months.

The advance due to immediate holding company is unsecured and repayable on demand. The advance due to immediate holding company classified as due more than 1 year has been derived based on the expected period of repayment by the Company.

All amounts are denominated in Ringgit Malaysia.

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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.8 CASH AND CASH EQUIVALENTS

	<u>As at 31 December</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Fixed deposits with licensed banks in Malaysia	48,100	49,914	51,161
Cash and bank balances	36,924	271,896	24,452
	<u>85,024</u>	<u>321,810</u>	<u>75,613</u>
Total fixed deposits, cash and bank balances			
Less: Fixed deposit pledged with a bank	(48,100)	(49,914)	(51,161)
	<u>36,924</u>	<u>271,896</u>	<u>24,452</u>
Cash and cash equivalent (for statement of cash flows purpose)			

Included in fixed deposits of Astakonass is an amount of RM51,161 (2009: RM49,914; 2008: RM48,100) which has been pledged to a bank as security for bank guarantee granted to Astakonass.

The effective interest rates of the time deposits range from 2.95% (2009: 2.5%; 2008: 2.5%) per annum. All the deposits have maturity terms of less than one year.

Cash and bank balances are deposits held at call with banks

All amounts are denominated in Ringgit Malaysia.

7.9 EQUITY

Share capital

	<u>As at 31 December</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Authorised share capital:			
5,000,000 ordinary shares of RM1 each	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid share capital:			
5,000,000 ordinary shares of RM1 each	1,500,000	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.10 PAYABLES AND ACCRUALS

	As at 31 December		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Unpaid consideration for property, plant and equipment acquired	101,234	-	-
Sundry payables	412,766	183,686	438,663
Accruals	7,530	9,988	11,465
	<u>521,530</u>	<u>193,674</u>	<u>450,128</u>

All balances are denominated in Ringgit Malaysia.

7.11 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	As at 31 December		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Aggregate cost of property, plant and equipment acquired	206,464	929,870	-
Cash paid in respect of previous year acquisition	36,700	101,234	-
Unpaid balances included under sundry payables and accruals	(101,234)	-	-
Cash paid during the year	<u>141,930</u>	<u>1,031,104</u>	<u>-</u>

7.12 RELATED PARTY DISCLOSURES

The immediate holding company is Malayan Sugar Manufacturing Company Berhad ('MSM'), a company incorporated in Malaysia. Effective January 2010, Felda Global Ventures Holdings Sdn Bhd, a company incorporated in Malaysia, and Lembaga Kemajuan Tanah Persekutuan Tanah Persekutuan (FELDA), a statutory body corporate set up under the Land Development Act 1956 became the penultimate and ultimate holding companies respectively. The former intermediate holding company was PPB Group Berhad, a company incorporated in Malaysia.

Prior to that date, the penultimate and ultimate holding companies were PPB and Kuok Brothers.

9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.12 RELATED PARTY DISCLOSURES (CONTINUED)

In addition to related party disclosures mentioned elsewhere in the Report, set out below are other significant transactions and balances:

(a) Significant related party transactions during the financial years are as follows:

	Transactions for the financial year ended 31 December		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Transactions with immediate holding Company, MSM:			
- Transportation of goods	5,783,803	6,008,909	6,856,012
- Transportation of pallets	95,813	77,490	-
Advance due to immediate holding company	-	817,280	-
Transactions with penultimate holding company, PPB:			
- Internal audit fee paid	3,098	2,278	-
- Computer maintenance fee paid	3,410	2,552	-
Transactions with immediate holding company, MSM:			
- Transportation of sugar	-	-	266,103
- Transportation of pallets	-	-	8,191

MSM, the immediate holding company, had confirmed to the Directors of Astakonas that they will provide the necessary financial support to enable Astakonas to meet its liabilities as and when they fall due and would not demand for repayment the amount outstanding for more than one year as at the balance sheet date.

9. ACCOUNTANTS' REPORT (Cont'd)



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- D ASTAKONAS SDN BHD ('ASTAKONAS')
- 7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 7.12 RELATED PARTY DISCLOSURES (CONTINUED)
- (b) Other key management personnel

	<u>Financial year ended 31 December</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Short-term employee benefits			
- Salary and bonus	120,000	128,480	133,200
Post-employment benefits			
- EPF	14,400	18,399	19,980
Total compensation	<u>134,400</u>	<u>146,879</u>	<u>153,180</u>

7.13 EFFECTS OF THE EARLY ADOPTION OF FRS 139 AS OF 1 JANUARY 2009

The Company had early adopted FRS139 as of 1 January 2009. In accordance with the transitional provisions for the first time adoption of FRS139, the changes were applied prospectively and comparatives as at 31 December 2008 were not restated. The effects arising from the adoption of this standard had been accounted for by adjusting the opening balances as follows:

(a) Impact on the Company's opening balances

	Balance as at 1 January 2009 before adopting FRS 139 RM	Effect of adopting FRS 139 RM	Balance as at 1 January 2009 - restated RM
<u>Statement of financial position</u>			
<u>Reserves</u>			
Capital contribution	-	80,994	80,994
<u>Non-current liability</u>			
Advance due to immediate holding company	1,265,303	(80,994)	1,184,309

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7 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

7.13 EFFECT OF THE EARLY ADOPTION OF FRS 139 AS OF 1 JANUARY 2009

(b) Impact on the Company's income statement and statements of financial position

	Increase for the year ended December 2009 RM
<u>Income statement</u>	
Finance cost – unwinding of discount	64,139
<u>Statement of financial position as at 31 December 2009</u>	
<u>Reserves</u>	
Capital contribution	104,009
Accumulated losses	(64,139)
<u>Non-current liability</u>	
Advance due to immediate holding company	(39,870)

7.14 PRIOR YEAR ADJUSTMENTS

- (a) Certain invoices relating to expenses incurred during the financial year ended 31 December 2008, were only recorded in the financial year ended 31 December 2009. These invoices, which amounted to RM10,002, had been paid during the financial year ended 31 December 2009. An adjustment has been made to reflect the liabilities in the correct accounting period.
- (b) In line with the early adoption of FRS 139 by the Company, the fair value adjustments of RM80,994 in respect of advance received as at 1 January 2009 and RM104,009 in respect of advance received during the financial year ended 31 December 2009 for advance due to immediate holding company (classified as other financial liability) had been credited to accumulated losses as at 1 January 2009 and income statement for the year ended 31 December 2009 respectively instead of capital contribution. Adjustments have been made to reclassify the amounts to capital contribution.
- (c) The advance due to immediate holding company of RM 1,079,136 has been reclassified to non-current liability for the financial year ended 31 December 2009 to be in line with its repayment terms.

SECTION E

MSM PROPERTIES SDN BHD ('MSMP')

9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
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E MSM PROPERTIES SDN BHD ('MSMP')

1 GENERAL INFORMATION

MSMP was incorporated on 27 October 1995 as a private limited liability company.

MSMP has not commenced operations since its incorporation.

The addresses of the registered office of MSMP is located at 3rd Floor, Balai Felde, Jalan Gurney Satu, 54000 Kuala Lumpur.

On 20 January 2010, PPB Group Berhad, the previous intermediate holding company, completed the disposal of its entire 100% equity interest in Malayan Sugar Manufacturing Company Berhad, which is the immediate holding company of MSMP, to FGVH. As a result, MSMP become a subsidiary of a group headed by FELDA.

2 AUDITORS

MSMP was audited by a firm other than PricewaterhouseCoopers for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010. The auditors were Moores Rowland for financial year ended 31 December 2008 and Mazars for financial years ended 31 December 2009 and 2010. Both firms are located at 7th Floor South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur and reported on without qualification to the shareholders of the Company as a body in accordance with Section 174 of the Companies Act, 1965 and for no other purpose.

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT

The financial information included in this Report has been prepared based on the audited financial statements for the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010 which have been drawn up to give a true and fair view of the financial position of the Company and its financial performance and cash flows, except for the adjustments in Note 6.9.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2010.

9. ACCOUNTANTS' REPORT (Cont'd)



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E MSM PROPERTIES SDN BHD ('MSMP')

3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT
 (CONTINUED)

The financial information included in this Report has been prepared using the accounting policies that are in accordance with the Financial Reporting Standards, the Malaysian Accounting Standard Board ('MASB') Approved Accounting Standards for Entities Other than Private Entities.

- (i) The significant accounting policies adopted by MSMP are consistent with those of the previous financial year except for the adoption of the following FRS and Amendments to FRSs effective from financial periods beginning on or after 1 January 2010:
- FRS 101 Presentation of Financial Statements (revised)
 - Amendment to FRS 107 Statement of Cash Flows
 - Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
 - Amendment to FRS 110 Events after the Reporting Period

The adoption of the above FRS and Amendments to FRSs did not have significant impact on the financial statements of MSMP for the current financial year except for the presentation requirements in FRS101.

FRS 101 – Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

The revised FRS 101 also requires MSMP to make new disclosures to enable users of the financial statements to evaluate MSMP objective, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by MSMP.

9. ACCOUNTANTS' REPORT (Cont'd)



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3 BASIS FOR PREPARATION OF HISTORICAL FINANCIAL INFORMATION IN THIS REPORT (CONTINUED)

(ii) New/revised FRSs, Issues Committee Interpretation ('IC Interpretations') and Amendments to FRSs that are not yet effective

FRS 124 Related Party Disclosures

Consequential amendments were also made to various FRSs already adopted by MSMP in the previous years. MSMP has not applied these amendments as they are only effective for financial periods beginning on or after 1 July 2010, 1 January 2011 and 1 January 2012.

The above revised FRS and Amendments to FRSs are not expected to have any significant impact on the financial statements of MSMP upon their initial application.

(iii) Standard which is applicable and proposed to be effective from 1 January 2012

- Revised FRS 124 Related Party Disclosures

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements of MSMP for the financial years presented unless otherwise stated.

(a) Share capital

Ordinary shares are recorded at the nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, if any, otherwise it is charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(b) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables are derecognised if MSMP's obligations specified in the contract expire or are discharged or cancelled.

9. ACCOUNTANTS' REPORT (Cont'd)



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements of MSMP for the financial years presented unless otherwise stated (continued).

(c) Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rate enacted or substantively enacted by the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

(d) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. It is recognised when a contractual relationship has been established.

Non-derivative financial instruments recognised in the statement of financial position comprise cash, amount owing to immediate holding company and accruals.

The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant.

The information about the extent and nature of the financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

9. ACCOUNTANTS' REPORT (Cont'd)



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E MSM PROPERTIES SDN BHD ('MSMP')
5 HISTORICAL FINANCIAL INFORMATION
5.1 INCOME STATEMENTS

	Note	<u>Financial year ended 31 December</u>		
		<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Revenue	6.1	-	-	-
Administrative expenses		(1,666)	(1,887)	(3,165)
Loss for the year	6.2	<u>(1,666)</u>	<u>(1,887)</u>	<u>(3,165)</u>

5.2 STATEMENTS OF COMPREHENSIVE INCOME

	<u>Financial year ended 31 December</u>		
	<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
Loss for the year	(1,666)	(1,887)	(3,165)
Total comprehensive loss for the year	<u>(1,666)</u>	<u>(1,887)</u>	<u>(3,165)</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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5 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
5.3 STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December		
		2008 RM	2009 RM	2010 RM
ASSETS				
<u>Current assets</u>				
Cash in hand		2	2	2
EQUITY AND LIABILITIES				
Equity	6.4	(14,069)	(1,258)	(2,623)
<u>Non-current liability</u>				
Amount owing to immediate holding company	6.5	13,021	-	-
<u>Current liability</u>				
Accruals		1,050	1,260	2,625
Total liabilities		14,071	1,260	2,625
TOTAL EQUITY AND LIABILITIES		2	2	2

9. ACCOUNTANTS' REPORT (Cont'd)



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5 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
5.4 STATEMENTS OF CHANGES IN EQUITY

	<u>Note</u>	<u>Share capital</u> RM	<u>Capital contributions</u> RM	<u>Accumulated losses</u> RM	<u>Total equity</u> RM
At 1 January 2008		2	-	(12,405)	(12,403)
Total comprehensive loss for the year		-	-	(1,666)	(1,666)
At 31 December 2008		2	-	(14,071)	(14,069)
1 January 2009					
- Effect of adopting FRS 139		-	-	13,021	13,021
- Adjustment	6.9	-	13,021	(13,021)	-
- as restated		2	13,021	(14,071)	(1,048)
Transaction with owner					
- capital contribution with owner		-	1,677	-	1,677
Total comprehensive loss		-	-	(1,887)	(1,887)
At 31 December 2009 (as restated)		2	14,698	(15,958)	(1,258)
Transaction with owner					
- capital contribution with owner		-	1,800	-	1,800
Total comprehensive loss for the year		-	-	(3,165)	(3,165)
At 31 December 2010 (as restated)		2	16,498	(19,123)	(2,623)

9. ACCOUNTANTS' REPORT (Cont'd)



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- E MSM PROPERTIES SDN BHD ('MSMP')
- 5 HISTORICAL FINANCIAL INFORMATION (CONTINUED)
- 5-5 STATEMENTS OF CASH FLOWS

	<u>Note</u>	<u>As at 31 December</u>		
		<u>2008</u> RM	<u>2009</u> RM	<u>2010</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year		(1,666)	(1,887)	(3,165)
Changes in payables		105	210	1,365
Net cash used in operating activities		<u>(1,561)</u>	<u>(1,677)</u>	<u>(1,800)</u>
CASH FLOW FROM FINANCING				
Advances from immediate holding company		1,561	1,677	1,800
		<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH IN HAND		-	-	-
CASH IN HAND BROUGHT FORWARD		2	2	2
CASH IN HAND CARRIED FORWARD		2	2	2

9. ACCOUNTANTS' REPORT (Cont'd)



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E MSM PROPERTIES SDN BHD ('MSMP')

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION

6.1 REVENUE

MSMP did not earn any revenue during the financial year (2009: Nil).

6.2 LOSS FOR THE YEAR

Loss for the year is stated after charging:

	<u>Financial year ended 31 December</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Auditors' remuneration			
- current year	1,000	1,200	2,500
- under provision in prior year	100	-	-
	<u>1,100</u>	<u>1,200</u>	<u>2,500</u>

6.3 TAX EXPENSE

No provision for tax expense has been made in the financial statements as MSMP did not earn any income during the financial year.

6.4 SHARE CAPITAL

	<u>Financial year ended 31 December</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Share capital			
Authorised			
100,000 shares of RM1 each	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Issued and fully paid			
2 ordinary shares of RM each	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>

9. ACCOUNTANTS' REPORT (Cont'd)



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E MSM PROPERTIES SDN BHD ('MSMP')

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.5 RELATED PARTY DISCLOSURES

MSMP has a relationship with its ultimate shareholder, namely FELDA and its subsidiary companies.

The immediate holding company is MSM. Effective January 2010, FGVH and FELDA became the penultimate and holding company and ultimate holding body respectively.

Prior to that date, the penultimate and ultimate holding companies were PPB and Kuok Brothers.

In addition to related party disclosures mentioned elsewhere in the Report, set out below are other significant transactions and balances:

	<u>Transaction value</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Interest free advance received from immediate holding company: - MSM	1,561	1,677	1,800

	<u>Balance outstanding</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	RM	RM	RM
Interest free advance received from immediate holding company - MSM	13,021	14,698	16,498

MSM, the immediate parent company had confirmed to the Directors of MSMP that they will provide the necessary support to enable MSMP to meet its liabilities as and when they fall due.

9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
MSM Malaysia Holdings Berhad
PwC/TSP/AZ/nm/1944J
20 May 2011**

E MSM PROPERTIES SDN BHD ('MSMP')

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

MSMP has not commenced operations since its incorporation. MSMP does not have any financial risk other than liquidity and cash flow risk. Being wholly-owned and controlled by the holding company, MSMP manages its liquidity and cash flow risk by securing continuing financial support from the immediate holding company.

The amount owing to immediate holding company is unsecured, interest free and has no fixed terms of repayment.

6.7 FINANCIAL INSTRUMENTS

MSMP's financial instruments which are recognised in the statement of financial position comprise cash in hand, amount owing to immediate holding company, accruals and ordinary shares. Cash in hand is categorised as loans and receivables. Amount owing to immediate holding company and accruals are categorised as financial liabilities at cost.

The fair value of the amount owing to immediate holding company as at 31 December 2008 was nil (2009 and 2010: not applicable).

The carrying amounts of the other financial assets and liabilities of MSMP at the reporting date approximated or were at their fair values.

6.8 SIGNIFICANT EVENT

On 16 March 2010, the Board of Directors of the Company approved the proposal to wind-up the Company as management has no plans to commence business operation in the foreseeable future and the process has yet to be completed.

9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
MSM Malaysia Holdings Berhad
PwC/TSP/AZ/nm/1944J
20 May 2011

E MSM PROPERTIES SDN BHD ('MSMP')

6 NOTES TO THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

6.9 ADJUSTMENTS MADE TO AUDITED FINANCIAL STATEMENTS

In line with the early adoption of FRS 139 by the Company, the fair value adjustments of RM 80,994 in respect of advance received as at 1 January 2009 and RM 104,009 in respect of advance received during the year ended 31 December 2009 for advance due to immediate holding company, which were classified as other financial liability had been credited to accumulated losses as at 1 January 2009 and income statement for the year ended 31 December 2009 respectively instead to capital contribution.

The effects of the changes in the prior year adjustments on the Company's financial statements are as follows:

	As previously stated RM	Adjustment RM	As restated RM
<u>Statement of financial position</u> <u>as at 1 January 2009</u>			
Accumulated losses	(1,050)	(13,021)	(14,071)
Capital contribution	-	13,021	13,021
	<u>(1,050)</u>	<u>-</u>	<u>(1,050)</u>

Statement of financial position
as at 31 December 2009/
1 January 2010

Accumulated losses	(2,937)	(13,021)	(15,958)
Capital contribution	-	14,698	14,698
Amount due to immediate holding company	1,677	(1,677)	-
	<u>(1,260)</u>	<u>-</u>	<u>(1,260)</u>

9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
MSM Malaysia Holdings Berhad
PwC/TSP/AZ/nm/1944J
20 May 2011

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L. S. Sangarapillai', written in a cursive style.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Thayaparan', written in a cursive style with a long, sweeping tail.

THAYAPARAN A/L S. SANGARAPILLAI
(No. 2085/09/12 (J))
Chartered Accountant

10. OUR MAJOR LICENSES

The operations of our Group are subject to the purview of MITI and primarily governed by the Industrial Co-ordination Act, 1975 and the Control of Supplies Act, 1961. In respect of the manufacture of all our Group's products, specific licences are obtained from MITI which are not subject to annual renewal. In Malaysia, sugar has been declared as a controlled article and pursuant to the Control of Supplies Regulations 1974, a licence will have to be obtained by a person dealing by wholesale or retail or manufacture sugar at any premises or place where the sugar is manufactured or the sugar is sold by wholesale or retail, subject to the conditions of the licence issued by MDTCC.

We have obtained all approvals, major licences and certifications necessary for our business and are in compliance with, and expect to continue to comply with, their terms and conditions. We are required to renew such approvals, licences and certifications from time to time and while we believe that we will be able to renew our approvals, licences and certifications (where required), there can be no assurance that the relevant authorities/parties will approve these renewals, within the time frame required, or at all. If we fail to obtain the approvals, licences and certifications that are necessary for our business operations or our current approvals, licences or certifications are not renewed, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Details of our approvals, major licences and certifications together with the main conditions attached and status of compliance are as follows:

No.	Authority / (Reference no.)	Date of issue / (expiry)	Type of business / Transaction approved	Main conditions imposed	Compliance status
1.	MSM				
(i)	MITI / (Licence No. 000770 Serial No. 000776)	21 June 1977 / (valid unless otherwise revoked)	To act as a licensed manufacturer as from 13 May 1977 at the place of manufacturing located at 798, Prai, Province Wellesley for the production of refined sugar and molasses.	Nil	Complied

10. OUR MAJOR LICENSES (Cont'd)

No.	Authority / (Reference no.)	Date of issue / (expiry)	Type of business / Transaction approved	Main conditions imposed	Compliance status
(ii)	MDTCC (Licence No. AB03124V)	29 July 2010 / (28 July 2013)	Wholesale licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for wholesale of sugar only at the following premises: No 798, Main Road, 13600 Seberang Perai, Pulau Pinang.</p> <p>(b) MSM shall store the sugar only at No 798, Main Road, 13600 Seberang Perai, Pulau Pinang.</p> <p>(c) MSM shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 12,500 mt of sugar.</p> <p>(d) The licence cannot be transferred.</p>	Complied
(iii)	MDTCC (Licence No. AB03260M)	17 September 2009 / (16 September 2012)	Wholesale licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for wholesale of sugar only at the following premises: 18th Floor Wisma Jermeh, 38, Jalan Sultan Ismail, 50250 Kuala Lumpur.</p> <p>(b) MSM shall store the sugar only at Lot No. 61, Putra Industrial Park, 47000 Sungai Buloh, Selangor.</p> <p>(c) MSM shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 10,000 mt of sugar.</p> <p>(d) The licence cannot be transferred.</p>	Complied

10. OUR MAJOR LICENSES (Cont'd)

No.	Authority / (Reference no.)	Date of issue / (expiry)	Type of business / Transaction approved	Main conditions imposed	Compliance status
(iv)	MDTCC (Licence No. AB02979M)	1 August 2008 / (31 July 2011)	Wholesale licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for wholesale of sugar only at the following premises: No 5 Jalan Bakti, Kawasan Perindustrian Larkin, 80350 Johor Bahru.</p> <p>(b) MSM shall store the sugar only at No 5 Jalan Bakti, Kawasan Perindustrian Larkin, 80350 Johor Bahru.</p> <p>(c) MSM shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 5,000 mt of sugar.</p> <p>(d) The licence cannot be transferred.</p>	Complied
(v)	MDTCC (Licence No. AM00111T)	3 May 2010 / (2 May 2013)	Manufacturing licence issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for manufacturing of sugar only at the following premises: No 798, Main Road, 13600 Seberang Perai, Pulau Pinang.</p> <p>(b) MSM shall store the sugar only at No 798, Main Road, 13600 Seberang Perai, Pulau Pinang.</p> <p>(c) MSM shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 16,000 mt of sugar.</p> <p>(d) The licence cannot be transferred.</p>	Complied

10. OUR MAJOR LICENSES (Cont'd)

No.	Authority / (Reference no.)	Date of issue/(expiry	Type of business / Transaction approved	Main conditions imposed	Compliance status
2.	KGFP				
(i)	MITI / (Licence No. 000031 Serial No. 000031)	23 September 1976 / (valid unless otherwise revoked)	To act as a licensed manufacturer as from 18 August 1976 at the place of manufacturing located at Mukim Chuping, Perlis for the production of white (refined) sugar, brown (raw) sugar, molasses and bagasse.	Nil	Complied
(ii)	MDTCC (Licence No. AB02976D)	9 October 2009 / (8 October 2012)	Wholesale licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	(a) The licence is valid for wholesale of sugar only at the following premises: Peti Surat 42, Mukim Chuping, 01700, Kangar, Perlis (b) KGFP shall store the sugar only at Peti Surat 42, Mukim Chuping, 01700, Kangar, Perlis (c) KGFP shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 10,000 mt of sugar. (d) The licence cannot be transferred.	Complied

10. OUR MAJOR LICENSES (Cont'd)

No.	Authority / (Reference no.)	Date of issue / (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
(iii)	MDTCC (Licence No. AB02085V)	6 May 2010 / (5 May 2013)	Wholesale licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for wholesale of sugar only at the following premises: Bulk Cargo Terminal Prai, Lorong Perusahaan Dua, 13600 Perai, Pulau Pinang.</p> <p>(b) KGFP shall store the sugar only at following premises:</p> <ul style="list-style-type: none"> (i) Warehouse 'FHSC Com. 1, Lot 1979, Jalan Permatang Pauh, 13500 Buttenworth, Pulau Pinang; (ii) Bulk Cargo Terminal Prai, Lorong Perusahaan 2, 13600 Perai, Pulau Pinang; (iii) Godown R,HSC Com. 2, Bulk Cargo Terminal, 13600 Perai, Pulau Pinang; (iv) Warehouse Palmco Jaya 2454, Bulk Cargo Terminal, 13600 Perai, Pulau Pinang; and (v) Warehouse 9A & 9B, Bulk Cargo Terminal Prai, Lorong Perusahaan 2, 13600 Perai, Pulau Pinang 	Complied
				<p>(c) KGFP shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 49,000 mt of sugar.</p>	
				<p>(d) The licence cannot be transferred.</p>	

10. OUR MAJOR LICENSES (Cont'd)

No.	Authority / (Reference no.)	Date of issue / (expiry)	Type of business/ Transaction approved	Main conditions imposed	Compliance status
(iv)	MDTCC (Licence No. AM00125T)	16 July 2010 / (15 July 2013)	Manufacturing licence for sugar (scheduled article) issued pursuant to the Control of Supplies Act 1961	<p>(a) The licence is valid for wholesale of sugar only at the following premises: Mukim Chuping, 02500, Kangar, Perlis.</p> <p>(b) KGFP shall store the sugar only at Mukim Chuping, 02500, Kangar, Perlis.</p> <p>(c) KGFP shall not have in its possession or under its custody or control or permit any person to have in its possession or under its custody or control on its behalf more than 10,000 mt of sugar.</p> <p>(d) The licence cannot be transferred.</p>	Complied

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11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS

11.1 PROPERTIES OWNED BY OUR GROUP

The details of land and buildings owned by us as at the Latest Practicable Date are set out below:

No.	Name of registered owner / Beneficial owner / Lot no. / Postal address / Leasehold period/Freehold	Description of property / Existing use	Date of Issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010	RM
1.	MSM H.S.(D) 31960, P.T. No. 34442, Mukim Batu, Daerah Gombak, Negeri Selangor Lot 59, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor. Freehold	Vacant land	Not applicable	Not applicable / 2,539,3286	-	-	466,098	Refer to Note A
2.	MSM H.S.(D) 31961, P.T. No. 34443, Mukim Batu, Daerah Gombak, Negeri Selangor Lot 58, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor. Freehold	Vacant land / Currently used as bays for trucks and primers.	Not applicable	Not applicable / 876.6973	-	-	160,919	Refer to Note A

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot. no. / Postal address / Leasehold period / Freehold	Description of property / Existing use	Date of issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property on 31 December 2010	Audited NBV as at 31 December 2010
3.	MSM H.S.(D) 31962, P.T. No. 34444, Mukim Batu, Daerah Gombak, Negeri Selangor	Vacant land / Currently used as bays for trucks and primers.	Not applicable	Not applicable / 5,193.5745	-	-	953,290
	Lot 58, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.						Refer to Note A
	Freehold						
4.	MSM H.S.(D) 31963, P.T. No. 34445, Mukim Batu, Daerah Gombak, Negeri Selangor	Vacant land	Not applicable	Not applicable / 3,530.5716	-	-	648,043
	Lot 59, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.						Refer to Note A
	Freehold						

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot. no. / Postal address / Leasehold period / Freehold	Description of property/ Existing use	Date of issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010
5.	MSM H.S.(D) 31964, P.T. No. 34446, Mukim Batu, Daerah Gombak, Negeri Selangor Lot 60, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor. Freehold	Industrial land erected with lorry loading bay, restroom, forklift and pallet washing shed as well as lorry parking area and a lorry weighbridge / Currently used as a facility for sugar distribution and storage.	Refer to Note B	903 / 12,140.0791	-	-	2,228,333 Refer to Note A
6.	MSM H.S.(D) 31965, P.T. No. 34447, Mukim Batu, Daerah Gombak, Negeri Selangor Lot 61, Jalan BRP 8/1, Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor. Freehold	Industrial land erected with a refined sugar warehouse, a TNB sub-station, tilting platform, 4 units of 250 tonne silo and a 50kg and 1 tonne packing room / Currently used as a facility for sugar distribution and storage.	CF issued on 6 December 1994 and 19 June 2002 Refer to Note B and Note C	9,010 / 11,054.3568	-	-	2,029,047 Refer to Note A

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot no./Postal address / Leasehold period / Freehold	Description of property/ Existing use	Date of Issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010
							RM
7.	MSM H.S.(D) 4976, No. Lot TLO 778A, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor 5, Jalan Bakti, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor. Leasehold of 60 years, expiring on 10 June 2023	Industrial Land erected with a refined sugar warehouse Blocks A and B / Currently used as a facility for sugar distribution and storage.	CF issued on 12 July 1992	3,891 / 0.8599 hectares	Nil	-	2,065,216
8.	FGVP/KGFP⁽¹⁾ Pajakan Negeri No. Hakmilik 37, Lot 2040, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Baseri Perlis. Leasehold of 90 years, expiring on 12 June 2061	Sugar cane plantation ⁽²⁾ / Asrama TKA / Currently used for as a sugar cane plantation and hostel.	Refer to Note D	Not applicable / 523.9398 hectares	Nil ⁽³⁾	-	12,573,788 Refer to Note E

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No	Name of registered owner / Beneficial owner / Lot no. / Postal address / Leasehold period / Freehold	Description of property / Existing use	Date of issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010
9.	FGVPIKGFPP ⁽¹⁾ Pajakan Negeri No. Hakmilik 39, Lot 2035, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis Leasehold of 90 years, expiring on 15 October 2061	Plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	Not applicable / 1268.1079 hectares	Nijl ⁽³⁾	-	30,432,732 Refer to Note E
10.	FGVPIKGFPP ⁽¹⁾ Pajakan Negeri No. Hakmilik 40, Lot 2038, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis Leasehold of 90 years, expiring on 12 June 2061	Plantation land ⁽²⁾ / housing complex/ Currently used for as a sugar cane plantation and housing complex.	Refer to Note D	87,721 square feet / 288.8774 hectares	Nijl ⁽³⁾	-	6,932,635 Refer to Note E

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No	Name of registered owner / Beneficial owner / Lot no. / Postal address / Leasehold period / Freehold	Description of property / Existing use	Date of Issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010
11.	FGVP/KGFP⁽¹⁾ Pajakan Negeri No. Hakmilik 41, Lot 2041, Mukim Chuping, Daerah Perlis, Negeri Perlis	Plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	Not applicable / 92,2017 hectares	Nil ⁽³⁾	-	2,212,706
	KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis						Refer to Note E
	Leasehold of 90 years, expiring on 12 June 2061						
12.	FGVP/KGFP⁽¹⁾ Pajakan Negeri No. Hakmilik 43, Lot 2037, Mukim Chuping, Daerah Perlis, Negeri Perlis	Plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	Not applicable / 277,1783 hectares	Nil ⁽³⁾	-	6,651,874
	KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis						Refer to Note E
	Leasehold of 90 years, expiring on 12 June 2061						

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot. no. / Postal address / Leasehold period / Freehold	Description of property/ Existing use	Date of Issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010
13.	FGVP/KGFP⁽¹⁾ H.S.(D) 2587, P.T. 349, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Besei Perlis Leasehold of 90 years, expiring on 1 August 2072	Research and experimental centre for sugar cane / and plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	7,682 square feet / 12.8412 hectares	This land may not be charged, leased or transferred except with the consent of the Perlis State Executive Council.	-	298,427 Refer to Note E
14.	FGVP/KGFP⁽¹⁾ H.S.(D) 8549, P.T. 4363, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Besei Perlis Leasehold of 90 years, expiring on 12 June 2061	Plantation land ⁽²⁾ / Agricultural complex (office) / Currently used for as a sugar cane plantation and agricultural complex.	Refer to Note D	94,027 square feet / 953.7429 hectares	Nil ⁽³⁾	-	22,977,420 Refer to Note E

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot. no. / Postal address / Leasehold period / Freehold	Description of property / Existing use	Date of Issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property on 31 December 2010	Audited NBV as at 31 December 2010
15.	FGVP/KGFP ⁽¹⁾ H.S.(D) 8550, P.T. 4364, Mukim Chuping, Daerah Perlis, Negeri Perlis	Plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	Not applicable / 10.0006 hectares	Nil ⁽³⁾	-	304,243
	KM 23, Jalan Kilang Gula, Chuping, 02400 Beseeri Perlis						Refer to Note E
	Leasehold of 90 years, expiring on 12 June 2061						
16.	FGVP/KGFP ⁽¹⁾ H.S.(D) 145, P.T., Mukim Chuping, Daerah Perlis, Negeri Perlis	Plantation land ⁽²⁾ / Currently used for as a sugar cane plantation.	Refer to Note D	Not applicable / 1,027.8619 hectares	Nil ⁽³⁾	-	24,676,325
	KM 23, Jalan Kilang Gula, Chuping, 02400 Beseeri Perlis						Refer to Note E
	Leasehold of 90 years, expiring on 12 January 2062						

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of registered owner / Beneficial owner / Lot. no. / Postal address / Leasehold period / Freehold	Description of property / Existing use	Date of issuance / approval of CF	Built-up area / Land area (square metre unless otherwise stated)	Restriction in Interest	Encumbrances on property on 31 December 2010	Audited NBV as at 31 December 2010
17.	KGFP Pajakan Negeri No. Hakmilik 38, Lot 2039, Mukim Chuping, Daerah Perlis, Negeri Perlis ^(a) KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis Leasehold for 99 years, expiring on 13 March 2071	Sugar refinery and cane milling / Industrial / Currently used as the facilities for the production of refined sugar and sugar cane milling.	Refer to Note F	42,855 / 16,3525 hectares	This leasehold land may not be transferred or sub-leased except with the consent of the Perlis State Executive Council.	(i) 2 charges created by KGFP in favour of CIMB Bank Berhad (ii) Lien Holders Caveat by CIMB Bank Berhad	6,325
18.	KGFP Pajakan Negeri No. Hakmilik 58, Lot 3142, Mukim Chuping, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping, 02400 Beseri Perlis Leasehold for 90 years, expiring on 12 June 2061	Plantation land / Currently used for as a tube well site.	Refer to Note F	236 / 28,715 hectares	Nil ⁽³⁾	-	54,712

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

Notes:

- (1) Pursuant to the BTA dated 21 March 2011 entered into between FGVP and KGFP, FGVP has agreed to, *inter-alia*, the sale of the respective lands set out in items 8 to 16 above to KGFP.
- (2) Category of land use is agriculture in respect of all the titles. The express condition herein, *inter-alia*, provides that the land shall be used for sugar cane cultivation. KGFP had, on 23 March 2011 applied to the Perlis Land Office to vary the express condition on the land title to include plantation of other crops besides sugar cane. The approval is expected to be issued within 6 months from the date of the Prospectus.
- (3) The particulars of the title does not provide any restriction-in-interest, however there is an express conditions which, *inter-alia*, that this leasehold land shall not be transferred, leased and subleased unless with the consent of the Perlis State Executive Council.
- (4) Further to confirmation letter from the Fire Rescue Department of Perlis to KGFP dated 8 March 2011, the Fire Rescue Department of Perlis had approved the application by KGFP for the exemption of automatic water spray system for process building.

Note A: Excluding buildings and fixtures on the land.

Note B: MSM will submit an application for CF to Majlis Perbandaran Selayang by 31 August 2011 upon completion of inspection by the Fire Rescue Department of Selayang on the TNB substation, restroom, lorry loading bay and the forklift and pallet washing shed. The approval for CF is expected to be obtained by 31 January 2012. There is no requirement for CF for the lorry parking area and the lorry weighbridge.

Note C: Pending the approval for the 4 units of 250 tonne silo and a 50kg and 1 tonne packing room from Majlis Perbandaran Selayang further to an application for CF made on 30 April 2010. The approval is expected to be issued within 4 months from the date of the Prospectus.

Note D: Further to confirmation letter from the Municipal Council of Kangar, Perlis to FGVP dated 22 February 2011, the local authorities had approved the application by FGVP for the exemption of CF for the buildings erected on the plantation areas subject to FGVP ensuring that the buildings are at all times safe and fit for occupation.

Note E: Pursuant to the BTA, KGFP purchased the properties listed under items 8 to 16 above from FGVP for the purchase consideration of RM99,000,000. Save for item 13, the sugar plantation set out in items 8 to 16 has a market value of RM98,800,000. For the individual market value of item 13, the research and experimental centre for sugar cane has a market value of RM800,000.

Note F: Further to the confirmation letter from the Municipal Council of Kangar, Perlis to KGFP dated 10 March 2011, the local authorities had approved the application by KGFP for the exemption of certificate of fitness for the buildings erected on the plantation areas subject to KGFP ensuring that the buildings are at all times safe and fit for occupation.

Save for items 5 and 6 above, where the relevant CFs are being applied and/or approvals are pending, none of the properties disclosed above are in breach of any land use conditions and/or is in material non-compliance with current statutory requirements, land rules or building regulations. No valuations have been conducted on any of the properties disclosed above, save for items 8 to 16 above.

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

11.2 PROPERTIES LEASED/TENANTED BY OUR GROUP

The details of material properties leased/tenanted by us as at the date of this Prospectus are set out below:

No.	Name of lessor / lessee or landlord / tenant or grantor / grantee; Lot. no. / Postal address	Description of property / Existing use	Built-up area / Land area (square metre unless otherwise stated)	Tenure / date of expiry	Rental per annum (Unless otherwise stated) (RM unless otherwise stated)
1.	PAK (as lessor) / MSM (as lessee) H.S.(D) 28162, No. Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot A & B 798, Main Road, 13600 Prai, Penang.	Property erected with molasses tanks, refined sugar warehouse, raw sugar warehouse, container parking area, railway lines and packaging materials warehouse / Currently used as the facilities for the production of refined sugar.	97,494 square feet 3,471.5 /	A lease for 30 years / Expiring on 30 November 2024 with option to renew for another 30 years ⁽¹⁾	26,323
2.	PAK (as lessor) / MSM (as lessee) H.S.(D) 28162, No. Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot C 798, Main Road, 13600 Prai, Penang.	Property erected with raw sugar warehouse and miscellaneous materials warehouse / Currently used as the facilities for the production of refined sugar.	60,575 square feet 4,119.7 /	A lease for 30 years / Expiring on 30 November 2024 with option to renew for another 30 years ⁽¹⁾	16,355

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of lessor / lessee or landlord / tenant or grantor / grantee; Lot. no. / Postal address	Description of property / Existing use	Built-up area / Land area (square metre unless otherwise stated)	Tenure / date of expiry	Rental per annum (Unless otherwise stated) (RM unless otherwise stated)
3.	PAK (as lessor) / MSM (as lessee) H.S.(D) 28162, No. Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot D 798, Main Road, 13600 Prai, Penang.	Property erected with the raw sugar warehouse and miscellaneous materials warehouse / Currently used as the facilities for the production of refined sugar.	5,374.7 / 96,140 square feet	A lease for 14 years / Expiring on 31 May 2018 with option to renew for another 10 years ⁽¹⁾	30,764
4.	PAK (as lessor) / MSM (as lessee) H.S.(D) 28137, No. Lot 287, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang 798, Main Road, 13600 Prai, Penang.	Property erected with factory buildings, raw & refined sugar warehouses, boiler house, power generation building, main administration building, storage water tanks, railway lines, canteen and septic tank as well as a natural gas service station / Currently used as the facilities for the production of refined sugar.	72,451.4 / 605,484 square feet	A lease for 30 years / Expiring on 30 November 2024 with option to renew for another 30 years ⁽¹⁾	163,480
5.	KTMB (as landlord) / MSM (as tenant) Godown, Singapore Warehouse No. 1, Malayan Railway Godown, Spooner Road off Kampong Baru Road, Singapore 168789	Storage godown / Currently used as a storage facility as a storage facility for refined sugar.	18,000 square feet / Not applicable	Tenancy on monthly basis / Expiring on 30 May 2011	SGD240,000

Refer to Note A

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Name of lessor / lessee or landlord / tenant or grantor / grantee; Lot. no. / Postal address	Description of property / Existing use	Built-up area / Land area (square metre unless otherwise stated)	Tenure / date of expiry	Rental per annum (Unless otherwise stated) (RM unless otherwise stated)
6.	Jerneh Asia Berhad (as landlord) / MSM (as tenant) 11 th Floor, Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur	Office Space / Currently used as MSM's administrative office in KL.	3,958 square feet / Not applicable	A lease for 2 years / Expiring on 31 December 2012	11,874 per month
7.	Jerneh Asia Berhad (as landlord) / MSM (as tenant) 16 th Floor, Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur	Office Space / Currently used as MSM's administrative office in KL.	1,413.7 square feet / Not applicable	A lease for 2 years / Expiring on 31 December 2012	4,241 per month
8.	Penang Port Commission (as lessor) / KGFP (as lessee) Bulk Cargo Terminal at Prai Bulk Cargo Terminal, 13600 Prai, Penang	Storage godown / Currently used as a storage facility for refined sugar.	7,580.12 / Not applicable	A lease for 22 years / Expiring on 31 January 2025	RM0.84 per square metre per month
9.	FGVP (as landlord) / KGFP (as tenant) H.S.(D) 194, P.T. Kawasan A, Mukim Titi Tinggi, Daerah Perlis, Negeri Perlis KM 23, Jalan Kilang Gula, Chuping 02400 Beseri Perlis	Sugar cane plantation / Currently used for as a sugar cane plantation.	Not applicable / 1243.5831 hectares	A tenancy for 1 year / Expiring on 19 May 2012	307,092

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

Note:

- (1) Lease to be granted further to an undertaking letter from PAK to MSM dated 8 April 2011. Please refer to Section 7.21.1(v) for further details on the undertaking letter from PAK.

Note A: MSM has submitted to the Municipal Council of Seberang Perai applications for the CF for the following items:

- (i) for extension/renovation to Factory No.2 (3,000 tonnes capacity), the application letter was submitted on 29 September 2010 by J.K. Bersatu Sdn Bhd on behalf of MSM. The Fire Rescue Department of Penang ("Bomba") had, on 25 October 2010 issued a full support letter ("Surat Sokongan Penuh") in respect of the application for the issuance of the said CF. The approval is expected to be issued within 4 months from the date of the Prospectus; and

- (ii) for the injection water pump house and concrete pump tanks, the application was submitted on 4 October 2010 by J.K. Bersatu Sdn Bhd on behalf of MSM. The approval is expected to be issued within 4 months from the date of the Prospectus.

MSM had on 4 May 2011 further submitted to the Municipal Council of Seberang Perai all relevant drawing plans of (a) 1 unit of silo building 5 storey (1 unit bangunan silo 5 tingkat); (b) No.7 silo (2500 tonnes capacity) and conveyor gantry; and (c) roof extension. Bomba had, on 12 April 2011 issued a support letter ("Surat Sokongan") in respect of the application for the issuance of the said CF. The approval is expected to be issued within 4 months from the date of the Prospectus.

Save for item 4 above, where the relevant CFs are being applied and/or approvals are pending, none of the properties disclosed above are in breach of any land use conditions and/or is in material non-compliance with current statutory requirements, land rules or building regulations.

11. LANDED PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)**11.3 MATERIAL EQUIPMENTS**

The material plant and equipments used by our business operations are set out below:

Equipment & Machinery	Description of Use	Audited NBV as at 31 December 2010 RM
Sugar Handling		180,873
- Bulk Cargo Terminal	Handling and storage of raw sugar	
- Bagged Sugar Store	Handling and storage of finished goods	
Steam Production & Power Generation		17,012,063
- Power House	Power generation and distribution	
- Boiler	Steam generation	
- Wood Chipper	Solid fuels preparation	
Milling Equipment		1,194,436
- Cane Yard	Handling and storage of cane	
- Mill House	Cane juice extraction	
Clarification	Clarify cane juice	1,275,957
Melting	Removal of impurities and colour	21,917,934
Boiling	Sugar crystallisation process	22,832,702
Curing	Separation of sugar syrup	10,457,174
Screening	Sieving process for sugar size classification	6,519,689
Services Equipment	Instrumentation and compressed air facilities	430,042
- Instruments	Repair and maintenance equipment	
- Engineering Workshop	Sundry equipment	
- Chemical control and Laboratory	Analysis and testing	
Packing	Packing operation	18,407,671
Logistics	Transportation of sugar to Sg. Buloh warehouse and customer	1,044,533
Water Station	Treatment of raw water	622,679
Others		25,596,105
Total		127,491,858

Please refer to Section 7.7 for further details on the production capacity.

11.4 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUES

Our Directors are not aware of any regulatory requirement or environmental issue which may materially affect our operations and utilisation of our assets.

12. INFORMATION ON OUR GROUP

12.1 HISTORY AND BACKGROUND

12.1.1 History and Business

MSM Holdings was incorporated in Malaysia as a public limited company pursuant to the Act on 10 March 2011 under its present name.

MSM Holdings' principal activity is to carry on the business of an investment and/or holding company and for that purpose to purchase, subscribe for or otherwise acquire and hold shares, stocks, debentures, bonds, obligations and securities issued by or guaranteed by any company or legal entity whether constituted in Malaysia or elsewhere. MSM Holdings Group is principally engaged in sugar cane cultivation, cane milling, sugar refining, sales and marketing of sugar products and transportation.

12.1.2 Pre-Listing Restructuring

The Pre-Listing Restructuring comprised, amongst others, the following:

12.1.2.1 Special Dividend

MSM and KGFP declared special dividends amounting to RM335,000,000 prior to the Acquisitions.

MSM declared and paid special dividend of RM300,000,000 to its shareholder, FGVS whilst KGFP declared and paid special dividends of RM17,500,000 each to its shareholders, FGVH and FHB.

12.1.2.2 Acquisition of FGVP Business

KGFP acquired the business of FGVP for a total purchase consideration of RM76,824,047 satisfied by an issuance of 25,354,500 KGFP Shares at an issue price of RM3.03 per KGFP Share pursuant to the BTA.

The total purchase consideration is arrived based on the following:

	RM
Fair value of Chuping Plantation	99,000,000
Other assets	17,204,574
Liabilities (excluding amount owed to FGVH)	(39,380,527)
Total consideration	<u>76,824,047</u>

The Chuping Plantation has been appraised by the independent registered valuer, Raine & Horne International Zaki + Partners Sdn. Bhd. The valuation report on the Chuping Plantation had been submitted to the Property Valuation Department of the SC on 24 March 2011.

12. INFORMATION ON OUR GROUP (Cont'd)

12.1.2.3 Acquisition of MSM

MSM Holdings acquired from FGVS and KPF their respective shares in MSM, for a total purchase consideration of RM175,856,000 satisfied by the issuance of 351,712,000 new MSM Holdings Shares to FGVS and KPF, constituted as follows:

Acquiree	Vendors	No. of ordinary shares to be acquired	Interest acquired	No. of MSM Holdings Shares issued	Purchase consideration
			%		RM
MSM	FGVS	29,088,000	80	281,369,600	140,684,800
	KPF	7,272,000	20	70,342,400	35,171,200
Total		36,360,000	100	351,712,000	175,856,000

The total purchase consideration for the Acquisition of MSM was determined based on the net asset value for MSM after adjusting for the special dividend to FGVS as stated in Section 12.1.2.1.

12.1.2.4 Acquisition of KGFP

MSM Holdings acquired from FGVH and FHB their respective shares in KGFP, for a total purchase consideration of RM113,133,900 satisfied by the issuance of 226,267,800 new MSM Holdings Shares to FGVH and FHB, constituted as follows:

Acquiree	Vendors	No. of ordinary shares to be acquired	Interest acquired	No. of MSM Holdings Shares issued	Purchase consideration
			%		RM
KGFP	FGVH	31,354,500	84	190,064,952	95,032,476
	FHB	6,000,000	16	36,202,848	18,101,424
Total		37,354,500	100	226,267,800	113,133,900

The total purchase consideration for the Acquisition of KGFP was determined based on the net asset value for KGFP after adjusting for the special dividend to FGVH and FHB as stated in Section 12.1.2.1.

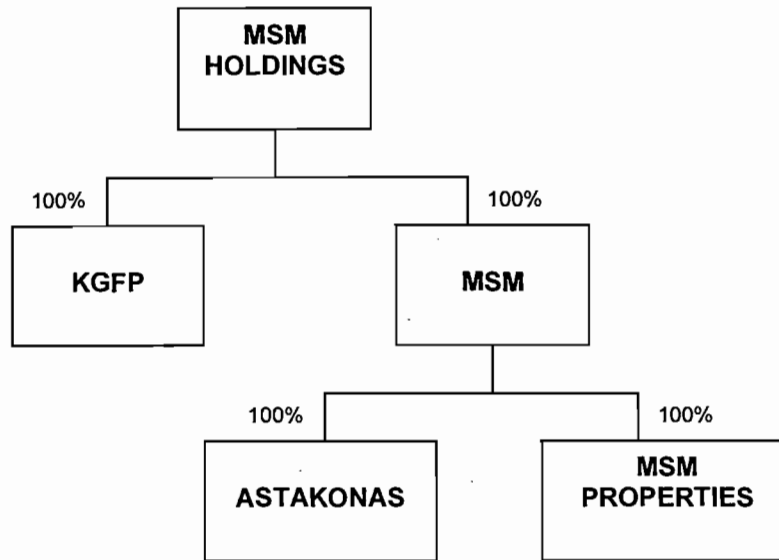
All the companies within the MSM Holdings Group were acquired by MSM Holdings free from all claims, charges, liens, encumbrances and equities, together with all rights attached thereto as at the completion date.

As at the date of this Prospectus, the Pre-Listing Restructuring has been completed.

For a detailed description of the impact of the Pre-Listing Restructuring, see Section 8.9 of this Prospectus for the proforma consolidated balance sheets of our Company.

12. INFORMATION ON OUR GROUP (Cont'd)

Our corporate structure after the Pre-Listing Restructuring and prior to the IPO is as set out below:



12.1.3 Share Capital

As at the Latest Practicable Date, our authorised share capital is RM500,000,000 comprising 1,000,000,000 Shares and our issued and paid-up share capital is RM288,990,000 comprising 577,980,000 Shares.

The changes in our issued and paid-up share capital for the past 3 years preceding the date of the Prospectus are as follows:

<u>Date of allotment</u>	<u>No. of Shares issued</u>	<u>Par value</u> RM	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u> RM
10 March 2011	200	0.50	Cash	100
20 May 2011	577,979,800	0.50	Other than cash ⁽¹⁾	288,989,900

Note:

(1) Upon completion of the Acquisition of MSM and Acquisition of KGFP

Our issued and paid-up share capital would subsequently increase to RM351,490,000 comprising 702,980,000 Shares following the Public Issue.

12. INFORMATION ON OUR GROUP (Cont'd)**12.2 DIRECT AND INDIRECT SUBSIDIARIES**

Our Subsidiaries as at the date of this Prospectus are as follows:

Name	Date and place of incorporation	Issued and paid-up share capital	Group effective equity interest	Principal activities
		RM	%	
Direct Subsidiaries				
MSM	6 October 1959 Malaysia	36,360,000	100.0	Sugar refining and investment holding
KGFP	26 May 1971 Malaysia	37,354,500	100.0	Cane cultivation, cane milling and sugar refining, importer of raw sugar and material in connection with milling and refining sugar and supplier, distributor and exporter of sugar and sugar products
Subsidiaries held by MSM				
Astakonas	23 November 1990 Malaysia	1,500,000	100.0	Lorry transport
MSM Properties	27 October 1995 Malaysia	2	100.0	The company has not commenced business/dormant

The details of our wholly-owned Subsidiaries as at the Latest Practicable Date are set out below:

12.2.1 MSM (Company No. 003573-D)

MSM was incorporated in Malaysia under the Companies Ordinances, 1940 to 1946 on 6 October 1959 as a limited company under the name of Malayan Sugar Manufacturing Company Limited. On 15 April 1966 Malayan Sugar Manufacturing Company Limited changed its name to Malayan Sugar Manufacturing Company Sdn Bhd and subsequently on 7 December 1974 Malayan Sugar Manufacturing Company Sdn Bhd was converted into a public company and assumed its present name. MSM is principally involved in the sugar refinery business and also an investment holding company and commenced its business on 8 August 1964.

The authorised share capital of MSM is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM36,360,000 comprising 36,360,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of MSM for the past 3 years preceding the Latest Practicable Date.

MSM has 2 wholly-owned subsidiaries namely, Astakonas and MSM Properties. The details of the wholly-owned subsidiaries of MSM are set out in Sections 12.2.3 and 12.2.4 below.

12. INFORMATION ON OUR GROUP (Cont'd)**12.2.2 KGFP (Company No. 10776-K)**

KGFP was incorporated in Malaysia under the Act on 26 May 1971 as a private limited company under its present name. KGFP is principally involved in cane milling and sugar refining, importer of raw sugar and material in connection with milling and refining sugar and supplier, distributor and exporter of sugar and sugar products and commenced its business on 11 March 1973.

The authorised share capital of KGFP is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM37,354,500 comprising 37,354,500 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of KGFP for the past 3 years preceding the date of this Prospectus are as follows:

<u>Date of allotment</u>	<u>No. of Shares issued</u>	<u>Par value</u> RM	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u> RM
20 May 2011	25,354,500	1.00	Other than cash – for Acquisition of FGVP Business	37,354,500

KGFP does not have any subsidiaries or associates.

12.2.3 MSM Properties (Company No. 365077-D)

MSM Properties was incorporated in Malaysia under the Act on 27 October 1995 as a private limited company under the name of Rahmat Sepi Sdn Bhd. On 7 August 1996, the company changed its name to its present name. MSM Properties is a dormant company.

The authorised share capital of MSM Properties is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of MSM Properties for the past 3 years preceding the Latest Practicable Date.

MSM Properties does not have any subsidiaries or associates.

The board of directors of MSM has approved the striking off/winding up of MSM Properties.

12.2.4 Astakonas (Company No. 208409-P)

Astakonas was incorporated in Malaysia under the Act on 23 November 1990 as a private limited company. Astakonas is principally involved in lorry transport and commenced its business on 23 November 1990.

The authorised share capital of Astakonas is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,500,000 comprising 1,500,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Astakonas for the past 3 years preceding the Latest Practicable Date.

Astakonas does not have any subsidiaries or associates.

12. INFORMATION ON OUR GROUP (Cont'd)

Our Group does not have any outstanding warrants, options, convertible securities or uncalled capital at the date of this Prospectus.

None of our Shares and shares in our Subsidiaries were issued and allotted at a discount or have any special terms. Our issued Shares and issued shares in our Subsidiaries are fully paid-up.

As at the Latest Practicable Date, neither our Company nor our Subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

13.1 BOARD OF DIRECTORS

Within the limits set by our Articles, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board endeavours to follow the Malaysian Code on Corporate Governance, which set out the following responsibilities:

- (i) to review and approve our annual corporate plan, which includes our overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;
- (ii) to oversee the conduct of our businesses and to evaluate whether the businesses are being properly managed;
- (iii) to identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (iv) to develop and implement an investor relations program or shareholders' communications policy for our Company;
- (v) to review the adequacy and integrity of our internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines (including Bursa Securities LR, securities laws, and the Act);
- (vi) to review and approve our financial statements;
- (vii) to review and approve our Audit Committee Report at the end of each financial year;
- (viii) to review and approve our Annual Report; and
- (ix) to prepare a corporate governance statement in compliance with the Malaysian Code of Corporate Governance and an internal control statement for the Annual Report.

In accordance with Article 84 of our Articles, at the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, we must have at least two (2) and (unless otherwise determined by an ordinary resolution) not more than twelve (12) Directors at any time. At least two (2) of our Directors or one-third (1/3) of our Board, whichever is higher, must also at all times be independent directors.

As at the date of this Prospectus, our Board consists of eight (8) Directors, three (3) of whom are Independent Directors.

In accordance with Article 93 of our Articles, each Director shall retire from office once every three (3) years but is eligible for re-election. One third (1/3) of the Directors or, if the number of Directors is not three (3) or a multiple of three (3), the number nearest to one-third (1/3), shall retire from office at each annual general meeting and such Directors are eligible for re-election. The Directors to retire in each year are those who have been in office longest.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors will serve in that office as at the Latest Practicable Date are as follows:

Director	Date of appointment	Date of expiration of the current term of office	No. of years in office
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	25 March 2011	March 2013	2 years
Dato' Dzulkifli Abd Wahab	10 March 2011	March 2013	2 years
Dato' Sabri Ahmad	10 March 2011	March 2013	2 years
Datuk R. Sharifuddin Hizan R. Zainal Abidin	25 March 2011	March 2013	2 years
Dato' Lim Chee Wah	25 March 2011	March 2013	2 years
Dato' Zainal Haji Ismail	25 March 2011	March 2013	2 years
Raja Anuar Raja Abu Hassan	25 March 2011	March 2013	2 years
Dato' Hajah Rosni Haji Zahari	25 March 2011	March 2013	2 years

The members of our Board as at the date of this Prospectus are as follows:

Name	Age	Address	Nationality	Date of appointment as Director	Designation
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	62	PT 41191 Jalan BBN 8/78 Nilai Spring Villas 71900 Nilai Negeri Sembilan	Malaysian	25 March 2011	Non-Independent Non-Executive Chairman
Dato' Dzulkifli Abd Wahab	56	No. 8, Jalan AU 5C/2 Lembah Keramat, Hulu Klang 54200 Kuala Lumpur	Malaysian	10 March 2011	Non-Independent Non- Executive Director
Dato' Sabri Ahmad	64	No. 108 Jalan Athinahapan 2 Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian	10 March 2011	Non-Independent Executive Director
Datuk R. Sharifuddin Hizan R. Zainal Abidin	65	No. 7, Lorong 7A Taman Sri Ukay 68000 Ampang Selangor	Malaysian	25 March 2011	Non-Independent Executive Director
Dato' Lim Chee Wah	71	20, Changkat Hartamas 1 Hartamas Heights 50480 Kuala Lumpur	Malaysian	25 March 2011	Non-Independent Executive Director
Dato' Zainal Haji Ismail	68	3B-4-1 Sri Lojing Condo Seksyen 10 Wangsa Maju 53300 Kuala Lumpur	Malaysian	25 March 2011	Independent Non-Executive Director

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Age	Address	Nationality	Date of appointment as Director	Designation
Raja Anuar Raja Abu Hassan	56	39, Jalan USJ 9/3E UEP Subang Jaya 47620 Subang Jaya Selangor	Malaysian	25 March 2011	Independent Non-Executive Director
Dato' Hajah Rosni Haji Zahari	50	Casa Rini Lot 3259 Batu 3, Jalan Maran- Temerloh 28000 Temerloh Pahang	Malaysian	25 March 2011	Independent Non-Executive Director

The management and operations of our Company is led by Chua Say Sin, the Chief Executive Officer of our Company.

13.1.1 Profiles of Directors

(i) YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad

YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad is our Non-Independent Non-Executive Chairman. He graduated with a Bachelor in Arts from the University of Malaya.

He began his career in politics in 1974 as the Deputy of the United Malays National Organization (UMNO) Youth of Teluk Kemang. He has held the positions of Chief UMNO Youth of Teluk Kemang, Chief UMNO of Teluk Kemang (a position held until now), State Assemblyman of Linggi and Negeri Sembilan State Executive Committee. He was previously the Chief Minister of Negeri Sembilan from 1982 to 2004, Member of Parliament of Jempol, Minister of the Federal Territories and former Vice President of UMNO. He is presently the Chairman of FELDA. Currently, he sits on the board of several private limited companies within the Felda Group.

(ii) Dato' Dzulkifli Abd Wahab

Dato' Dzulkifli Abd Wahab is our Non-Independent Non-Executive Director. He graduated with a Bachelor in Arts (Geography) from the University of Malaya.

He began his career in 1977 with FELDA, where overall he has an extensive 33 years of experience. Over the past 25 years, he has served at regional offices, as well as heading various departments in the headquarters. He has been appointed as the Deputy Director General (Operation) and Deputy Director General (Agriculture) for 4 years since 2005 and subsequently has been appointed as the Director General on 27 September 2009 and has assumed the role since then.

Currently, he sits on the board of several private limited companies within the Felda Group.

In the span of 33 years, he has significant experience serving on the board of directors of several private limited companies in Malaysia including, amongst others, Plastic Centre Sdn Bhd and Pos Ad Sdn Bhd.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(iii) **Dato' Sabri Ahmad**

Dato' Sabri Ahmad is our Non-Independent Executive Director. He graduated with a Bachelor in Science (Agriculture) from the University of Malaya and a Master of Science (Agricultural Economics) from the University of London, England. He further pursued an Advance Diploma in International Studies from the University of Rhode Island, USA in 1980 and an Advance Diploma in Management from the University of Oxford, England in 1996.

He started his career in 1970 with the Ministry of Agriculture and in 1973 he pursued his career with the Fisheries Development Authority as the Deputy Director General. He joined Harrisons Malaysian Plantations Berhad in 1985 until 1989 where he worked in various capacities. He became the Director in charge of marketing for Golden Hope Plantations Berhad in 1990 and was appointed its Group Chief Executive Officer and Director in 2004. He was the Chairman of Malaysian Palm Oil Board for 3 years from 2007 to 2010. He is presently the Group President and Director of FGVH. As the Group president of FGVH, Dato' Sabri Ahmad oversees the management of the respective divisions within FGVH group of companies comprising amongst others, multicrop, oils & fats, oleochemical and logistics and services including MSM Holdings.

Currently, he sits on the board of several private limited companies within the Felda Group.

(iv) **Datuk R. Sharifuddin Hizan R. Zainal Abidin**

Datuk R. Sharifuddin Hizan R. Zainal Abidin is our Non-Independent Executive Director. He graduated with a Bachelor in Agricultural Economics from the University of New England, Armidale, Australia and a Master of Business Administration from the Catholic University of Leuven, Belgium.

He began his career with FELDA in 1969 and during his career in FELDA, he has held several senior managerial positions before assuming his position as the Group Managing Director of FHB in 2005. He is presently the Chairman of MSM, as well as a member of the executive committee of MSM. As a member of the executive committee, he actively participates on policy, management and operational matters arising at MSM.

Currently, he sits on the board of several private limited companies within the Felda Group.

He also serves on the board of several private limited companies in Malaysia including amongst others Kumpulan RZA Sdn Bhd and Chemical Mate Sdn Bhd.

(v) **Dato' Lim Chee Wah**

Dato' Lim Chee Wah is our Non-Independent Executive Director. He graduated with a Bachelor in Arts (Economics) from the University of Malaya.

He began his career with MSM in 1965 and has held several managerial positions until 1989 where he was then appointed as one of the Directors of MSM. He is presently the Deputy Chairman of MSM as well as a member of the executive committee of MSM. As a member of the executive committee, he actively participates on policy, management and operational matters arising at MSM.

Currently, he sits on the boards of Jerneh Asia Berhad and Malaysian Bulk Carriers Berhad which are public listed companies in Malaysia.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(vi) **Dato' Zainal Haji Ismail**

Dato' Zainal Haji Ismail is our Independent Non-Executive Director. He graduated with a Bachelor in Arts from the University of Malaya.

He started his career with the Civil Service Department as an Assistant Secretary in 1968. He was subsequently appointed as the Director of Training and Career Development of Lembaga Kemajuan Pahang Tenggara (DARA). In 1977, he served at the Sarawak Development Department as a Development Officer and in 1984 he was appointed as the first Director in the Sarawak Development Department. He was also appointed as the General Manager of Yayasan Pahang and in 1988 as the State Finance Officer for the State of Pahang.

Currently, he sits on the board of several private limited companies in Malaysia including, amongst others, Prosper Trading Sdn Bhd, Rompin Palm Oil Mill Sdn Bhd, Mutiara Suci Sdn Bhd, Fleet Properties Sdn Bhd, YP Plantation Holdings Sdn Bhd and Kotasas Sdn Bhd.

(vii) **Raja Anuar Raja Abu Hassan**

Raja Anuar Raja Abu Hassan is our Independent Non-Executive Director. He is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants (MIA), a member of the Malaysian Institute of Certified Public Accountants (MICPA), a Fellow of the Association of Chartered Certified Accountants (ACCA) and is a Chartered Member of the Chartered Institute of Internal Auditors.

He began his career in 1982 with Komplek Kewangan Malaysia Berhad as a Financial Analyst and was later promoted as Assistant Audit Manager. In 1988, he joined Malayan Banking Berhad as Head, Overseas Operations. Subsequently, in 1989 he held the position of Commercial Accounting Manager in Sime Darby Plantations. In 1991, he joined Perusahaan Otomobil Nasional Berhad as Manager, Internal Audit. In 1994, he joined the Sapura Group as the General Manager Internal Audit. In 1999, he joined Golden Hope Plantations Berhad as Director, Internal Audit and held this position till end of 2007. Thereafter, he became an independent financial consultant.

Currently, he sits on the board of Petra Perdana Berhad which is a public listed company and is the Chairman of its Nomination Committee and a member of its Audit Committee and Remuneration Committee.

(viii) **Dato' Hajah Rosni Haji Zahari**

Dato' Hajah Rosni Haji Zahari is our Independent Non-Executive Director. She graduated with a Bachelor in Law from the University of Technology MARA.

She began her career as an Advocate & Solicitor in the High Court of Malaya in 1990 and as a Shariah lawyer in the State of Pahang in 1989. She is also currently the partner of Messrs Rosni, Francis Tan & Co. She started her career in politics as early as 1982 and become State Assemblywoman of Pahang in 1999. She is the Chief of Pergerakan Wanita UMNO of Maran from 1992 till to-date and she is also the Chief of Pergerakan Wanita UMNO Negeri Pahang since 2008. She is an Executive Committee of Pergerakan Wanita UMNO Malaysia from 2004 till to-date.

Currently, she sits on the board of several private limited companies including Felda Palm Industries Sdn Bhd and Perkasa Sutera Sdn Bhd.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.1.2 Directors' Shareholdings

The table below sets forth our Directors' interests in our Shares before and after the IPO based on our Register of Directors' Shareholdings as at the date of this Prospectus.

Directors	Before the IPO				After the IPO ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-	20,000	#	-	-
Dato' Dzulkifli Abd Wahab	-	-	-	-	20,000	#	-	-
Dato' Sabri Ahmad	-	-	-	-	20,000	#	-	-
Datuk R. Sharifuddin Hizan R. Zainal Abidin	-	-	-	-	20,000	#	-	-
Dato' Lim Chee Wah	-	-	-	-	20,000	#	-	-
Dato' Zainal Haji Ismail	-	-	-	-	20,000	#	-	-
Raja Anuar Raja Abu Hassan	-	-	-	-	20,000	#	-	-
Dato' Hajah Rosni Haji Zahari	-	-	-	-	20,000	#	-	-

Notes:

Less than 0.01%.

(1) Excludes Shares they may subscribe under the Retail Offering.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.1.3 Principal Business Activities Performed Outside Our Group in the Past Five (5) Years

Save as disclosed below, none of our Directors has performed any principal business activities outside our Group.

The directorships of our Directors outside our Group at present and in the last five (5) years preceding the Latest Practicable Date are as follows:

Name	Directorships	Involvement in business activities other than as a director
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	<p data-bbox="608 636 820 658"><i>Present directorships:</i></p> <ul data-bbox="608 663 1002 1048" style="list-style-type: none"> • FGVH • FHB • Felda Transport Services Sdn Bhd • Felda Travel Sdn Bhd • Felda Security Services Sdn Bhd • ProXcel Sdn Bhd • Felda Prodata Systems Sdn Bhd • Felda Properties Sdn Bhd • Felda Engineering Services Sdn Bhd • Delima Oil Products Sdn Bhd • Felda Vegetable Oil Products Sdn Bhd • Felda Technoplant Sdn Bhd • Felda Agricultural Services Sdn Bhd • Felda Palm Industries Sdn Bhd • Felda Plantations Sdn Bhd <p data-bbox="608 1072 820 1095"><i>Previous directorship:</i></p> <ul data-bbox="608 1099 667 1122" style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Dato' Dzulkifli Abd
Wahab

Present directorships:

- Felda Farm Products Sdn Bhd
- Felda Plantations Sdn Bhd
- Felda Prodata Systems Sdn Bhd
- Felda Rubber Industries Sdn Bhd
- Felda Palm Industries Sdn Bhd
- Felda Technoplant Sdn Bhd
- Felda Trading Sdn Bhd
- FHB
- Felda Transport Services Sdn Bhd
- Felda Marketing Services Sdn Bhd
- Felda Agricultural Services Sdn Bhd
- Felda D'Saji Sdn Bhd
- FGVH
- Felda Global Ventures Middle East Sdn Bhd
- Felda Global Ventures Arabia Ltd
- FGVS
- Felda Global Ventures North America Sdn Bhd
- Felda Global Ventures Kalimantan Sdn Bhd
- Felda Global Ventures Indonesia Sdn Bhd
- MSM
- Felda Iffco Sdn Bhd
- Twin Rivers Technologies Holdings, Inc
- Twin Rivers Technologies US, Inc
- Twin Rivers Technologies Manufacturing Corporation
- Twin Rivers Technologies Holdings Enterprise De Transformation De Graines Oleagineuses De Quebec Inc
- Twin Rivers Technologies Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc.
- Fore River Transportation Corp.
- Felda Global Ventures USA Properties, Inc
- Felda Global Ventures North America US, LLC
- Plastic Centre Sdn Bhd
- Pos Ad Sdn Bhd
- Trurich Resources Sdn Bhd
- Malaysian Palm Oil Council
- Yayasan Felda

• Nil

Previous directorship:

- Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (*Cont'd*)

Dato' Sabri Ahmad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Felda Agricultural Services Sdn Bhd • Delima Oil Products Sdn Bhd • Felda Engineering Services Sdn Bhd • Felda Enterprises Sdn Bhd • FHB • Felda Kernel Products Sdn Bhd • Felda Marketing Services Sdn Bhd • Felda Palm Industries Sdn Bhd • Felda Plantations Sdn Bhd • Felda Prodata Systems Sdn Bhd • Felda Properties Sdn Bhd • Felda Technoplant Sdn Bhd • Felda Transport Services Sdn Bhd • Felda Vegetable Oil Products Sdn Bhd • FPM Sendirian Berhad • FPG Oleochemicals Sdn Bhd • Malaysia Pakistan Venture Sdn Bhd • FGVH • Felda Iffco Oil Products Sdn Bhd • Felda Global Ventures Livestock Sdn Bhd • Felda Global Ventures India Sdn Bhd • Felda Iffco Allana Malaysia Sdn Bhd • Felda Global Ventures North America Sdn Bhd • Felda Global Ventures Middle East Sdn Bhd • Felda Global Ventures Kalimantan Sdn Bhd • FGVS • Felda Global Ventures Indonesia Sdn Bhd • MSM • Twin Rivers Technologies Holdings Inc. • Twin Rivers Technologies Holdings Enterprise De Transformation De Graines Oleagineses Du Quebec Inc. • Twin Rivers Technologies Enterprise De Transformation De Graines Oleagineses Du Quebec Inc. • Trurich Resources Sdn Bhd • PT TH Felda Nusantara • Australian Agricultural Company Ltd • Felda Iffco Sdn Bhd • FINA Inc • Felda Iffco South China Ltd. • Felda Iffco Africa (Pty) Ltd. <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Golden Hope Plantation Berhad (<i>resigned on 9 June 2008</i>) • Himpunan Rentak Sdn Bhd (<i>resigned on 25 January 2010</i>) • Markmore Biofuels Sdn Bhd (<i>resigned on 25 January 2010</i>) • Sime Darby Bukit Talang Sdn Bhd (<i>resigned on 27 November 2007</i>) • Sime Darby Biodiesel Sdn Bhd (<i>resigned on 27 November 2007</i>) • Sime Darby Livestock Sdn Bhd (<i>resigned on 25 April 2008</i>) • Sime Darby Austral Holdings Sdn Bhd (<i>resigned on 27 November 2007</i>) • Sime Darby Austral Berhad (<i>resigned on 27 November 2007</i>) • Mostyn Development Sdn Bhd (<i>resigned on 5 October 2010</i>) • Aspen Timur Sdn Bhd (<i>resigned on 27 November 2007</i>) • Sime Darby Jomalina Sdn Bhd (<i>resigned on 27 November 2007</i>) • Negara Properties Sdn Bhd (<i>resigned on 31 December 2007</i>) 	• Nil
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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Dato' Sabri Ahmad
(Continued)

Previous directorships (Continued):

- Mentakab Rubber Company (Malaya) Berhad (resigned on 9 June 2008)
- Golden Hope Overseas Sdn Bhd (resigned on 27 November 2007)
- Malaysian Palm Oil Council (resigned on 27 June 2008)
- Sime Darby Plantation Indonesia Sdn Bhd (resigned on 27 November 2007)
- Derawan Sdn Bhd (resigned on 27 November 2007)
- Seriemas Development Sdn Bhd (resigned on 6 December 2007)
- Emery Oleochemicals (M) Sdn Bhd (resigned on 18 December 2007)
- Saha Enterprise Sdn Bhd (resigned on 27 November 2007)
- Kumpulan Ladang-Ladang Rajawali Sdn Bhd (resigned on 27 November 2007)
- Golden Hope Heritage Sdn Bhd (resigned on 27 November 2007)
- Donghwa Malaysia Holdings Sdn Bhd (resigned on 27 November 2007)
- Sime Darby Research Sdn Bhd (resigned on 27 November 2007)
- Sime Darby Properties (Sabah) Sdn Bhd (resigned on 27 November 2007)
- Sime Darby Builders Sdn Bhd (resigned on 27 November 2007)
- Impian Golf Resort Berhad (resigned on 27 November 2007)
- Felda Iffco Trading Sdn Bhd. (resigned on 25 March 2011)

• Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Datuk R.
Sharifuddin Hizan
R. Zainal Abidin

Present directorships:

- FHB
- MSM
- Felda-Johore Bulkiers Sdn Bhd
- Felda Rubber Industries Sdn Bhd
- Felda Marketing Services Sdn Bhd
- KGFP
- Quality Reputation Sdn Bhd
- Kumpulan RZA Sdn Bhd
- RAZA Sdn Bhd
- RZA Forwarding Sdn Bhd
- Rancang Kemas Sdn Bhd
- RZA-Taiun Sdn Bhd
- Chemical Mate Sdn Bhd
- CB Sekuriti Teknologi Sdn Bhd

• Nil

Previous directorships:

- Tradewinds (M) Berhad (resigned on 12 April 2011)
- Malaysia Cocoa Manufacturing Sdn Bhd (resigned on 31 December 2007)
- Sutrajaya Shipping Sdn Bhd (resigned on 31 December 2006)
- Kumpulan RZA Harta Sdn Bhd (resigned on 1 November 2010)
- RAZA Harta Sdn Bhd (resigned on 19 February 2010)
- RSA Jaya Sdn Bhd (resigned on 19 February 2010)
- RZA Warehousing Sdn Bhd (resigned on 1 November 2010)
- FPM Sdn Bhd (resigned on 31 December 2009)
- PT Sumatra Bulkiers – Rengat, Sumatra (resigned on 31 December 2009)
- PT Patisindo Sawit – Palembang (resigned on 1 February 2010)
- PT Kalimantan Bulkiers – Indonesia (resigned on 31 December 2009)
- Feltex Co. Ltd. (resigned on 31 December 2006)
- Twin Rivers Technologies Holdings Inc. - USA (resigned on 12 January 2010)
- Langsung Bulkiers Sdn Bhd (resigned on 1 February 2010)
- Picarda Holdings Sdn Bhd (resigned on 11 March 2010)
- Felda Enterprises Sdn Bhd (resigned on 31 December 2007)
- Felda Global Ventures Indonesia Sdn Bhd (resigned on 12 January 2010)
- Bistari Security Services Sdn Bhd (resigned on 22 April 2008)
- Areca Capital Sdn Bhd (resigned on 18 March 2008)
- Indo Agro Ventures Sdn Bhd (resigned on 10 April 2009)
- Nilai Education Sdn Bhd (Formerly known as P.K. Education Sdn Bhd) (resigned on 18 January 2010)
- Felda Trading Sdn Bhd (resigned on 22 May 2009)
- Felda Plantations Sdn Bhd (resigned on 31 December 2006)
- Ladang Tai Tak (Kota Tinggi) Sdn Bhd (resigned on 31 December 2006)

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Dato' Lim Chee Wah	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Jerneh Asia Berhad • Malaysian Bulk Carriers Berhad • MSM • Kuok Brothers Sdn Bhd • Cahaya Utara Sdn Bhd • Kuok Foundation Bhd • Wah Len Enterprise Sdn Bhd • Golden Meridien Sdn Bhd • Pioneer Glow Sdn Bhd • Matrix Discovery Sdn Bhd • Semai Ria Sdn Bhd • Riverpine (PTC) Limited • Boomerton Limited • Golden Sari Commodities Limited • Trendfield Inc <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • MSE Holdings Sdn Bhd (resigned on 3 July 2006) • Malaysia Marine and Heavy Engineering Sdn Bhd (resigned on 3 July 2006) • MSE-ATB Sdn Bhd (resigned on 3 July 2006) • Tradewinds (M) Berhad (resigned on 27 February 2007) • CSR (resigned on 27 February 2007) • Trinity Coral Sdn Bhd (resigned on 29 May 2008) • Indah Island Depot Sdn Bhd (resigned on 29 January 2009) • PBB Group Bhd (resigned on 4 February 2010) • Jerneh Insurance Bhd (resigned on 1 December 2010) 	<ul style="list-style-type: none"> • Jerneh Asia Berhad (Heads and leads discussions on policy establishment and decision making) • Malaysian Bulk Carriers Berhad (Leads discussion on remuneration of the board and re-election of directors)
Dato' Zainal Haji Ismail	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Prosper Trading Sdn Bhd • Rompin Palm Oil Mill Sdn Bhd • Mutiara Suci Sdn Bhd • Fleet Properties Sdn Bhd • YP Plantation Holdings Sdn Bhd • Kotasas Sdn Bhd <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> • Kurnia Setia Berhad (resigned on 28 February 2008) 	<ul style="list-style-type: none"> • Nil
Raja Anuar Raja Abu Hassan	<p><i>Present directorship:</i></p> <ul style="list-style-type: none"> • Petra Perdana Berhad <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil
Dato' Hajah Rosni Haji Zahari	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Felda Palm Industries Sdn Bhd • Perkasa Sutera Sdn Bhd <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.1.4 Involvement of Our Executive Director in Other Businesses / Corporations

The involvement of our Executive Directors in other businesses as disclosed in Section 13.1.3 above is not expected to affect their contribution to our Company as our Executive Directors are not actively involved in the management and day to day operations of these other businesses and/or corporations whereby their involvement are only to the extent of attending board meetings.

13.1.5 Involvement in Other Businesses or Corporations Which Carry On a Similar Trade as MSM Holdings or which are Customers or Suppliers of MSM Holdings

None of the Directors has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as that of MSM Holdings or are customers of and/or suppliers to MSM Holdings.

13.1.6 Audit Committee

Our Audit Committee was formed by our Board pursuant to its meeting on 25 March 2011. Our Audit Committee comprises mainly the Independent Non-Executive Directors and has specific terms of reference including the review of the interim and full year financial statements and preliminary announcements, internal financial controls and the reports of our Group's Internal Audit Division. Our Audit Committee ensures the adequacy and integrity of our Company's internal control system and management information system and that they are in compliance with our Company's policies and procedures, applicable laws and regulations and Bursa Securities LR. Our Audit Committee monitors the effective implementation of programmes to ensure compliance to our Company's Risk Management Policy. Our Audit Committee will continue to ensure that the principal risks facing the company are identified and monitored and appropriate measures are undertaken to manage these risks.

Our Audit Committee currently comprises the following members:

<u>Name</u>	<u>Position</u>	<u>Date of Appointment</u>	<u>Directorship</u>	
Raja Anuar Raja Abu Hassan	Chairman	25 March 2011	Independent Director	Non-Executive
Dato' Hajah Rosni Haji Zahari	Member	25 March 2011	Independent Director	Non-Executive
Dato' Zainal Haji Ismail	Member	25 March 2011	Independent Director	Non-Executive

The duties and functions of our Audit Committee are:

(i) External Audit

- To consider the appointment of the external auditors, the audit fees and any question in relation to resignation or dismissal of the external auditors before making recommendation to our Board; and
- To review and discuss with the external auditors, before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(ii) Internal Audit

- To review the internal audit plan, consider the major findings of internal audits and management's responses, and ensure coordination between the internal and external auditors;
- To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- To review the audit reports;
- To direct and where appropriate supervise any special project or investigation considered necessary;
- To prepare periodic reports to our Board summarising the work performed in fulfilling our Audit Committee primary responsibilities; and
- To determine the remit of internal audit function which report directly to our Audit Committee. The internal audit function should be independent of the activities they audit and should be performed with impartiality, proficiency and due professional care;

(iii) Financial Reporting Review

- To review with our management and the external auditors the quarterly results and year-end financial statements prior to the approval by our Board, focusing particularly on:
 - any change in accounting policies and practices;
 - significant and unusual events;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - compliance with accounting standards; and
 - compliance with other legal requirements and Bursa Securities LR;

(iv) Related Party Transactions

- To review any related party transaction and conflict of interest situation that may arise in our Company including any transaction, procedure or course that raises questions of management integrity;

(v) Internal Control

- To keep under review the effectiveness of internal control systems and the internal and/or external auditors' evaluation of these systems;

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(vi) Other Matters

- To arrange for periodic reports from our management, the external auditors and the internal auditors to assess the impact of significant regulatory changes and accounting or reporting developments proposed by accounting and other bodies, or any significant matter that may have a bearing on the annual examination;
- To discuss problems and reservation arising from the internal audit, interim and final audits, and matters the internal and external auditors may wish to discuss (in the absence of our management where necessary);
- Where our Audit Committee is of the view that a matter reported by it to our Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities LR, our Audit Committee must promptly report such matter to the Securities Commission; and
- Carrying out any other functions that may be mutually agreed upon by our Audit Committee and our Board.

13.1.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 25 March 2011. Our Nomination and Remuneration Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Dato' Dzulkifli Abd Wahab	Chairman	20 May 2011	Non- Independent Non-Executive Director
Dato' Hajah Rosni Haji Zahari	Member	25 March 2011	Independent Non-Executive Director
Dato' Zainal Haji Ismail	Member	25 March 2011	Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes the following functions:

- To assess and recommend new Directors to our Board;
- To review annually the mix of skills and experience, and other qualities to enable our Board to function completely and efficiently;
- To implement a formal appraisal process for the evaluation of the effectiveness of our Board as a whole, the committees and the individual contribution of each Board member; and
- To recommend to our Board the remuneration of all non-executive Directors (individual Directors do not participate in the discussion relating to their own remuneration).

13.1.8 Service Contracts with Directors

As at the date of this Prospectus, there are no service contracts with our Directors.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.1.9 Remuneration of Directors

The aggregate remuneration and benefit paid or proposed to be paid to our Directors for services rendered to us in all capacities was approximately RM516,420 for the year ended 2010.

The remuneration and benefits of our Directors, which includes Directors' fees, meeting attendance allowances as well as other benefits, must be considered and recommended by the Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' remuneration must be further approved by our shareholders at a general meeting.

For the year ending 31 December 2011 the remuneration and benefits paid/estimated to be paid to our Directors are as follows:

Directors	For the year ending 31 December 2011 (Forecast)
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	Band 3
Dato' Dzulkifli Abd Wahab	Band 2
Dato' Sabri Ahmad	Band 2
Datuk R. Sharifuddin Hizan R. Zainal Abidin	Band 2
Dato' Lim Chee Wah	Band 2
Dato' Zainal Haji Ismail	Band 2
Raja Anuar Raja Abu Hassan	Band 2
Dato' Hajah Rosni Haji Zahari	Band 2

Notes:

- * Bands of RM50,000
- Band 1: between RM1 to RM50,000
- Band 2: between RM50,001 and RM100,000
- Band 3: between RM100,001 and RM150,000

Save as disclosed in Sections 13.1.9 of the Prospectus, no other amounts or benefits has been paid or intended to be paid to our Promoters, Directors and substantial shareholders within the two (2) years preceding the date of this Prospectus, except for remuneration received by Directors in the course of their employment and directors' fees, and dividends paid to our shareholders.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.2 KEY MANAGEMENT

Our key management is responsible for our day-to-day management and operations. Our key management consists of experienced personnel in charge of matters related to plant production, human resource, marketing, business development, strategic planning, risk management, legal and corporate secretariat, finance and administration.

The members of our key management, as at the date of this Prospectus, are set forth below:

Name	Nationality	Age	Designation
Chua Say Sin	Malaysian	64	Chief Executive Officer
Mohamad Amri Sahari @ Khuzari	Malaysian	46	Deputy Chief Executive Officer
Raja Faridah Raja Ahmad	Malaysian	47	Chief Financial Officer
Gan Chong Ho	Malaysian	66	Senior General Manager, Cane Cultivation
Ismail Abdullah	Malaysian	61	General Manager, Logistics
Ha Charm Mun	Malaysian	52	General Manager, Factory Operations

13.2.1 Profiles of Our Key Management

(i) Chua Say Sin

Chua Say Sin is our Chief Executive Officer. He graduated with a Bachelor in Electrical Engineering in 1970 from the University of New South Wales, Australia and a Master of Engineering Science in 1972 from the University of Sydney, Australia. He is currently a registered Professional Engineer (PE). He is also a member of the Institution of Engineer (MIEM).

He started his career in the container port of the Port of Singapore Authority, Singapore in 1973. Subsequently, he joined MSM as an Instrument Manager in 1974, where he was primarily responsible for the implementation of automatic/computer control and mechanisation of sugar refinery operations. He rose through the ranks of MSM and was appointed as the Factory Manager in 1988 before he was seconded to another subsidiary of PBB group, ChemQuest Sdn Bhd, holding the post of the Managing Director. Since 1999 until present, he is the Managing Director of MSM. He has over 30 years of experience in the sugar industry.

(ii) Mohamad Amri Sahari @ Khuzari

Mohamad Amri Sahari @ Khuzari is our Deputy Chief Executive Officer. He obtained a Bachelor Degree of Science in Mechanical Engineering in 1987 from South Dakota State University, USA and a Master of Business and Administration (Strategic Management) in 2003 from University of Technology Malaysia, Kuala Lumpur. He is also a qualified 2nd Grade Steam Engineer.

He began his career with Felda Palm Industries Sdn Bhd as a Factory Engineer in 1989 and later became a Mill Manager in Hamparan Badai Palm Oil Mill, Lahad Datu, Sabah in 1996. He was appointed as the General Manager of Felda Palm Industries Sdn Bhd in 2004 before he was seconded to KGFP, holding the same post of the General Manager. He was then promoted to Senior General Manager in 2008 and assumed the role until 2010. Currently, he is the Acting Executive Director/Chief Executive Officer of KGFP.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(iii) Raja Faridah Raja Ahmad

Raja Faridah Raja Ahmad is our Chief Financial Officer. She graduated with a Bachelor in Accountancy in 1987 from the University of East Anglia, Norwich, Norfolk, England. She is also a member of the Malaysian Institute of Accountants (MIA) and an Associate Member of the Chartered Institute of Management Accountant (CIMA).

She began her career with Perak State Development Corporation as a trainee executive in 1990 and was later seconded to a subsidiary printing company, undertaking a costing project for the newly acquired company.

She began her career with FELDA as an Accountant in 1991. She was appointed as the Manager/Head of Finance, thereafter the Senior Finance Manager of several companies and divisions within the FELDA Group between the years 1993 to 2005. She was primarily responsible to oversee the finance and accounting operations of the companies, and was instrumental in the implementation of the FELDA Group's SAP ERP System (SKB) from 2000 to 2003. She was promoted to General Manager, Finance in 2004, assuming the responsibility of the Head of Finance of the group's Plantation Division before joining FHB in 2005. She was seconded to PwC Capital Sdn Bhd, a company within the PricewaterhouseCoopers network of affiliate firms, specialising in consultancy and advisory work in 2008. She was then promoted to Executive Director of FHB Group Finance in 2009 until 2011.

Currently, she sits on the board of several private limited companies in Malaysia including Delima Oil Products Sdn Bhd, FTJ Bio Power Sdn Bhd, Malaysia Cocoa Manufacturing Sdn Bhd, ProXcel Sdn Bhd and Felda Iffco South China Ltd.

(iv) Gan Chong Ho

Gan Chong Ho is our Senior General Manager, Cane Cultivation. He obtained a Bachelor of Agriculture Science (Hons) from University of Malaya in 1971.

He joined Perlis Plantation Berhad in 1971 as the pioneer and facilitator and team leader of Perlis and Gunung Madu Sugar Cane Plantation in Sumatera, Indonesia and was employed by FGVP in year 2010. Subsequently, he was appointed as the Chief Executive Officer of FGVP. Currently, he is the Senior General Manager in charge of cane cultivation under KGFP.

(v) Ismail Abdullah

Ismail Abdullah is our General Manager, Logistics. He obtained a Police Science Diploma from Universiti Kebangsaan Malaysia. He is also a member of The Retired Police Officer Station Society.

He joined the Royal Malaysian Police Force in 1970 as a Probationary Inspector and retired as a Senior Assistant Commissioner (II) in 2006. He joined Astakonas in 2007 as the General Manager and is still currently holding the post in Astakonas.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(vi) Ha Charm Mun

Ha Charm Mun is our General Manager, Factory Operations. He obtained a Bachelor of Science in Mechanical Engineering from the University of Sussex, United Kingdom.

He began his career in MSM in 1982 as a Mechanical Engineer and was primarily responsible for plant maintenance, upgrading and expansion project implementation. In 1992, he joined DuPont Singapore, Adi-pure Plant as a Senior Engineer and was responsible for plant maintenance support to the company. After 7 years of service with DuPont Singapore, he joined Idemitsu SM (Malaysia) Sdn Bhd as a Maintenance Manager with the primary job function of attending to the maintenance of a styrene monomer plant. He later rejoined MSM in 2002 and was appointed as the General Manager in 2004.

13.2.2 Our Key Management's Shareholding

The following table sets forth the direct and indirect shareholding of each member of the key management before and after the IPO (assuming full subscription of the Pink Form Allocation):

	Before IPO				After IPO ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chua Say Sin	-	-	-	-	20,000	#	-	-
Mohamad Amri Sahari @ Khuzari	-	-	-	-	16,000	#	-	-
Raja Faridah Raja Ahmad	-	-	-	-	14,000	#	-	-
Gan Chong Ho	-	-	-	-	14,000	#	-	-
Ismail Abdullah	-	-	-	-	14,000	#	-	-
Ha Charm Mun	-	-	-	-	14,000	#	-	-

Notes:

Less than 0.01%.

(1) Excludes Shares they may subscribe under the Retail Offering.

13.2.3 Service Contracts of Key Management

As at the date of this Prospectus, there are no existing or proposed service contracts with our key management.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.2.4 Involvement of Key Management in Other Businesses / Corporations

Based on the declarations by our key management personnel, none of them are involved in the operations of other businesses or corporations:

Name	Directorships	Involvement in business activities other than as a director
Chua Say Sin	<i>Present directorship:</i> <ul style="list-style-type: none"> • MSM <i>Previous directorship:</i> <ul style="list-style-type: none"> • Tego Sdn Bhd 	• Nil
Mohamad Amri Sahari @ Khuzari	<i>Present directorship:</i> <ul style="list-style-type: none"> • Nil <i>Previous directorship:</i> <ul style="list-style-type: none"> • CSR 	• Nil
Raja Faridah Raja Ahmad	<i>Present directorships:</i> <ul style="list-style-type: none"> • Delima Oil Products Sdn Bhd • FTJ Bio Power Sdn Bhd • Malaysia Cocoa Manufacturing Sdn Bhd • ProXcel Sdn Bhd • Felda Ifco South China Ltd <i>Previous directorship:</i> <ul style="list-style-type: none"> • Trurich Resources Sdn Bhd 	• Nil
Gan Chong Ho	<i>Present directorship:</i> <ul style="list-style-type: none"> • Nil <i>Previous directorship:</i> <ul style="list-style-type: none"> • KGFP 	• Nil
Ismail Abdullah	<i>Present directorship:</i> <ul style="list-style-type: none"> • Nil <i>Previous directorship:</i> <ul style="list-style-type: none"> • Nil 	• Nil
Ha Charm Mun	<i>Present directorship:</i> <ul style="list-style-type: none"> • Nil <i>Previous directorship:</i> <ul style="list-style-type: none"> • Nil 	• Nil

The involvement of our key management personnel in other businesses as highlighted above is not expected to affect their contribution to our Company as our key management are not actively involved in the management and day to day operations of these businesses and/or corporations whereby their involvement are only to the extent of attending board meetings.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

13.2.5 Management Succession Plans

We acknowledge the importance of ensuring continuity in our management in order to maintain our competitive edge over our competitors. Our continued success depends on, among other factors, the support and dedication of our management personnel. We have in place human resource strategies which include suitable compensation packages and structured succession planning. Our initiatives on succession planning include:

- (i) identifying key competencies and requirements for managers and higher positions and developing job and candidate profiles for management positions in line with our business goals, strategies and culture; and
- (ii) taking a proactive approach towards addressing talent management to ensure that we have talent readily available to undertake leadership positions throughout our Group.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to advance to senior management positions.

13.3 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

13.3.1 Shareholdings

As at the date of this Prospectus, our Promoters and/or substantial shareholders and their interest in our Shares before and after the IPO are as follows:

	Before the IPO				After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
FELDA	-	-	489,174,148	84.63	-	-	379,609,448	54.00
FGVH	207,804,348	35.95	281,369,800	48.68	98,239,648	13.97	281,369,800	40.03
FGVS	281,369,800	48.68	-	-	281,369,800	40.03	-	-
KPF	88,805,852	15.37	-	-	140,595,952	20.00	-	-

Except as set out above, we are not aware of any other person who directly or indirectly, jointly or severally, exercises control over us.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**13.3.2 Profile of our promoters and substantial shareholders**

The profile of our Promoters who are also our substantial shareholders is set out below:

FELDA

FELDA is the statutory body established on 1 July 1956 under the Land Development Ordinance 1956 whose function originally was to develop land development schemes in the respective states which include uplifting the economic status of settlers into the newly developed land area. FELDA focuses mainly on Peninsular Malaysia with 426,795.18 ha of land developed by FELDA, and 10,136.15 ha in Sabah and Sarawak which is managed by FELDA as commercial estates. FELDA has diversified from its original business of land development to other agro based related sectors. In addition to managing 850,000 ha of oil palm plantation, Felda Group is also involved in businesses of milling and refining, processing and marketing industrial palm oil products, manufacturing and selling compound fertilizers, agricultural research services, transportation, bulking services and marketing of their various products and services. The investments of FELDA are managed and operated by its subsidiaries. Apart from being the largest sugar producer, Felda Group is one of the largest crude palm oil producers in Malaysia with production of approximately 3 million mt per annum from their operations of approximately 70 palm oil mills.

FGVH

FGVH was incorporated on 19 December 2007 and spearheads Felda Group's business transformation into an integrated, multinational corporation. FGVH has interests in more than 80 active companies undertaking diverse activities in the agri-business sector mainly multi-crop plantations, oils & fats, oleochemicals and logistics and services. FGVH also has a presence in many foreign countries, including the United States, Canada, Pakistan, China, Indonesia, Thailand, South Africa, France and Turkey. FGVH aims to extend its global reach by undertaking investments, acquisitions and strategic collaborations across the upstream and downstream value chain. FGVH's vision is to become a globally integrated and diversified agro-based multi-national corporation. FELDA owns 100% stake in FGVH, which in turn has a 49% stake in FHB.

FGVS

FGVS was incorporated on 20 August 2007 under the name FGV Brazil Sdn Bhd and changed its name to its present name on 19 January 2010. FGVS is a subsidiary of FGVH established to manage the operations of the sugar investments held within the Felda Group. FGVS first acquired the entire equity interest in MSM from PPB Group on 12 January 2010. On 1 January 2010, FGVS acquired from PPB Group 50% of the equity interest in KGFP which was jointly managed previously by PPB Group and FHB.

FGVS is a wholly-owned subsidiary of FGVH.

KPF

KPF, a co-operative society incorporated under the Co-operative Ordinance 1948 and Co-operative Society Act 1993, was established on 1 July 1980 under the name of Koperasi Permodalan Felda Berhad. It changed its name to Koperasi Permodalan FELDA Malaysia Berhad on 26 August 2010. The principal activities of KPF are investment co-operative, entrusted with the responsibility of promoting and consolidating FELDA's settlers and staff savings. Its core investment is in Felda Group's equity shareholding. KPF also invests in other types of investment arrangements such as private equity, quoted shares, property, private debt securities, money market, etc. KPF currently holds 51% interest in FHB.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

As at the Latest Practicable Date, the substantial shareholder of FGVH and its shareholdings in FGVH is as follows:

Substantial Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
FELDA	1,767,612,000 ⁽¹⁾	100	-	-

Note:

(1) Excluding 164,030,000 redeemable cumulative and non-voting convertible preference shares issued by FGVH ("RCCPS"), 300,470,000 RCCPS B, 69,970,000 RCCPS C, 36,120,000 RCCPS D, 94,358,206 RCCPS E and 10,297,032 RCCPS F all of which are held by FELDA.

As at the Latest Practicable Date, the substantial shareholders of FGVS and their respective shareholdings in FGVS is as follows:

Substantial Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
FELDA	-	-	1,221,164,702	100
FGVH	1,221,164,702	100	-	-

As at the Latest Practicable Date, the members of the Board of Directors of Felda, FGVH and FGVS and their respective shareholdings in Felda, FGVH and FGVS are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
FELDA				
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-
Dato' Dzulkifli Abd Wahab	-	-	-	-
Tan Sri Dr. Wan Abdul Aziz Wan Abdullah	-	-	-	-
Datuk R. Sharifuddin Hizan R. Zainal Abidin	-	-	-	-
Shamsudin Othman	-	-	-	-
Dr. Omar Salim	-	-	-	-
Dato' Haji Tan Mohd Aminuddin Haji Ishak	-	-	-	-
Datuk Mohd. Suhaili Said	-	-	-	-
Dato' Noriyah bt Ahmad	-	-	-	-
Ir. Haji Hamim Haji Samuri	-	-	-	-
Dato' Haji Ismail Haji Abd Muttalib	-	-	-	-
Dato' Sabri Ahmad	-	-	-	-

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
FGVH				
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-
Dato' Dzulkifli Abd Wahab	-	-	-	-
Tan Sri Dr. Sulaiman Mahbob	-	-	-	-
Tan Sri Dr. Wan Abdul Aziz Wan Abdullah	-	-	-	-
Dato' Sabri Ahmad	-	-	-	-
Suhaimi Zainuddin (<i>alternate to Dato' Dzulkifli Abd Wahab</i>)	-	-	-	-
Dato' Azlin Alias	-	-	-	-
Habibul Rahman Kadir Shah	-	-	-	-
Dato' Mohd Rafik Shah Mohamad	-	-	-	-
Dr. Omar Salim	-	-	-	-
Datuk Nozirah Bahari (<i>alternate to Tan Sri Dr. Wan Abdul Aziz Wan Abdullah</i>)	-	-	-	-
Datuk Hj Ismail Hj Hashim	-	-	-	-
Datuk Mohd Hafarizam Harun	-	-	-	-
Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
FGVS				
Dato' Dzulkifli Abd Wahab	-	-	-	-
Dato' Sabri Ahmad	-	-	-	-

13.3.3 Changes in Promoters' and substantial shareholders' shareholdings in the Company for the past three (3) years

Save for the issuance of Shares to the Promoters pursuant to the Pre-Listing Restructuring, there has been no change in the Promoters and substantial shareholders' shareholdings in our Company for the past three (3) years preceding the Latest Practicable Date.

There has been no change in our substantial shareholders' and/or our Promoters' interest in our Shares from the Latest Practicable Date up to the date of this Prospectus.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

Save as disclosed below, as at the Latest Practicable Date, the Promoters do not have any interest, direct or indirect, in other businesses and corporations which are (i) carrying on a similar trade as that of MSM Holdings; or are (ii) customers of and/or suppliers to MSM Holdings:

Substantial shareholder	Businesses/Corporations	Nature of interest
FGVH	<i>Similar trade as that of MSM Holdings:</i> <ul style="list-style-type: none"> • 20 % shareholdings in Tradewinds (M) Berhad ("TWS"), a company listed on the Main Market of Bursa Securities 	<ul style="list-style-type: none"> • Major shareholder

Based on publicly available information, FGVH is not the single largest shareholder of TWS and does not have a controlling interest in TWS. In addition, FGVH's interest in TWS is for investment purposes only and FGVH is not involved in the daily running and operation of TWS and its subsidiary.

The Directors of our Company are of the view that FGVH's direct shareholding in TWS and indirect shareholding in CSR and GPT do not give rise to a situation of conflict of interest with our Group and our Group's sugar business.

13.4 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

Save as disclosed, there are no family relationships/associations between our Directors, key management, substantial shareholders and Promoters.

13.5 DECLARATION BY OUR DIRECTORS, KEY MANAGEMENT AND PROMOTERS

Except as disclosed below, none of our Directors, key management or Promoters is or has been involved in the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was 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;
- (ii) disqualified from acting as a director of any corporation or from taking part, directly or indirectly, in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) 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.

14. APPROVALS AND CONDITIONS

14.1 APPROVALS AND CONDITIONS

The SC has, via its letter dated 12 May 2011, approved the IPO under the Section 212(5) of the CMSA and equity requirement for public companies, subject to the compliance with the following conditions:

Details of Conditions Imposed	Status of Compliance
(i) MSM Holdings shall not utilise the proceeds raised from the public issue to pay for dividends	Noted
(ii) MSM Holdings is to obtain the approval of change in express condition within six (6)-month from the date of SC's decision letter: <ul style="list-style-type: none"> • Lot 2035, Lot 2037, Lot 2038, Lot 2040, Lot 2041, PT 349, PT4363, PT4364 and HS(D) 145, Mukim of Chuping, District of Perlis, Perlis 	To be complied
(iii) MSM Holdings is to rectify all unapproved structures for the following properties within six (6)-month from the date of SC's decision letter: <ul style="list-style-type: none"> • PT 34446 and PT 34447, Mukim of Batu, District of Gombak, Selangor • Lot 287, Town of Prai, District of Seberang Perai Tengah, Penang 	To be complied
(iv) CIMB / MSM Holdings must comply with the relevant requirements pertaining to the implementation of the listing proposal as stipulated under SC's Equity Guidelines and Prospectus Guidelines	Noted

The SAC of the SC has, via its letter dated 18 May 2011, classified the Shares as Shariah-compliant.

The SC has, via its letter dated 1 April 2011, approved the exemptions sought from having to comply with certain requirements under the SC's Equity Guidelines and Prospectus Guidelines. The details of the exemptions sought and the accompanying conditions imposed by the SC are as follows:

Reference	Details of the waivers sought	Conditions imposed (if any)	Status of compliance of conditions (if any)
Equities Guidelines Paragraph 2(f), Appendix I	Waiver to allow a modified confirmation such that any disclosures on non-compliances is made only with respect to the breach of any relevant laws, regulations, rules and requirements which may have a material adverse impact on the business operations and/or financial position of the MSM Holdings Group	Nil	Not applicable

14. APPROVALS AND CONDITIONS (Cont'd)

<u>Reference</u>	<u>Details of the waivers sought</u>	<u>Conditions imposed (if any)</u>	<u>Status of compliance of conditions (if any)</u>
Prospectus Guidelines Paragraph 12.15, 12.16 (a) and (c)	To substitute the proforma income statement and proforma cash flow statement with the combined income statements and combined cash flow statements	Nil	Not applicable
Paragraph 13.13 (b)	To substitute the combined statement of changes in equity with reconciliation of movement in combined entity	Nil	Not applicable
Paragraph 8.02 (m) and 18.01 (c)	Waiver from having to disclose the terms of the raw sugar supply agreement between the sugar manufacturers and the government which is subject to confidentiality clause in the Prospectus and also to have a redacted agreement available for inspection by the public subject to the consent received by the respective parties to the agreement	Approved-in-principle, subject to the clearance of the redacted version of the raw sugar supply agreements	Met. All relevant redacted version of the raw sugar supply agreements have been submitted to the SC.
Paragraph 1.05, Chapter I of Part III: Procedures for Registration	To allow the following in respect of the exposure draft Prospectus:		
	(i) Information on the issue price of the IPO Shares, number of IPO Shares and the authorised share capital of MSM Holdings to be left blank; and	Nil	Not applicable
	(ii) Draft proforma balance sheet, Reporting Accountants' letter and underwriting agreement may be included in the prospectus for exposure purposes	Nil	Not applicable

14. APPROVALS AND CONDITIONS (Cont'd)

Reference	Details of the consent and confirmation sought	Conditions imposed (if any)	Status of compliance of conditions (if any)
Paragraph 1.10 (a)(iii), Chapter I of Part III: Procedures for Registration	Waiver to provide a modified confirmation that "save for certain pages in the English prospectus, the proforma balance sheet, the Reporting Accountants' Letter, Directors' Report Independent Market Research Report, placement, lock up arrangements and underwriting agreement", the accompanying documents in the registration file are complete, duly signed and dated	Nil	Not applicable
Paragraph 1.09, Chapter I of Part III: Procedures for Registration	To allow the public exposure of the Prospectus to begin the day after the public announcement of the Listing is made	Nil	Not applicable
Paragraph 1.10(k), Chapter I of Part III: Procedures for Registration	To allow the Bahasa Malaysia version of any expert's report to only be submitted at the confirmation stage of registration.	Nil	Not applicable
Capital Markets & Services (Price Stabilisation Mechanism) Regulations 2008			
Chapter 5	To allow the return of proceeds from the sale of borrowed shares to the lending shareholders as a means to settle the over-allotment shares.	Nil	Not applicable
Capital Markets and Services Act 2007			
Schedule 5	To confirm that the Pre-Listing Restructuring steps do not require SC's approval	Nil	Not applicable
Equity Guidelines			
Paragraph 5.21	Preference allocation – Waiver to allow the directors and employees of FGVS and FHB to be eligible for the Pink Forms	Nil	Not applicable

14. APPROVALS AND CONDITIONS (Cont'd)

The Equity Compliance Unit of the SC via its letter dated 24 May 2011, noted that the effective equity structure relating to the Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the Listing as follows:

Shareholders	Before IPO	After IPO ⁽¹⁾⁽²⁾	Assuming exercise of Over-allotment Option ⁽³⁾⁽⁴⁾
	%	%	%
Bumiputera	100.0	87.5	84.5
Non-Bumiputera	-	12.5	12.5
Foreign	-	-	3.0
Total	100.0	100.0	100.0

Notes:

- (1) Assuming the Special Offering to KPF is fully subscribed.
- (2) Assuming all the IPO shares allocated to Bumiputera investors approved by the MITI and all the Issue Shares allocated to Bumiputera public investors pursuant to the Retail Offering are fully subscribed.
- (3) Assumes that all the over-allotted MSM Holdings Shares are fully subscribed by foreign institutional investors.
- (4) Assumes that the Stabilising Manager distributes the proceeds received from the sale of borrowed MSM Holdings Shares to FGVH as means to settle the over-allotted MSM Holdings Shares.

The MITI, in its letter dated 22 April 2011, has stated that it has no objection to the IPO, subject to compliance with the following condition:

Details of condition imposed	Status of compliance
(i) To obtain the SC's approval for the IPO	Complied. The SC had via its letter dated 12 May 2011 approved the IPO.

14.2 MORATORIUM ON THE SALE OF SHARES

Pursuant to the SC Guidelines, Shares held by our Promoters amounting to 379,609,448 Shares or 54% of our nominal issued and paid-up share capital at the date of admission of our Company to the Official List of the Main Market of Bursa Securities are to be placed under moratorium. In this respect, our Promoters whose Shares are subject to moratorium are set out below:

Promoter	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
FELDA	-	-	379,609,448	54
FGVH	98,239,648	14*	281,369,800	40*
FGVS	281,369,800	40	-	-

Note:

- * The actual percentage of shareholdings shall vary and/or be adjusted accordingly based on the level of subscription for the IPO Shares.

Our Promoters have fully accepted the moratorium. They will not be permitted to sell, transfer or assign any part of their respective interest in the Shares under moratorium for a 6 month period beginning from the date of our admission to the Official List of the Main Market of Bursa Securities.

The above moratorium restrictions are specifically endorsed on the share certificates representing the respective Shares held by our Promoters which are under moratorium to ensure that the Company's share registrar does not register any transfer that contravenes such restrictions.

15. VALUATION CERTIFICATES

Raine&Horne **Raine & Horne International
Zaki + Partners Sdn. Bhd.**

(Company No. 99440-T)
109A, 1st Floor, Jalan SS 14/1,
47500 Subang Jaya,
Selangor Darul Ehsan, Malaysia.
Telephone : +603-5631 9668 / 5632 9582
Fax : +603-5632 9588
Email : rhizpsj@streamyx.com

Our Ref: VSJ/F/FGVP/10/1 (A)

Date : 23 May 2011

The Board of Directors
MSM Malaysia Holdings Berhad
Level 3, Balai Felda
Jalan Gurney 1
54000 Kuala Lumpur

Dear Sirs,

VALUATION OF A SUGAR CANE PLANTATION COMPRISING EIGHT (8) PARCELS OF AGRICULTURAL LAND IDENTIFIED AS LOTS 2035, 2037, 2038, 2040, 2041, PT 4363, PT 4364, AND HS(D) 145, ALL LOCATED WITHIN MUKIM OF CHUPING, DISTRICT OF PERLIS, STATE OF PERLIS ("PROPERTY")

This letter has been prepared for inclusion in the Prospectus of **MSM Malaysia Holdings Berhad** to be dated 2 June 2011 in relation to **the Proposed Initial Public Offering of MSM Malaysia Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad.**

We are pleased to confirm that we have valued the Property vide our Valuation Report bearing Reference No. VSJ/F/FGVP/10/1 (A) dated 4 March 2011, using the Comparison Method of Valuation in arriving at the Market Value which forms the basis of our valuation.

Market Value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's – length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Valuation Report has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

Perunding Harta Tanah Antarabangsa • International Property Consultants

PENANG

IPOH

KUALA LUMPUR

KELANG

PETALING JAYA

SEREMBAN

MELAKA

KUANTAN

JOHOR BAHRU

KUCHING

K. KINABALU

**PENILAI**
VE (1) 0067/11

Representative offices throughout Asia, Australia, New Zealand, Europe, Americas & Africa

Raine&Horne 

www.raineandhorne.com.my

15. VALUATION CERTIFICATES (Cont'd)

Raine & Horne®
Raine & Horne International Zaki + Partners Sdn. Bhd.

-2-

We have valued the unexpired leasehold of about 50 years and 51 years in a sugar cane plantation known as 'Ladang Gula Chuping' comprising eight (8) parcels of agricultural land identified as Lots 2035, 2037, 2038, 2040, 2041, PT 4363, PT 4364 and HS(D) 145, all located within Mukim of Chuping, District of Perlis, State of Perlis, having a net land area after land acquisition of 4,441.91 hectares (10,976.19 acres) on the basis the titles are free from all encumbrances and with vacant possession save for the three (3) areas which are subject to existing tenancies and are of the opinion that the Market Value of the Property is **Ringgit Malaysia Ninety Eight Million And Eight Hundred Thousand Only (RM98,800,000.00)**.

A summary of the valuation is set out in the following attachment.

Yours faithfully
**RAINE & HORNE INTERNATIONAL
ZAKI + PARTNERS SDN BHD**



**HO SEK CHUEN, MRICS FISM
REGISTERED VALUER
REG NO. V-373**

15. VALUATION CERTIFICATES (Cont'd)

Raine & Horne®
Raine & Horne International Zaki + Partners Sdn. Bhd.

Reference No.

Reference no. VSJ/F/FGVP/10/1 (A)

Date of Valuation

4 March 2011

General Description of Subject Property**Property Type**

The subject property is a sugar cane plantation known as "Ladang Gula Chuping" which comprises eight (8) parcels of agricultural land and identified as Lots 2035, 2037, 2038, 2040, 2041, PT 4363, PT 4364 and HS(D) 145.

Location

The subject property, known as 'Ladang Gula Chuping' is sited in northern Perlis and close to the Malaysia-Thailand border. The sugar cane plantation is located near Padang Besar and sited on the both (eastern/western) sides of the Ulu Pauh – Padang Besar main trunk road, travelling from the south towards the northern direction. It has a direct frontage onto the Ulu Pauh – Padang Besar main trunk road which is a metalled road.

Kangar, being the capital city of Perlis, is located about 30 kilometres due south-west of the subject property (sugar cane plantation) whilst Padang Besar town is located about 7 kilometres due north.

Land Area

The net land area of the subject property after land acquisition is 4,441.91 hectares (10,976.19 acres) of which we have adopted in our Valuation.

15. VALUATION CERTIFICATES (Cont'd)

The details of the land areas of the subject property are as follows:-

No.	PT/Lot Nos.	Title Area		Area Acquired	Net Land Area After Land Acquisition		Land Use
		Hectares	Acres	Hectares	Hectares	Acres	
1.	2035	1268.1079	3,133.56	-	1,268.1079	3,133.56	Sugar Cane Plantation
2.	2037	277.1783	684.92	-	277.1783	684.92	Sugar Cane Plantation.
3.	2038	288.8774	713.83	-	288.8774	713.83	Sugar Cane Plantation, housing complex
4.	2040	542.7972	1,341.28	18.8574	523.9398	1,294.68	Sugar Cane Plantation, Asrama TKA
5.	2041	103.6563	256.14	11.4546	92.2017	227.84	Sugar Cane Plantation
6.	PT 4363	967.8293	2,391.55	14.0864	953.7429	2,356.75	Sugar Cane Plantation and agriculture complex (office)
7.	PT 4364	10.0006	24.71	-	10.0006	24.71	Sugar Cane Plantation
8.	HS(D) 145	1,027.9024	2,540.00	0.040468	1,027.8619	2,539.90	Sugar Cane Plantation
		4,486.3494	11,085.99	44.4389	4,441.9105	10,976.19	

The portion of the land with an unexpired leasehold interest of about 50 years constitutes 76.86% of the total net land area whilst 23.14% of the land has an unexpired leasehold interest of about 51 years.

The summary the net land area after land acquisition is as follows:

Lots	Hectares	Acres	% of total net land area	Unexpired Leasehold Interest
Lots 2035, 2037, 2038, 2040, 2041, PT 4363, PT 4364	3,414.05	8,436.29	76.86%	50 years
HS(D) 145	1,027.86	2,539.90	23.14%	51 years
Total	4,441.91	10,976.19	100.00%	

Topography

There is no steepness in the terrain save for some gentle undulating terrain on some parts of the subject property. There are also some low-lying areas that had created the occurrence of swamps but these are not significant in terms of land size.

15. VALUATION CERTIFICATES (Cont'd)

Land Use and Hectarage Statement

Based on the Land Use and Hectarage Statement, we note that there is high land use efficiency in the subject property with 85.1% of the land being cultivated with sugar cane. The other crops such as rubber, orchard, oil palm, cocoa and timber constitute 1.6% of the total land area. The total plantable area for the subject property is 86.7%.

Cultivation

The details of the sugar cane clones and the percentages planted in the subject property are as follows:

Cane Variety	2006	2007	2008	2009	2010
	%	%	%	%	%
TC 1	0.41%	0.36%	0.26%	0.00%	0.00%
00-766	0.00%	0.00%	0.00%	1.11%	4.40%
87-469	9.29%	7.21%	5.50%	3.56%	0.00%
TC 4	12.01%	9.12%	8.64%	7.70%	5.94%
93R 473	12.35%	14.89%	14.72%	14.08%	11.05%
TC 7	0.30%	0.30%	0.17%	0.00%	0.00%
98R 464	0.00%	0.00%	0.00%	4.82%	10.26%
PPB 11	14.81%	16.19%	15.27%	13.97%	8.76%
TC 9	3.88%	2.17%	1.29%	0.41%	0.00%
TC 10	28.99%	27.35%	28.16%	24.58%	17.62%
93R-154	2.78%	2.25%	0.00%	0.00%	0.00%
95R-1004	0.00%	0.00%	7.41%	13.29%	21.85%
95R- 1308	4.31%	5.34%	5.76%	6.00%	5.28%
Others	10.87%	14.82%	12.82%	10.48%	14.84%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

The planting of sugar cane involves seedling planting or ratoon cycle on bare land.

The seedling planting involves planting of new seeds on the bare land whilst the ratoon cycle involves the harvesting of the sugar cane and leaving the stubble in the ground for it to regenerate.

The ratoon cycle method enables the landowner to get 4 to 6 ratoons (cycles) before the yield starts to drop and thereafter the field has to be replanted with seedling. The replanting of sugar cane is normally carried out after harvesting.

15. VALUATION CERTIFICATES (Cont'd)

Yields

The sugar cane yield has dropped from a high of 24.36 tonnes per acre in 2006/07 to 20.29 tonnes per acre in 2009/10. This was due to the cultivation shift towards seedling planting and exceptional wet weather conditions in recent years.

The average cane yield for the past 5 years is as follows:

Yield	34 th Crop	35 th Crop	36 th Crop	37 th Crop	38 th Crop
	2005/06	2006/07	2007/08	2008/09	2009/10
Cane Yield (tonne)	222,612	258,763	252,167	228,196	225,626
Yield per hectare (tonne/ha)	57.77	60.19	55.36	51.28	50.14
Yield per acre (tonne/ac)	23.38	24.36	22.40	20.75	20.29

Harvesting

The harvesting of the cane is normally carried out between December and March when rainfall is less frequent and the sugar cane's sugar content is at its highest. The harvesting is done by contract labour imported mainly from Thailand. The harvesting is carried out via controlled burning of the field to remove leaves, weeds and other trash which impede harvesting. The burnt cane stalk which is blackened and hardened is then harvested, gathered and sent to the nearby sugar cane mill and refinery known as Kilang Gula Felda Perlis for processing.

Infrastructure

The subject property is well served by a network of internal metalled and gravel roads which are generally in good condition.

Maintenance and Upkeep

At the date of our inspection, we note that the sugar cane plantation is generally well maintained. The growth of the sugar cane and other crops is generally satisfactory. The cultivation appears healthy and the general upkeep and ground conditions of the cultivated areas are well maintained.

Management

The plantation is managed and operated by the landowner, Felda Global Ventures Perlis Sdn Bhd.

15. VALUATION CERTIFICATES (Cont'd)

Buildings

The subject property accommodates the following main buildings that form part of the sugar cane plantation's operations:

- i) Agriculture complex (office) erected on PT 4363 (formerly part of Lot 2036). These buildings generally comprise agriculture office/laboratory, various workshops and stores, canteen, power house and guard house.
- ii) Housing complex erected on Lot 2038. These buildings comprise 7 units of single store detached houses and 60 units of semi-detached houses.

The above-mentioned buildings are generally in fair condition and were mostly built in the 1970s.

Based on a letter issued by Majlis Perbandaran Kangar bearing reference no. MPK.Ps.01/134 JI 7(92) dated 23 February 2011, we noted that the local authority has no objection to the buildings which were erected on the subject property to be exempted from the requirement of Certificate of Fitness for Occupation (C.F.O.).

Title Particulars

The title particulars of the subject property are as follows:-

Nos.	Title Nos.	PT /Lot Nos.	Title Area (Hectares)	Annual Rent (RM)
1	PN 39	2035	1,268.1079	81,159.00
2	PN 43	2037	277.1783	17,741.00
3	PN 40	2038	288.8774	18,490.00
4	PN 37	2040	542.7972	33,530.00
5	PN 41	2041	103.6563	5,952.00
6	HS(D) 8549	4363	967.8293	61,760.00
7	HS(D) 8550	4364	10.0006	704.00
8	HS(D) 145	-	1,027.9024	65,784.00

All the above titles are held under Mukim of Chuping, District of Perlis, State of Perlis.

Tenure : Lot 2035
Leasehold interest for a term of 90 years, expiring on 15 October 2061.

Lots 2037, 2038, 2040, 2041, PT 4363 & PT 4364
Leasehold interest for a term of 90 years, expiring on 12 June 2061.

HS(D) 145
Leasehold interest for a term of 90 years, expiring on 12 January 2062.

Category of Land Use : Agriculture in respect of all the titles.

Registered Owner : **FELDA GLOBAL VENTURES PERLIS SDN BHD**, in respect of all the titles.

15. VALUATION CERTIFICATES (Cont'd)

Express Conditions : Lots 2040 and 2041

The main Express Conditions states that the land use is for 'Ladang Tebu'. There are nine (9) other Express Conditions specifying the conditions of land use.

Lots 2035, 2037, 2038, PT 4363 & PT 4364

The main Express Conditions states that the land use is for 'Ladang Tebu'. There are twelve (12) other Express Conditions specifying the conditions of land use.

HS(D) 145

The main Express Conditions states that the land use is for 'Ladang Tebu'. There are fifteen (15) other Express Conditions specifying the conditions of land use.

Planning Information

Our verbal enquiries conducted at the Perlis Town and Country Planning Department revealed that the subject property is located within an area zoned for agricultural use.

Basis of Valuation

Our basis of valuation is the **Market Value**. Market Value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Method of Valuation

In arriving at the Market Value of the subject property, we have adopted the **Comparison Method of Valuation**. The Comparison Method of Valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

15. VALUATION CERTIFICATES (Cont'd)

A summary of the sales evidences analysed in our valuation using the Comparison Method is as follows:-

No.	Comparable Description	Date of Transaction	Consideration (RM)	Analysis (RM per ac)	Adjustment	Adjusted Value (RM per acre)
1	<p>PT 245 & 53 other Lots, all located within various Mukims, District of Padang Terap and Pokok Sena, Kedah Darul Aman.</p> <p>54 parcels of agricultural land cultivated with sugar cane (40.23%), rubber (8.93%), oil palm (2.32%) whilst the remaining 48.52% consists mainly ex-sugar cane plantation which has been harvested and is currently idle, mix farming, roads, hilly areas, swamp and ponds.. Located on both side of Pokok Sena-Padang Sanai main road, about 10 kilometres from Kuala Nerang town.</p> <p>Land area : 28,197 acres</p> <p>Tenure : Sub-leasehold interest for 60 years, expiring between 2055 and 2060, with an option to renew for another 39 years at RM1.00.</p> <p>Express Condition in Title : Lain-lain Jenis Tanamam.</p>	30//04/2007 (Date of Announcement)	268,000,000 (Subscription Price)	9,505	Upwards adjustments made for Market Condition, Location, Size and Plantable Area whilst downwards adjustments made for Tenure and Express Condition in Title.	9,209
2	<p>PT 100, Mukim of Bagan Tiang, District of Kerian, Perak Darul Ridzuan. (A parcel of agricultural land located off Jalan Tg. Piandang – Bagan Tiang, Parit Buntar).</p> <p>Land Area : 400 acres</p> <p>Tenure : Leasehold 99 years, expiring on 17/10/2095</p> <p>Express Condition in Title : Ternakan Air Crustaceans - Udang</p>	06/09/2007	3,264,000	8,160	<p>Upwards adjustments made for Market Condition and Tenure whilst downwards adjustments made for Size and Express Condition in Title.</p> <p>Further upwards adjustments for Land Preparation, Buildings & Structures and Cane Seedling Planting Costs.</p>	9,712

15. VALUATION CERTIFICATES (Cont'd)

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No.	Comparable Description	Date of Transaction	Consideration (RM)	Analysis (RM per ac)	Adjustment	Adjusted Value (RM per acre)
3	<p>PT 1023, Mukim of Sungkai, District of Batang Padang, Perak Darul Ridzuan. (A parcel of agricultural land situated along Jalan Changkat Sulaiman, Sungkai, Perak)</p> <p>Land area : 1,003.6 acres</p> <p>Tenure : Leasehold 99 years, expiring on 12/5/2095</p> <p>Express Condition in Title : Tanaman Dusun-Dusun</p>	05/02/2008	23,000,000	22,917	<p>Upwards adjustments made for Market Condition and Tenure whilst downwards adjustments made for Size and Express Condition in Title.</p> <p>Further upwards adjustments for Land Preparation, Buildings & Structures and Cane Seedling Planting Costs.</p>	10,875
4	<p>Lot 2386, Mukim of Tawar, District of Baling, Kedah Darul Aman.. (A parcel of agricultural land situated off Jalan Kampung Sungai Tawar, Kedah Darul Aman).</p> <p>Land area : 56.25 acres</p> <p>Tenure : Freehold</p> <p>Express Condition in Title : Kebun Getah</p>	18/08/2010	1,779,750	31,640	<p>Upwards adjustments made for Location whilst downwards adjustments made for Tenure, Size and Express Condition in Title.</p> <p>Further upwards adjustments for Land Preparation, Buildings & Structures and Cane Seedling Planting Costs.</p>	13,492

15. VALUATION CERTIFICATES (Cont'd)

Reconciliation of Market Value

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable 1 which is the best comparable. Comparable 1 is substantially a sugar cane plantation and we were unable to obtain other sales of sugar cane plantation land in Malaysia.

The subject property is unique as the Express Condition in Title restricts its land use to sugar cane plantation. In terms of size, Comparable 1 is larger than the subject property and it has a longer unexpired leasehold tenure. In terms of location, the subject property is in a better location as it is close to Padang Besar and Bukit Kayu Hitam. The plantable area of the subject property is also better as it has 86.72% utilisation compared to 64.28% for Comparable 1.

The overall adjustment on Comparable 1 is 5% downwards from RM9,505 per acre to RM9,029 per acre.

We have also noted recent agricultural land transactions near the subject property and the land compensation paid in respect of compulsory land acquisition on parts of the subject property.

Our opinion of the land value of the subject property as a vacant and unimproved agricultural land subject to the Express Condition of Sugar Cane cultivation is between RM5,000 to RM5,500 per acre. The estimated cost of Land Preparation, Buildings & Structures and Cane Seedling Planting is RM4,000 per acre. Hence, the value of the subject property as an improved land for Sugar Cane Plantation which is in operation and cultivated is in the range of RM9,000 to RM9,500 per acre.

After considering all factors, our opinion of the Market Value of the subject property is RM9,000 per acre which is computed as follows:

10,976.19 acres @ RM9,000 per acre = RM98,785,710.00
 Market Value is stated as RM98,800,000.00
 Analysis @ RM9,001.30 per acre

Market Value

RM98,800,000.00 (Ringgit Malaysia Ninety Eight Million And Eight Hundred Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)

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Zaki + Partners Sdn. Bhd.**

(Company No. 99440-T)
109A, 1st Floor, Jalan SS 14/1,
47500 Subang Jaya,
Selangor Darul Ehsan, Malaysia.
Telephone : +603-5631 9668 / 5632 9582
Fax : +603-5632 9588
Email : rhizpsj@streamyx.com

Our Ref: VSJ/F/FGVP/10/1 (B)

Date : 23 May 2011

The Board of Directors
MSM Malaysia Holdings Berhad
Level 3, Balai Felda
Jalan Gurney 1
54000 Kuala Lumpur

Dear Sirs,

**VALUATION OF A PARCEL OF AGRICULTURAL LAND IDENTIFIED AS PT 349, MUKIM
OF CHUPING, DISTRICT OF PERLIS, STATE OF PERLIS ("PROPERTY")**

This letter has been prepared for inclusion in the Prospectus of **MSM Malaysia Holdings Berhad** to be dated 2 June 2011 in relation to the **Proposed Initial Public Offering of MSM Malaysia Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad.**

We are pleased to confirm that we have valued the Property vide our Valuation Report bearing Reference No. VSJ/F/FGVP/10/1 (B) dated 4 March 2011, using the Comparison Method of Valuation in arriving at the Market Value which forms the basis of our valuation.

Market Value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's – length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Valuation Report has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

Perunding Harta Tanah Antarabangsa • International Property Consultants

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15. VALUATION CERTIFICATES (Cont'd)

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-2-

We have valued the unexpired leasehold of about 61 years in a parcel of agricultural land identified as PT 349, Mukim of Chuping, District of Perlis, State of Perlis, having a title land area of 12.8412 hectares (31.73 acres) on the basis the title is free from all encumbrances and with vacant possession and are of the opinion that the Market Value of the Property is **Ringgit Malaysia Eight Hundred Thousand Only (RM800,000.00)**.

The Market Value opinion is analysed over the land area at **Ringgit Malaysia Twenty Five Thousand Two Hundred And Twelve Only (RM25,212) per acre**.

A summary of the valuation is set out in the following attachment.

Yours faithfully
**RAINE & HORNE INTERNATIONAL
ZAKI + PARTNERS SDN BHD**



**HO SEK CHUEN, MRICS FISM
REGISTERED VALUER
REG NO. V-373**

15. VALUATION CERTIFICATES (Cont'd)

Reference No.

Reference no. VSJ/F/FGVP/10/1 (B)

Date of Valuation

4 March 2011

General Description of Subject Property**Property Type**

The subject property is a parcel of agricultural land and identified as PT 349 and designated for a Sugar Cane Research and Experimental Centre site which is presently not in use and partly planted with sugar cane.

Location

The subject property is situated in northern Perlis and within a locality known as Bilal Udoh. It is located approximately 10 kilometres to the west of 'Ladang Tebu Chuping' and is sited on the right (eastern) side of Kg. Kubang Tiga – Kg. Bukit Jerneh main road travelling from Kangar towards Padang Besar. It has direct frontage onto the Kg. Kubang Tiga – Kg. Bukit Jerneh main road which is a metalled road.

Kangar, being the capital city of Perlis, is located about 24 kilometres due south-west of the subject property whilst Padang Besar town is located about 15 kilometres due north-east.

The Site

The title land area of the subject property is 12.8412 hectares (31.73 acres).

The western site boundary enjoys a frontage of about 519.55 metres onto Kg. Kubang Tiga – Kg. Bukit Jerneh main road whilst other site boundaries adjoin the neighbouring lots

The land is generally flat in terrain and lies at about the same level as the Kg. Kubang Tiga – Kg. Bukit Jerneh main road.

The site boundaries are generally demarcated by chainlink fencing and the entrance is secured by a pair of metal gates mounted onto metal posts.

Cultivation

The subject site is presently planted with sugar cane.

15. VALUATION CERTIFICATES (Cont'd)

Buildings

The subject site accommodates three (3) laboratory buildings, one (1) generator room and four (4) staff quarters.

Based on a letter issued by Majlis Perbandaran Kangar bearing reference no. MPK.Ps.01/134 JI 7(92) dated 23 February 2011, we noted that the local authority has no objection to the buildings which were erected on the subject property to be exempted from the requirement of Certificate of Fitness for Occupation (C.F.O.).

We have however excluded the buildings from our valuation as they are presently not in use and generally in poor condition. Most of these buildings were built in the 1970s.

Title Particulars

Property	:	PT 349, Mukim of Chuping, District of Perlis, State of Perlis.
Title No.	:	HS (D) 2587.
Tenure	:	Leasehold interest for a term of 99 years expiring on 1 August 2072.
Category of Land Use	:	Agriculture.
Title Area	:	12.8412 hectares. (31 Acres 2 Roods 37 Poles).
Registered Owner	:	Felda Global Ventures Perlis Sdn Bhd.
Express Condition	:	Tapak Pusat Penyelidikan dan Percubaan Tebu. Syarat-syarat Khas:- i) Tanah yang dipajakkan ini hendaklah diguna khas untuk penyelidikan dan percubaan tebu sahaja. ii) Pemajak hendaklah pada sebilang masa mengambil langkah untuk mencegah diatas tanah ini daripada hakisan tanah sebagaimana yang dihendaki oleh Pengarah Pertanian Negeri. iii) Tanah yang dipajakkan ini tidak boleh dibelah bahagi.

Planning Information

Our verbal enquiries conducted at the Perlis Town and Country Planning Department revealed that the subject property is located within an area zoned for agricultural use.

15. VALUATION CERTIFICATES (Cont'd)

Basis of Valuation

Our basis of valuation is the **Market Value**. Market Value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Method of Valuation

In arriving at the Market Value of the subject property, we have adopted the **Comparison Method of Valuation**. The Comparison Method of Valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

A summary of the sales evidences analysed in our valuation using the Comparison Method is as follows:-

No.	Comparable Description	Date of Transaction	Consideration (RM)	Analysis (RM per ac)	Adjustment	Adjusted Value (RM per acre)
1	GM 2429, Lot 2590, Mukim of Chuping, District of Perlis, State of Perlis. (A parcel of agricultural land located fronting onto the Kg. Kubang Tiga – Kg, Bukit Jerneh main road, approximately 500 metres due south of the subject property). Land Area : 6.12 acres Tenure : Freehold. Express Condition in Title : Bendang	05//04/2010	290,000	47,386	Downwards adjustments made for Tenure, Size and Express Condition in Title.	28,432

15. VALUATION CERTIFICATES (Cont'd)

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No.	Comparable Description	Date of Transaction	Consideration (RM)	Analysis (RM per ac)	Adjustment	Adjusted Value (RM per acre)
2	GM 2463, Lot 2224, Mukim of Chuping, District of Perlis, State of Perlis. (A parcel of agricultural land located fronting onto the Kg. Kubang Tiga – Kg, Bukit Jerneh main road, approximately 750 metres due south of the subject property). Land Area : 6.39 acres Tenure : Freehold. Express Condition in Title : Bendang	18/12/2008	270,000	42,254	Upwards adjustment made for Market Condition whilst downwards adjustments made for Tenure, Size and Express Condition in Title.	29,578
3	GM 2493, Lot 8209, Mukim of Chuping, District of Perlis, State of Perlis. (A parcel of agricultural land located fronting onto the Kg. Kubang Tiga – Kg, Bukit Jerneh main road, approximately 1.7 kilometres due north-east of the subject property). Land Area : 2.11 acres Tenure : Freehold. Express Condition in Title : Kebun Getah.	30/08/2010	75,000	35,450	Downwards adjustments made for Tenure, Size and Express Condition in Title.	19,498
4	GM 1743, Lot 3227, Mukim of Chuping, District of Perlis, State of Perlis. (A parcel of agricultural land located off the Kg. Kubang Tiga – Kg, Bukit Jerneh main road, 2 nd layer Lot and sited to the south-east of the subject property). Land Area : 2.70 acres Tenure : Freehold. Express Condition in Title : Kebun Getah.	12/10/2010	70,000	29,925	Upwards adjustment made for Location whilst downwards adjustments made for Tenure, Size and Express Condition in Title.	22,444

15. VALUATION CERTIFICATES (Cont'd)

Reconciliation of Market Value

In reconciling our opinion of Market Value, we noted all the comparables are located in the same vicinity. We have however placed greater emphasis on Comparables 1, 2 and 3 which are all agricultural land with main road frontages.

Comparable 1 is a paddy land whilst Comparable 2 is a paddy land but planted with fruit trees. Comparable 3 is a rubber land. The subject property is unique as the Express Condition in Title restricts its land use to Sugar Cane Research and Experimental Centre site.

We have also noted the land compensation paid in respect of compulsory land acquisition on parts of the main sugar plantation.

After considering all factors, our opinion of the Market Value of the subject property is RM25,000 per acre which is computed as follows:

31.73 acres @ RM25,000 per acre = RM793,250.00
Market Value is stated as RM800,000.00
Analysis @ RM25,212 per acre

Market Value:

RM800,000.00 (Ringgit Malaysia Eight Hundred Thousand Only).

16. DIRECTORS' REPORT

MSM MALAYSIA HOLDINGS BERHAD
(COMPANY NO. 935722-K)**Registered Office:**

Level 3, Balai Felda
Jalan Gurney 1
54000 Kuala Lumpur
Malaysia

23 May 2011

The Shareholders
MSM Malaysia Holdings Berhad

Dear Sir/Madam,

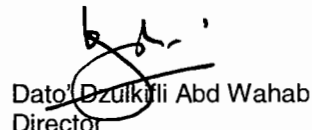
On behalf of the Directors of MSM Malaysia Holdings Berhad ("**MSM Holdings**"), we wish to report after due inquiry that MSM Holdings is a newly incorporated company which was incorporated on 10 March 2011 and has not had any audit performed on its financial statements and during the period from 31 December 2010 (being the date to which the last audited combined financial statements of the subsidiaries of MSM Holdings ("**Subsidiaries**") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) The business of MSM Holdings and its subsidiaries ("**MSM Holdings Group**") has, in the opinion of the Directors, been satisfactorily maintained;
- (b) In the opinion of the Directors, no circumstances have arisen since the last audited combined financial statements of the Subsidiaries which have adversely affected the trading or the values of the assets of the MSM Holdings Group;
- (c) The current assets of the MSM Holdings Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) Save as disclosed in Section 8.3.6 of this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by the MSM Holdings Group;
- (e) There has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings since the last audited combined financial statements of MSM Holdings Group; and
- (f) Save as disclosed in Section 12.1.2 of this Prospectus, there has been no material change in the published reserves or any unusual factors affecting the profits of MSM Holdings Group since the last audited combined financial statements of the Subsidiaries.

Yours faithfully
For and on behalf of the Board of Directors of
MSM Malaysia Holdings Berhad



Dato' Sabri Ahmad
Director



Dato' Dzulkifli Abd Wahab
Director

17. UNDERWRITING FOR THE RETAIL OFFERING

We and the Selling Shareholder had on 23 May 2011 entered into a Retail Underwriting Agreement with the Managing Underwriters and Joint Underwriters to underwrite 28,120,000 Issue Shares, subject to clawback and reallocation provisions set out in Section 4.3 of this Prospectus, at the underwriting commission set out in Section 4.6 of this Prospectus.

Below are the salient terms of the Retail Underwriting Agreement:

The underwriting obligation of our Joint Underwriters are subject to certain conditions precedent which must be satisfied on or prior to 3 Market Days after the closing date of the Retail Offering or such later date as consented to in writing. In addition, our Managing Underwriters or the Joint Underwriters may, by notice in writing given to us and the Selling Shareholder by the Managing Underwriter at any time before the date of our Listing, terminate, cancel and withdraw their underwriting commitment under the Retail Underwriting Agreement upon the occurrence of any one of the following events:

- (i) there is any breach by our Company or the Selling Shareholder of any of the warranties or undertakings set out in the Retail Underwriting Agreement in any respect;
- (ii) our Company or the Selling Shareholder withholds any material information from the Joint Managing Underwriters and the Joint Underwriters, which, in the opinion of the Joint Managing Underwriters and the Joint Underwriters, which would have or is reasonably likely to have a Material Adverse Effect. "**Material Adverse Effect**" means, whether individually or in the aggregate, and whether or not arising in the ordinary course of business:
 - (a) on the condition (financial or otherwise), general affairs, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company or our Group, taken as a whole, whether or not arising in the ordinary course of business, or
 - (b) on the ability of our Company and the Selling Shareholder to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by, the Prospectus, the Placement Agreement or the Retail Underwriting Agreement, or
 - (c) on the ability of our Company or any of our Group to conduct its businesses and to own or lease its assets and properties as described in the Prospectus, or
 - (d) on the IPO.
- (iii) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Managing Underwriters and the Joint Underwriters by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO which would have or is reasonably likely to have the effect of making any material obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
 - (a) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism; or

17. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)

- (b) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power; or
- (c) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other Acts of God;
- (iv) any government requisition or other occurrence of any nature whatsoever which would have or is reasonably likely to have a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO;
- (v) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Joint Managing Underwriters would have or is reasonably likely to, have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (i) on or after the date of the Retail Underwriting Agreement; and
 - (ii) prior to the Closing Date,

lower than 85%, 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 Retail Underwriting Agreement and remains at or below that level for at least three consecutive three (3) Market Days, it shall be deemed a material adverse change in the stock market condition;
- (vi) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;
- (vii) any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the reasonable opinion of the Joint Managing Underwriters and the Joint Underwriters may prejudice the success of the Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;
- (viii) the Institutional Offering and/or the Retail Offering is stopped or delayed by our Company, the Selling Shareholder or the regulatory authorities for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters and the Joint Underwriters);
- (ix) the Listing does not take place by 5 July 2011 or such other extended date as may be agreed by the Joint Managing Underwriters;
- (x) any commencement of legal proceedings or action against any member of the Group or any of the Selling Shareholder or any of their directors, which in the opinion of the Joint Managing Underwriters and the Joint Underwriters, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer the Shares; and
- (xi) the Placement Agreement shall have been terminated or rescinded in accordance with the terms.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

18.1 RELATED PARTY TRANSACTIONS

Under the Bursa Securities LR that are applicable to companies listed on the Main Market of Bursa Securities, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries that involves the interests, direct or indirect, of a related party. A "related party" of a listed issuer (not being a special purpose acquisition company) is:

- (i) a director having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) a major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that share or the aggregate of the nominal amounts of those shares is:
 - (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

18.1.1 Non-Recurrent Related Party Transactions

Save as disclosed below, there are no existing or potential non-recurrent related party transactions for the past three (3) years ended 31 December 2010 and proposed for the year ending 31 December 2011 that we have entered into in respect of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus. The transaction was carried out on arm's length basis.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction Amount RM
KGFP and FGVP	<p><u>Interested major shareholders</u></p> <ul style="list-style-type: none"> • FELDA • FGVH • FGVS <p><u>Interested directors</u></p> <ul style="list-style-type: none"> • YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, • Tan Sri Wan Abdul Aziz Wan Abdullah, • Dr. Omar Salim • Dato' Dzulkifli Abd Wahab • Dato' Sabri Ahmad • Datuk R. Sharifuddin Hizan R. Zainal Abidin • Ramli Putih • Mohd Nor Kailany • Suzana Idayu Wati Osman 	Sale of business and assets further to the Business Transfer Agreement	76,824,047

Datuk R. Sharifuddin Hizan R. Zainal Abidin is a director of FELDA and KGFP. FELDA holds approximately 99.99% of shares in FGVP. FELDA, through FGVH, FGVS and MSM Holdings, is the holding company of KGFP.

Ramli Putih, Mohd Nor Kailany and Suzana Idayu Wati Osman are common directors of KGFP and FGVP.

FELDA is the holding company of FGVH. In turn, FGVH, through FGVS, is the holding company of MSM Holdings which owns 100% of the shares in MSM and KGFP. YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, Tan Sri Wan Abdul Aziz Wan Abdullah, Dato' Dzulkifli Abd Wahab, Dato' Sabri Ahmad and Dr. Omar Salim are common directors of FELDA and FGVH. Dato' Dzulkifli Wahab and Dato' Sabri Ahmad are also directors of FELDA, FGVH and FGVS.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

18.1.2 Recurrent Related Party Transactions

Related party transactions are deemed recurrent if they are entered into at least once every three (3) years, in the ordinary course of business and are of a revenue nature necessary for our day-to-day operations.

We, through our subsidiaries enter into transactions in the ordinary course of business which are of revenue or trading in nature with related parties ("**Recurrent Transactions**"). Our Directors confirm that such Recurrent Transactions are carried out and will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties and which will not be detrimental to our minority shareholders.

We will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of Recurrent Transactions made, the names of the related parties involved and their relationship with our Company during the financial year and in the annual reports for subsequent financial years.

The Recurrent Transactions that we have entered into and proposed to enter with our related parties in subsequent financial years are set out below and save as disclosed, there are no existing or potential Recurrent Transactions that we have entered into in respect of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus.

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction value		
			2008 RM 000	2009 RM 000	2010 RM 000
MSM and FGVH	<u>Interested major shareholders</u>	Provision of management services to MSM by FGVH	-	-	1,247.0
	<ul style="list-style-type: none"> • FELDA • FGVS 				
	<u>Interested directors</u>				
	<ul style="list-style-type: none"> • YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad • Tan Sri Wan Abdul Aziz Wan Abdullah • Dr. Omar Salim • Dato' Azlin Alias • Dato' Dzulkifli Abd Wahab 				
			2008 RM 000	2009 RM 000	2010 RM 000
					12 months ending 31 December 2011 (estimate) RM 000
					1,544.4

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction value			
			2008 RM 000	2009 RM 000	2010 RM 000	12 months ending 31 December 2011 (estimate) RM 000
MSM and FGVH (cont'd)	<ul style="list-style-type: none"> Dato' Sabri Ahmad Datuk R. Sharifuddin Hizan R. Zainal Abidin <p>Dato' Dzulkifli Abd Wahab, Datuk R. Sharifuddin Hizan R. Zainal Abidin and Dato' Sabri Ahmad are directors of FELDA and MSM.</p> <p>Dato' Azlin Alias is a common director of MSM and FGVH.</p> <p>Refer to Note A</p>					
MSM and Felda Trading Sdn Bhd ("FTSB")	<ul style="list-style-type: none"> KPF 	Sales of sugar from MSM to FTSB	-	-	16,500	19,300
KGFP and FTSB	<ul style="list-style-type: none"> KPF 	Sales of sugar from KGFP to FTSB	3,188	2,251	2,632	2,632

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction value			
			For the year ended 31 December			12 months ending 31 December 2011 (estimate) RM 000
			2008 RM 000	2009 RM 000	2010 RM 000	
KGFP and FGVH	<u>Interested major shareholders</u> <ul style="list-style-type: none"> • FELDA • FGVS <u>Interested directors</u> <ul style="list-style-type: none"> • YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad • Tan Sri Wan Abdul Aziz Wan Abdullah • Dr. Omar Salim • Dato' Dzulkifli Abd Wahab • Dato' Sabri Ahmad 	Provision of management services to KGFP by FGVH	-	-	977	1,000

Refer to Note A

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction value			
			For the year ended 31 December			12 months ending 31 December 2011 (estimate) RM 000
			2008 RM 000	2009 RM 000	2010 RM 000	
KGFP and FGVP	<p><u>Interested major shareholders</u></p> <ul style="list-style-type: none"> • FELDA • FGVP <p><u>Interested directors</u></p> <ul style="list-style-type: none"> • Datuk R. Sharifuddin Hizan R. Zainal Abidin • Ramli Putih • Suzana Idayu Wati Osman <p>Datuk R. Sharifuddin Hizan R. Zainal Abidin is a director of FELDA and KGFP. FELDA holds approximately 99.99% of shares in FGVP. FELDA, through FGVH, FGVS and MSM Holdings, is the holding company of KGFP.</p> <p>Ramli Putih and Suzana Idayu Wati Osman are common directors of KGFP and FGVP.</p>	Tenancy for sugar cane plantation located on the land bearing title details H.S. (D) 194, PT Kawasan A, Mukim Titi Tinggi, Daerah Perlis to KGFP from FGVP. Refer to Section 11.2 item 9 for further details of the tenancy.	-	-	58.0	191.9

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of Relationship	Nature of transaction	Transaction value			
			For the year ended 31 December			12 months ending 31 December 2011 (estimate)
			2008	2009	2010	
RM 000	RM 000	RM 000	RM 000	RM 000		
KGFP and FGVP	<p><u>Interested major shareholders</u></p> <ul style="list-style-type: none"> • FELDA • FGVP <p><u>Interested directors</u></p> <ul style="list-style-type: none"> • Datuk R. Shariffuddin Hizan R. Zainal Abidin • Ramli Putih • Suzana Idayu Wati Osman <p>Datuk R. Shariffuddin Hizan R. Zainal Abidin is a director of FELDA and KGFP. FELDA holds approximately 99.99% of shares in FGVP. FELDA, through FGVH, FGVS and MSM Holdings, is the holding company of KGFP.</p> <p>Ramli Putih and Suzana Idayu Wati Osman are common directors of KGFP and FGVP.</p>	Lease of part of land to KGFP from FGVP for use as spray pond and wood storage	-	-	30	-

Note A:

FELDA is the holding company of FGVH. In turn, FGVH, through FGVS, is the holding company of MSM Holdings which is the holding company that wholly owns both MSM and KGFP. YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad, Tan Sri Wan Abdul Aziz Wan Abdullah, Dato' Dzulkiifi Abd Wahab, Dato' Sabri Ahmad and Dr. Omar Salim are common directors of FELDA and FGVH. Dato' Dzulkiifi Wahab and Dato' Sabri Ahmad are also directors of FELDA, FGVH and FGVS.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

18.1.3 Transactions entered into that are unusual in their nature or conditions

There are no unusual transactions in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past three (3) years ended 31 December 2010.

18.1.4 Outstanding Loans and Guarantees

There are no outstanding loans (including guarantees of any kind) made by our Company and/or any of our subsidiaries to or for the benefit of our related parties in respect of the past three (3) years ended 31 December 2010 and subsequent financial periods thereof, immediately preceding the date of this Prospectus.

18.2 CONFLICT OF INTERESTS**18.2.1 Audit Committee Review**

Our Audit Committee reviews any related party transaction and conflicts of interests that may arise within our Group. Our Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders. All reviews by our Audit Committee are reported to our Board for its further action.

18.2.2 Monitoring and oversight of related party transactions and conflicts of interest

The related party transactions disclosed herein, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers of our Group and the Directors are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed herein and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of companies within our Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

Under Chapter 10 of the Bursa Securities LR, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day to day operations such as supplies and materials, which may be carried out with the listed company's interested persons.

Transactions, which do not fall within the ambit of the shareholders' mandate, shall be subject to the relevant provisions of the Bursa Securities LR.

We will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of Recurrent Transactions made, names of the related parties involved and their relationship with our Group during the financial year end and in the annual reports for the subsequent financial years.

Save as disclosed in Section 18.1.2 above, there are no other recurrent related party transactions involving Recurrent Transactions entered into by our Company or our Group for the year ended 31 December 2008, 31 December 2009, 31 December 2010 and the estimate for the twelve (12) months ended 31 December 2011.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)**18.3 DECLARATION BY ADVISERS ON CONFLICT OF INTERESTS****18.3.1 Declaration by CIMB**

CIMB Bank Berhad ("**CIMB Bank**"), a company under the CIMB Group Holdings Berhad group of companies ("**CIMB Group**"), has granted our Group banking facilities totalling up to RM64.05 million. The banking facilities comprise trade facilities, foreign exchange facilities and guarantee facilities.

As at the Latest Practicable Date, the total amounts owing by our Group to CIMB Bank are approximately RM40.70 million, details of which are as follows:

<u>Lender</u>	<u>Financing type</u>	<u>Amount outstanding as at the Latest Practicable Date</u>
		<u>RM million</u>
CIMB Bank	Trade facilities	40.54
	Guarantee facilities	0.16
Total amount owing by MSM Holdings Group		40.70

We have no intention of utilising the proceeds to be raised from the Public Issue to repay the above facilities granted by CIMB Bank.

CIMB is of the view that there is no conflict of interest in its capacity as the Principal Adviser and Sole Global Co-ordinator for the IPO, Joint Managing Underwriter and Joint Underwriter for the Retail Offering and Joint Bookrunner for the Institutional Offering, based on the following reasons:

- (a) the granting of financing facilities is part of the ordinary course of business of CIMB Group;
- (b) the conduct of CIMB Group is regulated strictly by the Banking and Financial Institutions Act, 1989 and CIMB Group's own internal controls and checks; and
- (c) the total outstanding amount owed by MSM Holdings Group is not material when compared to CIMB Group's audited consolidated total assets of RM269.37 billion as at 31 December 2010.

18.3.2 Declaration by Albar & Partners

Albar & Partners confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company, Selling Shareholder and Promoters as to Malaysian laws and for the IPO.

18.3.3 Declaration by Cleary Gottlieb Steen & Hamilton LLP

Cleary Gottlieb Steen & Hamilton LLP confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Company, Selling Shareholder and Promoters as to United States and English laws, in relation to the IPO.

18.3.4 Declaration by PwC

PwC confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants for our Company in relation to the IPO.

18. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

18.3.5 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest in its capacity as the Independent Market Researcher for our Company in relation to the IPO.

18.3.6 Declaration by Raine & Horne

Raine & Horne confirms that there is no conflict of interest in its capacity as the Valuer for our Company in relation to the IPO.

18.3.7 Declaration by Maybank Investment Bank Berhad

Maybank Investment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Bookrunner in relation to the Institutional Offering and Joint Managing Underwriter and Joint Underwriter for the Retail Offering.

18.3.8 Declaration by AmlInvestment Bank Berhad

AmlInvestment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Underwriter for the Retail Offering.

18.3.9 Declaration by HwangDBS Investment Bank Berhad

HwangDBS Investment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Underwriter for the Retail Offering.

18.3.10 Declaration by MIDF Amanah Investment Bank Berhad

MIDF Amanah Investment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Underwriter for the Retail Offering.

18.3.11 Declaration by OSK Investment Bank Berhad

OSK Investment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Underwriter for the Retail Offering.

18.3.12 Declaration by RHB Investment Bank Berhad

RHB Investment Bank Berhad confirms that there is no conflict of interest in its capacity as the Joint Underwriter for the Retail Offering.

19. ADDITIONAL INFORMATION

19.1 SHARE CAPITAL

- (i) Except as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) We have no founder, management or deferred shares. As at the date of this Prospectus, we have only one (1) class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank equally with one another.
- (iii) Except as disclosed in Sections 4.3 and 12.1.2 of this Prospectus, we have not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (iv) Except for the IPO, no person has been or is entitled to be given an option to subscribe for any of our shares, stocks or debentures and we do not have and we have not agreed conditionally or unconditionally to put any of our share capital under option.
- (v) Except for the Issue Shares reserved for the Eligible Employees and persons who have contributed to the success of our Group as disclosed in Section 4.3.5 of this Prospectus, subject to our Listing, there is currently no other scheme involving our employees and directors in our capital.
- (vi) As at the date of this Prospectus, neither we nor our Subsidiaries have any outstanding convertible debt securities.
- (vii) Except as disclosed in this Prospectus, and save as provided under the Articles and the Act, there are no other restrictions upon the holding or voting or transfer of the Shares or the interests in any of the Company or its Subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

19.2 EXTRACTS OF ARTICLES OF ASSOCIATION

The following provisions are reproduced from our Articles and are qualified in its entirety by the provisions of our Articles and by applicable law:

(i) Transfer of Shares

“34. Transfer of securities

Subject to these Articles, there shall be no restriction on the transfer of fully-paid-up shares except where required by law. The transfer of any listed security or class of listed security of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

35. Refusal to register transfers

The Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.

19. ADDITIONAL INFORMATION (Cont'd)**36. Suspension of registers**

The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. Subject always to the Listing Requirements of the Stock Exchange, at least ten (10) market days' notice of intention to close the said register shall be given to the Stock Exchange. The said notice shall state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, prior notice shall be given to the Depository.

37. Renunciation

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

38. Non-liability for the Company's Directors and officer in respect of transfer

Neither the Company nor its Directors nor any of its officers shall incur any liability for the act of the Depository in registering or acting upon a transfer of shares apparently made by a Member or any persons entitled to the shares by reason of the death, bankruptcy or insanity of the Members although the same may by reason of any fraud or other cause not known to the Company or its Directors or the Depository or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee, of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognized as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto."

(ii) Remuneration of the Directors**"86. Directors' remuneration**

Fees of Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that: -

- (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and

19. ADDITIONAL INFORMATION (Cont'd)

- (c) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

87. Reimbursement of expenses

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (2) If any Director whether he holds an executive or non-executive position in the Company, being willing shall be called upon to perform extra services or to make any special arrangements in going or residing away from his country of domicile or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing if he holds an executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

90. Remuneration of Managing Director and Executive Director

Executive Director(s) shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration as the Directors may from time to time determine. The remuneration of the Managing Director and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.”

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19. ADDITIONAL INFORMATION (Cont'd)**(iii) Voting and Borrowing Powers of the Directors****“112. Borrowing powers of Directors**

Subject to Article 113, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its subsidiaries.

113. Borrowings for unrelated third parties prohibited

The Directors shall not borrow any money or mortgage or charge any of the Company or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any unrelated third party unless it is permitted by the Listing Requirements.

114. Debentures may be assignable

Debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

121. Declaration of interest and restriction of voting

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, an interest, and if he does so vote, his vote shall not be counted.”

(iv) Changes in capital and variation of class rights**“3. Issue of Shares**

Subject always to the provisions of the Act and these Articles, and to the provisions of any resolution of the Company, the shares of the Company shall be under the control of the Directors who may allot and issue or otherwise dispose of the same to such persons and on such terms and conditions with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting or return of share capital, and either at a premium or otherwise and at such time or times as the Directors may think fit.

19. ADDITIONAL INFORMATION (Cont'd)

Article 3(1) shall be subject to the following restrictions, that is to say:

- (a) No director shall participate in an issue of shares or options to employees of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director.
- (b) No shares shall be issued at a discount, except in compliance with the provisions of Section 59 of the Act.
- (c) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolutions passed for creating the same.

7. Modification of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, Section 152 of the Act shall apply with such adaptations as may be necessary."

19.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

As the Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of the Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Shares shall be deemed to be a shareholder of the Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

19. ADDITIONAL INFORMATION (Cont'd)**19.4 DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND PROMOTERS**

- (i) The names, addresses and occupations of our Directors are set out in Section 2 of this Prospectus.
- (ii) Our Directors are not required to hold any qualification share in us unless otherwise so fixed by us at a General Meeting.
- (iii) We do not have any existing or proposed service agreements (other than employment contracts) with our Directors or key management.
- (iv) Except as disclosed in Section 13.1.9 of this Prospectus, none of our Directors has been paid or intended to be paid remuneration and benefits within the two (2) years preceding the date of this Prospectus, except for remuneration received in the course of employment and directors' fees.
- (v) Except as disclosed in Sections 12.1.2 and 13.1.9 of this Prospectus and dividends paid to our shareholders, no other amounts or benefits has been paid or intended to be paid to our substantial shareholders and Promoters within the two (2) years preceding the date of this Prospectus.
- (vi) Except as disclosed in Sections 12.1.2 and 18.1.2 of this Prospectus, none of our Directors or our substantial shareholders has any interest, direct or indirect, in the promotion of, or in any material assets which have been, within the past three (3) years ended 31 December 2010 and up to the Latest Practicable Date of this Prospectus, acquired or disposed of by or leased to our Company or proposed to be acquired, disposed of by or leased to our Company.
- (vii) Except as disclosed in Sections 13.1.2 and 13.3.1 of this Prospectus, none of our Directors, substantial shareholders and Promoters has any direct or indirect interests in our Company, before and after the IPO.
- (viii) Except as disclosed in Section 7.21 of this Prospectus, none of our Directors or substantial shareholders has any interest in any contract, agreement or arrangement which is significant in relation to the businesses of our Group as at the date of this Prospectus.
- (ix) Except as disclosed in this Prospectus, none of our Directors are aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company.

19. ADDITIONAL INFORMATION (Cont'd)**19.5 GENERAL INFORMATION**

- (i) The nature of our business has been disclosed in Section 7 of this Prospectus.
- (ii) Apart from the listing sought on the Main Market of Bursa Securities, our Company is not listed on any stock exchange.
- (iii) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 20 of this Prospectus.
- (iv) The date and time of the opening and closing of the application of the Retail Offering are set out in Sections 4.2 and 20.1 of this Prospectus.
- (v) Shares under the Retail Offering are payable in full at the Retail Price upon application. The Institutional Offering investors shall pay the Institutional Price for the Shares under the Institutional Offering.
- (vi) Except as disclosed in Section 4.6 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Company within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of our Company and in connection with the issue or sale of any capital of our Company and no Director or Promoter or expert is or are entitled to receive any such payment or any other benefits.
- (vii) During the last financial year up to the date of this Prospectus, there were no:
 - (a) public take-over offers by third parties in respect of our Company's shares; and
 - (b) public take-over offers by our Company in respect of other companies' shares.
- (viii) Except as disclosed in Section 13.3 of this Prospectus, there is no person, so far as known to us, who directly or indirectly, jointly or severally, exercise control over the corporation.

19.6 MATERIAL LITIGATION

We are not engaged in any material litigation, whether as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position as at the Latest Practicable Date.

19.7 MATERIAL CONTRACTS

Except as disclosed below, we have not entered into any material contracts that are not entered into in the ordinary course of business, during the two (2) years preceding the date of this Prospectus:

19.7.1 Acquisition of the Business of FGVP

Agreement dated 21 March 2011 between FGVP and KGFP whereby KGFP agreed to purchase the business of FGVP excluding certain assets and liabilities as specified in the BTA for a purchase consideration of RM76,824,047 upon such terms and subject to the conditions contained therein to be satisfied by the issuance of 25,354,500 new ordinary shares in KGFP to FGVH, as a nominee of FGVP.

19. ADDITIONAL INFORMATION (Cont'd)**19.7.2 Acquisition MSM shares**

Agreement dated 1 April 2011 between FGVS, KPF and MSM Holdings whereby FGVS and KPF agreed to sell and MSM Holdings agreed to purchase the shares in MSM at a total purchase consideration of RM175,856,000 upon such terms and subject to conditions therein contained, to be satisfied by the issuance of 351,712,000 new MSM Holdings Shares to FGVS and KPF.

19.7.3 Acquisition of KGFP shares

Agreement dated 1 April 2011 between FGVH, FHB and MSM Holdings whereby FGVH and FHB agreed to sell and MSM Holdings agreed to purchase the shares in KGFP at a total purchase consideration of RM113,133,900 upon such terms and subject to conditions therein contained, to be satisfied by the issuance of 226,267,800 new MSM Holdings Shares to FGVH and FHB.

19.7.4 Retail Underwriting Agreement dated 23 May 2011

Agreement dated 23 May 2011 between MSM Holdings, FGVH, the Joint Managing Underwriters and the Joint Underwriters to underwrite 28,120,000 Issue Shares under the Retail Offering at a total managing underwriting and underwriting commission of 1.70% of the value of the Retail Offering (being the number of underwritten Issue Shares multiplied by the Retail Price).

19.7.5 Lock-up Agreement dated 20 May 2011

The Company had on 20 May 2011 entered into lock-up agreement with the Sole Global Co-ordinator and Joint Bookrunners ("**Lock-up Agreement**") whereby the Company agrees to the lock-up restrictions on the Shares (or any interest therein) as described in Section 4.7.3 of this Prospectus, for the period commencing from the date of the Lock-up Agreement until the date falling 180 days after the date of the Listing. The Lock-up Agreement shall be terminated if the Placement Agreement is terminated prior to the closing of the IPO.

19.8 CONSENTS

The written consents of the Principal Adviser and Sole Global Co-ordinator, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters, Legal Advisers, Principal Bankers, Company Secretaries, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report and Reporting Accountants' letter on the Pro Forma Consolidated Balance Sheets of MSM Holdings as at 31 December 2010 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan to the inclusion of its name, the executive summary of the independent market research report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Raine & Horne to the inclusion of its name, the valuation certificates and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

19. ADDITIONAL INFORMATION (Cont'd)**19.9 DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) Our Memorandum and Articles;
- (ii) Our material contracts and agreements which the Group is dependent on referred to in Section 7.21 and Section 19.7 of this Prospectus;
- (iii) The audited combined financial statements of MSM Holdings Group for the three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (iv) The audited financial statements of the Subsidiaries of MSM Holdings for the three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (v) The management accounts of MSM Holdings Group for the three (3) months period ended 31 March 2011 referred to in Annexure A of this Prospectus;
- (vi) Our Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets referred to in Section 8.9 of this Prospectus;
- (vii) The Accountants' Report as referred to in Section 9 of this Prospectus;
- (viii) The Directors' Report as referred to in Section 16 of this Prospectus;
- (ix) Independent Market Research Report on the Sugar Refining Industry in Malaysia ("IMRR") and the Executive Summary of IMRR prepared by Frost & Sullivan as referred to in Section 6 of this Prospectus;
- (x) Valuation certificates referred to in Section 15 of this Prospectus; and
- (xi) The letters of consent referred to in Section 19.8 of this Prospectus.

19.10 RESPONSIBILITY STATEMENTS

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

CIMB, as the Principal Adviser and Sole Global Co-ordinator for our IPO, Joint Bookrunner for the Institutional Offering and Joint Managing Underwriter and Joint Underwriter for the Retail Offering in relation to our IPO, 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 on our IPO.

20. PROCEDURES FOR APPLICATION

20.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE RETAIL OFFERING: 10:00 a.m., 2 June 2011

CLOSING OF THE RETAIL OFFERING: 5:00 p.m., 13 June 2011

Our Directors, the Selling Shareholder, the Sole Global Co-ordinator and the Joint Managing Underwriters may decide in their absolute discretion to vary the closing time and date for applications under the Retail Offering to any later date or dates. If they decide to vary the closing date for the applications, the Price Determination Date and dates for the balloting of the IPO Shares, the allotment of the Issue Shares and the transfer of the Offer Shares and our Listing will be varied accordingly. We will announce any variation in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

Late applications will not be accepted.

20.2 METHODS OF APPLICATION AND CATEGORY OF INVESTORS

20.2.1 Application for Issue Shares under Retail Offering

Applications for the Issue Shares pursuant to the Retail Offering may be made using either of the following:

Type of Application Form	Category of Investor
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian Public (for individuals)
WHITE Application Form only	Malaysian Public (for non individuals, e.g. corporations, institutions, etc)
PINK Application Form only	Eligible Employees and persons who have contributed to the success of our Group's business

Notes:

- (1) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the Participating Financial Institution.
- (2) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institutions:
 - (i) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (ii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;
 - (iii) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - (iv) Affin Bank Berhad (www.affinonline.com) – No fees will be charged for application by their account holders;
 - (v) RHB Bank Berhad (www.rhbbank.com.my) – RM2.50; and
 - (vi) Public Bank Berhad (www.pbepbank.com) – RM2.00.

20. PROCEDURES FOR APPLICATION (Cont'd)

Eligible Employees and persons who have contributed to the success of our Group's business who has made an application using a PINK Application Form may still apply for the Issue Shares offered to the Malaysian public using the WHITE Application Form or Electronic Share Application or Internet Share Application.

However, applicants using the WHITE Application Form are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications or Internet Share Applications and vice versa.

20.2.2 Application by Institutional investors and selected investors under the Institutional Offering

Institutional investors and selected investors being allocated the IPO Shares under the Institutional Offering (other than the Bumiputera institutional investors approved by MITI) will be contacted directly by the respective Sole Global Co-ordinator and Joint Bookrunners and shall follow the instructions as communicated by the respective Sole Global Co-ordinator and Joint Bookrunners. Bumiputera institutional investors approved by MITI who have been allocated Offer Shares will be contacted directly by MITI and should follow the instructions as communicated through MITI.

20.3 PROCEDURES FOR APPLICATION AND ACCEPTANCE

20.3.1 Application by the Eligible Employees and persons who have contributed to the success of our Group's business (PINK Application Forms)

The Eligible Employees and persons who have contributed to the success of our Group's business will be provided separately with PINK Application Forms and letters by us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

20.3.2 Application by the Malaysian Public under the Retail Offering (WHITE Application Form, Electronic Share Application or Internet Share Application)

Eligibility

You can only apply for our Shares if you meet the following requirements:

- (i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 21 of this Prospectus;
- (ii) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
 - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/ trustee and if you have a share capital more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

20. PROCEDURES FOR APPLICATION (Cont'd)

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations / institutions referred to in item (ii) (b) or (c) above or the trustees thereof;

- (iii) you are not a director or employee of MIDFCCS or their immediate family members.

20.4 PROCEDURES FOR APPLICATION BY WAY OF AN APPLICATION FORM

Each application for the Issue Shares under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein in the respective category of Application Form. The Application Form together with the Notes and Instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or Notes and Instructions or which are illegible may not be accepted in the absolute discretion of our Directors.

Full instructions for the application for our Issue Shares offered and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.

Malaysian Public should follow the following procedures in making their applications under the Retail Offering:

Step 1: Obtain Application Documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Forms can be obtained subject to availability from the following parties:

- (i) CIMB;
- (ii) Participating organisation of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association; and
- (v) MIDFCCS; and
- (vi) Company.

Step 2: Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand the Prospectus before making your application.

Step 3: Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the Notes and Instructions contained therein and in this Prospectus.

20. PROCEDURES FOR APPLICATION (Cont'd)**(i) Personal particulars**

You must ensure that your personal particulars submitted in your application are identical with the records maintained by the Bursa Depository. Please inform the Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, the name and national registration identity card ("**NRIC**") number must be the same as:

- your NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or
- your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

(ii) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

(iii) Details of payment

You must state the details of your payment in the appropriate boxes provided in the Application Form.

(iv) Number of Issue Shares Applied

Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares for applicants using the PINK and WHITE Application Forms.

Step 4: Prepare Appropriate Form of Payment

Prepare the correct form of payment in RM for the FULL amount payable for the Issue Shares based on the Retail Price, which is RM3.38 per Issue Share.

Payment must be made out in favour of "**MIDF SHARE ISSUE ACCOUNT No. 641**" and crossed "**A/C PAYEE ONLY**" (excluding ATM statements) and endorsed on the reverse side with your name and address. We only accept the following forms of payment:

- (i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("**GGO**") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or

20. PROCEDURES FOR APPLICATION (Cont'd)

(iv) ATM statement obtained only from any of the following:

- Affin Bank Berhad;
- Alliance Bank Malaysia Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- Hong Leong Bank Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad; or
- RHB Bank Berhad;

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5: Finalise application

Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC/ valid temporary identity document issued by the National Registration Department/ "Resit Pengenalan Sementara (KPPK 09)"/ authority card for armed forces or police personnel/ certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/"Resit Pengenalan Sementara (KPPK 09)"/ authority card for armed forces or police personnel /valid temporary identity document issued by the National Registration Department / authority card for armed forces or police personnel / certificate of incorporation or the certificate of change of name, where applicable. Affix a stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

(i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

MIDF Consultancy and Corporate Services Sdn Bhd (11324-H)
 Level 8, Menara MIDF
 82 Jalan Raja Chulan
 50200 Kuala Lumpur
 P.O.BOX 11122
 50736 Kuala Lumpur; or

(ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at Ground Floor, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur

so as to arrive not later than 5:00 p.m. on 13 June 2011, or such later date or dates as the Directors, the Selling Shareholder, the Sole Global Co-ordinator and the Joint Managing Underwriters in their absolute discretion may decide.

20. PROCEDURES FOR APPLICATION (Cont'd)

20.5 PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our Shares by way of Electronic Share Application in respect of the Issue Shares made available for application by the Malaysian Public.

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

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Issue Shares at an ATM belonging to other Participating Financial Institutions;
- (b) You **must have a CDS account**;
- (c) The applicant is advised to read and understand the Prospectus before making the application; and
- (d) You shall apply for the Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out on Section 20.5.3 of the terms and conditions for Electronic Share Applications. You shall enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Personal Identification Number (PIN);
 - MIDF Share Issue Account Number 641;
 - CDS account number;
 - Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

20.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- Ambank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

20. PROCEDURES FOR APPLICATION (Cont'd)**20.5.3 Terms and Conditions of Electronic Share Applications**

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 20.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Applications.

Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIDFCCS. The Transaction Record is for your records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 13 June 2011 at 5:00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Issue Shares to MIDFCCS as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

You will be allowed to make only one (1) application and shall not make any other application for the Issue Shares under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms or by Internet Share Application.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - You have attained 18 years of age as at the Closing Date and Time;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - This is the only application that you are submitting; and

20. PROCEDURES FOR APPLICATION (Cont'd)

- You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to MIDFCCS and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIDFCCS, or any relevant regulatory bodies.

- (iii) **You confirm that you are not applying for the Issue Shares as a nominee of any other person and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for the Issue Shares, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms or by Internet Share Application.**
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such Issue Shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM) of the number of Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Issue Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) We reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for the Issue Shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting day.

20. PROCEDURES FOR APPLICATION (Cont'd)

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to the applicants not later than ten (10) Market Days from the day of the final ballot of the application list.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us:
- (a) To credit the Issue Shares allocated to you into your CDS account; and
 - (b) To issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, MIDFCCS or the Participating Financial Institution and irrevocably agree that if:
- (a) Our Company or MIDFCCS does not receive your Electronic Share Application; and
 - (b) Data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIDFCCS,
- you shall be deemed not to have made an Electronic Share Application and you shall not make any claim whatsoever against our Company, MIDFCCS or the Participating Financial Institution for the Shares applied for or for any compensation, loss or damage.
- (x) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be true and correct, and we, MIDFCCS and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.

20. PROCEDURES FOR APPLICATION (Cont'd)

- (xii) By making and completing an Electronic Share Application, you agree that:
- (a) In consideration of us agreeing to allow and accept the application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) We, the Participating Financial Institutions, Bursa Depository and MIDFCCS shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (c) Notwithstanding the receipt of any payment by or on our behalf, the notice of successful allocation for prescribed securities issued in respect of the Issue Shares for which your Electronic Share Application has been successfully completed is the only confirmation for the acceptance of your offer to subscribe for and purchase the said Issue Shares;
 - (d) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Issue Shares allocated to you; and
 - (e) You agree that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Share Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of MIDFCCS within fourteen (14) days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiv) MIDFCCS, on the authority of our Directors reserves the right to reject applications, which do not conform to these instructions.
- (xv) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

20. PROCEDURES FOR APPLICATION (*Cont'd*)

20.6 PROCEDURES FOR APPLICATION BY WAY OF AN INTERNET SHARE APPLICATION

Only members of the public who are individuals may apply for our Issue Shares by way of Internet Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1: Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:

- (i) an existing account with access to internet financial services with **CIMB** at www.eipocimb.com or **CIMB Bank Berhad** at www.cimbclicks.com.my or **Malayan Banking Berhad** at www.maybank2u.com.my or **RHB Bank Berhad** at www.rhbbank.com.my or **Affin Bank Berhad** at www.affinonline.com or **Public Bank Berhad** at www.pbepbank.com. You need to have your user identification and PIN/password for the Internet financial services facility; and
- (ii) an individual CDS account registered in your name (and not in a nominee's name).

Step 2: Read the Prospectus

You are advised to read and understand the Prospectus before making your application.

Step 3: Apply through Internet

We have set out possible steps for an application of the Issue Shares via Internet Share Application below for illustration purposes only.

Please note that the actual steps for Internet Share Applications through the internet financial services website or a particular Internet Participating Financial Institution may differ from the steps outlined below.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account;
- (ii) Log in to the Internet financial services facility by entering your user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of IPO;
- (iv) Select the counter in respect of the Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

20. PROCEDURES FOR APPLICATION (Cont'd)

After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:

- (a) You are at least 18 years of age as at the Closing Date and Time;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (e) The Internet Share Application is the only application that you are submitting for the Issue Shares;
 - (f) You authorise the financial institution with whom you have an account to deduct the full amount payable for the Shares from your account with the said financial institution ("**Authorised Financial Institution**");
 - (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of SICDA) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or the Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to MIDFCCS and the Authorised Financial Institution, the SC and any other relevant authority;
 - (h) You are not applying for the Issue Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
 - (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;
- (viii) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your money for the IPO;

20. PROCEDURES FOR APPLICATION (Cont'd)

- (ix) You must pay for the Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for, which can be printed out by you for your records;
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Issue Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xi) You are advised to print out the Confirmation Screen for your reference and records.

20.7 TERMS AND CONDITIONS

THE TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

- (i) You are required to pay the Retail Price of RM3.38 for each Issue Share you have applied for.
- (ii) You can submit only one (1) application for the Issue Shares offered to the Malaysian Public. For example, if you submit an application using a WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application

However, if you have made an application under the PINK Application Form, you can still apply for the Shares offered to the Malaysian Public using the WHITE Application Form or Electronic Share Application or Internet Share Application.

MIDFCCS, acting under the authority of our Directors has the discretion to reject applications that appears to be multiple applications.

We wish to caution you that if you submit more than one (1) application (in the same category) in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

- (iii) Each application under the PINK AND WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Issue Shares or multiples of 100 Issue Shares.
- (iv) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles of Association. You agree to be bound by our Memorandum and Articles of Association should you be allotted any Shares.
- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.

20. PROCEDURES FOR APPLICATION (Cont'd)

- (vi) We or MIDFCCS will not issue any acknowledgement of the receipt of your application or application monies.
- (vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by the Bursa Depository. Otherwise, your application will be rejected. The Bursa Depository will have to be promptly notified of any change in your address failing which the notification letter of successful allocation will be sent to your registered/correspondence address last maintained with the Bursa Depository.
- (viii) Your remittances having presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for or purchase the Issue Shares shall be constituted by the issue of notices of allotment for the Issue Shares to you.

- (ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the Bursa Depository and the Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us or MIDFCCS and any relevant regulatory bodies (as the case may be).

You agree to accept our decision as final should we decide not to allot any shares to you.

- (x) Additional terms and conditions for Electronic Share Applications are as follows:
 - (a) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser amount that may be allotted or allocated to you.
 - (b) Your confirmation by pressing the key or button on the ATM shall be treated as your acceptance of the number of Issue Shares allotted or allocated to you.
 - (c) Should you be allotted any Issue Shares, you shall be bound by our Memorandum and Articles of Association.
 - (d) You confirm that you are not applying for Issue Shares as a nominee of other persons and that your Electronic Share Application is made on your own account as a beneficial owner.
 - (e) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to the Bursa Depository.
 - (f) You acknowledge that your application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of MIDFCCS, the Participating Financial Institution or the Bursa Depository. You irrevocably agree that you are deemed not to have made an application if we or MIDFCCS do not receive your application or your application data is wholly or partially lost, corrupted or inaccessible to us or MIDFCCS. You shall not make any claim whatsoever against us, MIDFCCS, the Participating Financial Institution or the Bursa Depository.

20. PROCEDURES FOR APPLICATION (Cont'd)

- (g) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of our Issue Shares allocated to you.
- (h) You agree that in the event of legal disputes arising from the use of Electronic Share Applications, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xi) Additional terms and conditions for Internet Share Application are as follows:
 - (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Retail Offering mentioned in Section 20.1 of this Prospectus.
 - (b) You irrevocably agree and undertake to subscribe for and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Issue Shares allotted or allocated to you.
 - (c) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to issue share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to the Bursa Depository.
 - (d) You irrevocably agree and acknowledge that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of MIDFCCS, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, we, the Selling Shareholder, MIDFCCS and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, MIDFCCS or the Internet Participating Financial Institution and the Authorised Financial Institution.
 - (e) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of our Issue Shares allocated to you.
 - (f) You agree that in the event of legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.

20. PROCEDURES FOR APPLICATION (Cont'd)

- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, MIDFCCS and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Promoter, the Selling Shareholder, the Joint Managing Underwriters and the Joint Underwriters, the Principal Adviser and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

20.8 AUTHORITY OF OUR DIRECTORS AND THE ISSUING HOUSE

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of MIDFCCS within fourteen (14) days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating our Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

MIDFCCS, on the authority of our Directors, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (iii) bank in all application monies from unsuccessful/partially successful applicants which would subsequently be refunded without interest by registered post.

20.9 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription in the Retail Offering, MIDFCCS will conduct a ballot in the manner approved by our Directors to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of distributing the Issue Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares. Pursuant to the Bursa Securities LR, we need to have a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of this IPO. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be refunded without interest.

20. PROCEDURES FOR APPLICATION (Cont'd)

In the event of an under-subscription subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Issue Shares not applied for under the Retail Offering will be subscribed by the Managing Underwriter and Retail Underwriters pursuant to the Retail Underwriting Agreement.

Where your successfully balloted application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten (10) Market Days from the date of the final ballot of the application list to your address registered with Bursa Depository.

20.10 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your application, we will refund your application monies without interest in the following manner.

20.10.1 For applications by way of WHITE Application Form

- (i) The application monies or the balance of it, as the case may be, will be refunded to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with the Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) MIDFCCS reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to your last address maintained with the Bursa Depository or as per item (ii) above (as the case may be) within ten (10) Market Days from the date of the final ballot.

20.10.2 For applications by way of Electronic Share Application

- (i) MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from MIDFCCS.
- (ii) You may check your account on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by MIDFCCS by way of cheques by registered post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within 10 Market Days from the date of the final ballot.

20. PROCEDURES FOR APPLICATION (Cont'd)**20.10.3 For applications by way of Internet Share Application**

- (i) MIDFCCS shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to refund the application monies or the balance of it into your account without interest or other benefit arising therefrom with the Authorised Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS.
- (ii) You may check you account on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by MIDFCCS by way of cheques by registered post or ordinary post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within ten (10) Market Days from the date of the final ballot.

20.11 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) The Issue Shares allocated to you will be credited into your CDS account. We will not be issuing any physical share certificates to you. You shall not be entitled to withdraw any deposited securities held by Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) A notice of allotment will be dispatched to you at the address last maintained with the Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.
- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within ten (10) Market Days from the date of final ballot of application, at the successful applicants' own risk.

20. PROCEDURES FOR APPLICATION (Cont'd)

20.12 ENQUIRIES

You may contact MIDFCCS if you have any queries on the WHITE Application Form at telephone no. 603-2173 8657, 2173 8658 and 2173 8659. If you have any enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If you are applying for the Issue Shares as a member of the Malaysian Public, you may check the status of your application by logging into MIDFCCS's website at www.midf.com.my, or by calling MIDFCCS at 603-2173 8657, 2173 8658 and 2173 8659 or your ADA at the telephone number as stated in Section 21 of this Prospectus between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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21. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17 th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2697 6333	086-001
BIMB SECURITIES SDN BHD	32 nd Floor Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1888	052-009
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, ECM Libra Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1800	052-001
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan KasKas, 5th Mile Cheras 56100 Kuala Lumpur Telephone no.: +603 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Telephone no.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7717 3319	065-009

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
HONG LEONG INVESTMENT BANK BERHAD	Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3348 8080	052-015
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048
OSK INVESTMENT BANK BERHAD	3 rd Floor, 1 A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8023 6518	056-063
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
MELAKA (cont'd)		
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : +605 6232 328	078-009
CIMB INVESTMENT BANK BERHAD	Ground, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2082 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299.318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebu Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Telephone no.: +604 2281 868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Telephone no.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN (cont'd)		
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS (cont'd)		
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6637 398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Tingkat Bawah, Tingkat 1 dan Tingkat 2 Nos. 21 dan 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002
CIMB INVESTMENT BANK BERHAD	No. A-27 (Ground, 1st. & 2nd. Floor) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Telephone no. : +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 666	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Telephone no.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Lot 170 dan 171 Section 49, K.T.L.D. Jalan Chan Chin Ann 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
OSK INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001

21. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SABAH (cont'd)		
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamuning 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057

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ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011

MSM MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 935722-K)

MANAGEMENT ACCOUNTS FOR THE THREE (3) - MONTH PERIOD ENDED 31 MARCH 2011**UNAUDITED INTERIM COMBINED FINANCIAL INFORMATION**

	Quarter ended 31.03.11 RM'000 (unaudited)	Quarter ended 31.03.10 RM'000 (unaudited)
Revenue	503,172	497,753
Cost of sales	(365,773)	(399,785)
Gross profit	137,399	97,968
Other operating income	1,193	672
Selling and distribution cost	(11,659)	(10,649)
Administrative expenses	(9,035)	(10,284)
Other gain / (losses) -net	(26,546)	(58,302)
Profit from operations	91,352	19,405
Finance costs	(1,337)	(1,087)
Profit before taxation	90,015	18,318
Taxation	(27,814)	(6,279)
Profit for the period	62,201	12,039

UNAUDITED CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME

Profit for the period and total comprehensive income	62,201	12,039
Attributable to:		
Shareholders of the Company	62,014	12,039
Non-controlling interest	187	-
Total comprehensive income for the period	62,201	12,039

The Unaudited Condensed Combined Income Statements and Unaudited Condensed Combined Statements of Comprehensive Income should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31
MARCH 2011 (Cont'd)

(2)

UNAUDITED CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION

	As at 31.3.11 RM'000 (unaudited)	As at 31.12.10 RM'000 (audited)
Assets		
Property, plant and equipment	459,317	462,145
Intangible asset	82,000	82,806
Goodwill	576,241	576,241
Prepaid lease payment	838	855
Total non-current assets	1,118,396	1,122,047
Inventories	253,890	330,844
Biological assets	8,060	11,360
Trade receivables	152,783	177,016
Other Receivables, deposits and prepayments	48,850	39,029
Tax recoverable	2,116	690
Derivative financial assets	-	20,509
Cash and cash equivalents	211,575	87,055
Total current assets	677,274	666,503
Total assets	1,795,670	1,788,550
Equity		
Total equity attributable to equity holders of the Company	1,113,345	1,368,831
Non-controlling interest	22,396	39,709
Total equity	1,135,741	1,408,540
Liabilities		
Deferred tax liabilities	104,628	110,594
Provision for defined benefit plan	586	1,032
Total non-current liabilities	105,214	111,626
Current liabilities		
Payables and accruals	43,640	35,434
Amounts due to related parties	2,770	2,197
Borrowings	147,500	217,000
Derivatives financial liabilities	6,232	-
Current tax liabilities	19,573	13,753
Dividend payable	335,000	-
Total current liabilities	554,715	268,384
Total liabilities	659,929	380,010
Total equity and liabilities	1,795,670	1,788,550

The Unaudited Condensed Combined Statements of Financial Position should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(3)

UNAUDITED RECONCILIATION OF MOVEMENT IN COMBINED EQUITY FOR THE QUARTER ENDED 31 MARCH 2011

	As at 31.3.11 RM'000 (unaudited)	As at 31.3.10 RM'000 (unaudited)
Total equity at 1 January	1,408,540	-
Acquisition of Sugar Business	-	1,307,306
Total comprehensive income for the financial period	62,014	12,039
Dividends declared	(317,500)	-
	1,153,054	1,319,345
Non-controlling interest	(17,313)	39,709
Total equity at 31 March	1,135,741	1,359,054

The Unaudited Reconciliation of Movement in Combined Equity should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

**ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31
MARCH 2011 (Cont'd)**

(4)

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

	Quarter ended 31.3.11 RM'000 (unaudited)	Quarter ended 31.3.10 RM'000 (unaudited)
Cash Flows From Operating Activities		
Profit for the period	62,201	12,039
Adjustment for Non-Cash Flow Items	45,770	60,107
Operating Profit Before Changes in Working Capital	<u>107,971</u>	<u>72,146</u>
Changes in Working Capital		
Net changes in working capital	123,005	37,944
Retirement benefit paid	(459)	(1,472)
Tax paid	(29,385)	(23,850)
Net Cash Generated From Operating Activities	<u>201,132</u>	<u>84,768</u>
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(7,492)	(2,202)
Proceed from disposal of property, plant and equipment	102	-
Interest received	1,018	547
Net Cash Used In Investing Activities	<u>(6,372)</u>	<u>(1,655)</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	57,500	19,500
Repayment of borrowings	(127,000)	(93,000)
Interest paid	(740)	(796)
Net Cash Used In Financing Activities	<u>(70,240)</u>	<u>(74,296)</u>
Net Increase In Cash And Cash Equivalents	124,520	8,817
Cash And Cash Equivalents At Beginning Of The Year	87,004	151,141
Cash And Cash Equivalents At End Of The Period	<u>211,524</u>	<u>159,958</u>
Cash and Cash Equivalents comprise:		
Deposits with licensed banks	187,091	127,407
Cash and Bank balances	24,484	32,602
	<u>211,575</u>	<u>160,009</u>
Less :		
Deposits pledged	(51)	(51)
	<u>211,524</u>	<u>159,958</u>

The Unaudited Condensed Combined Statements of Cash Flows should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Unaudited Interim Combined Financial Information.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(5)

The interim financial statements have been prepared under the historical cost convention.

The Unaudited Interim Combined Financial Information should be read in conjunction with the Audited Combined Financial Information for the year ended 31 December 2010. These explanatory notes attached to the Unaudited Interim Combined Financial Information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

1 Basis Of Preparation

The accounting policies and presentation adopted for this Unaudited Interim Combined Financial Information are consistent with those of the Audited Combined Financial Information for the year ended 31 December 2010, except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2011 as discussed below.

The Unaudited Interim Combined Financial Information for the period ended 31 March 2010 and 31 March 2011 have been carved-out of the Unaudited Interim Consolidated Financial Information of Felda Global Ventures Holdings Sdn Bhd ("FGVH") for the period ended 31 March 2010 and 31 March 2011.

In January 2010, FGVH completed the acquisitions of the Sugar Business of PPB Group Berhad ("PPB") for a total purchase consideration of RM1,292.5 million in cash and resulted in goodwill on acquisition of RM576.2 million. The Sugar Business comprises the following entities (collectively known as the "Entities" or the "Group"):

- (i) Malayan Sugar Manufacturing Company Berhad ("MSM")
- (ii) Astakonas Sdn Bhd
- (iii) MSM Properties Sdn Bhd
- (iv) Kilang Gula Felda Perlis Sendirian Berhad ("KGFP")
- (v) Felda Global Ventures Perlis Sdn Bhd / Chuping Cane Division - a cane plantation division of PPB ("FGVP")

In the financial periods presented, the Entities had not operated as an independent stand-alone entity. The Condensed Combined Interim Financial Information, therefore, does not reflect what the financial position, results of operations and cash flows of the Entities would have been had the Entities operated as a separate, stand-alone entity during the financial periods presented or future results of the Entities.

On 1 January 2011, the following new accounting standards had been adopted by the Entities:

FRSs, Amendments to FRSs and Interpretations

FRS 3	<i>Business Combinations (revised)</i>
FRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
Amendments to FRS 3	<i>Business Combinations</i>
Amendments to FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
Amendments to FRS 7	<i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
Amendments to FRS 101	<i>Presentation of Financial Statements</i>
Amendments to FRS 132	<i>Financial Instruments Presentation: The Classification of Right Issues</i>
Amendments to FRS 138	<i>Intangible Assets</i>
Amendments to IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>
Amendments to IC Interpretation 14	<i>Prepayments of a Minimum Funding Requirement</i>
IC Interpretation 18	<i>Transfers of Assets from Customers</i>

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(6)

The initial application of the above standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and the Company other than expected changes in accounting policies as discussed below:

a) FRS 3 (revised), Business Combination

Revised FRS 3 "Business Combinations" (effective from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

b) Amendments to FRS 3 (effective from 1 January 2011)

Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.

Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).

2 Auditors' Report on Preceding Annual Financial Statements

The individual audited financial statements of the Entities for the year ended 31 December 2010 were not subject to any audit qualification.

3 Seasonal Or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except during sugar cane harvesting season.

4 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income for first quarter ended 31 March 2011.

5 Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter.

6 Changes In Debt And Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during first quarter except those disclosed in Note 10.

7 Dividends Paid

There were no dividends paid during the first quarter ended 31 March 2011.

8 Segmental Reporting

The Group operates in one operating segment namely the Sugar Business. The sugar business includes sugar cane cultivation, cane milling, sugar refining and sales and marketing of sugar products and goods transportation services. There has been no change to the basis of segmentation as compared to Combined Financial Information for the financial year ended 31 December 2010.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(7)

9 Valuation of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review. The valuation of property, plant and equipment has been brought forward without any amendments from the financial statements for the financial year ended 31 December 2010.

10 Material Events Subsequent To The End of the Financial Period

There were no material events which occurred subsequent to the end of the quarter ended 31 March 2011 saved for the new issuance of MSM Holdings' shares in conjunction with the acquisitions of MSM and KGFP as set out below and the corporate proposals disclosed under Note 25 to the Unaudited Interim Combined Financial Information.

As at 20 May 2011, the Company issued new shares following the acquisitions below which had taken place:

i)	Acquisition of MSM by the Company	281,369,600	shares issued to FGVS
		<u>70,342,400</u>	shares issued to KPF
		<u>351,712,000</u>	
ii)	Acquisition of KGFP by the Company	190,064,952	shares issued to FGVH
		<u>36,202,848</u>	shares issued to FHB
		<u>226,267,800</u>	
	Total new shares of the Company issued	<u>577,979,800</u>	

11 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current quarter.

12 Changes in Contingent Liabilities or Contingent Assets

The Group does not have any material contingent liabilities or contingent assets as at 20 May 2011.

13 Capital Commitments Outstanding Not Provided For In The Unaudited Interim Combined Financial Information

	As at 31.3.2011	As at 31.3.2010
	RM'000	RM'000
Property, plant and equipment:		
- Contracted but not provided for	14,240	5,958
- Approved but not contracted for	82,522	24,229
	<u>96,762</u>	<u>30,187</u>

14 Material Related Party Transactions

Significant related party transactions are as follows:

	As at 31.3.2011	As at 31.3.2010
	RM'000	RM'000
Transactions with holding company, FGVH		
- Management fees	315	312
Transactions with an associate of FGVH		
- Management fees	244	244
	<u>559</u>	<u>556</u>

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(8)

15 Review Of Performance for First Quarter

First quarter

For the current quarter ended 31 March 2011, the Group recorded 1.1% higher revenue from RM497.8 million to RM503.2 million for the same quarter last year. It was mainly due to increased sales volume for domestic sales and higher sales prices of refined sugar products both in Malaysia and in the export market.

The increase in profit before tax for current quarter ended 31 March 2011 was more than 100%; RM90.0 million as compared to RM18.3 million for the same quarter last year due to higher gross profit margin by 7% and decrease in fair value losses in derivatives by RM31.8 million. The lower profits in the first quarter last year was mainly due to amortisation of fair value adjustment which arose from the acquisition of Sugar Business of RM35.3 million.

16 Material Changes In The Quarterly Results Compared To The Preceding Quarter

The comparison of the Group revenue and profit before taxation for the current and quarter last year is as follows:

	2011	2010	Variance	
	Quarter 1	Quarter 4	RM'000	%
	RM'000	RM'000		
Revenue	503,172	542,923	(39,751)	(7.3)
Profit before tax	90,015	112,439	(22,424)	(19.9)

Revenue was lower by 7% due to decrease in export sales as compared to the preceding quarter. Meanwhile, profit before tax was lower as compared to preceding quarter mainly due to increase in fair value losses in derivatives by RM46.6 million during the current quarter.

17 Current Year Prospects

Notwithstanding the volatility of commodity prices, the Group is expected to be able to sustain its satisfactory performance.

18 Variance Of Actual Profit From Forecast Profit

The Entities did not issue any profit forecast for the current quarter.

19 Taxation

	First Quarter	
	Current	Preceding
	Year	Year
	RM'000	RM'000
Current	33,780	5,385
Deferred	(5,966)	894
	<u>27,814</u>	<u>6,279</u>

Tax expense for the current quarter ended 31 March 2011 is derived based on the management's best estimate of the tax rate for the quarter. The effective tax rate of the Group of 31% for the quarter is higher than the statutory rate of 25% as a result of the movement in fair value gains and losses in derivatives.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(9)

20 Realised and Unrealised Profit/Loss

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Realised	253,363	506,246
Unrealised	(54,435)	(38,673)
	<u>198,928</u>	<u>467,573</u>
Consolidation adjustments	(392,889)	(406,048)
Total Group retained earnings as per consolidated accounts	<u>(193,961)</u>	<u>61,525</u>

The unrealised portion of retained earnings comprise deferred tax expense, cumulative net gains arising from fair value through profit and loss and translation gains and losses on monetary items denominated other than Ringgit Malaysia.

21 Derivative Financial Instruments

The Group uses forward foreign currency exchange contracts and sugar future contracts to manage its exposure to various financial risks. The fair value of these derivatives as at 31 March 2011 are as follows:

Type of derivatives	Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Forward foreign currency exchange contracts	405	11	-
Sugar futures contracts	215,604	-	(6,243)
	<u>216,009</u>	<u>11</u>	<u>(6,243)</u>

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2010. The maturity periods of the above derivatives are less than one year.

22 Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are fair value loss position as at statements of financial position date, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

23 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments for the current quarter.

24 Quoted Investments

There were no purchases or disposals of quoted investments for the current quarter.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(10)

25 Status Of Corporate Proposals

The Pre-Listing Restructuring described below was approved by FGVH on 2 March 2011 and the Company on 25 March 2011. As of 20 May 2011, the following corporate proposals have taken place:

- i) Special Dividend Payment by MSM & KGFP** – MSM and KGFP declared a special dividend of RM300.0 million and RM35.0 million respectively to their shareholders.
- ii) Transfer of FGVP's businesses to KGFP** – KGFP acquired the entire business of FGVP and assets including Chuping Land (*but excluding 1,363 ha of land and intercompany loan and interest*) for a total purchase consideration of RM99 million satisfied by the issuance of KGFP shares to FGVP.
- iii) Acquisition of MSM by MSM Holdings** – the Company acquired 100% equity interest in MSM from Felda Global Ventures Sugar Sdn Bhd and Koperasi Permodalan Felda Malaysia ("KPF") for a total purchase consideration of RM175.9 million, satisfied via issuance of the Company shares.
- iv) Acquisition of KGFP by MSM Holdings** – the Company acquired 100% equity interest in KGFP from FGVH and Felda Holdings Berhad ("FHB") for a total purchase consideration of RM113.1 million, satisfied via issuance of the Company shares.

The following corporate proposals have not taken place :

- v) Public Issue** – the Company issues new shares to the public (including employees, bumiputera and identified investors)
- vi) Offer for Sale ("OFS")** – FGVH to undertake an OFS of new Company shares to identified investors.
- vii) Listing** – MSM Holdings will be admitted to the official list of Bursa Securities for the listing of and quotation for the entire enlarged issued and paid up of share capital of RM351,490,000 comprising 702,980,000 shares of RM0.50 each of Main Market of Bursa Securities.

Approvals have been obtained from Securities Commission on 12 May 2011 and MITI on 22 April 2011 for the IPO. Items (i) to (iv) have been completed as of 20 May 2011.

26 Group Borrowings

As at 31 March 2011, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.3.2011 RM'000	As at 31.3.2010 RM'000
Loans and borrowings		
Current		
Secured :		
Secured bankers' acceptance	10,000	-
Unsecured:		
Unsecured bankers' acceptance	137,500	63,000
	<u>147,500</u>	<u>63,000</u>

27 Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

ANNEXURE A: MANAGEMENT ACCOUNTS FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2011 (Cont'd)

(11)

28 Material Litigation

Since the last audited Combined Financial Information for the year ended 31 December 2010, the Entities are not parties to any material obligation or arbitration, either as plaintiff or defendant.

29 Dividends

On 2 March 2011, the Board of Directors of MSM declared a third interim single tier dividend of 825% per share to FGVS, its shareholder then amounting to RM300,000,000 for the financial year ended 31 December 2010.

On 3 March 2011, the Board of Directors of KGFP declared a special dividend of 331.09 sen per share to its shareholders then, FGVH and FHB on 12,000,000 ordinary shares amounting to RM35,000,000 in respect of the financial year ended 31 December 2010 as follows:

	RM'000
Tax exempt dividend of 121.39 sen per share	14,568
Gross dividend of 157.68 sen per share less income tax at 25%	14,191
Single-tier dividend of 52.01 sen per share	6,241
	<u>35,000</u>

The above dividends will be paid upon obtaining the approvals from the relevant authorities for the IPO. Since the said approvals have been granted by the authorities as set out in Note 25, the dividends are expected to be paid prior to Listing.

On behalf of the Board


Dato' Sabri Ahmad
Director



Dato' Dzulkifli Abd. Wahab
Director

Kuala Lumpur
20 May 2011