

**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.10 Loans and borrowings**

	Note	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Non-current</b>					
Finance lease liabilities	6.2.10.1	13,055	10,972	18,816	5,351
Secured term loans		6,269	4,558	2,388	2,353
		<u>19,324</u>	<u>15,530</u>	<u>21,204</u>	<u>7,704</u>
<b>Current</b>					
Secured bank overdrafts		13,200	14,671	3,444	1,615
Unsecured bankers' acceptances/ trust receipts		10,784	5,209	4,084	1,900
Finance lease liabilities	6.2.10.1	12,375	18,575	14,834	5,032
Factoring facility		19,444	6,325	-	-
Secured term loans		890	8,241	82	192
		<u>56,693</u>	<u>53,021</u>	<u>22,444</u>	<u>8,739</u>
		<u>76,017</u>	<u>68,551</u>	<u>43,648</u>	<u>16,443</u>

**Security**

The term loans are secured over the company's land and buildings (see Note 6.2.1.1).

The bank overdraft facilities are repayable on demand and bear interest ranging from 6.85% – 8.60% (2013: 6.60% - 8.35%; 2012: 6.60% - 7.96%; 2011: 5.38% - 8.28%) per annum. These facilities are secured and supported by freehold land (see Note 6.2.1.1) and deposits placed with licensed banks (see Note 6.2.8).

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.10 Loans and borrowings (continued)

## 6.2.10.1 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000	Future minimum lease payments 2013 RM'000	Interest 2013 RM'000	Present value of minimum lease payments 2013 RM'000	Future minimum lease payments 2012 RM'000	Interest 2012 RM'000	Present value of minimum lease payments 2012 RM'000	Future minimum lease payments 2011 RM'000	Interest 2011 RM'000	Present value of minimum lease payments 2011 RM'000
Less than one year	13,634	(1,259)	12,375	19,701	(1,126)	18,575	16,422	(1,588)	14,834	5,587	(555)	5,032
Between one and five years	14,200	(1,145)	13,055	11,290	(318)	10,972	19,620	(804)	18,816	5,645	(294)	5,351
	27,834	(2,404)	25,430	30,991	(1,444)	29,547	36,042	(2,392)	33,650	11,232	(849)	10,383

**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.11 Trade and other payables**

	Note	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade payables	6.2.11.1	75,946	40,488	28,836	10,926
Amount due to subsidiaries	6.2.11.2	905	1,135	10,264	3,464
Amount due to contract customers	6.2.7.2	7,685	9,346	22,225	4,881
		<u>84,536</u>	<u>50,969</u>	<u>61,325</u>	<u>19,271</u>
<b>Non-trade</b>					
Amount due to subsidiaries	6.2.11.2	3,899	5,490	5,289	2,068
Other payables		10,829	5,874	3,106	3,229
Accruals		4,529	3,411	2,902	807
		<u>19,257</u>	<u>14,775</u>	<u>11,297</u>	<u>6,104</u>
		<u>103,793</u>	<u>65,744</u>	<u>72,622</u>	<u>25,375</u>

6.2.11.1 Included in trade payables at 31 December 2014 are retention sums payable for the company amounting to RM5,275,000 (2013: RM4,403,000; 2012: RM3,800,000; 2011: RM4,278,000) respectively.

6.2.11.2 The amount due to subsidiaries is unsecured, interest free and repayable on demand.

**6.2.12 Finance income**

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- interest received from licensed banks	<u>686</u>	<u>530</u>	<u>319</u>	<u>236</u>

**6.2.13 Finance costs**

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans	729	179	140	141
- bank overdrafts	1,025	1,000	312	193
- hire purchase	1,799	1,986	1,592	702
- bankers' acceptances	138	122	147	95
- trust receipts	203	8	-	-
- other borrowings	1,287	219	47	108
	<u>5,181</u>	<u>3,514</u>	<u>2,238</u>	<u>1,239</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.14 Tax expense

## Recognised in profit or loss

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Current tax expense</b>				
- Current year	7,346	5,741	3,361	2,418
- Prior years	(46)	(270)	(34)	102
Total current tax recognised in profit or loss	<u>7,300</u>	<u>5,471</u>	<u>3,327</u>	<u>2,520</u>
<b>Deferred tax expense</b>				
- Origination and reversal of temporary differences	788	1,167	629	1,161
- Prior years	(692)	(24)	-	(98)
Total deferred tax recognised in profit or loss	<u>96</u>	<u>1,143</u>	<u>629</u>	<u>1,063</u>
Total income tax expense	<u>7,396</u>	<u>6,614</u>	<u>3,956</u>	<u>3,583</u>
<i>Reconciliation of tax expense</i>				
Profit before tax	<u>28,766</u>	<u>27,025</u>	<u>12,990</u>	<u>15,120</u>
Income tax calculated using Malaysian tax rate of 25%	7,191	6,757	3,247	3,780
Non-deductible expenses	943	151	741	815
Tax exempt income	-	-	-	(1,016)
Others	-	-	2	-
	<u>8,134</u>	<u>6,908</u>	<u>3,990</u>	<u>3,579</u>
(Over)/Under provision in prior years	<u>(738)</u>	<u>(294)</u>	<u>(34)</u>	<u>4</u>
	<u>7,396</u>	<u>6,614</u>	<u>3,956</u>	<u>3,583</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.15 Profit for the year**

	Note	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Profit for the year is arrived at after charging:</b>					
Auditors' remuneration					
- Audit fees					
KPMG Malaysia		157	45	45	-
Other auditors		-	-	-	33
Bad debts written off		12	-	-	-
Depreciation of property, plant and equipment	6.2.1	8,458	7,173	4,617	3,535
Directors' remuneration					
- fees					
	6.2.17	6	6	6	6
- other emoluments					
	6.2.17	1,770	910	994	961
Management fees		-	90	85	85
Loss on disposal of other investment		-	-	-	410
Loss on foreign exchange	5	-	-	-	4
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Fund					
		335	328	339	293
- Wages, salaries and others					
		3,886	2,828	3,011	2,304
Rental expense in respect of:					
- Premises					
		-	-	-	-
- Plant and machinery					
		-	-	1	47
- Motor vehicles					
		-	9	-	1
<b>and after crediting:</b>					
Dividend income		-	2,900	-	6,670
Gain on disposal of property, plant and equipment		39	1	483	172
Gain on foreign exchange		-	2	5	-
Recovery from insurance claims		34	-	261	-
Reversal of previous year project expenses		-	-	-	419
Management fee income		156	156	252	252
Rental income in respect of:					
- Premises					
		210	225	173	124
- Plant and machinery					
		-	-	-	9

**6.2.16 Earnings per ordinary share**

The calculation of basic earnings per ordinary share at 31 December 2014 was based on the profit attributable to ordinary shareholders of RM21,345,000 (2013: RM20,411,000; 2012: RM9,034,000; 2011: RM11,537,000) and the weighted average number of ordinary shares outstanding during the year of 30,000,000 (2013: 30,000,000; 2012: 30,000,000; 2011: 30,000,000).

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.17 Key management personnel compensation

The key management personnel compensation is as follows:

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Directors:				
- Fees	6	6	6	6
- Remuneration	1,770	910	994	961
Total short-term employee benefits	1,776	916	1,000	967

## 6.2.18 Dividends

Dividends recognised in the current year by the company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2013</b>			
Interim 2013 ordinary	9.67	2,900	28 November 2013

Subsequent to year end, the Directors declared an interim ordinary dividend of 37.3 sen per ordinary share, totalling RM11.2 million in respect of the financial year ended 31 December 2014.

## 6.2.19 Financial instruments

## 6.2.19.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R");
- (b) Available-for-sale financial assets ("AFS");
- (c) Fair value through profit or loss ("FVTPL"); and
- (d) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000	FVTPL RM'000
<b>2014</b>					
<b>Financial assets</b>					
Other investments	6.2.4	226	-	222	4
Trade and other receivables		176,431	176,431	-	-
Cash and cash equivalents	6.2.8	26,740	26,740	-	-
		203,397	203,171	222	4
<b>Financial liabilities</b>					
Loans and borrowings	6.2.10	(76,017)	(76,017)	-	-
Trade and other payables	6.2.11	(103,793)	(103,793)	-	-
		(179,810)	(179,810)	-	-

**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.19 Financial instruments (continued)****6.2.19.1 Categories of financial instruments (continued)**

	Note	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000	FVTPL RM'000
<b>2013</b>					
<b>Financial assets</b>					
Other investments	6.2.4	226	-	222	4
Trade and other receivables		119,003	119,003	-	-
Cash and cash equivalents	6.2.8	26,461	26,461	-	-
		<u>145,690</u>	<u>145,464</u>	<u>222</u>	<u>4</u>
<b>Financial liabilities</b>					
Loans and borrowings	6.2.10	(68,551)	(68,551)	-	-
Trade and other payables	6.2.11	(65,744)	(65,744)	-	-
		<u>(134,295)</u>	<u>(134,295)</u>	<u>-</u>	<u>-</u>
<b>2012</b>					
<b>Financial assets</b>					
Other investments	6.2.4	226	-	222	4
Trade and other receivables		98,285	98,285	-	-
Cash and cash equivalents	6.2.8	17,003	17,003	-	-
		<u>115,514</u>	<u>115,288</u>	<u>222</u>	<u>4</u>
<b>Financial liabilities</b>					
Loans and borrowings	6.2.10	(43,648)	(43,648)	-	-
Trade and other payables	6.2.11	(72,622)	(72,622)	-	-
		<u>(116,270)</u>	<u>(116,270)</u>	<u>-</u>	<u>-</u>
<b>2011</b>					
<b>Financial assets</b>					
Other investments	6.2.4	185	-	181	4
Trade and other receivables		50,683	50,683	-	-
Cash and cash equivalents	6.2.8	9,993	9,993	-	-
		<u>60,861</u>	<u>60,676</u>	<u>181</u>	<u>4</u>
<b>Financial liabilities</b>					
Loans and borrowings	6.2.10	(16,443)	(16,443)	-	-
Trade and other payables	6.2.11	(25,375)	(25,375)	-	-
		<u>(41,818)</u>	<u>(41,818)</u>	<u>-</u>	<u>-</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.2 Net gains and losses arising from financial instruments

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Loans and receivables	674	530	319	236
Financial liabilities measured at amortised cost	<u>(5,181)</u>	<u>(3,514)</u>	<u>(2,238)</u>	<u>(1,239)</u>
	<u>(4,507)</u>	<u>(2,984)</u>	<u>(1,919)</u>	<u>(1,003)</u>

## 6.2.19.3 Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

## 6.2.19.4 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables from customers and advances to subsidiaries.

**Receivables***Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the company. The company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.



**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.19 Financial instruments (continued)****6.2.19.4 Credit risk (continued)****Receivables (continued)***Impairment losses*

The ageing of trade receivables as at the end of the reporting periods was:

	<b>Gross RM'000</b>	<b>Individual impairment RM'000</b>	<b>Net RM'000</b>
<b>2014</b>			
Not past due	65,067	-	65,067
Past due 1 - 30 days	20,047	-	20,047
Past due 31 - 120 days	11,818	-	11,818
Past due more than 120 days	22,277	-	22,277
	<u>119,209</u>	-	<u>119,209</u>
<b>2013</b>			
Not past due	34,782	-	34,782
Past due 1 - 30 days	463	-	463
Past due 31 - 120 days	10,942	-	10,942
Past due more than 120 days	8,392	-	8,392
	<u>54,579</u>	-	<u>54,579</u>
<b>2012</b>			
Not past due	16,868	-	16,868
Past due 1 - 30 days	9,694	-	9,694
Past due 31 - 120 days	24,505	-	24,505
Past due more than 120 days	5,817	-	5,817
	<u>56,884</u>	-	<u>56,884</u>
<b>2011</b>			
Not past due	17,506	-	17,506
Past due 1 - 30 days	10,313	-	10,313
Past due 31 - 120 days	3,151	-	3,151
Past due more than 120 days	943	-	943
	<u>31,913</u>	-	<u>31,913</u>

As at the end of the reporting period, there was no indication that the receivables are not recoverable. The Directors are reasonably confident that all debts can be recovered within the next 12 months.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.4 Credit risk (continued)

**Investments***Risk management objectives, policies and processes for managing the risk*

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the company.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the company has only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The investments are unsecured.

**Inter company advances***Risk management objectives, policies and processes for managing the risk*

The company provides unsecured advances to subsidiaries. The company monitors the results of the subsidiaries regularly.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The company does not specifically monitor the ageing of the advances to subsidiaries.

## 6.2.19.5 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.5 Liquidity risk (continued)

## Maturity analysis

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2014</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	7,159	4.75 - 8.60	8,999	1,083	1,083	3,303	3,530
Secured bank overdrafts	13,200	6.85 - 8.60	13,200	13,200	-	-	-
Unsecured bankers' acceptances/trust receipts	10,784	3.94 - 4.01	10,784	10,784	-	-	-
Finance lease liabilities	25,430	2.10 - 5.13	27,834	13,634	7,079	7,121	-
Factoring facility	19,444	8.35	19,444	19,444	-	-	-
Trade and other payables	103,793	-	103,793	103,793	-	-	-
Bank guarantees	-	-	40,955	40,955	-	-	-
	<u>179,810</u>		<u>225,009</u>	<u>202,893</u>	<u>8,162</u>	<u>10,424</u>	<u>3,530</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.5 Liquidity risk (continued)

## Maturity analysis (continued)

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2013</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	12,799	4.50 - 8.10	14,432	8,982	497	1,489	3,464
Secured bank overdrafts	14,671	6.60 - 8.35	14,671	14,671	-	-	-
Unsecured bankers' acceptances/trust receipts	5,209	3.49 - 4.91	5,209	5,209	-	-	-
Finance lease liabilities	29,547	2.10 - 5.01	30,991	19,701	9,890	1,400	-
Factoring facility	6,325	7.85 - 8.10	6,325	6,325	-	-	-
Trade and other payables	65,744	-	65,744	65,744	-	-	-
Bank guarantees	-	-	73,402	73,402	-	-	-
	<u>134,295</u>		<u>210,774</u>	<u>194,034</u>	<u>10,387</u>	<u>2,889</u>	<u>3,464</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.5 Liquidity risk (continued)

## Maturity analysis (continued)

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2012</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	2,470	4.50 - 8.10	3,989	218	218	655	2,898
Secured bank overdrafts	3,444	6.60 - 7.96	3,444	3,444	-	-	-
Unsecured bankers' acceptances/trust receipts	4,084	3.95 - 8.36	4,084	4,084	-	-	-
Finance lease liabilities	33,650	2.60 - 4.90	36,042	16,421	14,200	5,421	-
Trade and other payables	72,622	-	72,622	72,622	-	-	-
Bank guarantees	-	-	48,219	48,219	-	-	-
	<b>116,270</b>		<b>168,400</b>	<b>145,008</b>	<b>14,418</b>	<b>6,076</b>	<b>2,898</b>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.5 Liquidity risk (continued)

## Maturity analysis (continued)

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2011</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	2,545	4.50 - 8.10	4,208	218	218	655	3,117
Secured bank overdrafts	1,615	5.38 - 8.28	1,615	1,615	-	-	-
Unsecured bankers' acceptances/trust receipts	1,900	2.40 - 3.76	1,900	1,900	-	-	-
Finance lease liabilities	10,383	2.60 - 4.90	11,232	5,587	3,932	1,713	-
Trade and other payables	25,375	-	25,375	25,375	-	-	-
Bank guarantees	-	-	21,689	21,689	-	-	-
	<b>41,818</b>		<b>66,019</b>	<b>56,384</b>	<b>4,150</b>	<b>2,368</b>	<b>3,117</b>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the company's financial position or cash flows.

## 6.2.19.6.1 Interest rate risk

The company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

*Risk management objectives, policies and processes for managing the risk*

The company manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

*Exposure to interest rate risk*

The interest rate profile of the company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Fixed rate instruments</b>				
Financial assets	26,484	25,761	16,002	7,668
Financial liabilities	<u>25,430</u>	<u>29,547</u>	<u>33,650</u>	<u>10,383</u>
<b>Floating rate instruments</b>				
Financial liabilities	<u>50,587</u>	<u>39,004</u>	<u>9,818</u>	<u>6,060</u>

*Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

*(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have no significant effect to equity and post-tax profit or loss, on the basis that all other variables remained constant.

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

2014	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>Financial assets</b>								
Quoted shares	6	-	-	-	-	-	-	6
Club membership	-	-	-	-	395	-	395	222
	6	-	-	-	395	-	395	226
<b>Financial liabilities</b>								
Secured term loans	-	-	-	-	(7,051)	-	(7,051)	(7,159)
Finance lease liabilities	-	-	-	-	(25,592)	-	(25,592)	(25,430)
	-	-	-	-	(32,643)	-	(32,643)	(32,589)



## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.7 Fair value information (continued)

2013	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000		
<b>Financial assets</b>								
Quoted shares	8	-	-	8	-	-	-	8
Club membership	-	-	-	-	-	-	350	350
	8	-	-	8	-	-	350	358
<b>Financial liabilities</b>								
Secured term loans	-	-	-	-	(12,837)	-	(12,837)	(12,799)
Finance lease liabilities	-	-	-	-	(29,293)	-	(29,293)	(29,547)
	-	-	-	-	(42,130)	-	(42,130)	(42,346)

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.19 Financial instruments (continued)

## 6.2.19.7 Fair value information (continued)

2012	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value * Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
<b>Financial assets</b>							
Quoted shares	4	-	-	-	-	4	4
Club memberships	-	-	-	-	350	350	222
	4	-	-	-	350	354	226
<b>Financial liabilities</b>							
Secured term loans	-	-	-	-	(2,481)	(2,481)	(2,470)
Finance lease liabilities	-	-	-	-	(33,561)	(33,561)	(33,650)
	-	-	-	-	(36,042)	(36,042)	(36,120)
<b>2011</b>							
<b>Financial assets</b>							
Quoted shares	4	-	-	-	-	4	4
Club memberships	-	-	-	-	350	350	166
	4	-	-	-	350	354	170
<b>Financial liabilities</b>							
Secured term loans	-	-	-	-	(2,567)	(2,567)	(2,545)
Finance lease liabilities	-	-	-	-	(10,260)	(10,260)	(10,383)
	-	-	-	-	(12,827)	(12,827)	(12,928)

\* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of MFRS 13.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.2.19 Financial instruments (continued)****6.2.19.7 Fair value information (continued)***Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

**Transfers between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and 2 fair values during the financial years ended 31 December 2011 to 2014.

**6.2.20 Contingencies**

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Bank guarantees issued to customers for performance of projects	40,542	72,841	47,864	20,959
Bank guarantees issued for tender of projects	413	561	355	730
	<u>40,955</u>	<u>73,402</u>	<u>48,219</u>	<u>21,689</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.21 Related parties

## Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors of the company, and certain members of senior management of the company.

The significant related party transactions of the company, other than key management personnel compensation (see Note 6.2.17) are as follows:

	Amount transacted for the year ended 31 December			
	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Contract revenue				
Rekavista Sdn. Bhd.	32,790	80,295	42,256	-
Contract cost				
Rekavista (Sarawak) Sdn. Bhd.	-	(29)	-	(2,156)
Ikhmas Equipment Sdn. Bhd. (formerly known as RV Equipment Sdn. Bhd.)	(1,378)	(1,286)	(1,182)	(1,342)
MM2 Building System Sdn. Bhd.	(6,485)	(3,081)	(9,233)	-
Rental of premises				
Ikhmas Equipment Sdn. Bhd. (formerly known as RV Equipment Sdn. Bhd.)	60	60	60	180
Rental of machinery income				
Rekavista Sdn. Bhd.	-	-	-	9
IJ Geotechnic Sdn. Bhd.	-	-	22	-
MM2 Building System Sdn. Bhd.	121	213	4	-
Management fees income				
MM2 Building System Sdn. Bhd.	60	60	-	-
Rekavista Sdn. Bhd.	60	60	-	-
Ikhmas Equipment Sdn. Bhd. (formerly known as RV Equipment Sdn. Bhd.)	36	36	312	432

Significant related party balances related to the above transactions are disclosed in Notes 6.2.7 and 6.2.11.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.22 Capital management

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the company's approach to capital management during the financial year.

## 6.2.23 Prior year adjustments

In the financial year ended 31 December 2011, deferred tax liabilities were not fully provided for in the statement of financial position. The company recomputed and recognised the full deferred tax liabilities at 31 December 2012. The additional liabilities were retrospectively adjusted for.

The adjustments had the following impact on the financial statements of the previous years:

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>Statement of financial position</b>				
Increase in deferred tax liabilities	-	-	455	672
<b>Statement of profit or loss and other comprehensive income</b>				
Increase in tax expense	-	-	(455)	(672)

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.2 IKHMAS JAYA SDN. BHD. (CONTINUED)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.2.24 Comparative figures

The following comparative figures have been restated to reflect the adjustments as stated in Note 6.2.23:

	2014		2013		2012		2011		2010	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
<b>Statement of financial position</b>										
Reserves	-	-	-	-	19,903	25,753	18,366	21,761		
Deferred tax liabilities	-	-	-	-	3,673	-	2,610	-		
Deferred tax assets	-	-	-	-	-	177	-	785		
<b>Statement of profit or loss and other comprehensive income</b>										
Tax expense	-	-	-	-	3,583	3,128	3,117	2,445		

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.3 MM2 BUILDING SYSTEM SDN. BHD.

## STATEMENT OF FINANCIAL POSITION

	Note	← 31 December →		
		2014 RM	2013 RM	2012 RM
<b>Assets</b>				
Plant and equipment	6.3.1	2,171,485	2,394,956	2,366,418
Deferred tax assets	6.3.7	18,919	-	-
<b>Total non-current assets</b>		<u>2,190,404</u>	<u>2,394,956</u>	<u>2,366,418</u>
Inventories	6.3.2	184,894	731,010	191,184
Trade and other receivables	6.3.3	8,028,372	7,581,256	9,724,022
Current tax asset		65,352	-	-
Cash and bank balances	6.3.4	214,991	442,258	3,672
<b>Total current assets</b>		<u>8,493,609</u>	<u>8,754,524</u>	<u>9,918,878</u>
<b>Total assets</b>		<u>10,684,013</u>	<u>11,149,480</u>	<u>12,285,296</u>
<b>Equity</b>				
Share capital	6.3.5	401,000	1,000	1,000
Retained earnings		97,467	438,808	377,108
<b>Total equity attributable to owners of the company</b>		<u>498,467</u>	<u>439,808</u>	<u>378,108</u>
<b>Liabilities</b>				
Borrowings	6.3.6	555,912	1,141,205	-
Deferred tax liabilities	6.3.7	-	13,671	127,002
<b>Total non-current liabilities</b>		<u>555,912</u>	<u>1,154,876</u>	<u>127,002</u>
Borrowings	6.3.6	624,659	567,892	-
Current tax liabilities		-	6,794	-
Trade and other payables	6.3.8	9,004,975	8,980,110	11,780,186
		<u>9,629,634</u>	<u>9,554,796</u>	<u>11,780,186</u>
<b>Total liabilities</b>		<u>10,185,546</u>	<u>10,709,672</u>	<u>11,907,188</u>
<b>Total equity and liabilities</b>		<u>10,684,013</u>	<u>11,149,480</u>	<u>12,285,296</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Year ended 31.12.2014 RM	Year ended 31.12.2013 RM	21.6.2012 to 31.12.2012 RM
Revenue		8,531,797	5,297,721	9,545,903
Cost of sales		<u>(7,986,265)</u>	<u>(4,350,663)</u>	<u>(8,747,354)</u>
Gross profit		545,532	947,058	798,549
Other income		474	12,495	915
Administrative expenses		(830,400)	(628,075)	(194,649)
Other operating expenses		<u>(101,435)</u>	<u>(135,215)</u>	<u>(81,263)</u>
Results from operating activities		(385,829)	196,263	523,552
Finance costs		<u>(95,232)</u>	<u>(20,527)</u>	<u>(19,442)</u>
(Loss)/Profit before tax	6.3.9	(481,061)	175,736	504,110
Tax expense	6.3.10	<u>139,720</u>	<u>(114,036)</u>	<u>(127,002)</u>
(Loss)/Profit and total comprehensive (expense)/income for the year/period		<u>(341,341)</u>	<u>61,700</u>	<u>377,108</u>



## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## STATEMENT OF CHANGES IN EQUITY

	<i>Non- distributable</i> Share capital RM	<i>Distributable</i> Retained earnings RM	Total equity RM
At 21 June 2012 (date of incorporation)	1,000	-	1,000
Profit and total comprehensive income for the period	-	377,108	377,108
<b>At 31 December 2012/1 January 2013</b>	<b>1,000</b>	<b>377,108</b>	<b>378,108</b>
Profit and total comprehensive income for the year	-	61,700	61,700
<b>At 31 December 2013/1 January 2014</b>	<b>1,000</b>	<b>438,808</b>	<b>439,808</b>
Issue of ordinary shares	400,000	-	400,000
Loss and total comprehensive expense for the year	-	(341,341)	(341,341)
<b>At 31 December 2014</b>	<b>401,000</b>	<b>97,467</b>	<b>498,467</b>

Note 6.3.5

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****STATEMENT OF CASH FLOWS**

	Note	Year ended 31.12.2014 RM	Year ended 31.12.2013 RM	21.6.2012 to 31.12.2012 RM
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax		(481,061)	175,736	504,110
<i>Adjustments for:</i>				
Depreciation of plant and equipment	6.3.1	344,148	300,708	91,682
Finance costs		95,232	20,527	19,442
Plant and equipment written off		2,710	-	-
<b>Operating (loss)/profit before changes in working capital</b>		<b>(38,971)</b>	<b>496,971</b>	<b>615,234</b>
Inventories		546,116	(539,826)	(191,184)
Trade and other receivables		(447,116)	2,142,766	(9,724,022)
Trade and other payables		184,865	(2,800,076)	11,780,186
<b>Cash generated from/(used in) operations</b>		<b>244,894</b>	<b>(700,165)</b>	<b>2,480,214</b>
Tax paid		(80,352)	(220,573)	-
Interest paid		(95,232)	(20,527)	(19,442)
Tax refund		115,336	-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>184,646</b>	<b>(941,265)</b>	<b>2,460,772</b>
<b>Cash flows from investing activity</b>				
Acquisition of plant and equipment	(i)	(68,387)	(329,246)	(2,458,100)
<b>Net cash used in investing activity</b>		<b>(68,387)</b>	<b>(329,246)</b>	<b>(2,458,100)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		-	1,800,000	-
Proceeds from issuance of shares		240,000	-	-
Repayment of hire purchase		(583,526)	(90,903)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(343,526)</b>	<b>1,709,097</b>	<b>-</b>
<b>Net (decrease)/increase in cash and bank balances</b>		<b>(227,267)</b>	<b>438,586</b>	<b>2,672</b>
<b>Cash and bank balances at 1 January/date of incorporation</b>		<b>442,258</b>	<b>3,672</b>	<b>1,000</b>
<b>Cash and bank balances at 31 December</b>	6.3.4	<b>214,991</b>	<b>442,258</b>	<b>3,672</b>

## (i) Acquisition of plant and equipment

During the year, the company acquired plant and equipment with aggregate cost of RM123,387 (2013: RM329,246; 2012: RM2,458,100) of which RM55,000 (2013: RM Nil; 2012: RM Nil) were acquired by means of finance lease.

**10. ACCOUNTANTS' REPORT (Cont'd)**
**6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)**
**NOTES TO THE FINANCIAL STATEMENTS**
**6.3.1 Plant and equipment**

<i>Cost</i>	Plant and machinery RM	Motor vehicles RM	Electrical fitting RM	Office equipment RM	Under construction RM	Total RM
At 21 June 2012 (date of incorporation)	-	-	-	-	-	-
Additions	2,377,633	10,050	45,120	25,297	-	2,458,100
At 31 December 2012/1 January 2013	2,377,633	10,050	45,120	25,297	-	2,458,100
Additions	254,136	66,850	-	2,800	5,460	329,246
At 31 December 2013/1 January 2014	2,631,769	76,900	45,120	28,097	5,460	2,787,346
Additions	54,500	63,357	-	5,530	-	123,387
Written off	(1,200)	-	-	-	(1,750)	(2,950)
At 31 December 2014	2,685,069	140,257	45,120	33,627	3,710	2,907,783
<i>Depreciation</i>						
At 21 June 2012 (date of incorporation)	-	-	-	-	-	-
Charge for the period	88,958	1,005	952	767	-	91,682
At 31 December 2012/1 January 2013	88,958	1,005	952	767	-	91,682
Charge for the year	286,081	7,427	4,512	2,688	-	300,708
At 31 December 2013/1 January 2014	375,039	8,432	5,464	3,455	-	392,390
Charge for the year	318,791	17,532	4,512	3,313	-	344,148
Written off	(240)	-	-	-	-	(240)
At 31 December 2014	693,590	25,964	9,976	6,768	-	736,298
<i>Carrying Amount</i>						
At 31 December 2012/1 January 2013	2,288,675	9,045	44,168	24,530	-	2,366,418
At 31 December 2013/1 January 2014	2,256,730	68,468	39,656	24,642	5,460	2,394,956
At 31 December 2014	1,991,479	114,293	35,144	26,859	3,710	2,171,485

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.2 Inventories**

	2014 RM	2013 RM	2012 RM
Raw materials and consumables	56,883	276,496	99,192
Work-in-progress	13,394	2,503	7,927
Finished goods	114,617	452,011	84,065
	<u>184,894</u>	<u>731,010</u>	<u>191,184</u>

**6.3.3 Trade and other receivables**

	Note	2014 RM	2013 RM	2012 RM
<b>Trade</b>				
Trade receivables	6.3.3.1	565,707	601,911	331,785
Amount due from holding company	6.3.3.2	673,610	-	9,232,942
Amount due from related company	6.3.3.2	331,473	-	-
Amount due from contract customers	6.3.3.3	6,086,441	6,719,334	-
		<u>7,657,231</u>	<u>7,321,245</u>	<u>9,564,727</u>
<b>Non-trade</b>				
Other receivables		<u>371,141</u>	<u>260,011</u>	<u>159,295</u>
		<u>8,028,372</u>	<u>7,581,256</u>	<u>9,724,022</u>

**6.3.3.1 Trade receivables**

All trade receivables are subject to the normal trade terms.

**6.3.3.2 Amounts due from holding company and related company**

The amounts due from holding company and related company are unsecured, interest free and repayable on demand.

**6.3.3.3 Construction work-in-progress**

	Note	2014 RM	2013 RM	2012 RM
Aggregate costs incurred to date		25,408,279	18,519,783	8,252,159
Add: Attributable profits		<u>1,236,274</u>	<u>629,114</u>	<u>706,482</u>
		26,644,553	19,148,897	8,958,641
Less: Progress billings		<u>(20,558,112)</u>	<u>(12,570,237)</u>	<u>(9,232,942)</u>
		<u>6,086,441</u>	<u>6,578,660</u>	<u>(274,301)</u>
Represented by:				
Amount due from contract customers		6,086,441	6,719,334	-
Amount due to contract customers	6.3.8	<u>-</u>	<u>(140,674)</u>	<u>(274,301)</u>
		<u>6,086,441</u>	<u>6,578,660</u>	<u>(274,301)</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.3.4 Cash and bank balances

	2014 RM	2013 RM	2012 RM
Cash and bank balances	<u>241,991</u>	<u>442,258</u>	<u>3,672</u>

## 6.3.5 Share capital

	Amount 2014 RM	Number of shares 2014	Amount 2013 RM	Number of shares 2013	Amount 2012 RM	Number of shares 2012
Authorised:						
Ordinary shares of RM1 each						
At 1 January	100,000	100,000	100,000	100,000	100,000	100,000
Created during the financial year	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>1,000,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:						
Ordinary shares of RM1 each						
At 1 January	1,000	1,000	1,000	1,000	1,000	1,000
Issued during the financial year (Note 6.3.5.1)	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>401,000</u>	<u>401,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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

## 6.3.5.1 Issuance of ordinary shares

In 2014, the company issued and allotted 240,000 ordinary shares of RM1 each fully paid up at par for cash to the holding company and another 160,000 ordinary shares of RM1 each via a set-off of debts owing to the holding company.

## 6.3.6 Borrowings

	2014 RM	2013 RM	2012 RM
<b>Non-current</b>			
Finance lease liabilities	555,912	1,141,205	-
<b>Current</b>			
Finance lease liabilities	<u>624,659</u>	<u>567,892</u>	<u>-</u>
	<u>1,180,571</u>	<u>1,709,097</u>	<u>-</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.3.6 Borrowings (continued)

Finance lease liabilities are payable as follows:

	2014		2013		2012	
	Future minimum lease payments RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Present value of minimum lease payments RM
Less than one year	679,644	(54,985)	659,400	(91,508)	-	-
Between one and five years	571,408	(15,496)	1,208,900	(67,695)	-	-
	1,251,052	(70,481)	1,868,300	(159,203)	-	-
		1,180,571		1,709,097		

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.7 Deferred tax assets/(liabilities)****Recognised deferred tax assets/(liabilities)**

Deferred tax assets/(liabilities) are attributable to the following:

	2014 RM	2013 RM	2012 RM
Plant and equipment	(253,226)	(39,865)	(127,002)
Other items	272,145	26,194	-
	<u>18,919</u>	<u>(13,671)</u>	<u>(127,002)</u>

**Movement in temporary differences during the period**

	At 21.6.2012 (date of incorporation) RM	Recognised in profit or loss (Note 6.3.10) RM	At 31.12.2012/ 1.1.2013 RM	Recognised in profit or loss (Note 6.3.10) RM	At 31.12.2013/ 1.1.2014 RM	Recognised in profit or loss (Note 6.3.10) RM	At 31.12.2014 RM
Plant and equipment	-	(127,002)	(127,002)	87,137	(39,865)	(213,361)	(253,226)
Other items	-	-	-	26,194	26,194	245,951	272,145
	-	(127,002)	(127,002)	113,331	(13,671)	32,590	18,919

**6.3.8 Trade and other payables**

	Note	2014 RM	2013 RM	2012 RM
<b>Trade</b>				
Trade payables	6.3.8.1	1,164,726	2,979,164	3,180,687
Amount due to holding company	6.3.8.2	1,690,902	3,962,318	-
Amount due to contract customers	6.3.3.3	-	140,674	274,301
		<u>2,855,628</u>	<u>7,082,156</u>	<u>3,454,988</u>
<b>Non-trade</b>				
Other payables		620,409	235,293	1,420,001
Accrued expenses		201,424	130,805	120,946
Amount due to holding company	6.3.8.2	5,162,939	1,367,281	6,784,226
Amount due to related company	6.3.8.3	164,575	164,575	25
		<u>6,149,347</u>	<u>1,897,954</u>	<u>8,325,198</u>
		<u>9,004,975</u>	<u>8,980,110</u>	<u>11,780,186</u>

**6.3.8.1 Trade payables**

Included in trade payables are retention sums payable amounting to RM197,376 (2013: RM159,184; 2012: RM30,000).

**6.3.8.2 Amount due to holding company**

The amount due to holding company is unsecured, interest free and repayable on demand.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.3.8 Trade and other payables (continued)

## 6.3.8.3 Amount due to related company

The amount due to related company is unsecured, interest free and repayable on demand.

## 6.3.9 (Loss)/Profit before tax

	Year ended 31.12.2014 RM	Year ended 31.12.2013 RM	21.6.2012 to 31.12.2012 RM
(Loss)/Profit before tax is arrived at after charging:			
Auditors' remuneration	18,000	18,000	18,000
Depreciation of plant and equipment	344,148	300,708	91,682
Plant and equipment written off	2,710	-	-
Interest expense	95,232	20,527	19,442
Management fees	60,000	60,000	-
Personnel expenses (including key management personnel):			
- Contributions to Employees' Provident Fund	67,322	49,514	5,700
- Wages, salaries and others	679,306	646,222	144,583

## 6.3.10 Tax expense

	Year ended 31.12.2014 RM	Year ended 31.12.2013 RM	21.6.2012 to 31.12.2012 RM
Recognised in profit or loss			
<b>Current tax expense</b>			
Current year provision	-	107,130	-
(Over)/Under provision in prior year/period	(107,130)	120,237	-
	(107,130)	227,367	-
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences	(101,099)	(3,874)	127,002
Under/(Over) provision in prior year/period	68,509	(109,457)	-
	(32,590)	(113,331)	127,002
Total tax expense	(139,720)	114,036	127,002
<b>Reconciliation of tax expense</b>			
(Loss)/Profit before tax	(481,061)	175,736	504,110
Income tax calculated using Malaysian tax rate of 25%	(120,266)	43,934	126,028
Non-deductible expenses	19,166	59,322	974
(Over)/Under provision in prior year/period	(38,620)	10,780	-
Total tax expense	(139,720)	114,036	127,002



**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.11 Financial instruments****6.3.11.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
 (b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.3.3	8,028,372	8,028,372
Cash and bank balances	6.3.4	214,991	214,991
		<u>8,243,363</u>	<u>8,243,363</u>
<b>Financial liabilities</b>			
Borrowings	6.3.6	(1,180,571)	(1,180,571)
Trade and other payables	6.3.8	(9,004,975)	(9,004,975)
		<u>(10,185,546)</u>	<u>(10,185,546)</u>
<b>2013</b>			
<b>Financial assets</b>			
Trade and other receivables	6.3.3	7,581,256	7,581,256
Cash and bank balances	6.3.4	442,258	442,258
		<u>8,023,514</u>	<u>8,023,514</u>
<b>Financial liabilities</b>			
Borrowings	6.3.6	(1,709,097)	(1,709,097)
Trade and other payables	6.3.8	(8,980,110)	(8,980,110)
		<u>(10,689,207)</u>	<u>(10,689,207)</u>
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	6.3.3	9,724,022	9,724,022
Cash and bank balances	6.3.4	3,672	3,672
		<u>9,727,694</u>	<u>9,727,694</u>
<b>Financial liabilities</b>			
Trade and other payables	6.3.8	(11,780,186)	(11,780,186)

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.11 Financial instruments (continued)****6.3.11.2 Net gains arising from financial instruments**

	2014 RM	2013 RM	2012 RM
Net gains arising on: Financial liabilities measured at amortised cost	(95,232)	(20,527)	-

**6.3.11.3 Financial risks management objectives and policies**

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**6.3.11.4 Credit risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables.

**Receivables***Risk management objectives, policies and processes for managing the risk*

The company's primary exposure to credit risk arises through its receivables. The management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

*Exposure to credit risk*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.11 Financial instruments (continued)****6.3.11.4 Credit risk (continued)****Receivables (continued)***Impairment losses*

The ageing of trade receivables as at the end of the reporting period was:

	<b>Gross RM</b>	<b>Individual impairment RM</b>	<b>Net RM</b>
<b>2014</b>			
Not past due	51,817	-	51,817
Past due 1 – 30 days	14,609	-	14,609
Past due 31 – 60 days	367,176	-	367,176
Past due 61– 90 days	49,583	-	49,583
Past due more than 90 days	82,522	-	82,522
	<u>565,707</u>	<u>-</u>	<u>565,707</u>
<b>2013</b>			
Past due 31 – 60 days	294,062	-	294,062
Past due 61– 90 days	83,377	-	83,377
Past due more than 90 days	224,472	-	224,472
	<u>601,911</u>	<u>-</u>	<u>601,911</u>
<b>2012</b>			
Not past due	3,486,263	-	3,486,263
Past due 1 – 30 days	109,871	-	109,871
Past due 31 – 60 days	4,609	-	4,609
Past due 61 – 90 days	11,586	-	11,586
Past due 91– 120 days	3,025,911	-	3,025,911
Past due more than 120 days	2,926,487	-	2,926,487
	<u>9,564,727</u>	<u>-</u>	<u>9,564,727</u>

As at the end of the reporting period, there was no indication that the receivables are not recoverable as the management does not expect any counterparty to fail to meet its obligations.

**6.3.11.5 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables and borrowings.

The company maintains a level of cash and bank balances deemed adequate by the directors to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.3.11 Financial instruments (continued)

## 6.3.11.5 Liquidity risk (continued)

*Maturity analysis*

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1-2 years RM	2-5 years RM
<b>2014</b>						
<i>Non-derivative financial liabilities</i>						
Finance lease liabilities	1,180,571	2.00 - 3.46	1,251,052	679,644	571,408	-
Trade and other payables	9,004,975	-	9,004,975	9,004,975	-	-
	<u>10,185,546</u>		<u>10,256,027</u>	<u>9,684,619</u>	<u>571,408</u>	<u>-</u>
<b>2013</b>						
<i>Non-derivative financial liabilities</i>						
Finance lease liabilities	1,709,097	2.00	1,868,300	659,400	659,400	549,500
Trade and other payables	8,980,110	-	8,980,110	8,980,110	-	-
	<u>10,689,207</u>		<u>10,848,410</u>	<u>9,639,510</u>	<u>659,400</u>	<u>549,500</u>
<b>2012</b>						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	<u>11,780,186</u>	-	<u>11,780,186</u>	<u>11,780,186</u>	-	-

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.3.11 Financial instruments (continued)

## 6.3.11.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the company's financial position or cash flows.

## 6.3.11.6.1 Interest rate risk

The company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

*Exposure to interest rate risk*

The interest rate profile of the company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2014 RM	2013 RM	2012 RM
<b>Fixed rate instruments</b>			
Financial liabilities	<u>1,180,571</u>	<u>1,709,097</u>	<u>-</u>

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

## 6.3.11.7 Fair value information

The carrying amounts of cash and bank balances, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.11 Financial instruments (continued)****6.3.11.7 Fair value information (continued)**

	Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1	Level 2	Level 3		
	RM	RM	RM		
<b>2014</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	1,180,571	-	1,180,571	1,180,571
<b>2013</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	1,709,097	-	1,709,097	1,709,097
<b>2012</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	-	-	-

*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

**Transfers between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and 2 fair values during the financial year (2013 and 2012: no transfer in either directions).

**10. ACCOUNTANTS' REPORT (Cont'd)****6.3 MM2 BUILDING SYSTEM SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.3.12 Related parties****Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors and certain members of senior management of the company.

The significant related party transactions of the company are as follows:

Transaction amount	Year ended 31.12.2014	Year ended 31.12.2013	21.6.2012 to 31.12.2012
	RM	RM	RM
<b>Holding company</b>			
Ikhmas Jaya Sdn. Bhd.			
Contract revenue	7,133,452	3,080,796	2,448,716
Rental of machinery	(121,000)	(213,000)	(4,000)
Management fees	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
<b>Related company</b>			
Ikhmas Equipment Sdn. Bhd. (formerly known as RV Equipment Sdn. Bhd.)			
Rental charges	<u>-</u>	<u>(6,400)</u>	<u>-</u>

Significant related party balances related to the above transactions are disclosed in Notes 6.3.3 and 6.3.8.

**6.3.13 Capital management**

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the company's approach to capital management during the year.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD.****STATEMENT OF FINANCIAL POSITION**

	Note	← 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Assets</b>					
Property, plant and equipment	6.4.1	46,525	89,939	165,570	251,157
Investments in subsidiaries	6.4.2	87	87	87	87
<b>Total non-current assets</b>		<u>46,612</u>	<u>90,026</u>	<u>165,657</u>	<u>251,244</u>
Trade and other receivables	6.4.3	9,955,085	24,199,826	18,512,116	3,952,820
Current tax assets		-	-	31,374	-
Cash and cash equivalents	6.4.4	3,909	79,642	1,464,286	535,621
<b>Total current assets</b>		<u>9,958,994</u>	<u>24,279,468</u>	<u>20,007,776</u>	<u>4,488,441</u>
<b>Total assets</b>		<u>10,005,606</u>	<u>24,369,494</u>	<u>20,173,433</u>	<u>4,739,685</u>
<b>Equity</b>					
Share capital		2,000,000	2,000,000	2,000,000	2,000,000
Retained profits		6,434,422	6,063,319	5,350,413	1,428,637
<b>Total equity attributable to owner of the company</b>	6.4.5	<u>8,434,422</u>	<u>8,063,319</u>	<u>7,350,413</u>	<u>3,428,637</u>
<b>Liabilities</b>					
Deferred tax liabilities	6.4.6	6,290	6,290	35,715	-
<b>Total non-current liabilities</b>		<u>6,290</u>	<u>6,290</u>	<u>35,715</u>	<u>-</u>
Trade and other payables	6.4.7	1,150,006	15,539,319	12,787,305	1,074,524
Borrowings	6.4.8	-	-	-	136,344
Current tax liabilities		414,888	760,566	-	100,180
<b>Total current liabilities</b>		<u>1,564,894</u>	<u>16,299,885</u>	<u>12,787,305</u>	<u>1,311,048</u>
<b>Total liabilities</b>		<u>1,571,184</u>	<u>16,306,175</u>	<u>12,823,020</u>	<u>1,311,048</u>
<b>Total equity and liabilities</b>		<u>10,005,606</u>	<u>24,369,494</u>	<u>20,173,433</u>	<u>4,739,685</u>



## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
Revenue		31,243,642	85,304,493	45,210,025	5,375,691
Cost of sales		(30,092,118)	(80,196,824)	(41,083,814)	(1,455,820)
<b>Gross profit</b>		<b>1,151,524</b>	<b>5,107,669</b>	<b>4,126,211</b>	<b>3,919,871</b>
Other income		-	34,955	353,760	700,003
Administrative expenses		(582,703)	(440,925)	(401,891)	(2,316,718)
Other operating expenses		(43,414)	(45,586)	(286,487)	(88,946)
<b>Result from operating activities</b>		<b>525,407</b>	<b>4,656,113</b>	<b>3,791,593</b>	<b>2,214,210</b>
Finance income		1	1,322	13,775	12,457
Finance costs	6.4.9	-	-	(3,948)	(11,238)
<b>Profit before tax</b>		<b>525,408</b>	<b>4,657,435</b>	<b>3,801,420</b>	<b>2,215,429</b>
Tax expense	6.4.10	(154,305)	(1,044,529)	120,356	(2,681)
<b>Profit and total comprehensive income for the year</b>	6.4.11	<b>371,103</b>	<b>3,612,906</b>	<b>3,921,776</b>	<b>2,212,748</b>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****STATEMENT OF CHANGES IN EQUITY**

	Note	<i>Non- distributable</i> Share capital RM	<i>Distributable</i> Retained earnings RM	Total equity RM
<b>At 1 January 2011</b>		2,000,000	5,218,389	7,218,389
Profit and total comprehensive income for the year		-	2,212,748	2,212,748
Dividends to owner of the company	6.4.12	-	(6,002,500)	(6,002,500)
<b>At 31 December 2011/1 January 2012</b>		2,000,000	1,428,637	3,428,637
Profit and total comprehensive income for the year		-	3,921,776	3,921,776
<b>At 31 December 2012/1 January 2013</b>		2,000,000	5,350,413	7,350,413
Profit and other comprehensive income for the year		-	3,612,906	3,612,906
Dividends to owner of the company	6.4.12	-	(2,900,000)	(2,900,000)
<b>At 31 December 2013/1 January 2014</b>		2,000,000	6,063,319	8,063,319
Profit and other comprehensive income for the year		-	371,103	371,103
<b>At 31 December 2014</b>		2,000,000	6,434,422	8,434,422
		Note 6.4.5	Note 6.4.5	

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****STATEMENT OF CASH FLOWS**

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>					
Profit before tax		525,408	4,657,435	3,801,420	2,215,429
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	6.4.1	43,414	45,586	85,587	88,946
Finance costs	6.4.9	-	-	3,948	11,238
Finance income		(1)	(1,322)	(13,775)	(12,457)
Impairment loss on trade receivable		-	-	-	2,259,323
Gain on disposal of property, plant and equipment		-	(34,955)	-	-
<b>Operating profit before changes in working capital</b>		<u>568,821</u>	<u>4,666,744</u>	<u>3,877,180</u>	<u>4,562,479</u>
Changes in working capital:					
Trade and other receivables		14,244,741	(5,687,710)	(14,559,296)	10,405,910
Trade and other payables		<u>(14,389,313)</u>	<u>2,752,014</u>	<u>11,712,781</u>	<u>(8,814,515)</u>
<b>Cash generated from operations</b>		<u>424,249</u>	<u>1,731,048</u>	<u>1,030,665</u>	<u>6,153,874</u>
Tax (paid)/refunded		(499,983)	(282,014)	24,517	(2,681)
Interest paid		-	-	(3,948)	(11,238)
<b>Net cash (used in)/from operating activities</b>		<u>.....(75,734)</u>	<u>.....1,449,034</u>	<u>.....1,051,234</u>	<u>.....6,139,955</u>
<b>Cash flows from investing activities</b>					
Interest received		1	1,322	13,775	12,457
Proceeds from disposal of property, plant and equipment		-	65,000	-	-
<b>Net cash generated from investing activities</b>		<u>.....1</u>	<u>.....66,322</u>	<u>.....13,775</u>	<u>.....12,457</u>
<b>Cash flows from financing activities</b>					
Dividends paid to owner of the company	6.4.12	-	(2,900,000)	-	(6,002,500)
Decrease in fixed deposits pledged to banks		-	-	-	423,726
Repayment of finance lease liabilities		-	-	(136,344)	(129,222)
<b>Net cash used in financing activities</b>		<u>.....-</u>	<u>.....(2,900,000)</u>	<u>.....(136,344)</u>	<u>.....(5,707,996)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(75,733)</u>	<u>(1,384,644)</u>	<u>928,665</u>	<u>444,416</u>
<b>Cash and cash equivalents at 1 January</b>		<u>79,642</u>	<u>1,464,286</u>	<u>535,621</u>	<u>91,205</u>
<b>Cash and cash equivalents at 31 December</b>	(i)	<u>3,909</u>	<u>79,642</u>	<u>1,464,286</u>	<u>535,621</u>

**(i) Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Note	2014 RM	2013 RM	2012 RM	2011 RM
Fixed deposits placed with licensed banks	6.4.4	-	-	449,958	436,183
Cash and bank balances	6.4.4	<u>3,909</u>	<u>79,642</u>	<u>1,014,328</u>	<u>99,438</u>
		<u>3,909</u>	<u>79,642</u>	<u>1,464,286</u>	<u>535,621</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS

## 6.4.1 Property, plant and equipment

	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Office renovations RM	Total RM
<i>Cost</i>					
At 1 January 2011/31 December 2011/ 1 January 2012	879,223	232,889	61,479	164,009	1,337,600
Written off	(117,700)	-	-	-	(117,700)
At 31 December 2012/1 January 2013	761,523	232,889	61,479	164,009	1,219,900
Disposal	(85,335)	-	-	-	(85,335)
At 31 December 2013/1 January 2014	676,188	232,889	61,479	164,009	1,134,565
Written off	(86,568)	-	-	-	(86,568)
At 31 December 2014	589,620	232,889	61,479	164,009	1,047,997
<i>Depreciation</i>					
At 1 January 2011	544,991	227,018	61,479	164,009	997,497
Depreciation for the year	85,335	3,611	-	-	88,946
At 31 December 2011/1 January 2012	630,326	230,629	61,479	164,009	1,086,443
Depreciation for the year	85,336	251	-	-	85,587
Written off	(117,700)	-	-	-	(117,700)
At 31 December 2012/1 January 2013	597,962	230,880	61,479	164,009	1,054,330
Depreciation for the year	45,335	251	-	-	45,586
Disposal	(55,290)	-	-	-	(55,290)
At 31 December 2013/1 January 2014	588,007	231,131	61,479	164,009	1,044,626
Depreciation for the year	42,668	746	-	-	43,414
Written off	(86,568)	-	-	-	(86,568)
At 31 December 2014	544,107	231,877	61,479	164,009	1,001,472
<i>Carrying amounts</i>					
At 1 January 2012	248,897	2,260	-	-	251,157
At 31 December 2012/1 January 2013	163,561	2,009	-	-	165,570
At 31 December 2013/1 January 2014	88,181	1,758	-	-	89,939
At 31 December 2014	45,513	1,012	-	-	46,525

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.4.2 Investments in subsidiaries**

	2014 RM	2013 RM	2012 RM	2011 RM
At cost:				
Unquoted shares	97,089	97,089	97,089	97,089
Less: Impairment loss	<u>(97,002)</u>	<u>(97,002)</u>	<u>(97,002)</u>	<u>(97,002)</u>
	<u>87</u>	<u>87</u>	<u>87</u>	<u>87</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest			
			2014 %	2013 %	2012 %	2011 %
MM2 Builders Sdn. Bhd. (formerly known as Reka Concrete Products Sdn. Bhd.)	Malaysia	Manufacturing and supply of precast concrete products, trading of buildings materials and sub-contractor of constructions projects	100	100	100	100
Ikhmas Equipment Sdn. Bhd. (formerly known as RV Equipment Sdn. Bhd.)	Malaysia	Provision of engineering and construction equipment for rental	100	100	100	100
Rekavista (Sarawak) Sdn. Bhd.	Malaysia	Civil engineering and building contractor	100	100	100	100

**6.4.3 Trade and other receivables**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade receivables	6.4.3.1	6,691,525	18,133,943	12,449,974	2,259,323
Less: Allowance of impairment loss		-	-	-	<u>(2,259,323)</u>
		<u>6,691,525</u>	<u>18,133,943</u>	<u>12,449,974</u>	<u>-</u>
Amount due from holding company	6.4.3.2	367,961	82,330	82,329	82,329
Amount due from related company	6.4.3.3	1,773,208	1,773,208	1,773,208	1,773,208
Amount due from a contract customer	6.4.3.4	<u>382,669</u>	<u>1,197,559</u>	<u>1,179,363</u>	<u>-</u>
		<u>9,215,363</u>	<u>21,187,040</u>	<u>15,484,874</u>	<u>1,855,537</u>
<b>Non-trade</b>					
Amount due from holding company	6.4.3.2	247,476	2,660,255	2,926,370	150,598
Amounts due from subsidiaries	6.4.3.5	322,434	172,433	59,848	1,898,227
Amounts due from related companies	6.4.3.3	138,998	138,998	9,848	11,041
Other receivables		<u>30,814</u>	<u>41,100</u>	<u>31,176</u>	<u>37,417</u>
		<u>739,722</u>	<u>3,012,786</u>	<u>3,027,242</u>	<u>2,097,283</u>
		<u>9,955,085</u>	<u>24,199,826</u>	<u>18,512,116</u>	<u>3,952,820</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.3 Trade and other receivables (continued)

## 6.4.3.1 Trade receivables

Included in trade receivables are retention sums relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected as follows:

	2014 RM	2013 RM	2012 RM	2011 RM
Within 1 year	-	4,208,569	4,543,668	-
1 – 2 years	4,208,569	-	-	-
2 – 3 years	-	4,208,569	-	-
	<u>4,208,569</u>	<u>8,417,138</u>	<u>4,543,668</u>	<u>-</u>

## 6.4.3.2 Amount due from holding company

The amount due from holding company is unsecured, interest free and repayable on demand.

## 6.4.3.3 Amounts due from related companies

The amounts due from related companies are unsecured, interest free and repayable on demand.

## 6.4.3.4 Construction work-in-progress

	2014 RM	2013 RM	2012 RM	2011 RM
Aggregate costs incurred to date	151,853,288	122,576,060	42,263,177	12,299,235
Add: Attributable profits	<u>10,287,540</u>	<u>9,136,017</u>	<u>4,126,211</u>	<u>9,505,872</u>
	162,140,828	131,712,077	46,389,388	21,805,107
Less: Progress billings	<u>(161,758,159)</u>	<u>(130,514,518)</u>	<u>(45,210,025)</u>	<u>(21,805,107)</u>
	<u>382,669</u>	<u>1,197,559</u>	<u>1,179,363</u>	<u>-</u>
Represented by:				
Amount due from a contract customer	<u>382,669</u>	<u>1,197,559</u>	<u>1,179,363</u>	<u>-</u>

## 6.4.3.5 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

## 6.4.4 Cash and cash equivalents

	2014 RM	2013 RM	2012 RM	2011 RM
Fixed deposits placed with licensed banks	-	-	449,958	436,183
Cash and bank balances	<u>3,909</u>	<u>79,642</u>	<u>1,014,328</u>	<u>99,438</u>
	<u>3,909</u>	<u>79,642</u>	<u>1,464,286</u>	<u>535,621</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.4 REKAVISTA SDN. BHD. (CONTINUED)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.5 Capital and reserves

	Amount 2014		Number of shares 2014		Amount 2013		Number of shares 2013		Amount 2012		Number of shares 2012		Amount 2011		Number of shares 2011	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Authorised:																
Ordinary shares of RM1 each	2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000	
Issued and fully paid:																
Ordinary shares of RM1 each	2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000	

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the company and ranks equally with regards to the company's residual assets.

**Section 108 tax credit**

The Finance Act 2007 introduced a single tier dividend distribution system with effect from 1 January 2008. Pursuant to Schedule 9 - transitional and savings provisions of the Income Tax Act 1967, the company can distribute dividends out of its Section 108 balance until the amount is fully utilised but any remaining balance as at 31 December 2013 will be disregarded as at 1 January 2014.

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.4 REKAVISTA SDN. BHD. (CONTINUED)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.6 Deferred tax liabilities

## Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Assets				Liabilities				Net			
	2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	-	-	6,290	6,290	35,715	-	6,290	6,290	35,715	-
Net tax liabilities	-	-	-	-	6,290	6,290	35,715	-	6,290	6,290	35,715	-

## Movement in temporary differences during the year

	Recognised in profit or loss		Recognised in profit or loss		Recognised in profit or loss		Recognised in profit or loss	
	At 1.1.2011	(Note 6.4.10)	At 31.12.2011	(Note 6.4.10)	At 31.12.2012	(Note 6.4.10)	At 31.12.2013	(Note 6.4.10)
	RM	RM	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	-	35,715	35,715	(29,425)	6,290	-
								6,290



**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.4.6 Deferred tax liabilities (continued)****Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2014 RM	2013 RM	2012 RM	2011 RM
Deductible temporary differences	-	-	-	87,266
Tax loss carry-forwards	-	-	-	3,745,064
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,832,330</u>

**6.4.7 Trade and other payables**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Amount due to holding company	6.4.7.1	-	14,497,020	11,467,249	2,500
Amount due to related company	6.4.7.2	454,295	454,295	454,295	454,295
Trade payables	6.4.7.3	<u>195,435</u>	<u>190,713</u>	<u>262,815</u>	<u>274,492</u>
		<u>649,730</u>	<u>15,142,028</u>	<u>12,184,359</u>	<u>731,287</u>
<b>Non-trade</b>					
Amounts due to subsidiaries	6.4.7.4	220,000	220,000	268,153	48,152
Other payables		34,422	45,500	4,763	7,154
Accrued expenses		<u>245,854</u>	<u>131,791</u>	<u>330,030</u>	<u>287,931</u>
		<u>500,276</u>	<u>397,291</u>	<u>602,946</u>	<u>343,237</u>
		<u>1,150,006</u>	<u>15,539,319</u>	<u>12,787,305</u>	<u>1,074,524</u>

**6.4.7.1 Amount due to holding company**

The amount due to holding company is unsecured, interest free and repayable on demand.

**6.4.7.2 Amount due to related company**

The amount due to related company is unsecured, interest free and repayable on demand.

**6.4.7.3 Trade payables**

Included in trade payables are retention sums payable amounting to RMNil (2013: RM89,419; 2012: RM132,299; 2011: RM132,299).

**6.4.7.4 Amounts due to subsidiaries**

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.8 Borrowings

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Non-current</b>				
Finance lease liabilities	-	-	-	-
<b>Current</b>				
Finance lease liabilities	-	-	-	136,344

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2014 RM	Present value of minimum lease payments 2014 RM	Future minimum lease payments 2013 RM	Present value of minimum lease payments 2013 RM	Future minimum lease payments 2012 RM	Present value of minimum lease payments 2012 RM	Future minimum lease payments 2011 RM	Present value of minimum lease payments 2011 RM
Less than one year	-	-	-	-	-	-	140,292	3,948
Between one and five years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	140,292	3,948
	-	-	-	-	-	-	136,344	136,344

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.4.9 Finance costs**

	2014 RM	2013 RM	2012 RM	2011 RM
Hire purchase interest	-	-	3,948	11,238

**6.4.10 Tax expense****Recognised in profit or loss**

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Current tax expense</b>				
Current year	154,272	1,125,726	54,876	-
Under/(Over) provision in prior years	33	(51,772)	(210,947)	2,681
	<u>154,305</u>	<u>1,073,954</u>	<u>(156,071)</u>	<u>2,681</u>
<b>Deferred tax expense</b>				
Origination of temporary differences	-	45,980	35,715	-
Over provision in prior year	-	(75,405)	-	-
	<u>-</u>	<u>(29,425)</u>	<u>35,715</u>	<u>-</u>
Total tax expense	<u>154,305</u>	<u>1,044,529</u>	<u>(120,356)</u>	<u>2,681</u>

**Reconciliation of tax expense**

Profit before tax	<u>525,408</u>	<u>4,657,435</u>	<u>3,801,420</u>	<u>2,215,429</u>
Income tax calculated using Malaysian tax rate of 25%	131,352	1,164,359	950,355	553,857
Non-deductible expenses	22,920	7,131	57,971	5,203
Non-taxable income	-	-	-	(3,114)
Recognition of previously unrecognised deferred tax benefits	-	-	(917,735)	(555,946)
Others	-	216	-	-
Under/(Over) provision in prior years	33	(127,177)	(210,947)	2,681
Total tax expense	<u>154,305</u>	<u>1,044,529</u>	<u>(120,356)</u>	<u>2,681</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.4.11 Profit for the year**

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Profit for the year is arrived at after charging:</b>				
Auditors' remuneration				
- KPMG Malaysia	16,000	16,000	16,000	-
- Other auditors	-	-	-	11,130
Impairment loss:				
- Trade receivable	-	-	-	2,259,323
Depreciation of property, plant and equipment	43,414	45,586	85,587	88,946
Management fees	60,000	60,000	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	45,807	36,022	18,084	-
- Wages, salaries and others	333,714	346,943	150,700	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
and after crediting:				
Gain on disposal of property, plant and equipment	-	34,955	-	-
Income from site clearance	-	-	-	700,000
Income from compensation for compulsory acquisition of land	-	-	353,738	-
Interest income	1	1,322	13,775	12,457
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**6.4.12 Dividend**

Dividend recognised in the current year by the company are:

	RM per share	Total amount RM	Date of payment
<b>2013</b>			
Interim 2013 ordinary	1.450	<u>2,900,000</u>	28 November 2013
<b>2011</b>			
Interim 2011 ordinary	3.001	<u>6,002,500</u>	16 December 2011

No dividend was paid for the financial year 31 December 2014.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.13 Financial instruments

## 6.4.13.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
 (b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.4.3	9,955,085	9,955,085
Cash and cash equivalents	6.4.4	3,909	3,909
		<u>9,958,994</u>	<u>9,958,994</u>
<b>Financial liabilities</b>			
Trade and other payables	6.4.7	<u>(1,150,006)</u>	<u>(1,150,006)</u>
<b>2013</b>			
<b>Financial assets</b>			
Trade and other receivables	6.4.3	24,199,826	24,199,826
Cash and cash equivalents	6.4.4	79,642	79,642
		<u>24,279,468</u>	<u>24,279,468</u>
<b>Financial liabilities</b>			
Trade and other payables	6.4.7	<u>(15,539,319)</u>	<u>(15,539,319)</u>
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	6.4.3	18,512,116	18,512,116
Cash and cash equivalents	6.4.4	1,464,286	1,464,286
		<u>19,976,402</u>	<u>19,976,402</u>
<b>Financial liabilities</b>			
Trade and other payables	6.4.7	<u>(12,787,305)</u>	<u>(12,787,305)</u>
<b>2011</b>			
<b>Financial assets</b>			
Trade and other receivables	6.4.3	3,952,820	3,952,820
Cash and cash equivalents	6.4.4	535,621	535,621
		<u>4,488,441</u>	<u>4,488,441</u>
<b>Financial liabilities</b>			
Borrowings	6.4.8	(136,344)	(136,344)
Trade and other payables	6.4.7	<u>(1,074,524)</u>	<u>(1,074,524)</u>
		<u>(1,210,868)</u>	<u>(1,210,868)</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.4 REKAVISTA SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.4.13 Financial instruments (continued)****6.4.13.2 Net gains/(losses) arising from financial instruments**

	2014 RM	2013 RM	2012 RM	2011 RM
Net gains/(losses) arising on:				
Loans and receivables	1	1,322	13,775	12,457
Financial liabilities measured at amortised cost	-	-	(3,948)	(11,238)
	<u>1</u>	<u>1,322</u>	<u>9,827</u>	<u>1,219</u>

**6.4.13.3 Financial risk management**

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**6.4.13.4 Credit risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables from customers and loans and advances to related companies and subsidiaries.

**Receivables**

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.13 Financial instruments (continued)

## 6.4.13.4 Credit risk (continued)

## Receivables (continued)

*Impairment losses*

The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
<b>2014</b>			
Not past due	6,691,525	-	6,691,525
<b>2013</b>			
Not past due	8,417,138	-	8,417,138
Past due 1 - 30 days	3,977,522	-	3,977,522
Past due 31 - 60 days	5,739,283	-	5,739,283
	18,133,943	-	18,133,943
<b>2012</b>			
Not past due	5,898,471	-	5,898,471
Past due 1 - 30 days	4,446,952	-	4,446,952
Past due 31 - 60 days	2,104,551	-	2,104,551
	12,449,974	-	12,449,974
<b>2011</b>			
Past due more than 120 days	2,259,323	(2,259,323)	-

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2014 RM	2013 RM	2012 RM	2011 RM
At 1 January	-	-	2,259,323	2,259,323
Impairment loss written off	-	-	(2,259,323)	-
At 31 December	-	-	-	2,259,323

10. ACCOUNTANTS' REPORT (Cont'd)



6.4 REKAVISTA SDN. BHD. (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.4.13 Financial instruments (continued)

6.4.13.4 Credit risk (continued)

**Inter-company loans and advances**

*Risk management objectives, policies and processes for managing the risk*

The company provides unsecured loans and advances to related companies and subsidiaries. The company monitors the results of the related companies and subsidiaries regularly.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that the loans and advances to the related companies and subsidiaries are not recoverable. The company does not specifically monitor the ageing of current advances to the related companies and subsidiaries. Management has taken reasonable steps to ensure that advances to the related companies and subsidiaries that are neither past due nor impaired are stated at their realisable values.

6.4.13.5 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables and borrowings.

The company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.



## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.13 Financial instruments (continued)

## 6.4.13.5 Liquidity risk (continued)

*Maturity analysis*

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
<b>2014</b>				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	<u>1,150,006</u>	-	<u>1,150,006</u>	<u>1,150,006</u>
<b>2013</b>				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	<u>15,539,319</u>	-	<u>15,539,319</u>	<u>15,539,319</u>
<b>2012</b>				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	<u>12,787,305</u>	-	<u>12,787,305</u>	<u>12,787,305</u>
<b>2011</b>				
<i>Non-derivative financial liabilities</i>				
Finance lease liabilities	136,344	2.90	140,292	140,292
Trade and other payables	<u>1,074,524</u>	-	<u>1,074,524</u>	<u>1,074,524</u>
	<u>1,210,868</u>		<u>1,214,816</u>	<u>1,214,816</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.13 Financial instruments (continued)

## 6.4.13.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the company's financial position or cash flows.

## 6.4.13.6.1 Interest rate risk

The company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

*Exposure to interest rate risk*

The interest rate profile of the company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2014 RM	2013 RM	2012 RM	2011 RM
Fixed rate instruments				
Financial assets	-	-	449,958	436,183
Financial liabilities	-	-	-	136,344

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

## 6.4.13.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.13 Financial instruments (continued)

## 6.4.13.7 Fair value information (continued)

	Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM	RM	RM		
<b>2014</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	-	-	-
<b>2013</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	-	-	-
	Fair value of financial instruments not carried at fair value*			Total fair value	Carrying amount
	Total				
	RM			RM	RM
<b>2012</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	-	-	-
<b>2011</b>					
<b>Financial liabilities</b>					
Finance lease liabilities		136,344		136,344	136,344

\* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of MFRS 13.

10. ACCOUNTANTS' REPORT (Cont'd)



6.4 REKAVISTA SDN. BHD. (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.4.13 Financial instruments (continued)

6.4.13.7 Fair value information (continued)

*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases, the market rate of interest is determined by reference to similar finance lease agreements.

**Transfers between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and 2 fair values during the financial years ended 31 December 2011 to 2014.

6.4.14 Capital management

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the company's approach to capital management during the financial year.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.4 REKAVISTA SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.4.15 Related parties

## Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel includes all the directors of the company, and certain members of senior management of the company.

## Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the company are shown below. The balances related to the below transactions are shown in Notes 6.4.3 and 6.4.7.

	Amount transacted for the year ended			
	31 December			
	2014	2013	2012	2011
	RM	RM	RM	RM
<b>Holding company</b>				
Ikhmas Jaya Sdn. Bhd.				
Contract cost	(30,092,118)	(80,294,688)	(41,083,814)	-
Management fees	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
<b>Related company</b>				
Ikhtisas Emas Sdn. Bhd.				
Contract revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,375,691</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD.

## STATEMENT OF FINANCIAL POSITION

	Note	← 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Assets</b>					
Plant and equipment	6.5.1	-	-	-	-
Deferred tax assets	6.5.2	-	-	-	2,554
<b>Total non-current assets</b>		-	-	-	2,554
Trade and other receivables	6.5.3	2,764,467	2,761,472	2,642,943	2,304,357
Current tax assets		-	-	125,470	108,983
Cash and bank balances	6.5.4	393	15,409	45,287	309,551
<b>Total current assets</b>		2,764,860	2,776,881	2,813,700	2,722,891
<b>Total assets</b>		2,764,860	2,776,881	2,813,700	2,725,445
<b>Equity</b>					
Share capital	6.5.5	2	2	2	2
Retained profits		2,625,669	2,640,430	2,668,074	2,555,440
<b>Equity attributable to owner of the company</b>		2,625,671	2,640,432	2,668,076	2,555,442
<b>Liabilities</b>					
Trade and other payables	6.5.6	139,189	136,449	145,624	170,003
<b>Total current liabilities</b>		139,189	136,449	145,624	170,003
<b>Total liabilities</b>		139,189	136,449	145,624	170,003
<b>Total equity and liabilities</b>		2,764,860	2,776,881	2,813,700	2,725,445

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
Revenue		-	-	193,654	190,416
Cost of sales		-	-	(40,052)	18,869
<b>Gross profit</b>		-	-	153,602	209,285
Other operating income		-	-	9,949	70,000
Other operating expenses		(14,761)	(26,841)	(13,458)	(32,476)
<b>(Loss)/Profit before tax</b>	6.5.7	(14,761)	(26,841)	150,093	246,809
Tax expense	6.5.8	-	(803)	(37,459)	(50,086)
<b>(Loss)/Profit and total comprehensive (expense)/income for the year</b>		<u>(14,761)</u>	<u>(27,644)</u>	<u>112,634</u>	<u>196,723</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## STATEMENT OF CHANGES IN EQUITY

	<i>Non- distributable</i>	<i>Distributable</i>	
	Share capital RM	Retained earnings RM	Total equity RM
<b>At 1 January 2011</b>	2	2,358,717	2,358,719
Profit and total comprehensive income for the year	-	196,723	196,723
<b>At 31 December 2011/1 January 2012</b>	2	2,555,440	2,555,442
Profit and total comprehensive income for the year	-	112,634	112,634
<b>At 31 December 2012/1 January 2013</b>	2	2,668,074	2,668,076
Loss and total comprehensive expense for the year	-	(27,644)	(27,644)
<b>At 31 December 2013/1 January 2014</b>	2	2,640,430	2,640,432
Loss and total comprehensive expense for the year	-	(14,761)	(14,761)
<b>At 31 December 2014</b>	2	2,625,669	2,625,671
	Note 6.5.5	Note 6.5.5	



## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## STATEMENT OF CASH FLOWS

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(14,761)	(26,841)	150,093	246,809
<i>Adjustments for:</i>					
Depreciation of plant and equipment		-	-	-	25,543
<b>Operating (loss)/profit before changes in working capital</b>		(14,761)	(26,841)	150,093	272,352
Trade and other receivables		(2,995)	(118,529)	(338,586)	104,753
Trade and other payables		2,740	(9,175)	(24,379)	(103,055)
<b>Cash (used in)/generated from operations</b>		(15,016)	(154,545)	(212,872)	274,050
Tax paid		-	(35,708)	(51,392)	(147,444)
Tax refund		-	160,375	-	-
<b>Net cash (used in)/from operating activities</b>		(15,016)	(29,878)	(264,264)	126,606
<b>Net (decrease)/increase in cash and bank balances</b>		(15,016)	(29,878)	(264,264)	126,606
<b>Cash and bank balances at 1 January</b>		15,409	45,287	309,551	182,945
<b>Cash and bank balances at 31 December</b>	6.5.4	393	15,409	45,287	309,551

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS

## 6.5.1 Plant and equipment

	Plant and machinery RM
<b>Cost</b>	
At 1 January 2011/31 December 2011/31 December 2012/31 December 2013/ 31 December 2014	<u>127,715</u>
<b>Depreciation</b>	
At 1 January 2011	102,172
Charge for the year	<u>25,543</u>
At 31 December 2011/31 December 2012/31 December 2013/31 December 2014	<u>127,715</u>
<b>Carrying amounts</b>	
At 1 January 2011	<u>25,543</u>
At 31 December 2011/31 December 2012/31 December 2013/31 December 2014	<u>-</u>

## 6.5.2 Deferred tax assets

## Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	2014 RM	2013 RM	2012 RM	2011 RM
Plant and equipment	-	-	-	1,532
Other items	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,022</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,554</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.2 Deferred tax assets (continued)

Movement in temporary differences during the financial year:

	At 1.1.2011 RM	Recognised in profit or loss (Note 6.5.8) RM	At 31.12.2011/ 1.1.2012 RM	Recognised in profit or loss (Note 6.5.8) RM	At 31.12.2012/ 1.1.2013 RM	Recognised in profit or loss (Note 6.5.8) RM	At 31.12.2013/ 1.1.2014 RM	Recognised in profit or loss (Note 6.5.8) RM	At 31.12.2014 RM
Plant and equipment	1,835	(303)	1,532	(1,532)	-	-	-	-	-
Tax loss carry-forward	(59,899)	59,899	-	-	-	-	-	-	-
Tax credits carry-forward	(16,189)	16,189	-	-	-	-	-	-	-
Other items	75,476	(74,454)	1,022	(1,022)	-	-	-	-	-
	1,223	1,331	2,554	(2,554)	-	-	-	-	-

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.3 Trade and other receivables

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade receivables	6.5.3.1	290,348	439,348	608,913	884,484
Amount due from holding company	6.5.3.2	510,003	848,608	848,608	848,608
Amount due from related company	6.5.3.2	454,295	454,295	454,295	-
		<u>1,254,646</u>	<u>1,742,251</u>	<u>1,911,816</u>	<u>1,733,092</u>
<b>Non-trade</b>					
Amount due from holding company	6.5.3.3	1,500,651	984,051	721,957	555,595
Amount due from related company	6.5.3.3	-	26,000	-	-
Deposit		9,170	9,170	9,170	15,670
		<u>1,509,821</u>	<u>1,019,221</u>	<u>731,127</u>	<u>571,265</u>
		<u>2,764,467</u>	<u>2,761,472</u>	<u>2,642,943</u>	<u>2,304,357</u>

## 6.5.3.1 Trade receivables

Included in trade receivables at 31 December 2014 are retention sums of RM290,348 (2013: RM439,348; 2012: RM439,348; 2011: RM430,188) relating to construction work-in-progress. Retentions are unsecured, interest free and are expected to be collected as follows:

	2014 RM	2013 RM	2012 RM	2011 RM
Within 1 year	290,348	-	9,159	112,654
1 - 2 years	-	439,348	430,189	317,534
	<u>290,348</u>	<u>439,348</u>	<u>439,348</u>	<u>430,188</u>

## 6.5.3.2 Amounts due from holding and related companies

The trade amounts due from the holding and related companies are subject to the normal trade terms and includes retention sum of RM510,003 (2013: RM510,003; 2012: RM510,003; 2011: RM510,003).

## 6.5.3.3 Amounts due from holding and related companies

The non-trade amounts due from holding and related companies are in respect of payments made on behalf, which are unsecured, interest free and repayable on demand.

## 6.5.4 Cash and bank balances

	2014 RM	2013 RM	2012 RM	2011 RM
Cash and bank balances	<u>393</u>	<u>15,409</u>	<u>45,287</u>	<u>309,551</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.5 Share capital

	Amount 2014 RM	Number of shares 2014	Amount 2013 RM	Number of shares 2013	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Authorised:								
Ordinary shares of RM1 each	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Issued and fully paid:								
Ordinary shares of RM1 each	2	2	2	2	2	2	2	2

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the company and ranks equally with regards to the company's residual assets.

**Section 108 tax credit**

The Finance Act 2007 introduced a single tier dividend distribution system with effect from 1 January 2008. Pursuant to Schedule 9 - transitional and savings provisions of the Income Tax Act 1967, the company can distribute dividends out of its Section 108 balance until the amount is fully utilised but any remaining balance as at 31 December 2013 will be disregarded as at 1 January 2014.

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.6 Trade and other payables

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade payables	6.5.6.1	119,779	119,779	130,757	149,022
Amount due to contract customers	6.5.6.2	-	-	-	10,371
		<u>119,779</u>	<u>119,779</u>	<u>130,757</u>	<u>159,393</u>
<b>Non-trade</b>					
Other payables		10,210	7,470	7,867	7,610
Accruals		9,200	9,200	7,000	3,000
		<u>19,410</u>	<u>16,670</u>	<u>14,867</u>	<u>10,610</u>
		<u>139,189</u>	<u>136,449</u>	<u>145,624</u>	<u>170,003</u>

## 6.5.6.1 Trade payables

Included in trade payables at 31 December 2014 are retention sums payable amounting to RM106,480 (2013: RM106,480; 2012: RM119,527; 2011: RM119,106).

## 6.5.6.2 Construction work-in-progress

	2014 RM	2013 RM	2012 RM	2011 RM
Aggregate costs incurred to date	-	-	2,899,990	5,930,083
Add: Attributable profits	-	-	3,631,379	4,903,443
	-	-	<u>6,531,369</u>	<u>10,833,526</u>
Less: Progress billings	-	-	<u>(6,531,369)</u>	<u>(10,843,897)</u>
	-	-	<u>-</u>	<u>(10,371)</u>
Represented by: Amount due to contract customers	-	-	-	<u>(10,371)</u>

## 6.5.7 (Loss)/Profit before tax

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>(Loss)/Profit before tax is arrived at after charging:</b>					
Auditors' remuneration					
- KPMG Malaysia		7,000	7,000	7,000	-
- Other auditors		-	-	-	3,000
Depreciation of plant and equipment	6.5.1	-	-	-	<u>25,543</u>
<b>and after crediting:</b>					
Reversal of previous year project expenses		-	-	-	<u>70,000</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.8 Tax expense

## Recognised in profit or loss

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Current tax expense</b>				
- Current year provision	-	-	34,905	51,392
- Under provision in prior years	-	803	-	25
	-	803	34,905	51,417
<b>Deferred tax expense</b>				
Origination and reversal of temporary difference	-	-	2,554	(1,331)
<b>Total tax expense</b>	-	803	37,459	50,086

## Reconciliation of tax expense

(Loss)/Profit before tax	(14,761)	(26,841)	150,093	246,809
Income tax calculated using Malaysian tax rate of 25% (2013: 25%; 2012: 25%; 2011: 20%)	(3,690)	(6,710)	37,523	49,362
Non-deductible expenses	1,361	1,849	575	498
Current year losses for which no deferred tax asset was recognised	2,329	4,861	-	-
Others	-	-	(639)	201
Under provision of income tax in prior years	-	803	-	25
<b>Total tax expense</b>	-	803	37,459	50,086

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item (stated at gross):

	2014 RM	2013 RM	2012 RM	2011 RM
Unutilised tax losses	28,000	19,000	-	-

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.9 Financial instruments

## 6.5.9.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
 (b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.5.3	2,764,467	2,764,467
Cash and bank balances	6.5.4	393	393
		<u>2,764,860</u>	<u>2,764,860</u>
<b>Financial liabilities</b>			
Trade and other payables	6.5.6	<u>(139,189)</u>	<u>(139,189)</u>
<b>2013</b>			
<b>Financial assets</b>			
Trade and other receivables	6.5.3	2,761,472	2,761,472
Cash and bank balances	6.5.4	15,409	15,409
		<u>2,776,881</u>	<u>2,776,881</u>
<b>Financial liabilities</b>			
Trade and other payables	6.5.6	<u>(136,449)</u>	<u>(136,449)</u>
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	6.5.3	2,642,943	2,642,943
Cash and bank balances	6.5.4	45,287	45,287
		<u>2,688,230</u>	<u>2,688,230</u>
<b>Financial liabilities</b>			
Trade and other payables	6.5.6	<u>(145,624)</u>	<u>(145,624)</u>
<b>2011</b>			
<b>Financial assets</b>			
Trade and other receivables	6.5.3	2,304,357	2,304,357
Cash and bank balances	6.5.4	309,551	309,551
		<u>2,613,908</u>	<u>2,613,908</u>
<b>Financial liabilities</b>			
Trade and other payables	6.5.6	<u>(170,003)</u>	<u>(170,003)</u>



## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.9 Financial instruments (continued)

## 6.5.9.2 Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

## 6.5.9.3 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables from customers.

**Receivables**

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

*Impairment losses*

The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
<b>2014</b>			
Past due more than 120 days	290,348	-	290,348
<b>2013</b>			
Past due more than 120 days	439,348	-	439,348
<b>2012</b>			
Past due more than 120 days	608,913	-	608,913
<b>2011</b>			
Past due more than 120 days	884,484	-	884,484

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.5.9 Financial instruments (continued)

## 6.5.9.4 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables.

*Maturity analysis*

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM
<b>2014</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	139,189	139,189	139,189
<b>2013</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	136,449	136,449	136,449
<b>2012</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	145,624	145,624	145,624
<b>2011</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	170,003	170,003	170,003

## 6.5.9.5 Fair value information

The carrying amounts of cash and bank balances, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

## 6.5.10 Capital management

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There was no change in the company's approach to capital management during the financial year.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.5 IJ GEOTECHNIC SDN.BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.5.11 Related parties****Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors of the company, and certain members of senior management of the company.

**Significant related party transactions**

The significant related party transactions of the company are shown below. The balances related to the below transactions are shown in Note 6.5.3.

	<b>Amount transacted for the year ended</b>			
	<b>31 December</b>			
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Holding company</b>				
Rental charges from holding company	-	-	21,616	-

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.)

## STATEMENT OF FINANCIAL POSITION

	Note	← 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Assets</b>					
Plant and equipment	6.6.1	141,442	158,442	-	-
Deferred tax assets	6.6.2	-	350	350	-
<b>Total non-current assets</b>		<u>141,442</u>	<u>158,792</u>	<u>350</u>	<u>-</u>
Trade and other receivables	6.6.3	6,124,537	3,990,452	2,032,336	1,482,461
Current tax assets		16,741	-	105,800	-
Cash and bank balances	6.6.4	26,082	9,028	58,024	81,599
<b>Total current assets</b>		<u>6,617,360</u>	<u>3,999,480</u>	<u>2,196,160</u>	<u>1,564,060</u>
<b>Total assets</b>		<u>6,308,802</u>	<u>4,158,272</u>	<u>2,196,510</u>	<u>1,564,060</u>
<b>Equity</b>					
Share capital		2	2	2	2
Retained earnings		1,520,695	1,482,338	1,341,873	1,152,263
<b>Total equity attributable to owner of the company</b>	6.6.5	<u>1,520,697</u>	<u>1,482,340</u>	<u>1,341,875</u>	<u>1,152,265</u>
<b>Liabilities</b>					
Deferred tax liabilities	6.6.2	12,746	-	-	-
<b>Total non-current liabilities</b>		<u>12,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade and other payables	6.6.6	4,775,359	2,637,794	854,635	379,588
Current tax liabilities		-	38,138	-	32,207
<b>Total current liabilities</b>		<u>4,775,359</u>	<u>2,675,932</u>	<u>854,635</u>	<u>411,795</u>
<b>Total liabilities</b>		<u>4,788,105</u>	<u>2,675,932</u>	<u>854,635</u>	<u>411,795</u>
<b>Total equity and liabilities</b>		<u>6,308,802</u>	<u>4,158,272</u>	<u>2,196,510</u>	<u>1,564,060</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
Revenue		2,121,362	1,997,931	1,878,559	1,343,317
Cost of sales		(1,717,520)	(1,540,124)	(1,500,394)	(778,586)
<b>Gross profit</b>		<b>403,842</b>	<b>457,807</b>	<b>378,165</b>	<b>564,731</b>
Other income		40,000	-	232,500	55,000
Administrative expenses		(389,910)	(266,394)	(531,776)	(522,050)
<b>Result from operating activities</b>		<b>53,932</b>	<b>191,413</b>	<b>78,889</b>	<b>97,681</b>
Finance income	6.6.7	85	258	292	365
<b>Profit before tax</b>		<b>54,017</b>	<b>191,671</b>	<b>79,181</b>	<b>98,046</b>
Tax expense	6.6.8	(15,660)	(51,206)	110,429	(18,725)
<b>Profit and total comprehensive income for the year</b>	6.6.9	<b>38,357</b>	<b>140,465</b>	<b>189,610</b>	<b>79,321</b>

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## STATEMENT OF CHANGES IN EQUITY

	<i>Non- distributable</i> Share capital RM	<i>Distributable</i> Retained profits RM	Total equity RM
At 1 January 2011	2	1,072,942	1,072,944
Profit and total comprehensive income for the year	-	79,321	79,321
<b>At 31 December 2011/1 January 2012</b>	<b>2</b>	<b>1,152,263</b>	<b>1,152,265</b>
Profit and total comprehensive income for the year	-	189,610	189,610
<b>At 31 December 2012/1 January 2013</b>	<b>2</b>	<b>1,341,873</b>	<b>1,341,875</b>
Profit and total comprehensive income for the year	-	140,465	140,465
<b>At 31 December 2013/1 January 2014</b>	<b>2</b>	<b>1,482,338</b>	<b>1,482,340</b>
Profit and total comprehensive income for the year	-	38,357	38,357
<b>At 31 December 2014</b>	<b>2</b>	<b>1,520,695</b>	<b>1,520,697</b>

Note 6.6.5

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## STATEMENT OF CASH FLOWS

Note	← Year ended 31 December →			
	2014 RM	2013 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>				
	54,017	191,671	79,181	98,046
<i>Adjustments for:</i>				
	17,000	11,558	-	-
	Gain on disposal of plant and equipment			
6.6.9	(40,000)	-	(232,500)	(48,000)
	Finance income			
	(85)	(258)	(292)	(365)
<b>Operating profit/(loss) before changes in working capital</b>				
	30,932	202,971	(153,611)	49,681
	Trade and other receivables			
	(2,134,085)	(1,958,116)	(549,875)	1,066,567
	Trade and other payables			
	2,137,565	1,783,159	475,047	(1,381,037)
<b>Cash generated from/(used in) operations</b>				
	34,412	28,014	(228,439)	(264,789)
	Finance income			
	85	258	292	365
	Tax paid			
	(57,443)	(15,965)	(27,928)	(32,243)
	Tax refund			
	-	108,697	-	-
<b>Net cash (used in)/generated from operating activities</b>				
	(22,946)	121,004	(256,075)	(296,667)
<b>Cash flows from investing activities</b>				
	-	(170,000)	-	-
	Acquisition of plant and equipment			
	Proceeds from disposal of plant and equipment			
	40,000	-	232,500	48,000
<b>Net cash generated from/(used in) investing activities</b>				
	40,000	(170,000)	232,500	48,000
<b>Net increase/(decrease) in cash and bank balances</b>				
	17,054	(48,996)	(23,575)	(248,667)
<b>Cash and bank balances at 1 January</b>				
	9,028	58,024	81,599	330,266
<b>Cash and bank balances at 31 December</b>				
6.6.4	26,082	9,028	58,024	81,599

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS

## 6.6.1 Plant and equipment

	Plant and machinery RM	Office equipment RM	Total RM
<b>Cost</b>			
At 1 January 2011	3,513,300	3,900	3,517,200
Disposals	(137,900)	-	(137,900)
At 31 December 2011/1 January 2012	3,375,400	3,900	3,379,300
Disposals	(244,800)	-	(244,800)
At 31 December 2012/1 January 2013	3,130,600	3,900	3,134,500
Additions	170,000	-	170,000
Disposals	(170,000)	-	(170,000)
At 31 December 2013/1 January 2014	3,130,600	3,900	3,134,500
Disposals	(85,000)	-	(85,000)
At 31 December 2014	<u>3,045,600</u>	<u>3,900</u>	<u>3,049,500</u>
<b>Accumulated depreciation</b>			
At 1 January 2011	3,513,300	3,900	3,517,200
Disposals	(137,900)	-	(137,900)
At 31 December 2011/1 January 2012	3,375,400	3,900	3,379,300
Disposals	(244,800)	-	(244,800)
At 31 December 2012/1 January 2013	3,130,600	3,900	3,134,500
Depreciation for the year	11,558	-	11,558
Disposals	(170,000)	-	(170,000)
At 31 December 2013/1 January 2014	2,972,158	3,900	2,976,058
Depreciation for the year	17,000	-	17,000
Disposals	(85,000)	-	(85,000)
At 31 December 2014	<u>2,904,158</u>	<u>3,900</u>	<u>2,908,058</u>
<b>Carrying amounts</b>			
At 31 December 2011/1 January 2012/ 31 December 2012/1 January 2013	-	-	-
At 31 December 2013/1 January 2014	<u>158,442</u>	<u>-</u>	<u>158,442</u>
At 31 December 2014	<u>141,442</u>	<u>-</u>	<u>141,442</u>

## 6.6.2 Deferred tax assets/(liabilities)

## Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	2014 RM	2013 RM	2012 RM	2011 RM
Plant and equipment	<u>(12,746)</u>	<u>350</u>	<u>350</u>	<u>-</u>



## 10. ACCOUNTANTS' REPORT (Cont'd)

6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.2 Deferred tax assets/(liabilities) (continued)

## Movement in temporary differences during the financial year

	At 1.1.2011		Recognised in profit or loss (Note 6.6.8)		At 31.12.2011/ 1.1.2012		At 31.12.2012/ 1.1.2013		Recognised in profit or loss (Note 6.6.8)		At 31.12.2013/ 1.1.2014		Recognised in profit or loss (Note 6.6.8)		At 31.12.2014	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Plant and equipment	-	-	-	350	-	350	350	350	-	-	350	350	(13,096)	(12,746)		

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.3 Trade and other receivables

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Amount due from ultimate holding company	6.6.3.1	6,082,214	3,953,852	1,962,321	1,415,720
Amount due from related company	6.6.3.1	6,400	6,400	-	-
		<u>6,088,614</u>	<u>3,960,252</u>	<u>1,962,321</u>	<u>1,415,720</u>
<b>Non-trade</b>					
Amount due from immediate holding company	6.6.3.2	-	-	48,153	48,153
Amount due from related company	6.6.3.2	30,000	30,000	-	-
Other receivables		5,923	200	12,700	1,500
Prepayments		-	-	9,162	17,088
		<u>35,923</u>	<u>30,200</u>	<u>70,015</u>	<u>66,741</u>
		<u>6,124,537</u>	<u>3,990,452</u>	<u>2,032,336</u>	<u>1,482,461</u>

## 6.6.3.1 Amounts due from ultimate holding and related companies

The trade amounts due from the ultimate holding and related companies are subject to the normal trade terms.

## 6.6.3.2 Amounts due from immediate holding and related companies

The non-trade amounts due from the immediate holding and related companies are in respect of payments made on behalf, which are unsecured, interest free and repayable on demand.

## 6.6.4 Cash and bank balances

	2014 RM	2013 RM	2012 RM	2011 RM
Cash and bank balances	<u>26,082</u>	<u>9,028</u>	<u>58,024</u>	<u>81,599</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)

6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.5 Capital and reserves

	Amount 2014 RM	Number of shares 2014	Amount 2013 RM	Number of shares 2013	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Authorised:								
Ordinary shares of RM1 each	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Issued and fully paid:								
Ordinary shares of RM1 each	2	2	2	2	2	2	2	2

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the company and ranks equally with regard to the company's residual assets.

**Section 108 tax credit**

The Finance Act 2007 introduced a single tier dividend distribution system with effect from 1 January 2008. Pursuant to Schedule 9 - transitional and savings provisions of the Income Tax Act 1967, the company can distribute dividends out of its Section 108 balance until the amount is fully utilised but any remaining balance as at 31 December 2013 will be disregarded as at 1 January 2014.

**10. ACCOUNTANTS' REPORT (Cont'd)**
**6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.6.6 Trade and other payables**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade payables		292,198	147,341	98,155	115,717
<b>Non-trade</b>					
Amount due to ultimate holding company	6.6.6.1	3,940,348	2,187,402	530,671	-
Amount due to immediate holding company	6.6.6.1	262,586	112,586	-	-
Other payables		10,885	26,212	3,347	31,535
Accrued expenses		269,342	164,253	222,462	232,336
		<u>4,483,161</u>	<u>2,490,453</u>	<u>756,480</u>	<u>263,871</u>
		<u>4,775,359</u>	<u>2,637,794</u>	<u>854,635</u>	<u>379,588</u>

**6.6.6.1 Amounts due to ultimate and immediate holding companies**

Amounts due to ultimate and immediate holding companies are in respect of payments made on behalf and advances, which are unsecured, interest free and repayable on demand.

**6.6.7 Finance income**

	2014 RM	2013 RM	2012 RM	2011 RM
Interest income of financial assets that are not at fair value through profit or loss:				
- interest received from a licensed bank	85	258	292	365

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

**6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6.6.8 Tax expense**

## Recognised in profit or loss

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Current tax expense</b>				
Current year	14,547	51,466	21,222	17,000
(Over)/Under provision in prior years	(11,983)	(260)	(131,301)	1,725
	<u>2,564</u>	<u>51,206</u>	<u>(110,079)</u>	<u>18,725</u>
<b>Deferred tax expense</b>				
Origination and reversal of temporary difference	1,803	50	-	-
(Over)/Under provision in prior years	11,293	(50)	(350)	-
	<u>13,096</u>	<u>-</u>	<u>(350)</u>	<u>-</u>
<b>Total tax expense</b>	<u>15,660</u>	<u>51,206</u>	<u>(110,429)</u>	<u>18,725</u>
<b>Reconciliation of tax expense</b>				
Profit before tax	54,017	191,671	79,181	98,046
Income tax calculated using Malaysian tax rate of 25%	13,504	47,917	19,795	24,511
Non-deductible expenses	2,846	3,341	1,427	6,239
Others	-	258	-	(13,750)
	16,350	51,516	21,222	17,000
(Over)/Under provision in prior years	(690)	(310)	(131,651)	1,725
<b>Total tax expense</b>	<u>15,660</u>	<u>51,206</u>	<u>(110,429)</u>	<u>18,725</u>

**6.6.9 Profit for the year**

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Profit for the year is arrived at after charging:</b>				
Auditors' remuneration				
- KPMG Malaysia	7,000	7,000	7,000	-
- Other auditors	-	-	-	3,000
Depreciation of plant and equipment	17,000	11,558	-	-
Management fees	36,000	36,000	252,000	252,000
Staff costs				
- salaries, allowances and bonus	1,153,267	971,583	1,027,217	421,642
- Employees' Provident Fund	105,027	83,198	87,937	42,934
- SOCSO	6,198	6,213	6,499	1,151
- other staff cost	688	55	187	538
	<u>1,308,180</u>	<u>1,091,647</u>	<u>1,121,743</u>	<u>466,265</u>
<b>And after crediting:</b>				
Gain on disposal of plant and equipment	40,000	-	232,500	48,000
Refund penalty	-	-	-	7,000
	<u>40,000</u>	<u>-</u>	<u>232,500</u>	<u>55,000</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



**6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6.6.10 Financial instruments**

**6.6.10.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
(b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.6.3	6,124,537	6,124,537
Cash and bank balances	6.6.4	26,082	26,082
		<u>6,150,619</u>	<u>6,150,619</u>
<b>Financial liabilities</b>			
Trade and other payables	6.6.6	<u>(4,775,359)</u>	<u>(4,775,359)</u>
<b>2013</b>			
<b>Financial assets</b>			
Trade and other receivables	6.6.3	3,990,452	3,990,452
Cash and bank balances	6.6.4	9,028	9,028
		<u>3,999,480</u>	<u>3,999,480</u>
<b>Financial liabilities</b>			
Trade and other payables	6.6.6	<u>(2,637,794)</u>	<u>(2,637,794)</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.10 Financial instruments (continued)

## 6.6.10.1 Categories of financial instruments (continued)

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	6.6.3	2,023,174	2,023,174
Cash and bank balances	6.6.4	58,024	58,024
		<u>2,081,198</u>	<u>2,081,198</u>
<b>Financial liabilities</b>			
Trade and other payables	6.6.6	<u>(854,635)</u>	<u>(854,635)</u>
<b>2011</b>			
<b>Financial assets</b>			
Trade and other receivables	6.6.3	1,465,373	1,465,373
Cash and bank balances	6.6.4	81,599	81,599
		<u>1,546,972</u>	<u>1,546,972</u>
<b>Financial liabilities</b>			
Trade and other payables	6.6.6	<u>(379,588)</u>	<u>(379,588)</u>

## 6.6.10.2 Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

## 6.6.10.3 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables from customers.

**Receivables**

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

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

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**6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.6.10 Financial instruments (continued)****6.6.10.3 Credit risk (continued)***Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

**Inter-company balances***Risk management objectives, policies and processes for managing the risk*

The company provides unsecured loans and advances to its related company.

*Exposure to credit risk and credit quality*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the related company are not recoverable. The company does not specifically monitor the ageing of the advances to the related company that are either past due nor impaired are stated at their realisable values.

**6.6.10.4 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables.

The company maintains a level of cash and cash equivalents deemed adequate by the directors to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.



## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.10 Financial instruments (continued)

## 6.6.10.4 Liquidity risk (continued)

*Maturity analysis*

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM
<b>2014</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	4,775,359	4,775,359	4,775,359
<b>2013</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	2,637,794	2,637,794	2,637,794
<b>2012</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	854,635	854,635	854,635
<b>2011</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	379,588	379,588	379,588

## 6.6.10.5 Fair value information

The carrying amounts of short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

## 6.6.11 Capital management

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There was no change in the company's approach to capital management during the financial year.

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.6 IKHMAS EQUIPMENT SDN. BHD.  
(FORMERLY KNOWN AS RV EQUIPMENT SDN. BHD.) (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.6.12 Related parties

## Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors of the company, and certain members of senior management of the company.

## Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the company are shown as below. The balances related to below transactions are shown in Notes 6.6.3 and 6.6.6.

	Amount transacted for the year ended			
	31 December			
	2014	2013	2012	2011
	RM	RM	RM	RM
<b>Ultimate holding company</b>				
Management fees	(36,000)	(36,000)	(252,000)	(252,000)
Rental charges	1,378,250	1,285,626	1,182,362	1,342,044
Workshop facility	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(180,000)</u>
<b>Immediate holding company</b>				
Rental charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,274</u>
<b>Related company</b>				
Rental charges	<u>-</u>	<u>6,400</u>	<u>-</u>	<u>-</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.7 REKAVISTA (SARAWAK) SDN. BHD.

## STATEMENT OF FINANCIAL POSITION

	Note	← 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Assets</b>					
Deferred tax assets	6.7.1	-	-	40,394	-
<b>Total non-current assets</b>		-	-	40,394	-
Trade and other receivables	6.7.2	248,342	351,156	446,215	2,729,978
Current tax assets		-	-	-	168,800
Cash and bank balances	6.7.3	373	21,905	31,453	3,868
<b>Total current assets</b>		248,715	373,061	477,668	2,902,646
<b>Total assets</b>		248,715	373,061	518,062	2,902,646
<b>Equity</b>					
Share capital		100	100	100	100
Retained earnings		31,984	40,323	61,443	188,934
<b>Total equity attributable to owner of the company</b>	6.7.4	32,084	40,423	61,543	189,034
<b>Liabilities</b>					
Trade and other payables	6.7.5	216,631	332,638	455,747	2,682,924
Current tax liabilities		-	-	772	30,688
<b>Total current liabilities</b>		216,631	332,638	456,519	2,713,612
<b>Total liabilities</b>		216,631	332,638	456,519	2,713,612
<b>Total equity and liabilities</b>		248,715	373,061	518,062	2,902,646

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
Revenue		-	29,542	-	2,155,583
Cost of sales		-	-	(140,840)	(1,724,466)
<b>Gross profit/(loss)</b>		-	29,542	(140,840)	431,117
Administrative expenses		(8,354)	(12,132)	(27,290)	(6,563)
<b>Results from operating activities</b>		(8,354)	17,410	(168,130)	424,554
Finance income	6.7.6	48	131	245	190
<b>(Loss)/Profit before tax</b>	6.7.7	(8,306)	17,541	(167,885)	424,744
Tax expense	6.7.8	(33)	(38,661)	40,394	(85,430)
<b>(Loss)/Profit and total comprehensive (expense)/income for the year</b>		<u>(8,339)</u>	<u>(21,120)</u>	<u>(127,491)</u>	<u>339,314</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****STATEMENT OF CHANGES IN EQUITY**

	<i>Non- distributable</i> Share capital RM	<i>Distributable</i> Retained earnings RM	Total equity RM
<b>At 1 January 2011</b>	100	(150,380)	(150,280)
Profit and total comprehensive income for the year	-	339,314	339,314
<b>At 31 December 2011/1 January 2012</b>	100	188,934	189,034
Loss and total comprehensive expense for the year	-	(127,491)	(127,491)
<b>At 31 December 2012/1 January 2013</b>	100	61,443	61,543
Loss and total comprehensive expense for the year	-	(21,120)	(21,120)
<b>At 31 December 2013/1 January 2014</b>	100	40,323	40,423
Loss and total comprehensive expense for the year	-	(8,339)	(8,339)
<b>At 31 December 2014</b>	100	31,984	32,084

Note 6.7.4

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)

## STATEMENT OF CASH FLOWS

Note	← Year ended 31 December →			
	2014 RM	2013 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax	(8,306)	17,541	(167,885)	424,744
<i>Adjustments for:</i>				
Finance income	6.7.6 (48)	(131)	(245)	(190)
<b>Operating (loss)/profit before changes in working capital</b>	(8,354)	17,410	(168,130)	424,554
Trade and other receivables	102,814	95,059	2,283,763	(880,990)
Trade and other payables	(116,007)	(123,109)	(2,227,177)	397,124
<b>Cash used in operations</b>	(21,547)	(10,640)	(111,544)	(59,312)
Tax paid	(33)	-	(30,688)	(18,856)
Tax refund	-	961	169,572	-
<b>Net cash (used in)/generated from operating activities</b>	(21,580)	(9,679)	27,340	(78,168)
<b>Cash flows from investing activity</b>				
Finance income	6.7.6 48	131	245	190
<b>Net cash generated from investing activity</b>	48	131	245	190
<b>Net (decrease)/increase in cash and bank balances</b>	(21,532)	(9,548)	27,585	(77,978)
<b>Cash and bank balances at 1 January</b>	21,905	31,453	3,868	81,846
<b>Cash and bank balances at 31 December</b>	6.7.3 373	21,905	31,453	3,868

## 10. ACCOUNTANTS' REPORT (Cont'd)

## 6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS

## 6.7.1 Deferred tax assets

## Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	2014	2013	2012	2011
	RM	RM	RM	RM
Tax loss carry-forwards	-	-	40,394	-

## Movement in temporary differences during the financial year

	Recognised in profit or loss (Note 6.7.8) RM	At 31.12.2011/ 1.1.2012 RM	Recognised in profit or loss (Note 6.7.8) RM	At 31.12.2012/ 1.1.2013 RM	Recognised in profit or loss (Note 6.7.8) RM	At 31.12.2013/ 1.1.2014 RM	Recognised in profit or loss (Note 6.7.8) RM	At 31.12.2014 RM
Tax loss carry-forwards	35,992	-	40,394	40,394	(40,394)	-	-	-

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item (stated at gross):

	2014	2013	2012	2011
	RM	RM	RM	RM
Unutilised tax losses	131,000	124,000	-	-

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.2 Trade and other receivables**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade receivables	6.7.2.1	-	-	13,887	13,887
Less: Allowance for impairment loss	6.7.2.2	-	-	(13,887)	-
		-	-	-	13,887
Amount due from ultimate holding company	6.7.2.3	27,142	129,956	100,414	2,532,771
Amount due from contract customers	6.7.2.4	-	-	-	182,120
		27,142	129,956	100,414	2,728,778
<b>Non-trade</b>					
Amount due from ultimate holding company	6.7.2.3	-	-	124,601	-
Amount due from immediate holding company	6.7.2.5	220,000	220,000	220,000	-
Other receivables		1,200	1,200	1,200	1,200
		221,200	221,200	345,801	1,200
		248,342	351,156	446,215	2,729,978

**6.7.2.1 Trade receivables**

In 2012, included in the trade receivables was retention sums of RM13,887 (2011: RM13,887).

**6.7.2.2 Allowance for impairment loss**

In 2012, the allowance made for bad debts amounted to RM13,887 (2011: RM Nil).

**6.7.2.3 Amount due from ultimate holding company**

The trade receivable due from ultimate holding company is subject to normal trade terms and includes retention sum of RM27,142 (2013: RM29,542; 2012: RM38,592; 2011: RM398,305). Non-trade balances are mainly in respect of advances which are unsecured, interest free and repayable on demand.



**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.2 Trade and other receivables (continued)****6.7.2.4 Construction work-in-progress**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
Construction contracts costs incurred to date		-	-	7,202,577	7,175,549
Recognised profits		-	-	1,624,594	1,765,434
		-	-	8,827,171	8,940,983
Less: Progress billings		-	-	(8,827,171)	(8,827,171)
		-	-	-	113,812
Represented by:					
Amount due from contract customers		-	-	-	182,120
Amount due to contract customers	6.7.5	-	-	-	(68,308)
		-	-	-	113,812

**6.7.2.5 Amount due from immediate holding company**

Non-trade balances are mainly in respect of advances which are unsecured, interest free and repayable on demand.

**6.7.3 Cash and bank balances**

	2014 RM	2013 RM	2012 RM	2011 RM
Cash and bank balances	373	21,905	31,453	3,868

## 10. ACCOUNTANTS' REPORT (Cont'd)

6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.7.4 Capital and reserves

	Amount 2014 RM	Number of shares 2014	Amount 2013 RM	Number of shares 2013	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Authorised								
Ordinary shares of RM1 each	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Issued and fully paid								
Ordinary shares of RM1 each	100	100	100	100	100	100	100	100

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the company and ranks equally with regard to the company's residual assets.

**Section 108 tax credit**

The Finance Act 2007 introduced a single tier dividend distribution system with effect from 1 January 2008. Pursuant to Schedule 9 - transitional and savings provisions of the Income Tax Act 1967, the company can distribute dividends out of its Section 108 balance until the amount is fully utilised but any remaining balance as at 31 December 2013 will be disregarded as at 1 January 2014.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.5 Trade and other payables**

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade payables		189,037	189,037	442,955	508,921
Amount due to contract customers	6.7.2.4	-	-	-	68,308
		<u>189,037</u>	<u>189,037</u>	<u>442,955</u>	<u>577,229</u>
<b>Non-trade</b>					
Amount due to ultimate holding company	6.7.5.1	14,577	129,321	-	1,838,379
Other payables		13,017	14,280	12,792	267,316
		<u>27,594</u>	<u>143,601</u>	<u>12,792</u>	<u>2,105,695</u>
		<u>216,631</u>	<u>332,638</u>	<u>455,747</u>	<u>2,682,924</u>

**6.7.5.1 Amount due to ultimate holding company**

The amount due to the ultimate holding company is unsecured, interest free and repayable on demand.

**6.7.6 Finance income**

	2014 RM	2013 RM	2012 RM	2011 RM
Interest income of financial assets that are not at fair value through profit or loss:				
- interest received from a licensed bank	<u>48</u>	<u>131</u>	<u>245</u>	<u>190</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.7.7 (Loss)/Profit before tax

	2014 RM	2013 RM	2012 RM	2011 RM
(Loss)/Profit before tax is arrived at after charging:				
Auditors' remuneration				
- KPMG Malaysia	5,000	5,000	5,000	-
- Other auditors	-	-	-	3,500
Impairment loss on trade receivables	-	-	13,887	-

## 6.7.8 Tax expense

## Recognised in profit or loss

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Current tax expense</b>				
Current year	-	-	-	49,438
Under/(Over) provision in prior years	33	(1,733)	-	-
	<u>33</u>	<u>(1,733)</u>	<u>-</u>	<u>49,438</u>
<b>Deferred tax expense</b>				
Origination and reversal of temporary difference	-	36,485	(40,394)	35,992
Under provision in prior year	-	3,909	-	-
	<u>-</u>	<u>40,394</u>	<u>(40,394)</u>	<u>35,992</u>
Total tax expense	<u>33</u>	<u>38,661</u>	<u>(40,394)</u>	<u>85,430</u>

## Reconciliation of tax expense

(Loss)/Profit before tax	<u>(8,306)</u>	<u>17,541</u>	<u>(167,885)</u>	<u>424,744</u>
Tax at Malaysian tax rate of 25% (2013: 25%; 2012: 25%; 2011: 20%)	(2,077)	4,385	(41,971)	84,949
Non-deductible expenses	251	1,283	1,577	481
Tax losses for which no deferred tax asset was recognised	1,826	30,849	-	-
Others	-	(32)	-	-
Under/(Over) provision in prior years				
- Current tax expense	33	(1,733)	-	-
- Deferred tax expense	-	3,909	-	-
Total tax expense	<u>33</u>	<u>38,661</u>	<u>(40,394)</u>	<u>85,430</u>

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.9 Financial instruments****6.7.9.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
 (b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.7.2	248,342	248,342
Cash and bank balances	6.7.3	373	373
		<u>248,715</u>	<u>248,715</u>
<b>Financial liabilities</b>			
Trade and other payables	6.7.5	<u>(216,631)</u>	<u>(216,631)</u>
<b>2013</b>			
<b>Financial assets</b>			
Trade and other receivables	6.7.2	351,156	351,156
Cash and bank balances	6.7.3	21,905	21,905
		<u>373,061</u>	<u>373,061</u>
<b>Financial liabilities</b>			
Trade and other payables	6.7.5	<u>(332,638)</u>	<u>(332,638)</u>
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	6.7.2	446,215	446,215
Cash and bank balances	6.7.3	31,453	31,453
		<u>477,668</u>	<u>477,668</u>
<b>Financial liabilities</b>			
Trade and other payables	6.7.5	<u>(455,747)</u>	<u>(455,747)</u>
<b>2011</b>			
<b>Financial assets</b>			
Trade and other receivables	6.7.2	2,729,978	2,729,978
Cash and bank balances	6.7.3	3,868	3,868
		<u>2,733,846</u>	<u>2,733,846</u>
<b>Financial liabilities</b>			
Trade and other payables	6.7.5	<u>(2,682,924)</u>	<u>(2,682,924)</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.7.9 Financial instruments (continued)

## 6.7.9.2 Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

## 6.7.9.3 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises principally from its receivables from customers.

**Receivables**

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

**Inter-company balances**

*Risk management objectives, policies and processes for managing the risk*

The company provides unsecured advances to its holding companies.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances are only provided to holding companies of the company.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the holding companies are not recoverable. The company does not specifically monitor the ageing of the advances to the holding companies.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.9 Financial instruments (continued)****6.7.9.4 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its various payables.

***Maturity analysis***

The table below summarises the maturity profile of the company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual cash flow RM	Under 1 year RM
<b>2014</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	216,631	216,631	216,631
<b>2013</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	332,638	332,638	332,638
<b>2012</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	455,747	455,747	455,747
<b>2011</b>			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	2,682,924	2,682,924	2,682,924

**6.7.9.5 Fair value information**

The carrying amounts of short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

**10. ACCOUNTANTS' REPORT (Cont'd)****6.7 REKAVISTA (SARAWAK) SDN. BHD. (CONTINUED)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.7.10 Capital management**

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the company's approach to capital management during the financial year.

**6.7.11 Related parties****Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors of the company, and certain members of senior management of the company.

**Significant related party transaction**

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transaction of the company is shown below. The balance related to the below transaction is shown in Note 6.7.2.

	2014	2013	2012	2011
	RM	RM	RM	RM
Ultimate holding company				
Contract revenue	-	29,542	-	-



## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)

## STATEMENT OF FINANCIAL POSITION

	Note	← 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
<b>Assets</b>					
Plant and equipment	6.8.1	-	-	-	-
<b>Total non-current assets</b>		-	-	-	-
Current tax assets		-	-	37,624	37,624
Trade and other receivables	6.8.2	349,758	-	-	-
Cash and bank balances	6.8.3	2,277	22,632	169	241
<b>Total current assets</b>		352,035	22,632	37,793	37,865
<b>Total assets</b>		352,035	22,632	37,793	37,865
<b>Equity</b>					
Share capital		100,000	100,000	100,000	100,000
Accumulated losses		(224,359)	(225,267)	(214,144)	(206,691)
<b>Total equity attributable to owner of the company</b>	6.8.4	(124,359)	(125,267)	(114,144)	(106,691)
<b>Liabilities</b>					
Trade and other payables	6.8.5	476,394	147,899	151,937	144,556
<b>Total current liabilities</b>		476,394	147,899	151,937	144,556
<b>Total liabilities</b>		476,394	147,899	151,937	144,556
<b>Total equity and liabilities</b>		352,035	22,632	37,793	37,865

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	← Year ended 31 December →			
		2014 RM	2013 RM	2012 RM	2011 RM
Revenue		134,313	-	-	-
Cost of sales		(123,568)	-	-	-
<b>Gross profit</b>		<u>10,745</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative expenses		(9,837)	(11,123)	(7,453)	(4,106)
<b>Profit/(Loss) before tax</b>	6.8.6	<u>908</u>	<u>(11,123)</u>	<u>(7,453)</u>	<u>(4,106)</u>
Tax expense	6.8.7	-	-	-	-
<b>Profit/(Loss) and total comprehensive income/(expense) for the year</b>		<u><u>908</u></u>	<u><u>(11,123)</u></u>	<u><u>(7,453)</u></u>	<u><u>(4,106)</u></u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 **MM2 BUILDERS SDN. BHD.**  
**(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)**  
**(CONTINUED)**

## STATEMENT OF CHANGES IN EQUITY

	<i>Non- distributable</i>		
	Share capital RM	Accumulated losses RM	Total equity RM
At 1 January 2011	100,000	(202,585)	(102,585)
Loss and total comprehensive expense for the year	-	(4,106)	(4,106)
<b>At 31 December 2011/1 January 2012</b>	<b>100,000</b>	<b>(206,691)</b>	<b>(106,691)</b>
Loss and total comprehensive expense for the year	-	(7,453)	(7,453)
<b>At 31 December 2012/1 January 2013</b>	<b>100,000</b>	<b>(214,144)</b>	<b>(114,144)</b>
Loss and total comprehensive expense for the year	-	(11,123)	(11,123)
<b>At 31 December 2013/1 January 2014</b>	<b>100,000</b>	<b>(225,267)</b>	<b>(125,267)</b>
Profit and total comprehensive income for the year	-	908	908
<b>At 31 December 2014</b>	<b>100,000</b>	<b>(224,359)</b>	<b>(124,359)</b>

Note 6.8.4

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## STATEMENT OF CASH FLOWS

Note	← Year ended 31 December →			
	2014 RM	2013 RM	2012 RM	2011 RM
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	908	(11,123)	(7,453)	(4,106)
<b>Operating profit/(loss) before changes in working capital</b>	908	(11,123)	(7,453)	(4,106)
Trade and other receivables	(349,758)	-	-	-
Trade and other payables	328,495	(4,038)	7,381	4,046
<b>Cash used in operations</b>	(20,355)	(15,161)	(72)	(60)
Tax refund	-	37,624	-	-
<b>Net cash (used in)/generated from operating activities</b>	(20,355)	22,463	(72)	(60)
<b>Net (decrease)/increase in cash and bank balances</b>	(20,355)	22,463	(72)	(60)
<b>Cash and bank balances at 1 January</b>	22,632	169	241	301
<b>Cash and bank balances at 31 December</b>	6.8.3 2,277	22,632	169	241

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS

## 6.8.1 Plant and equipment

	Plant and machinery RM
<b>Cost</b>	
At 1 January 2011/31 December 2011/31 December 2012/31 December 2013/ 31 December 2014	<u>55,109</u>
<b>Depreciation</b>	
At 1 January 2011/31 December 2011/31 December 2012/31 December 2013/ 31 December 2014	<u>55,109</u>
<b>Carrying amounts</b>	
At 1 January 2011/31 December 2011/31 December 2012/31 December 2013/ 31 December 2014	<u>-</u>

## 6.8.2 Trade and other receivables

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Trade receivables	6.8.2.1	134,313	-	-	-
Amount due from contract customers	6.8.2.2	<u>206,568</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>340,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Amount due from ultimate holding company	6.8.2.3	<u>8,877</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>8,877</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>349,758</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 6.8.2.1 Trade receivables

Included in trade receivables are retention sums relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected as follows:

	2014 RM	2013 RM	2012 RM	2011 RM
Within 1 year	3,358	-	-	-
1-2 years	<u>3,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,716</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.8.2 Trade and other receivables (continued)

## 6.8.2.2 Construction work-in-progress

	2014 RM	2013 RM	2012 RM	2011 RM
Aggregate costs incurred to date	330,136	-	-	-
Add: Attributable profits	10,745	-	-	-
	340,881	-	-	-
Less: Progress billings	(134,313)	-	-	-
	206,568	-	-	-
Represented by:				
Amount due from contract customers	206,568	-	-	-

## 6.8.2.3 Amount due from ultimate holding company

The amount due from ultimate holding company is unsecured, interest free and repayable on demand.

## 6.8.3 Cash and bank balances

	2014 RM	2013 RM	2012 RM	2011 RM
Cash and bank balances	2,277	22,632	169	241

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

**6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6.8.4 Capital and reserves**

	Amount 2014		Number of shares 2014		Amount 2013		Number of shares 2013		Amount 2012		Number of shares 2012		Amount 2011		Number of shares 2011		
	RM				RM				RM				RM				
Authorised																	
Ordinary shares of RM1 each	100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000
Issued and fully paid																	
Ordinary shares of RM1 each	100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000		100,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the company and ranks equally with regard to the company's residual assets.

**Section 108 tax credit**

The Finance Act 2007 introduced a single tier dividend distribution system with effect from 1 January 2008. Pursuant to Schedule 9 - transitional and savings provisions of the Income Tax Act 1967, the company can distribute dividends out of its Section 108 balance until the amount is fully utilised but any remaining balance as at 31 December 2013 will be disregarded as at 1 January 2014.

## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.8.5 Trade and other payables

	Note	2014 RM	2013 RM	2012 RM	2011 RM
<b>Trade</b>					
Amount due to related company	6.8.5.1	330,136	-	-	-
<b>Non-trade</b>					
Accruals		7,073	5,795	3,312	800
Amount due to related companies	6.8.5.1	1,337	-	-	-
Amount due to ultimate holding company	6.8.5.2	-	4,256	10,777	5,908
Amount due to immediate holding company	6.8.5.2	137,848	137,848	137,848	137,848
		146,258	147,899	151,937	144,556
		476,394	147,899	151,937	144,556

## 6.8.5.1 Amounts due to related companies

The amounts due to related companies are unsecured, interest free and repayable on demand.

## 6.8.5.2 Amounts due to ultimate and immediate holding companies

The amounts due to the ultimate and immediate holding companies are unsecured, interest free and repayable on demand.

## 6.8.6 Profit/(Loss) before tax

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Loss before tax is arrived at after charging:</b>				
Auditors' remuneration				
- KPMG Malaysia	3,000	3,000	3,000	-
- Other auditors	-	-	-	800

## 6.8.7 Tax expense

	2014 RM	2013 RM	2012 RM	2011 RM
<b>Recognised in profit or loss</b>				
Current tax expense	-	-	-	-
<b>Reconciliation of tax expense</b>				
Profit/(Loss) before tax	908	(11,123)	(7,453)	(4,106)
Tax at Malaysian tax rate of 25% (2013: 25%; 2012: 25%; 2011: 20%)	227	(2,781)	(1,863)	(821)
Non-deductible expenses	1,331	2,781	1,863	821
Recognition of previously unrecognised tax losses	(1,558)	-	-	-
Total tax expense	-	-	-	-



## 10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6.8.8 Financial instruments

## 6.8.8.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R"); and  
(b) Financial liabilities measured at amortised cost ("FL").

	Note	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>			
<b>Financial assets</b>			
Trade and other receivables	6.8.2	349,748	349,748
Cash and bank balances	6.8.3	2,277	2,277
		<u>352,025</u>	<u>352,025</u>
<b>Financial liabilities</b>			
Other payables and accruals	6.8.5	<u>(476,394)</u>	<u>(476,394)</u>
<b>2013</b>			
<b>Financial assets</b>			
Cash and bank balances	6.8.3	<u>22,632</u>	<u>22,632</u>
<b>Financial liabilities</b>			
Other payables and accruals	6.8.5	<u>(147,899)</u>	<u>(147,899)</u>
<b>2012</b>			
<b>Financial assets</b>			
Cash and bank balances	6.8.3	<u>169</u>	<u>169</u>
<b>Financial liabilities</b>			
Other payables and accruals	6.8.5	<u>(151,937)</u>	<u>(151,937)</u>
<b>2011</b>			
<b>Financial assets</b>			
Cash and bank balances	6.8.3	<u>241</u>	<u>241</u>
<b>Financial liabilities</b>			
Other payables and accruals	6.8.5	<u>(144,556)</u>	<u>(144,556)</u>

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

**6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6.8.8 Financial instruments (continued)**

**6.8.8.2 Financial risk management**

The company has exposure following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

**6.8.8.3 Credit risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's exposure to credit risk arises from its receivables from customers and amount due from ultimate holding company.

**Receivables**

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

*Impairment losses*

The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
2014			
Not past due	134,313	-	134,313

10. ACCOUNTANTS' REPORT (Cont'd)



6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.8.8 Financial instruments (continued)

6.8.8.3 Credit risk (continued)

**Inter-company balances**

*Risk management objectives, policies and processes for managing the risk*

The company provides unsecured advances to its ultimate holding company.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances are only provided to ultimate holding company of the company.

*Impairment losses*

As at the end of the reporting period, there was no indication that the advances to the ultimate holding company are not recoverable. The company does not specifically monitor the ageing of the advances to the ultimate holding company.

6.8.8.4 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's exposure to liquidity risk arises principally from its amount due to holding companies.

The ultimate holding company has agreed to provide financial support to enable the company to fulfil its obligations as and when they fall due.

6.8.8.5 Fair value information

The carrying amounts of trade receivables, amount due from ultimate holding company, cash and bank balances, accrued expenses and amount due to holding companies approximate their fair values due to the relatively short term nature of these financial instruments.

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



**6.8 MM2 BUILDERS SDN. BHD.  
(FORMERLY KNOWN AS REKA CONCRETE PRODUCTS SDN. BHD.)  
(CONTINUED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6.8.9 Capital management**

The company's objective when managing capital is to maintain a strong capital base and safeguard the company's ability to continue as a going concern. The directors monitor the adequacy of capital on an ongoing basis and rely on the continuous financial support from the ultimate holding company.

There were no changes in the company's approach to capital management during the financial year.

**6.8.10 Related parties**

**Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel include all the directors of the company, and certain members of senior management of the company.

**Significant related party transactions**

There are no material outstanding balances at the end of the financial year other than as disclosed in Notes 6.8.2 and 6.8.5.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies****7.1 Basis of preparation****(a) Statement of compliance**

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Companies:

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements: Disclosure Initiative*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*

## 10. ACCOUNTANTS' REPORT (Cont'd)



## 7. Summary of significant accounting policies (continued)

## 7.1 Basis of preparation (continued)

## (a) Statement of compliance (continued)

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)*

- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017*

- MFRS 15, *Revenue from Contracts with Customers*

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018*

- MFRS 9, *Financial Instruments (2014)*

The Companies plan to apply the abovementioned standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014;
- from the annual period beginning on 1 January 2016 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016;
- from the annual period beginning on 1 January 2017 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017; and
- from the annual period beginning on 1 January 2018 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Companies except as mentioned below:

***MFRS 15, Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

The Companies are currently assessing the financial impact that may arise from the adoption of MFRS 15.

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

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**7. Summary of significant accounting policies (continued)****7.1 Basis of preparation (continued)****(a) Statement of compliance (continued)****MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Companies are currently assessing the financial impact that may arise from the adoption of MFRS 9.

**(b) Basis of measurement**

This report is prepared on the historical cost basis other than as disclosed in Note 7.2.

**(c) Functional and presentation currency**

This report is presented in Ringgit Malaysia ("RM"), which is the Companies' functional currency. All financial information of the Companies is presented in RM, except for Ikhmas Jaya Sdn. Bhd. which has been rounded to the nearest thousand.

**(d) Use of estimates and judgements**

The preparation of this report in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in this report, and have been applied consistently by the Companies, unless otherwise stated.

**(a) Basis of consolidation****(i) Subsidiaries**

Subsidiaries are entities, including unincorporated entities, controlled by the Companies. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

**(ii) Business combinations**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Companies.

For new acquisitions, the Companies measure the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.



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

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**7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(a) Basis of consolidation (continued)****(ii) Business combinations (continued)**

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Companies elect whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Companies incur in connection with a business combination are expensed as incurred.

**(iii) Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Companies, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Companies. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Companies.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**(iv) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(b) Financial instruments****(i) Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

**(ii) Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

***Financial assets*****(a) *Financial assets at fair value through profit or loss***

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**(b) *Loans and receivables***

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(b) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)****(c) Available-for-sale financial assets**

Available-for-sale category comprises investment in club memberships that are not held for trading.

Investments in club memberships that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 7.2(i)).

***Financial liabilities***

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**(iii) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the control of the asset is not retained or substantially all risks and rewards of ownership of the financial asset is transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

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**7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(c) Property, plant and equipment****(i) Recognition and measurement**

Freehold land and assets under construction are stated at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other operating expenses" respectively in profit or loss.

**(ii) Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Companies, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(c) Property, plant and equipment (continued)****(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Companies will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Motor vehicles and boats	5-8 years
• Machinery and equipment	5-50 years
• Furniture, fittings and equipment	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

**(d) Leased assets****(i) Finance lease**

Leases in terms of which the Companies assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(d) Leased assets (continued)****(ii) Operating lease**

Leases, where the Companies do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

**(e) Investment property****Investment property carried at fair value**

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(f) Inventories**

Inventories comprise land held for property development, work-in-progress and stock of completed units.

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated net selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for property development consists of freehold and leasehold land on which development work has not commenced along with related costs on activities that are necessary to prepare the land for its intended use. Land held for property development is transferred to work-in-progress when development activities have commenced.

Work-in-progress comprises all costs directly attributable to property development activities or that can be allocated on a reasonable basis to these activities.

Upon completion of development, unsold completed development properties are transferred to stock of completed units.

**(g) Construction work-in-progress**

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amount due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the trade and other payables in the statement of financial position.

**(h) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Companies in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(i) Impairment****(i) Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

**(ii) Other assets**

The carrying amounts of other assets (except for inventories, amount due from contract customers, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.



**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(i) Impairment (continued)****(ii) Other assets (continued)**

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

**(j) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

**(k) Employee benefits****Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Companies have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Companies' contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Companies have no further payment obligations.

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

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**7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(l) Provisions**

A provision is recognised if, as a result of a past event, the Companies have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(m) Revenue and other income****(i) Goods sold**

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**(ii) Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the sums certified by surveyors for work performed to-date.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

**(iii) Rental income**

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(m) Revenue and other income (continued)****(iv) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss.

**(v) Dividend income**

Dividend income is recognised in profit or loss on the date that the company's right to receive payment is established.

**(n) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Earnings per ordinary share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

**10. ACCOUNTANTS' REPORT (Cont'd)****7. Summary of significant accounting policies (continued)****7.2 Significant accounting policies (continued)****(p) Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(q) Fair value measurements**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Companies use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Companies can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Companies recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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10. ACCOUNTANTS' REPORT (Cont'd)

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**8. Audited financial statements**

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2014 for the Companies.

**9. Events after the reporting period**

There were no significant events between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

Yours faithfully

A handwritten signature in black ink, appearing to be 'KPMG'.

**KPMG**  
AF 0758  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Foong Mun Kong'.

**Foong Mun Kong**  
Approval Number : 2613/12/16(J)  
Chartered Accountant

Petaling Jaya

Date: 15 June 2015

## 11. DIRECTORS' REPORT

*(Prepared for inclusion in the Prospectus)*



**IKHMAS JAYA GROUP BERHAD (1072872-D)**

Unit 621, 6<sup>th</sup> floor, Block A

Kelana Centre Point

No.3, Jalan SS7/19 Kelana Jaya

47301 Petaling Jaya

Selangor Darul Ehsan

Tel: 03-7880 9699 Fax: 03-7880 8699

E-mail: ij@ikhmasjaya.com

Date: **15 JUN 2015**

The Shareholders of  
**Ikhmas Jaya Group Berhad**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS7/19 Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan


Dear Sir/ Madam,

On behalf of the Board of Directors of Ikhmas Jaya Group Berhad ("**Ikhmas Berhad**" or the "**Company**") ("**Board**"), I wish to report after due enquiry by the Board of Directors of Ikhmas Berhad, for the period between 31 December 2014, being the date to which the last audited financial statements of Ikhmas Berhad and its subsidiaries ("**Ikhmas Group**" or the "**Group**") have been made up, and the date of hereof, being a date not earlier than 14 days before the issuance of this Prospectus), that:-

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

Yours faithfully,

For and on behalf of the Board of Directors of  
**IKHMAS JAYA GROUP BERHAD**

  
.....  
**DATU' ANG CHENG SIONG**  
Group Managing Director

## 12. VALUATION CERTIFICATES

(Prepared for inclusion in the Prospectus)



Our Ref : 31V140116

Date : 25 August 2014

The Board of Directors  
IKHMAS JAYA GROUP BERHAD  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS 7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**CERTIFICATE OF VALUATION OF A THREE (3) ADJOINING UNITS OF 3-STOREY TERRACE SHOP/OFFICE WITH BASEMENT CAR PARK LOCATED ON HSD 233616, 233615 & 233614, FOR LOT NOS. PT 33386, 33385 & 33384, ALL IN MUKIM OF DAMANSARA, DISTRICT OF PETALING AND STATE OF SELANGOR DARUL EHSAN.**

(Address: Nos. 35, 37 & 39, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan)

[Hereinafter refer to as the "subject property"]

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to the Securities Commission Malaysia ("SC") in relation to the Corporate Exercise (as defined below) by Ikhmas Jaya Group Berhad ("Ikhmas Berhad").**

This Certificate of Valuation has been prepared for inclusion in the Prospectus of Ikhmas Berhad to be dated 30 June 2015 in relation to the **proposed listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise").**

We have inspected the subject property on 6 March 2014. The material date of valuation is taken as 6 March 2014.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the SC ("Asset Valuation Guidelines") and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia ("Malaysian Valuation Standards").

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**12. VALUATION CERTIFICATES (Cont'd)**

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The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as three (3) adjoining units of 3-storey terrace shop/office with basement car park.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' of the Malaysia Valuation Standards, 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."

Brief descriptions of the subject property are as follows:-

**Identification of property**

Subject property	:	Three (3) adjoining units of 3-storey terrace shop/office with basement car park
Title No.	:	HSD 233616, 233615 & 233614,
Lot No	:	Lot No. PT 33386, 33385 & 33384, all in Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan
Tenure	:	Freehold
Category of Land Use	:	'Bangunan'
Registered Owner	:	Ikhmas Jaya Sdn Bhd – 1/1 share
Surveyed Land Area	:	Lot No. PT 33386 - 226.55 square metres ("sqm") / 2,439 square feet ("sqf") Lot No. PT 33385 - 167.22 sqm / 1,800 sqf Lot No. PT 33384 - 167.22 sqm / 1,800 sqf
Location of Property	:	The subject property is identified as Nos. 35, 37 & 39, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan. Pusat Dagangan NZX is located about 12 kilometres from Petaling Jaya new town centre.
Interest To Be Valued	:	The interest to be valued is the owner's freehold interest in the subject property.

**General Description**

Subject Property	<u>Site</u>
	The site comprises one (1) corner unit and two (2) intermediate unit terrace shop lot located along Jalan PJU 1A/41B and encompasses a provisional land area of 226.55 sqm (about 2,439 sqf) for corner unit and 167.22 sqm (about 1,800 sqf) each for intermediate unit, respectively.

The subject site is flat in physical terrain and lies slightly elevated above the level of the frontage metalled road, Jalan PJU 1A/41B.



**12. VALUATION CERTIFICATES (Cont'd)**

Page 3

Buildings

The buildings are basically constructed of reinforced concrete framework, plastered and painted brickwalls and covered with metal deck roof/reinforced concrete roof. The buildings have the following approximate areas:-

Property	Main Floor Area	Ancillary Floor Area
No. 35 (corner unit)	546.14 sqm (5,879 sqf)	241.24 sqm (2,596 sqf)
No. 37 (intermediate unit)	417.33 sqm (4,492 sqf)	134.34 sqm (1,446 sqf)
No. 39 (intermediate unit)	417.33 sqm (4,492 sqf)	134.34 sqm (1,446 sqf)

At the time of inspection, the client is unable to provide us a copy of the approved building plan of the subject property. However, the Certificate of Fitness for Occupation (CF) of the subject property has been issued by Majlis Bandaraya Petaling Jaya vide Certificate No. 2155 dated 17 December 2007.

The buildings are currently being used as office buildings.

Note

*At the time of inspection, we note that the party walls between the shop/offices have been demolished to provide mutual access. The staircase at shop/office No. 35 has been removed and the side verandah at shop/office No. 35 has been enclosed. We also note that the first floor's flat roof area and second floor's void area between shop/office Nos. 35 and 37 have been enclosed. This is also the same with the area between shop/office Nos. 37 and 39. For the purpose of this valuation, we have valued the subject property based on floor area of a standard unit as we have not sighted any approved building plan for the alteration.*

*On behalf of Ikhmas Jaya Sdn Bhd, Arkitek Mustapha Kamal Sdn Bhd had, vide its letter dated 4 July 2014 (Reference No. AMK1141112014/PPB1002), submitted an application to obtain the extension and renovation approval from the Majlis Bandaraya Petaling Jaya.*

Occupation

The buildings are owner-occupied.

Planning Provision

Our enquiries at Jabatan Perancangan, Majlis Bandaraya Petaling Jaya reveals that the subject property is located within an area zoned for commercial use.

**12. VALUATION CERTIFICATES (Cont'd)**

Page 4

**Market Value**

Date of Valuation 6 March 2014

Method of Valuation Cost Method and Investment Method

**Cost Method**

The **Cost Method** involves the valuation of land by comparison with evidence of values of comparable land and adding to it the current replacement cost of the building less depreciation, if necessary. The current replacement cost involves the construction cost, financing charges, advertising charges, professional fees, other incidental expenses and developer's profit.

**Investment Method**

The **Investment Method** entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual income is capitalised using a rate of interest to arrive at the capital value of the property.

**Cost Method**

The Comparables adopted with the analysis of each comparable are shown below:-

Details	Comparable 1	Comparable 2	Comparable 3
Title particulars	HSD 233594, PT 33364, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan	HSD 233612, PT 33382, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan	HSD 233562, PT 33332, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan
Address/Location	No. 79, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan	No. 43, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan	No. 145, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan
Description of property	An intermediate 3-storey terrace shop/office with basement car park	An intermediate 3-storey terrace shop/office with basement car park	A corner unit 3-storey terrace shop/office with basement car park
Vendor	Seow Mee Yan + 1	VIC Resources (M) Sdn Bhd	Sim Soon Pheng + 1
Purchaser	Choo See Eng + 1	Koh Tiong Chwee	Au Fatt + 1
Planning provision	Commercial	Commercial	Commercial
Tenure	Freehold	Freehold	Freehold
Land area	167.22 sqm / 1,800 sqf	167.22 sqm / 1,800 sqf	229.08 sqm / 2,466 sqf
Built-up area	548.13 sqm / 5,900 sqf	548.13 sqm / 5,900 sqf	789.68 sqm / 8,500 sqf
Date of transaction	2 May 2013	17 December 2012	10 July 2012
Consideration	RM1,850,000	RM1,850,000	RM2,500,000
Building cost	RM80	RM80	RM85
Building value	RM472,000	RM472,000	RM722,500
Less : depreciation	-14%	-14%	-14%
Total building value	RM405,920	RM405,920	RM621,350
Total land value	RM1,444,080	RM1,444,080	RM1,878,650

**12. VALUATION CERTIFICATES (Cont'd)**

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Analysed land value (per square foot ("psf"))	RM802.27	RM802.27	RM761.82
<b>WORKINGS FOR CORNER LOT</b>			
Adjustments	Time and land size	Time and land size	Time
Adjusted land value (psf)	RM802.27	RM842.38	RM838.00
<b>WORKINGS FOR INTERMEDIATE LOT</b>			
Adjustments	Time	Time	Time and land size
Adjusted land value (psf)	RM842.38	RM882.50	RM876.09

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

**Valuation Rationale**

We have considered Comparable 1 as the best comparable to arrive at the land value of the subject property as it is the latest transaction within the same scheme. Accordingly, we have adopted the round off adjusted land value of Comparable 1 at RM802 psf for corner lot and RM842 psf for intermediate lot.

The building cost adopted is based on reference made to recent construction costs of terrace shop/office compiled by us (mix development project of Taman Bangi Avenue by Advantage 2000 Dotcom Sdn Bhd in year 2013) as well as the JUBM and Langdon Seah Construction Cost Handbook Malaysia 2014. The building cost for terrace shop/office in the market ranges from RM75 psf to RM85 psf.

For shop/office of corner unit, additional building cost of RM5 psf for main floor area has been given to reflect its extra cost. It is to note that the subject property had been undergone renovation. Thus, we have adopted additional renovation cost of RM20 psf for the purpose of this valuation.

Depreciation rate is based on the age and economic life of the building. We estimate the economic life of the building at 50 years with a depreciation rate of 2% per year.

The market value of the subject property based on the Cost Method is at a total of **RM6,480,000/-**.

**12. VALUATION CERTIFICATES (Cont'd)**

Page 6

Investment Method

In adopting the Investment Method of valuation, we have considered the following parameters:-

Rental	<p><u>Ground Floor</u> Based on our survey, the asking rentals at ground floor in the vicinity are in the range of RM1.94 to RM2.22 psf. We have adopted RM2.15 psf as the base rental.</p> <p><u>First Floor</u> Based on our survey, the asking rentals at first floor in the vicinity are in the range of RM1.00 to RM1.22 psf. We have adopted RM1.15 psf as the base rental.</p> <p><u>Second Floor</u> Based on our survey, the asking rental for second floor in the vicinity are in the range of RM0.67 to RM0.83 psf. We have adopted RM0.75 psf as the base rental.</p> <p>The total monthly rental of the subject property is arrived at RM24,457.95 and the total yearly rental of the subject property is arrived at RM293,495.40.</p>										
Outgoings	<p>The calculation of the total outgoings is based on actual costs incurred and is derived as follows:-</p> <table> <tr> <td>Assessment</td> <td>RM11,763.84</td> </tr> <tr> <td>Quit Rent</td> <td>RM 1,117.00</td> </tr> <tr> <td>Fire Insurance</td> <td>RM 3,812.44</td> </tr> <tr> <td>Repair &amp; Maintenance</td> <td>RM 14,674.77 (estimated)</td> </tr> <tr> <td>Total</td> <td><u>RM31,368.05 per annum</u></td> </tr> </table>	Assessment	RM11,763.84	Quit Rent	RM 1,117.00	Fire Insurance	RM 3,812.44	Repair & Maintenance	RM 14,674.77 (estimated)	Total	<u>RM31,368.05 per annum</u>
Assessment	RM11,763.84										
Quit Rent	RM 1,117.00										
Fire Insurance	RM 3,812.44										
Repair & Maintenance	RM 14,674.77 (estimated)										
Total	<u>RM31,368.05 per annum</u>										
Void	We have considered a 5% void allowance for vacancy and rent free periods, which is deemed to be fair for shop/office located in good location										
Capitalisation Rate	Our analyses have revealed that the net capitalisation rates are in the range of 3.86% to 4.31%. For the purpose of this valuation, we have adopted a net capitalisation rate of 4.25%										

Based on the above analysis, we have arrived at a total Market Value of RM5,850,000 using the Investment Method of valuation.

Reconciliation of Value

The market value for the subject property derived from both Cost Method and Investment Method are shown as follows:-

Cost Method	-	RM6,480,000/-
Investment Method	-	RM5,850,000/-

We have adopted the Cost Method as the main method whilst Investment Method as a check due to the lack of actual rental comparables in the immediate vicinity. Accordingly, we have adopted the market value as derived from the Cost Method in this valuation, i.e. **RM6,480,000**.

12. VALUATION CERTIFICATES (Cont'd)



Page 7

Opinion of Market Value

We are pleased to report that in our opinion, the Market Value of the subject property as at **6 March 2014**, in its existing condition, free from all encumbrances, with the titles held under freehold interest and being good, marketable and registrable, as well as with vacant possession, is at a total of **RM6,480,000/-** (Ringgit Malaysia : Six Million Four Hundred and Eighty Thousand Only).

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V150434

2 June 2015

The Board of Directors  
**IKHMAS JAYA GROUP BERHAD**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF THREE (3) ADJOINING UNITS OF 3-STOREY TERRACE SHOP/OFFICE WITH BASEMENT CAR PARK LOCATED ON HSD 233616, 233615 & 233614, FOR LOT NOS. PT 33386, 33385 & 33384, ALL IN MUKIM OF DAMANSARA, DISTRICT OF PETALING AND STATE OF SELANGOR DARUL EHSAN.**

**(Address: Nos. 35, 37 & 39, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan)**

**[Hereinafter refer to as the "subject property"]**

This Update Valuation Certificate has been prepared for inclusion in the Prospectus of **Ikhmas Jaya Group Berhad ("Ikhmas Berhad")** to be dated 30 June 2015 in relation to the proposed listing of **Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

In accordance with the instructions from Ikhmas Berhad, we have prepared a full valuation report and Valuation Certificate vide Reference No. 31V140116 dated 25 August 2014. The subject property was inspected and referenced on 6 March 2014.

Subsequently, we were instructed by Ikhmas Berhad to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 1 June 2015 and we have taken 1 June 2015 as the date of valuation.

Having re-inspected the subject property on 1 June 2015 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide Reference No. 31V140116 dated 25 August 2015. We have prepared this update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

.....2/-

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12. VALUATION CERTIFICATES (Cont'd)

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Page 2

Our Ref: 31V150434

Physical Condition

Based on our inspection on 1 June 2015, we would like to confirm that there is no material change to the physical condition of the subject property since the last valuation conducted on 6 March 2014.

Legal Interest

A private title search was conducted on 2 June 2015. The search revealed that there is no change in the legal particulars since the last valuation report dated 25 August 2014.

Planning

Based on our enquiries at Jabatan Perancangan, Majlis Bandaraya Petaling Jaya, the subject property is located within an area zoned for commercial use.

At the time of reinspection, the approval in relation to the extension and renovation application submitted by Architect Mustapha Kamal, on behalf of Ikhmas Jaya Sdn Bhd to Majlis Bandaraya Petaling Jaya on 4 July 2014 is still pending and waiting for the inspection to be carried out by Jabatan Bomba dan Penyelamat Malaysia.

Market Condition

From our findings, there is only one new transaction of an intermediate shop/office on 15 September 2014 located within the same scheme. The registered selling price for the said shop/office is at RM1,750,000/- and located at a cul-de-sac road. The market condition for shop/office within the scheme has remained stable since the last valuation.

Method of Valuation

We have adopted the same method as stated in the said full valuation report dated 25 August 2014 i.e **Cost Method** and **Investment Method**.

.....3/-

**12. VALUATION CERTIFICATES (Cont'd)**



Page 3

Our Ref: 31V150434

Reconciliation of Value

After considering the foregoing, we have reassessed the market value of the subject property using the Cost and Investment Methods of Valuation, the result of which is as follows:-

Cost Method	– RM6,480,000/-
Investment Method	– RM5,850,000/-

We have adopted the Market Value as derived from the Cost Method whilst Investment Method as a check due to the lack of actual rental comparables in the immediate vicinity. In view of the above, the current market value remained unchanged from the last valuation dated 6 March 2014.

Conclusion

We are pleased to report that in our opinion, the Market Value of the subject property as at **1 June 2015**, in its existing condition, free from all encumbrances, with the titles being good, marketable, registrable and held under freehold interest is at a total of **RM6,480,000/- (Ringgit Malaysia : Six Million Four Hundred and Eighty Thousand Only)**.

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)



12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140117

Date : 25 August 2014

The Board of Directors  
IKHMAS JAYA GROUP BERHAD  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS 7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**CERTIFICATE OF VALUATION OF AN INTERMEDIATE 4-STOREY TERRACE SHOP/OFFICE LOCATED ON GERAN 298818, LOT NO. 8254 BANDAR SUBANG JAYA, (FORMERLY KNOWN AS HSD 9434, PT NO. 4073, MUKIM OF DAMANSARA), DISTRICT OF PETALING AND STATE OF SELANGOR DARUL EHSAN.**

(Address: No. 63, Jalan SS 15/8A, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan)

**[Hereinafter refer to as the "subject property"]**

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to the Securities Commission Malaysia ("SC") in relation to the Corporate Exercise (as defined below) by Ikhmas Jaya Group Berhad ("Ikhmas Berhad")**.

This Certificate of Valuation has been prepared for inclusion in the Prospectus of Ikhmas Berhad to be dated 30 June 2015 in relation to the **proposed listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

We have inspected the subject property on 7 March 2014. The material date of valuation is taken as 7 March 2014.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the SC ("Asset Valuation Guidelines"), Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia ("Malaysian Valuation Standards").

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## 12. VALUATION CERTIFICATES (Cont'd)



Page 2

The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as an intermediate 4-storey terrace shop/office.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' of the Malaysia Valuation Standards, 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."

Brief description of the subject property are as follows:-

### **Identification of property**

Subject property	:	An intermediate 4-storey terrace shop/office
Title No.	:	Geran 298818 (Formerly known as HSD 9434)
Lot No.	:	Lot 8254 (Formerly known as PT 4073, Mukim Damansara), Bandar Subang Jaya, District of Petaling and State of Selangor Darul Ehsan
Tenure	:	Freehold
Category of Land Use:		'Bangunan'
Registered Owner	:	Ikhmas Jaya Sdn Bhd – 1/1 share
Surveyed Land Area	:	163 square metres ("sqm")/1,755 square feet ("sqf")
Location of Property	:	The subject property bears postal address No. 63, Jalan SS 15/8A, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan. SS 15 Subang Jaya is located approximately 8 kilometres to the south-west of Petaling Jaya new town centre.
Interest To Be Valued:		The interest to be valued is the owner's freehold interest in the subject property.

### **General Description**

#### Subject Property

#### Site

The subject site is an intermediate terrace shop lot and encompassing a surveyed land area of 163 sqm (1,755 sqf).

The site is rectangular in shape, generally flat in physical terrain and lies slightly elevated above the level of the frontage road.

#### Building

The building is basically constructed of reinforced concrete framework, plastered and painted brick walls, pitched roof on timber trusses and covered with cement roof tiles. The building has a main floor area of 593.47 sqm (6,388 sqf) and an ancillary floor area of 28.61 sqm (308 sqf).

At the time of inspection, the client is unable to provide us a copy of the approved building plan of the subject property. However, in accordance to a confirmation letter given by Majlis Perbandaran Subang Jaya, the subject property had been issued with Certificate of Fitness for Occupation ("CF") in year 1984.

**12. VALUATION CERTIFICATES (Cont'd)**

Page 3

The building is currently being used as a shop/office.

Note

At the time of inspection, we note that the front wall of the first floor has been repositioned to accommodate an opened sitting area. For the purpose of this valuation, we have valued the subject property based on main floor area and ancillary floor area of a standard unit.

On behalf of Ikhmas Jaya Sdn Bhd, Arkitek Mustapha Kamal Sdn Bhd had, vide its letter dated 4 July 2014 (Reference No. AMK/1411/2014/PKPI002), submitted an application to obtain the extension and renovation approval from the Majlis Perbandaran Subang Jaya.

Occupation

The ground floor and second floor of the building are tenanted whilst the first floor and third floor of the building are vacant.

Occupancy Rate

The occupancy rate of the subject property as at 7 March 2014 is at 50%.

Tenancy schedule for the subject property is as follows:-

Level	Tenant	Monthly Rental	Tenancy Period	Option to Renew
Ground*	Pua Choon Gieh	RM8,000/-	15 August 2011 to 14 August 2013	Two (2) years
Second**	Rahmat Aman Agro Sdn Bhd	RM2,800/-	15 August 2012 to 14 July 2014	One (1) year

Note:-

\*The tenancy for the ground floor of the subject property had lapsed on 15 August 2013. However, in accordance to a letter dated 28<sup>th</sup> May 2014, a notice of extension of tenancy term from 16 August 2013 to 16 August 2015 has been agreed and accepted by Pua Choon Gieh.

\*\*We were made to understand that the tenancy for second floor has been agreed to extend for a further period of two (2) years from 15 July 2014 to 14 July 2016. However, the tenancy agreement is pending execution by Rahmat Aman Agro Sdn Bhd.

Planning Provision

Our enquiries at Jabatan Perancangan, Majlis Perbandaran Subang Jaya reveals that the subject property is located within an area zoned for commercial use.

Market Value

Date of Valuation

7 March 2014

## 12. VALUATION CERTIFICATES (Cont'd)



Page 4

Method of Valuation Cost Method and Investment Method

Cost Method

The **Cost Method** involves the valuation of land by comparison with evidence of values of comparable land and adding to it the current replacement cost of the building less depreciation, if necessary. The current replacement cost involves the construction cost, financing charges, advertising charges, professional fees, other incidental expenses and developer's profit.

Investment Method

The **Investment Method** entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual income is capitalised using a rate of interest to arrive at the capital value of the property.

Cost Method

The Comparables adopted with the analysis of each comparable are shown below:-

Details	Comparable 1	Comparable 2	Comparable 3
Title particulars	HSD 23768, PT 3841, Bandar Subang Jaya, District of Petaling, State of Selangor Darul Ehsan.	Geran 298412, Lot 8128 Bandar Subang Jaya, District of Petaling, State of Selangor Darul Ehsan.	Geran 298802, Lot 8234 Bandar Subang Jaya, District of Petaling, State of Selangor Darul Ehsan.
Address/Location	No. 114, Jalan SS 15/4B, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan	No. 104, Jalan SS 15/4, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan	No. 23, Jalan SS 15/8A, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan
Description of property	An intermediate 3-storey shop/office	An end unit 3-storey shop/office	An intermediate 4-storey shop/office
Vendor	Chen Yang Ling	Dariz Sdn Bhd	Leong Poh Teng + 1
Purchaser	Modern Goldhill Sdn Bhd	Ng Kok Meng	Oh Siew Lian
Planning provision	Commercial	Commercial	Commercial
Tenure	Freehold	Freehold	Freehold
Land area	163.504 sqm / 1,760 sqf	163 sqm / 1,755 sqf	163 sqm / 1,755 sqf
Built-up area	464.37 sqm / 4,998 sqf	464.37 sqm / 4,998 sqf	600.00 sqm / 6,458 sqf
Date of transaction	30 December 2013	27 March 2013	22 February 2012
<b>Consideration</b>	<b>RM3,000,000</b>	<b>RM3,300,000</b>	<b>RM4,200,000</b>
Building cost	RM80	RM85	RM80
Building value	RM399,840	RM424,830	RM516,640
Less : depreciation	-60%	-60%	-60%
Total building value	RM159,936	RM169,932	RM206,656
Total land value	RM2,840,064	RM3,130,068	RM3,993,344
<b>Analysed Land Value (per square foot "psf")</b>	<b>RM1,613.67</b>	<b>RM1,783.51</b>	<b>RM2,275.41</b>
<b>Adjustments</b>	Location and number of storey (plot ratio)	Time and number of storey (plot ratio)	Time
<b>Adjusted land value (psf)</b>	<b>RM1,855.72</b>	<b>RM2,051.04</b>	<b>RM2,502.95</b>

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

## 12. VALUATION CERTIFICATES (Cont'd)



Page 5

## Valuation Rationale

We have considered Comparable 1 and Comparable 2 as the best comparable to arrive at the land value of the subject property as they are the latest transactions. Accordingly, we have adopted the round off average adjusted land value of RM1,953 per square foot.

The building cost adopted is based on reference made to recent construction costs of terrace shop/office compiled by us (mix development project of Taman Bangi Avenue by Advantage 2000 Dotcom Sdn Bhd in year 2013) as well as the JUBM and Langdon Seah Construction Cost Handbook Malaysia 2014. The building cost for terrace shop/office in the market ranges from RM75 psf to RM85 psf.

Depreciation rate is based on the age and economic life of the building. We estimate the economic life of the building at 50 years with a depreciation rate of 2% per year.

The market value of the subject property based on the Cost Method is RM3,600,000/-.

Investment Method

In adopting the Investment Method of valuation, we have considered the following parameters:-

Rental	<p><u>Ground Floor</u> Based on our survey, the asking rentals at ground floor in the vicinity are in the range of RM4.72 to RM5.68 per square foot. We have adopted RM5.00 per square foot as the base rental with due adjustment for location.</p> <p><u>First Floor</u> Based on our survey, the asking rentals at first floor in the vicinity are in the range of RM1.75 to RM2.12 per square foot. We have adopted RM2.00 per square foot as the base rental with due adjustment for location.</p> <p><u>Second Floor</u> Based on our survey, the asking rental for second floor in the vicinity is about RM1.14 per square foot. We have adopted RM1.10 per square foot as the base rental.</p> <p><u>Third Floor</u> Based on our survey, the asking rental for third floor in the vicinity is at RM0.68 per square foot. We have adopted RM0.70 per square foot as the base rental.</p> <p>The monthly rental of the subject property is arrived at RM14,835 and the yearly rental of the subject property is arrived at RM178,020.</p> <p><u>Note</u> As at date of valuation, i.e. 7 March 2014, the tenancy for ground floor unit had lapsed on 15 August 2013 and the rental is collected on month to month basis. For second floor, the tenancy will expire in 4 months' time from the date of valuation. Hence, in view of the above, we have not considered the above tenancies and adopted the market rental in our valuation.</p>
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**12. VALUATION CERTIFICATES (Cont'd)**

Page 6

Outgoings	The calculation of the outgoings is based on actual costs incurred and is derived as follows:- Assessment RM2,448.00 Quit Rent RM 504.00 Fire Insurance RM3,415.00 Repair & Maintenance <u>RM8,901.00</u> (estimated) Total <u>RM15,268.00</u> per annum
Void	We have considered a 5% void allowance for vacancy and rent free periods, which is deemed to be fair for shop/office located in good location.
Capitalisation Rate	Our analyses have revealed that the net capitalisation rates are in the region of 3.35% to 4.53%. For the purpose of this valuation, we have adopted a net capitalisation rate of 4.25%.

Based on the above analysis, we have arrived at a Market Value of RM3,600,000 using the Investment Method of valuation.

**Reconciliation of Value**

The market value for the subject property derived from both Cost Method and Investment Method are shown as follows:-

Cost Method	-	RM3,600,000/-
Investment Method	-	RM3,600,000/-

We have adopted the Cost Method as the main method whilst Investment Method as a check due to the lack of actual rental comparables in the immediate vicinity. Accordingly, we have adopted the market value as derived from the Cost Method in this valuation, i.e. **RM3,600,000**.

**Opinion of Market Value**

We are pleased to report that in our opinion, the Market Value of the subject property as at **7 March 2014**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest is **RM3,600,000/-** (Ringgit Malaysia : Three Million and Six Hundred Thousand Only).

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V150433

2 June 2015

The Board of Directors  
**IKHMAS JAYA GROUP BERHAD**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF AN INTERMEDIATE 4-STOREY TERRACE SHOP/OFFICE LOCATED ON GERAN 298818, LOT NO. 8254 BANDAR SUBANG JAYA, (FORMERLY KNOWN AS HSD 9434, PT NO. 4073, MUKIM OF DAMANSARA), DISTRICT OF PETALING AND STATE OF SELANGOR DARUL EHSAN.**

**(Address: No. 63, Jalan SS 15/8A, SS 15, 47500 Subang Jaya, Selangor Darul Ehsan)**

This Update Valuation Certificate has been prepared for inclusion in the Prospectus of **Ikhmas Jaya Group Berhad ("Ikhmas Berhad")** to be dated 30 June 2015 in relation to the proposed listing of **Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

In accordance with the instructions from Ikhmas Berhad, we have prepared a full valuation report and Valuation Certificate vide Reference No. 31V140117 dated 25 August 2014. The subject property was inspected and referenced on 7 March 2014.

Subsequently, we were instructed by Ikhmas Berhad to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 1 June 2015 and we have taken 1 June 2015 as the date of valuation.

Having re-inspected the subject property on 1 June 2015 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide Reference No. 31V140117 dated 25 August 2014. We have prepared this update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

.....2/-

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12. VALUATION CERTIFICATES (Cont'd)



Page 2

Our Ref: 31V150433

Physical Condition

Based on our inspection on 1 June 2015, we would like to confirm that there is no material change to the physical condition of the subject property since the last valuation conducted on 7 March 2014.

Legal Interest

A private title search was conducted on 2 June 2015. The search revealed that there is no change in the legal particulars since the last valuation report dated 25 August 2014.

Occupation

At the time of re-inspection, only the second floor is tenanted whilst the ground, first and third floor are vacant. The second floor is tenanted by Messrs Delta Consult Ing Services for a monthly rental of RM2,800/-.

Planning

Based on our enquiries at Jabatan Perancangan, Majlis Perbandaran Subang Jaya, the subject property is located within an area zoned for commercial use.

On 26 August 2014, Majlis Perbandaran Subang Jaya had granted a conditional approval in relation to the extension and renovation application submitted by Architect Mustapha Kamal, on behalf of Ikhmas Jaya Sdn Bhd.

At the time of reinspection, the approval conditions had been fulfilled and Architect Mustapha Kamal, vide its letter dated 26 May 2015, applied for 10 months extension to obtain the final approval.

Market Condition

From our findings, there are no new transactions of 4-storey shop/office located within the scheme. 3-storey shop/offices for the land size of 1,755 square feet recorded selling prices at between RM1,900,000/- and RM3,400,000/- since March 2014. The market condition for shop/office located within SS 15, Subang Jaya has generally remained stable over the year.

Method of Valuation

We have adopted the same method as stated in the said full valuation report dated 25 August 2014 i.e **Cost Method** and **Investment Method**.

.....3/-



**12. VALUATION CERTIFICATES (Cont'd)**



Page 3

Our Ref: 31V150433

Reconciliation of Value

After considering the foregoing, we have reassessed the market value of the subject property using the Cost and Investment Methods of Valuation, the result of which is as follows:-

Cost Method	– RM3,600,000/-
Investment Method	– RM3,600,000/-

We have adopted the Market Value as derived from the Cost Method whilst Investment Method as a check due to the lack of actual rental comparables in the immediate vicinity. In view of the above, the current market value remained unchanged from the last valuation dated 7 March 2014.

Conclusion

We are pleased to report that in our opinion, the Market Value of the subject property as at **1 June 2015**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest is **RM3,600,000/- (Ringgit Malaysia : Three Million and Six Hundred Thousand Only)**.

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140118

Date : 25 August 2014

The Board of Directors  
IKHMAS JAYA GROUP BERHAD  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS 7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**CERTIFICATE OF VALUATION OF A PARCEL OF INDUSTRIAL LAND MEASURING 2.558 HECTARES ON GERAN MUKIM 1622, LOT 4907, LOCALITY OF JALAN TANJONG DUABELAS, MUKIM OF TELUK PANGLIMA GARANG, DISTRICT OF KUALA LANGAT AND STATE OF SELANGOR DARUL EHSAN.**

(Address: Lot 4907, Jalan Segenting, Batu 11, Kuala Langat, 42500 Teluk Panglima Garang, Selangor Darul Ehsan)

**[Hereinafter refer to as the "subject property"]**

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to the Securities Commission Malaysia ("SC") in relation to the Corporate Exercise (as defined below) by Ikhmas Jaya Group Berhad ("Ikhmas Berhad")**.

This Certificate of Valuation has been prepared for inclusion in the Prospectus of Ikhmas Berhad to be dated 30 June 2015 in relation to the **proposed listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

We have inspected the subject property on 3 March 2014. The material date of valuation is taken as 3 March 2014.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the SC ("Asset Valuation Guideline") and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia ("Malaysian Valuation Standards").

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**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140118

Page 2

The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as a parcel of vacant industrial land.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' of the Malaysia Valuation Standards, 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."

**Identification of property**

Subject property	:	A parcel of industrial land
Title No.	:	Geran Mukim 1622
Lot No	:	Lot 4907, Locality of Jalan Tanjong Duabelas, Mukim of Teluk Panglima Garang, District of Kuala Langat and State of Selangor Darul Ehsan.
Tenure	:	Freehold
Category of Land Use	:	"Perusahaan/Perindustrian"
Registered Owner	:	Ikhmas Jaya Sdn Bhd – 1/1 share
Surveyed Land Area	:	2.558 hectares
Location of Property	:	The subject property is located along Jalan Segenting, Teluk Panglima Garang, Selangor Darul Ehsan. It is also located within the local authority of Majlis Daerah Kuala Langat.
Interest to be valued	:	The interest to be valued is the owner's freehold interest in the subject property.

**General Description**

Subject Property	<u>Site</u> The subject site is a parcel of industrial land used for storage and maintenance.  It is almost rectangular in shape and has a surveyed land area of about 2.558 hectares (6.321 acres). The site is generally flat in physical terrain and lies at about the same level as the frontage road and slightly higher than the surrounding land.  The subject property enjoy frontage approximately 101.53 metres (333.1 feet) onto Jalan Segenting, as well as an average depth of about 248.7 metres (815.93 feet) based on Jabatan Ukur dan Pemetaan Malaysia (JUPEM) Plan PA 80450 dated 25 April 1998.
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**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140118

Page 3

The rear portion of the subject site is bounded by a reserved area for 'Taliair' (which is currently under Temporary Occupational Licence (TOL) by the client which is currently used as a storage area).

The entrance to the site is secured by metal corrugated gate and the subject site is demarcated with metal corrugated fencing.

Erected on the site are two open sided structure and ancillary buildings as well as cabin containers which are generally constructed of metal framework, metal deck roof and metal cladding wall.

As building plan approval has yet to be obtained (Ikhmas Jaya Sdn Bhd is in the midst of preparing documentations to apply for approval from the Majlis Daerah Kuala Langat vide a letter with a reference No. JNO14/IJSB-4907/MDKL/KM(1) by Jururancang Nazreeomar), therefore in this valuation exercise we have disregarded all the buildings erected on the subject site.

Planning Provision

Our enquiries at Jabatan Perancangan Pembangunan, Majlis Daerah Kuala Langat reveals that the subject property is located within an area zoned for industrial use as per Rancangan Tempatan Kuala Langat 2020.

**Market value**

Date of Valuation

3 March 2014

Method of Valuation

Comparison Method and Investment Method

**Comparison Method**

The **Comparison Method** entails critical analyses of recent sales/evidence of comparable properties in the neighbourhood and making adjustments for differences.

**Investment Method**

The **Investment Method** entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual income is capitalised using a rate of interest to arrive at the capital value of the property.

**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140118

Page 4

Comparison Method

The Comparables adopted with the analysis of each comparable are shown below:-

Details	Comparable 1	Comparable 2	Comparable 3
Title particulars	GM 2418 (Formerly known as EMR 5510), Lot No. 2202, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan	HS(M) 5176, Lot No. PT 5452, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan	GM 6282, Lot No. 501, Seksyen 3, Pekan Jenjarom, District of Kuala Langat, State of Selangor Darul Ehsan
Address/Location	Located within Batu 10, Kebun Baru, Kawasan Perusahaan Kebun Baru	Located of Batu 9, Jalan Kebun Baru, Kawasan Perusahaan Kebun Baru	Located along Jalan Klang-Banting
Description of property	A plot of industrial land	A plot of industrial land	A plot of industrial land
Planning provision	Industrial	Industrial	Industrial
Tenure	Freehold	Freehold	Freehold
Land area (square metres ("sqm") / square feet ("sqf"))	16,140 / 173,729	8,600 / 92,570	16,681 / 179,553
Date of transaction	24 September 2013	13 June 2012	01 June 2012
Consideration	RM10,437,783	RM5,459,279	RM6,822,500
Analysed Land value (per square foot ("psf"))	RM60.08	RM58.97	RM38.00
Adjustments			
Upward	Site improvement and express condition	Time and express condition	Time, site improvement, planning provision and express condition
Downward	Location and size	Location and size	Location and size
Adjusted land value (psf)	RM45.06	RM41.28	RM41.80

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

Land area (sqf)	275,340
Adopted land value (psf)	@ RM41.80
Market Value	RM11,509,212
SAY	RM11,500,000

**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140119

Page 5

We have considered Comparable 3 as the most appropriate comparable as being nearest to the subject property.

The value of RM41.80 psf as derived from the analysis of Comparable 3 is thus adopted to arrive at the market value of the subject property.

Based on the above analysis, we have arrived at a Market Value of RM11,500,000 using the Comparable Method of valuation

Investment Method

In adopting the Investment Method of valuation, we have considered the following parameters:-

Rental

Based on our verbal survey, the asking rentals for vacant industrial land within the vicinity are in the range of RM0.12 psf to RM0.28 psf depending on the land size, site improvement and accessibility.

For the purpose of this valuation, we have adopted RM0.13 psf as the base rental with due adjustment for location, size and site improvement.

The monthly rental of the subject property is arrived at RM35,794 and the yearly rental of the subject property is arrived at RM429,528.

Outgoings

The calculation of the annual outgoings is based on actual costs incurred and is derived as follows:-

Assessment	RM	-
Quit Rent	RM	7,360.00
Fire Insurance	RM	-
Repair & Maintenance	RM	-
Total	RM	7,360.00

There are no cost involved on assessment, fire insurance and repair & maintenance as the subject property has not been assess yet by the local authority and the subject buildings erected on the site has no approvals. Furthermore we have been instructed to value as vacant industrial land only.

Void

The subject property is a parcel of vacant industrial land with site improvement and fronting a service road. If the land is put on the rental market we expect that it will not encounter great difficulty in renting it out. Nevertheless we have provided 20% for void.

12. VALUATION CERTIFICATES (Cont'd)



Our Ref: 31V140118

Page 6

Capitalisation rate

Our analyses from the transactions of vacant industrial land revealed that the capitalisation rates are in the range of 2.83% to 3.21%. For the purpose of this valuation, we have adopted an average capitalisation rate of about 3%.

Based on the above analysis, we have arrived at a Market Value of RM11,200,000 using the Investment Method of valuation

Reconciliation of Value

The market value for the subject property derived from both Comparison Method and Investment Method are shown as follows:-

**Comparison Method - RM11,500,000/-**  
**Investment Method - RM11,200,000/-**

We have adopted the market value derived from Comparison Method as a fair representation of the market value of the subject property as the subject property is used by the owner whilst Investment Method, as a check. Accordingly, we have adopted the market value as derived from the Comparison Method in this valuation, i.e. **RM11,500,000**.

Opinion of Market Value

We are pleased to report that in our opinion, the Market Value of the subject property as at **3 March 2014**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest is **RM11,500,000/-** (Ringgit Malaysia : Eleven Million And Five Hundred Thousand Only).

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V150435

2 June 2015

The Board of Directors  
**IKHMAS JAYA GROUP BERHAD**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF A PARCEL OF INDUSTRIAL LAND MEASURING 2.558 HECTARES ON GERAN MUKIM 1622, LOT 4907, LOCALITY OF JALAN TANJONG DUABELAS, MUKIM OF TELUK PANGLIMA GARANG, DISTRICT OF KUALA LANGAT AND STATE OF SELANGOR DARUL EHSAN.**

**(Address: Lot 4907, Jalan Segenting, Batu 11, Kuala Langat, 42500 Teluk Panglima Garang, Selangor Darul Ehsan)**

This Update Valuation Certificate has been prepared for inclusion in the Prospectus of **Ikhmas Jaya Group Berhad ("Ikhmas Berhad")** to be dated 30 June 2015 in relation to the proposed **listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

In accordance with the instructions from Ikhmas Berhad, we have prepared a full valuation report and Valuation Certificate vide Reference No. 31V140118 dated 25 August 2014. The subject property was inspected and referenced on 3 March 2014.

Subsequently, we were instructed by Ikhmas Berhad to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 1 June 2015 and we have taken 1 June 2015 as the material date of valuation.

.....2/-

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## 12. VALUATION CERTIFICATES (Cont'd)



Our Ref: 31V150435

Page 2

Having re-inspected the subject property on 1 June 2015 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide Reference No. 31V140118 dated 25 August 2014. We have prepared this update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

### Physical Condition

Based on our inspection on 1 June 2015, we would like to confirm that there is no material change to the physical condition of the subject property since the last valuation conducted on 3 March 2014.

### Legal Interest

A private title search was conducted on 1 June 2015. The search revealed that there has been an additional charge to Ambank (M) Berhad being endorsed vide presentation No. 5043/2014 registered on 21 November 2014. There is no change in the legal description since the last valuation report dated 25 August 2014.

### Planning

Based on our enquiries at Jabatan Perancangan Pembangunan, Majlis Daerah Kuala Langat, the subject property is located within an area zoned for industrial use as per Rancangan Tempatan Kuala Langat 2020.

At the time of reinspection, the approval in relation to the planning approval for the temporary building used as storage area for construction material, application submitted by Jururancang Nazreeomar as Planning Consultant to Majlis Daerah Kuala Langat on 28 August 2014 is still pending and in the midst of submitting another appeal to TNB to waive the said condition in view that the Majlis Daerah Kuala Langat approval.

### Market Condition

From our findings, there is only one new transaction within Mukim of Telok Panglima Garang which is transacted higher than the market value per sq.foot of the subject property. The registered selling price for the said industrial land is at RM6,464,740/- equivalent to RM51.07 per sq.foot on 4 September 2014 with more favourably located and smaller land area. Thus, it indicated that the market condition for this sub-sector was stable over the year.

### Method of Valuation

We have adopted the same method as stated in the said full valuation report dated 25 August 2014 i.e **Comparison Method** and **Investment Method**.

.....3/-

**12. VALUATION CERTIFICATES (Cont'd)**



Page 3

Our Ref: 31V150435

Reconciliation of Value

After considering the foregoing, we have reassessed the market value of the subject property using the Comparison and Investment Methods of Valuation, the result of which is as follows:-

Comparison Method – RM11,500,000/-  
Investment Method – RM11,200,000/-

We have adopted the Market Value as derived from the Comparison Method whilst Investment Method as a check due to the lack of actual rental comparables in the immediate vicinity. In view of the above, the current market value remained unchanged from the last valuation report dated 25 August 2014.

Conclusion

We are pleased to report that in our opinion, the Market Value of the subject property as at 1 **June 2015**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest is **RM11,500,000/-** (Ringgit Malaysia : Eleven Million And Five Hundred Thousand Only).

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140119  
Date : 25 August 2014

The Board of Directors  
IKHMAS JAYA GROUP BERHAD  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS 7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**CERTIFICATE OF VALUATION OF A PARCEL OF AGRICULTURE LAND MEASURING 1.0724 HECTARES ON GERAN MUKIM 1465, LOT 299, LOCALITY OF BATU 12, JALAN TELOK-JUGRA, MUKIM OF TELUK PANGLIMA GARANG, DISTRICT OF KUALA LANGAT AND STATE OF SELANGOR DARUL EHSAN**

**(Address: Lot 299, Jalan Segenting, 42500 Teluk Panglima Garang, Selangor Darul Ehsan)**

**[Hereinafter refer to as the "subject property"]**

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to the Securities Commission Malaysia ("SC") in relation to the Corporate Exercise (as defined below) by Ikhmas Jaya Group Berhad ("Ikhmas Berhad")**.

This Certificate of Valuation has been prepared for inclusion in the Prospectus of Ikhmas Berhad to be dated 30 June 2015 in relation to the **proposed listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

We have inspected the subject property on 3 March 2014. The material date of valuation is taken as 3 March 2014.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the SC ("Asset Valuation Guideline") and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia ("Malaysian Valuation Standards").

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**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140119

Page 2

The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as a parcel of agriculture land zoned for industrial use.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' of the Malaysia Valuation Standards, 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."

Brief descriptions of the subject property are as follows:-

**Identification of property**

Subject property	:	A parcel of agriculture land
Title No.	:	Geran Mukim 1465
Lot No	:	Lot 299, Locality of Batu 12, Jalan Telok-Jugra, Mukim of Teluk Panglima Garang, District of Kuala Langat and State of Selangor Darul Ehsan
Tenure	:	Freehold
Category of Land Use	:	"Pertanian"
Registered Owner	:	Ikhmas Jaya Sdn Bhd – 1/1 share
Surveyed Land Area	:	1.2394 hectares
Net Land Area After Land Acquisition	:	1.0724 hectares
Location of Property	:	The subject property is located along Jalan Segenting, 42500 Teluk Panglima Garang, Selangor Darul Ehsan. It is also located within the local authority of Majlis Daerah Kuala Langat.
Interest to be valued	:	The interest to be valued is the owner's freehold interest in the subject property.

**General Description**

Subject Property	<p><u>Site</u> The site is generally flat in physical terrain and lies at about the same level as the frontage road i.e Jalan Segenting. The South Klang Valley Expressway (SKVE) also spans across to the north of the subject site.</p> <p>The subject property enjoys dual frontage (northern boundary) of approximately 62.26 metres (204.26 feet) and (western boundary) of approximately 62.26 metres (204.26 feet) onto Jalan Segenting based on the net land area after the land acquisition correspondence to Plan PA 4773 dated 25/4/1998 by Jabatan Ukur dan Pemetaan Malaysia (JUPEM).</p>
------------------	--

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140119

Page 3

The subject site is not demarcated with any form of fencing.

At the time of the inspection we observe that the subject site is generally cultivated with oil palm which is estimated to be about 3 to 4 years old.

Planning Provision

Our enquiries at Jabatan Perancangan Pembangunan, Majlis Daerah Kuala Langat reveals that the subject property is located within an area zoned for industrial use as per Rancangan Tempatan Kuala Langat 2020.

**Market value**

Date of Valuation

3 March 2014

Method of Valuation

Comparison Method

The **Comparison Method** entails critical analyses of recent sales/evidence of comparable properties in the neighbourhood and making adjustments for differences.

We have only adopted one (1) method of valuation, which is the Comparison Method, as we are unable to adopt other valuation method due to the subject property being an agriculture land which is not generating any income in its existing condition and although the subject property has redevelopment potential and is zoned for industrial use, currently we note that there is no approved development plan for the subject property.

Therefore, we did not adopt the Investment Method or Residual Method.

## 12. VALUATION CERTIFICATES (Cont'd)

Our Ref : 31V140119

Page 4

The comparables adopted with the analysis of each comparable are shown in the table below:

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Title particulars	Geran Mukim 1781, Lot No. 1613, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan	Geran Mukim 1809, Lot No. 296, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan	HS(M) 7890, Lot No. PT 7962, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan	EMR 3895, Lot No. 1229, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan
Address/Location	Located off Batu 13, Jalan Klang-Banting	Located along Jalan Segenting	Located at the junction of Jalan Segenting and Jalan Bandar-Sg Buaya	Located off Batu 11, Jalan Klang-Banting
Description of property	A plot of agriculture land	A plot of agriculture land	A plot of agriculture land	A plot of agriculture land
Planning provision	Industrial	Industrial	Industrial	Industrial
Tenure	Freehold	Freehold	Freehold	Freehold
Land area (square metres)	9,740	11,500	7,060	7,970
Land area (square feet)	104,840	123,785	75,993	85,788
Date of transaction	12 March 2013	17 January 2013	15 January 2013	07 November 2012
Consideration	RM3,007,888	RM3,410,400	RM2,500,000	RM2,300,000
Analysis land value (per square foot)	RM28.69	RM27.55	RM32.90	RM26.81
<b>Adjustments</b>				
Upward	Time	Time	Time	Time and shape
Downward	Location	-	Location and size	Location and size
Adjusted land value (per square foot)	RM28.69	RM30.31	RM31.26	RM30.03

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

Land area under valuation  
 Adopted value (per square foot)  
 Market Value  
 SAY

115,432 square feet  
 @ RM30.31  
 RM3,498,744.00  
 RM3,500,000.00

**\*Remark:** We have not considered the transaction of the subject property in the above analysis. The suitable transactions to be analysed are the comparables adopted and not the transacted price of the subject property itself. In other words, we are of the opinion that it is not appropriate to treat the transacted price of the subject property as another comparable. However, we are of the opinion that the transaction price of the subject property is fair after taking into consideration of time factor.



**12. VALUATION CERTIFICATES (Cont'd)**



Our Ref : 31V140119

Page 5

Based on the above adjustments, the adjusted land values of the comparables ranges from RM28.69 per square foot to RM31.26 per square foot.

We have considered Comparable 2 as the most appropriate comparable as it has the least adjustments, being nearest to the subject property and the size is in the same order.

The value of RM30.31 per square foot as derived from the analysis of Comparable 2 is thus adopted to arrive at the market value of the subject property.

Opinion of Market Value

We are pleased to report that in our opinion, the Market Value of the subject property as at **3 March 2014**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest, is **RM3,500,000/-** (Ringgit Malaysia : Three Million And Five Hundred Thousand Only)

Yours faithfully,  
**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**  
Managing Director  
MRICS,FRISM,BSC,DLE (SCOTLAND)  
Chartered Surveyor,  
Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V150436

2 June 2015

The Board of Directors  
**IKHMAS JAYA GROUP BERHAD**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF A PARCEL OF AGRICULTURE LAND MEASURING 1.0724 HECTARES ON GERAN MUKIM 1465, LOT 299, (NOW KNOWN AS GERAN MUKIM 6793, LOT 24940) LOCALITY OF BATU 12, JALAN TELOK-JUGRA, MUKIM OF TELUK PANGLIMA GARANG, DISTRICT OF KUALA LANGAT AND STATE OF SELANGOR DARUL EHSAN**

(Address: Lot 299, Jalan Segenting, 42500 Teluk Panglima Garang, Selangor Darul Ehsan)

This Update Valuation Certificate has been prepared for inclusion in the Prospectus of **Ikhmas Jaya Group Berhad ("Ikhmas Berhad")** to be dated 30 June 2015 in relation to the proposed **listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

In accordance with the instructions from Ikhmas Berhad, we have prepared a full valuation report and Valuation Certificate vide Reference No. 31V140119 dated 25 August 2014. The subject property was inspected and referenced on 3 March 2014.

Subsequently, we were instructed by Ikhmas Berhad to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 1 June 2015 and we have taken 1 June 2015 as the material date of valuation.

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Board Reg. No. VE(1)0065/9

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**12. VALUATION CERTIFICATES (Cont'd)**

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Our Ref: 31V150436

Having re-inspected the subject property on 1 June 2015 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide Reference No. 31V140119 dated 25 August 2014. We have prepared this update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

**Physical Condition**

Based on our inspection on 1 June 2015, we would like to confirm that there is no material change to the physical condition of the subject property since the last valuation conducted on 3 March 2014.

**Legal Interest**

A private title search was conducted on 1 June 2015. The search revealed that the subject property's individual title no. and lot no. is now known as GERAN MUKIM 6793 and LOT 24940 with the surveyed land area of 1.072 hectares. The express condition is now stated as "Tanaman Kekal (Industri)". Otherwise there is no other change in the legal description since the last valuation report dated 25 August 2014.

**Planning**

Based on the our enquiries at Jabatan Perancangan Pembangunan, Majlis Daerah Kuala Langat, the subject property is located within an area zoned for industrial use as per Rancangan Tempatan Kuala Langat 2020.

**Market Condition**

From our findings, there are a few transactions of agriculture land zoned for industrial use. Based on the latest recorded transactions, agricultural land within the locality, registered a selling price of approximately between RM27.00 per sq.foot and RM32.00 per sq.foot, Thus, it indicated that the market condition for this sub-sector has been stable over the year.

**Method of Valuation**

After considering the foregoing, we have reassessed the market value of the subject property using the Comparison Method of Valuation. We have only adopted one (1) method of valuation, which is the Comparison Method, as we are unable to adopt other valuation method due to the subject property being an agriculture land which is not generating any income in its existing condition and although the subject property has redevelopment potential and is zoned for industrial use, currently we note that there is no approved development plan for the subject property. Therefore, we did not adopt the Investment Method or Residual Method.

.....3/-

12. VALUATION CERTIFICATES (Cont'd)



Page 3

Our Ref: 31V150436

Conclusion

We are pleased to report that in our opinion, the Market Value of the subject property as at **1 June 2015**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under freehold interest is **RM3,500,000/-** (Ringgit Malaysia : Three Million And Five Hundred Thousand Only).

Yours faithfully,

**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**

Managing Director

MRICS, FRISM, BSC, DLE (SCOTLAND)

Chartered Surveyor

Registered Valuer (V-328)

12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140120

Date : 25 August 2014

The Board of Directors  
IKHMAS JAYA GROUP BERHAD  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
No. 3, Jalan SS 7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**CERTIFICATE OF VALUATION OF A CORNER SINGLE-STOREY TERRACE HOUSE MEASURING 281 SQUARE METRES ON PM 3742, LOT 31071 SEKSYEN 1, LOCALITY OF KAPAR, PEKAN KAPAR, (FORMERLY KNOWN AS HS(M) 16307, LOT NO. PT 20591, MUKIM OF KAPAR), DISTRICT OF KLANG AND STATE OF SELANGOR DARUL EHSAN.**

(Address: No. 2, Jalan Kerayong 5, Taman Sri Kerayong, Off Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan)

**[Hereinafter refer to as the "subject property"]**

We were instructed to advise on the Market Value of the subject property for the purpose of **submission to the Securities Commission Malaysia ("SC") in relation to the Corporate Exercise (as defined below) by Ikhmas Jaya Group Berhad ("Ikhmas Berhad").**

This Certificate of Valuation has been prepared for inclusion in the Prospectus of Ikhmas Berhad to be dated 30 June 2015 in relation to the **proposed listing of Ikhmas Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise").**

We have inspected the subject property on 4 March 2014. The material date of valuation is taken as 4 March 2014.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the SC ("Asset Valuation Guideline") and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia ("Malaysian Valuation Standards").

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**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140120

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The basis of our valuation is the Market Value of the subject property on an 'as-is' basis, i.e., as a corner lot single-storey terrace house.

Market Value is defined in 'Standard 1 – Market Value Basis of Valuation' of the Malaysia Valuation Standards, 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."

Brief descriptions of the subject property are as follows:-

**Identification of property**

Subject property	:	A corner single-storey terrace house
Title No.	:	PM 3742 (Formerly known as HS(M) 16307)
Lot No	:	Lot 31071 (Formerly known as Lot No. PT 20591, Mukim of Kapar), Locality of Kapar, Pekan Kapar, District of Klang and State of Selangor Darul Ehsan
Tenure	:	Leasehold 99 years expiring on 17 January 2094
Category of Land Use	:	"Bangunan"
Registered Owner	:	Setiausaha Kerajaan Selangor– 1/1 share
Beneficial Owner	:	Ikhmas Jaya Sdn Bhd

*\*The interest of the subject property is stipulated vide a Sale and Purchase Agreement dated 25 July 1996 between Sumber Kencana Sdn. Bhd. (the Vendor) of the one part, State Secretary Selangor (incorporation) (the Proprietor) and Ikhmas Jaya Sdn Bhd (the Purchaser) of the other part.*

*\*We were informed by Ikhmas Jaya Sdn Bhd that the registered owner's name is still not transferred to Ikhmas Jaya Sdn Bhd as the blanket consent to transfer have yet to be obtained from the State Authority to Permodalan Negeri Selangor Berhad as a new developer of the subject scheme. We were also made to understand that the Permodalan Negeri Selangor Berhad is in the midst of applying for blanket consent from the State Authority.*

Surveyed Land Area	:	281 square metres ("sqm")/3,025 square feet ("sqf")
Location of Property	:	The subject property is located at No. 2, Jalan Kerayong 5, Taman Sri Kerayong, Off Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan. It is located nearby to Kapar town centre. It is also located within the local authority of Majlis Perbandaran Klang
Interest to be valued	:	The interest to be valued is the owner's leasehold interest in the subject property.

## 12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140120

Page 3

### General Description

#### Subject Property

#### Site

The site is almost rectangular in shape plot of corner terrace residential land. The site is flat in physical terrain, lies about the same level as the frontage road. The subject site boundaries are demarcated with chain link fencing and the main entrance is not secured with any gates.

The subject site is generally facing an open field, however the view has been blocked by the oxidation pond and the pump house which are directly located in front of the subject property.

#### Building

The subject building is a corner unit single-storey terrace house constructed of reinforced concrete framework.

The Certificate of Fitness for Occupation (CF) dated on 19 November 2001 of the subject building has been issued.

At the time of inspection, we observed that the subject property is unfit for human habitation due to poor upkeep such as the doors and window panels are missing, part of the external roof and ceilings are damage and the electricity and piping system are not well maintained.

The building has the following approximate areas:

Main floor area: 74.32 sqm (800 sqf)

Ancillary floor area: 23.52 sqm (253 sqf)

#### Occupation

The subject property is currently vacant and unoccupied

#### Planning Provision

The subject property is a corner lot single-storey terrace house designated for 'Residential' use.

Our enquiries at Jabatan Perancang Bandar, Majlis Perbandaran Klang reveals that the subject property is zoned for residential.

**12. VALUATION CERTIFICATES (Cont'd)**

Our Ref : 31V140120

Page 4

**Market value**

Date of Valuation 4 March 2014

Method of Valuation

**Cost Method**

The Cost Method involves the valuation of land by comparison with evidence of values of comparable land and adding to it the current replacement cost of the building less depreciation, if necessary. The current replacement cost involves the construction cost, financing charges, advertising charges, professional fees, other incidental expenses and developer's profit.

In this valuation exercise as there are no recent evidence of sales of vacant terrace residential land within the locality, we have analysed the sales of single storey terrace houses to arrive at the land value. The building cost adopted for the building is as per reference to the JUBM and Langdon Seah Construction Cost Handbook Malaysia 2014. We have adopted the economic building life span of the building at about 50 years with the depreciation rate of about 2% per annum.

Paragraph 4.06 of the Asset Valuation Guidelines requires a valuer to adopt at least two (2) methods of valuation. However, we have only adopted one (1) method of valuation, which is the Cost Method, in view of the unavailability of transactions of similar comparable properties. Hence we are unable to adopt the direct comparison method of valuation.

In addition to the above, the subject property is also not rentable due to its very poor state of repair. Therefore, we have not adopted the Investment Method of valuation. As such, we deem the Cost Method to be the most appropriate method in valuing the subject property, and are of the opinion that a second method of valuation is not necessary.

## 12. VALUATION CERTIFICATES (Cont'd)

Our Ref : 31V140120

Page 5

The comparables adopted with the analysis of each comparable are shown in the table below to arrive at the land value:

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Title particulars	PM 3824, Lot No. 31152, Pekan Kapar, District of Klang, State of Selangor Darul Ehsan	HS(M) 6632, Lot No. PT 7819, Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan.	PM 3727, Lot No. 31056, Pekan Kapar, District of Klang, State of Selangor Darul Ehsan.	PM3739, Lot No. 31068, Pekan Kapar, District of Klang, State of Selangor Darul Ehsan.
Address/Location	No. 23, Jalan Kerayong 2A, Taman Sri Kerayong	No. 1, Lorong Kerayong 10B, Taman Sri Kerayong	No. 32, Jalan Kerayong 5, Taman Sri Kerayong	No. 8, Jalan Kerayong 5, Taman Sri Kerayong
Description of property	A corner single-storey terrace house	A corner single-storey terrace house	An intermediate single-storey terrace house	An intermediate single-storey terrace house
Planning provision	Residential	Residential	Residential	Residential
Tenure	Leasehold 99 years (expiring on 17/01/2094)	Leasehold 99 years (expiring on 18/10/2086)	Leasehold 99 years (expiring on 17/01/2094)	Leasehold 99 years (expiring on 17/01/2094)
Land area	232 sqm / 2,497 sqf	306 sqm / 3,294 sqf	126 sqm / 1,356 sqf	126 sqm / 1,356 sqf
Built-up area	65 sqm / 704 sqf	53 sqm / 570 sqf	73 sqm / 791 sqf	73 sqm / 791 sqf
Date of transaction	16-January-2013	21-March-2012	18-November-2010	09-October-2012
Consideration	RM155,000	RM120,000	RM105,000	RM115,000
Building cost (per square foot ("psf"))	RM75	RM60	RM70	RM70
Building value	RM52,800	RM34,200	RM55,370	RM55,370
Less: Depreciation	-26%	-26%	-26%	-26%
Total building value	RM39,072	RM25,308	RM40,974	RM40,974
Total land value	RM115,928	RM94,692	RM64,026	RM74,026
Analysed land value (psf)	RM46.43	RM28.75	RM47.21	RM54.58
<b>Adjustments</b>				
Upward	Time	Time and type	Time	Time
Downward	Location	Location	Location	Location
Adjusted land value (psf)	RM44.11	RM37.37	RM49.57	RM51.85

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



12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V140120

Page 6

Valuation Rationale

We have considered corner lot comparables as the best comparable to arrive at the land value of the subject property. Accordingly, we have adopted the round off adjusted land value of corner lot comparables at RM41.00 psf and RM51.00 psf for intermediate comparables.

The building cost adopted for the subject building is as per reference to the JUBM and Langdon Seah Construction Cost Handbook Malaysia 2014. The building cost for terrace houses in the market ranges RM85 psf to RM120.68 psf (with building specification including the air conditioning, kitchen cabinet and home appliances).

For the subject property we have adopted building cost of RM75 psf for the main floor area and RM30 psf for the ancillary floor area as the subject building is a corner old designed medium cost single-storey terrace house without air-conditioning, kitchen cabinet and home appliances.

We have adopted the depreciation rate of 26% for the subject comparables as the age of the building is about 13 years old and adopted higher depreciation rate of about 45% for the subject property, as the subject property is due to poor upkeep as such that the doors, window panels and sliding doors are missing, part of the external roof and ceiling are damaged as well as electricity and piping system are not well maintained.

The market value of the subject property based on the Cost Method is at a total of RM160,000/-.

Opinion of Market Value

We are pleased to report that in our opinion, the Market Value of the subject property as at **4 March 2014**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under leasehold interest, is **RM160,000/-** (Ringgit Malaysia : One Hundred And Sixty Thousand Only)

Yours faithfully,  
RAHIM & CO (SEL) SDN BHD

CHOY YUE KWONG  
Managing Director  
MRICS, FRISM, BSC, DLE (SCOTLAND)  
Chartered Surveyor,  
Registered Valuer (V-328)



12. VALUATION CERTIFICATES (Cont'd)



Our Ref : 31V150437

2 June 2015

The Board of Directors  
**IKHMAS JAYA GROUP BERHAD**  
Unit 621, 6<sup>th</sup> Floor, Block A  
Kelana Centre Point  
Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF A CORNER SINGLE-STOREY TERRACE HOUSE MEASURING 281 SQUARE METRES ON PM 3742, LOT 31071 SEKSYEN 1, LOCALITY OF KAPAR, PEKAN KAPAR, (FORMERLY KNOWN AS HS(M) 16307, LOT NO. PT 20591, MUKIM OF KAPAR), DISTRICT OF KLANG AND STATE OF SELANGOR DARUL EHSAN.**

**(Address: No. 2, Jalan Kerayong 5, Taman Sri Kerayong, Off Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan)**

This Update Valuation Certificate has been prepared for inclusion in the Prospectus of **Ikhmas Jaya Group Berhad ("Ikhmas Berhad")** to be dated 30 June 2015 in relation to the proposed listing of **Ikhmas Berhad** on the **Main Market of Bursa Malaysia Securities Berhad ("Corporate Exercise")**.

In accordance with the instructions from **Ikhmas Berhad**, we have prepared a full valuation report and Valuation Certificate vide Reference No. 31V140120 dated 25 August 2014. The subject property was inspected and referenced on 4 March 2014.

Subsequently, we were instructed by **Ikhmas Berhad** to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 1 June 2015 and we have taken 1 June 2015 as the material date of valuation.

Rahim & Co (Sel) Sdn Bhd (123157 - 19)  
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12. VALUATION CERTIFICATES (Cont'd)



Page 2

Our Ref: 31V150437

Having re-inspected the subject property on 1 June 2015 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide Reference No. 31V140120 dated 25 August 2014. We have prepared this update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

Physical Condition

Based on our inspection on 1 June 2015, we would like to confirm that there is no material change to the physical condition of the subject property since the last valuation conducted on 4 March 2014.

Legal Interest

A private title search was conducted on 1 June 2015. The search revealed that there is no change in the legal particulars since the last valuation report dated 25 August 2014.

Planning

Based on our enquiries at Jabatan Perancang Bandar, Majlis Perbandaran Klang, the subject property is zoned for residential.

Market Condition

From our findings, there are no new transactions of similar type of terrace houses within the same scheme since last valuation dated on 4 March 2014. However there are a few transactions of single-storey corner houses within Pekan Kapar for land sizes ranging between 220 square metres and 286 square metres with recorded selling prices of between RM160,000/- and RM220,000/- since April 2014. Thus, it indicated that the market condition for this sub-sector was stable over the year.

Method of Valuation

After considering the foregoing, we have reassessed the market value of the subject property using the Cost Method of Valuation. we have only adopted one (1) method of valuation, which is the Cost Method, in view of the unavailability of transactions of similar comparable properties. Hence we are unable to adopt the direct Comparison Method of valuation.

.....3/-

12. VALUATION CERTIFICATES (Cont'd)



Page 3

Our Ref: 31V150437

Conclusion

We are pleased to report that in our opinion, the Market Value of the subject property as at **1 June 2015**, in its existing condition, free from all encumbrances, with the title being good, marketable, registrable and held under leasehold interest is **RM160,000/- (Ringgit Malaysia : One Hundred And Sixty Thousand Only)**.

Yours faithfully,

**RAHIM & CO (SEL) SDN BHD**

**CHOY YUE KWONG**

Managing Director

MRICS, FRISM, BSC, DLE (SCOTLAND)

Chartered Surveyor

Registered Valuer (V-328)

## 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

### 13.1 SHARE CAPITAL

- (a) No shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (b) Neither our Company nor our subsidiaries has any capital that is under option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (c) As at the date of this Prospectus, there is only one (1) class of shares in our Company, being ordinary shares of RM0.25 each, the details of which are outlined in Section 2.2 of this Prospectus.
- (d) Save as disclosed in Sections 2.3, 4.1.2, 4.1.4 and 4.2 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company and our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding the date of this Prospectus.
- (e) Save for the Public Issue Shares reserved for our eligible Directors, employees and business associates of our Group as disclosed in Section 2.3.1.2 of this Prospectus, there is currently no other scheme for or involving our Directors or employees of our Company or our subsidiaries.
- (f) Neither our Company nor our subsidiaries have any outstanding convertible debt securities, options, warrants or uncalled capital as at the date of this Prospectus.

### 13.2 ARTICLES OF ASSOCIATION

The following provisions are extracted from our Company's Articles of Association. The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Articles of Association.

#### (a) Transfer and Transmission of Securities

The provisions in our Articles of Association in respect of the arrangements for transfer and transmission of the securities and restrictions on their free transferability are as follows:-

##### **Article 28**

- (1) *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 of the Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act, and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.*
- (2) *Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, the transfer of all other shares of the Company not so deposited with the Depository (not being Deposited Securities) shall be in the manner provided in the Act to the extent that the same is not inconsistent with these Articles.*

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

**Article 29**

- (1) *Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, there shall be no restriction on the transfer of fully paid shares except where required by law.*
- (2) *The Depository may, in its absolute discretion, refuse to effect any transfer of a share that is a Deposited Security which does not comply with the Depositories Act and the Rules of the Depository.*

**Article 30**

*Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, the Company, the Directors and the officers of the Company shall not incur any liability for registering or acting upon a transfer of shares registered by the Depository, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner.*

**Article 31**

*Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, the registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine PROVIDED ALWAYS that such registration shall not be suspended for more than thirty (30) days in any year. At least ten (10) clear Market Days' notice (or such other period as may from time to time be prescribed by the Exchange) of intention to close the said register (prior to such closure) shall be given to the Exchange. The said notice shall state the period and purpose or purposes for which the register is being closed. The Company shall give notice in accordance with the Rules of the Depository to the Depository to prepare the appropriate Record of Depositors.*

**Article 32**

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

**Article 34**

*Except as required by law, in the case of the death of a Member, the executors or the administrators of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased from any liability in respect of any share which had been held by him.*

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article 35**

*Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, any person becoming entitled to a share in consequence of the death or bankruptcy or insolvency or winding up of a Member may upon such evidence being produced as may from time to time be required by the Directors be registered as a Member in respect of the share (or instead of being registered himself, to make such transfer of the share as the deceased or bankrupt or insolvent or wound up person could have made) but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of transfer of the share by that Member before his death or bankruptcy or insolvency or winding up PROVIDED THAT where the share is a Deposited Security, subject to the Rules of the Depository, a transfer or withdrawal of the share may be carried out by the person becoming so entitled. Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, before recognising any executor or administrator the Directors may require him to take out probate or letters of administration as evidence.*

**Article 36**

*Subject to Article 35, if any person so becoming entitled elects to register himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects PROVIDED THAT where the share is a Deposited Security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Depository together with such other relevant documents as may be required by the Depository. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by that Member.*

**Article 37**

*A person entitled to shares in consequence of the death or bankruptcy of a Member shall be entitled upon the production of such evidence as may from time to time be required by the Directors or the Depository in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.*

**Article 38**

*Where:-*

- (a) the securities of the Company are listed on another stock exchange; and*
- (b) the Company is exempted from compliance with Section 14 of the Depositories Act or Section 29 of the Securities Industry (Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities,*

*the Company shall, upon request of the securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of another stock exchange, to the register of holders maintained by the Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.*

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

**(b) Remuneration of Directors**

The provisions of our Company's Articles of Association in respect of the remuneration of our Directors are as follows:-

**Article 104**

*The fees of the Directors shall be determined from time to time by the Company in general meeting. Such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree (or failing agreement, equally). Such fees shall, so far as a Director who is not an executive Director is concerned, be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover. Salaries and other remuneration payable to executive Directors pursuant to a contract of service need not be determined by the Company in general meeting but may not include a commission on or a percentage of turnover.*

**Article 105**

- (1) *The Directors shall be entitled to be repaid all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.*
- (2) *Any Director who is appointed as an Executive Director or to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the majority of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine PROVIDED THAT such remuneration shall not include a commission on or percentage of turnover and such remuneration need not be determined by the Company in general meeting.*
- (3) *In these Articles, the expression "Executive Director" shall mean and include a Managing Director who has been or is engaged substantially whole time in the business of the Company or of any related company or partly in one and partly in another. The expression "related company" in these Articles shall include any company which is deemed to be related to the Company in terms of Section 6 of the Act or which in the opinion of the majority of the Directors can properly be otherwise regarded as being connected with the Company or its related company.*

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

**(c) Voting and Borrowing Powers of Directors**

The provisions of our Articles of Association dealing with the voting powers of our Directors in the proposals, arrangements or contracts in which they are interested in and the borrowing powers exercisable by them and how such powers can be varied are as follows:-

**Article 111**

- (1) *No Director shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which the Company shall be a shareholder or otherwise interested, or from acting in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established, but every Director shall observe the provisions of Sections 131 and 131A of the Act relating to the disclosure of interests of Directors in contracts or proposed contracts with the Company or of any office or property held by a Director, which might create duties or interest in conflict with his duties as a Director.*
- (2) *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 votes his vote shall not be counted) PROVIDED ALWAYS that, subject to the provisions of the Act and the Listing Requirements, the prohibition on voting may be suspended or relaxed to the extent permitted by the Exchange and any other relevant authorities.*

**Article 121**

*Subject to applicable laws, the Directors may exercise all the powers of the Company whatsoever to borrow money, raise funds, accept credit facilities and to mortgage or charge its undertakings or property (both present and future) and uncalled capital, or any part thereof, and to issue debentures and other securities at par, or at discount or premium and whether outright or as security for any debt, liability or obligation of the Company or of any third party PROVIDED ALWAYS that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.*

**Article 134**

*Questions arising at any meeting shall be decided by a majority of votes. A determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman shall have a second or casting vote except when only two (2) Directors are present and form a quorum and the Chairman of a meeting at which only such a quorum is present or at which only two (2) Directors are competent to vote on the question at issue, in which event the Chairman shall not have a second or casting vote.*



**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

**Article 135**

*The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Chairman shall preside at all meetings of Directors. If a Chairman is not elected, or if at any meeting the Chairman is not present within thirty (30) minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. Any Director acting as Chairman of a meeting of the Directors shall have the Chairman's right to a second or casting vote whenever there is an equality of votes subject however to any permitted exceptions provided in the Act.*

**(d) Changes in Capital and Variation of Class Rights**

The provisions of our Articles of Association in respect of the changes in capital and variation of class rights, which are more stringent than those provided in the Act, are as follows:-

**Article 48**

*Subject to the conditions restrictions and limitations expressed in these Articles and to any special rights attached to any Shares for the time being issued, the Directors may with the approval of the Company in general meeting allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they deem proper PROVIDED ALWAYS THAT:-*

- (a) *no Shares shall be issued at a discount except in compliance with the provisions of the Act;*
- (b) *no Shares shall be issued which shall have the effect of transferring more than 50 percent of the total voting shares in the Company without the prior approval of the Members of the Company in general meeting;*
- (c) *in the case of shares other than Ordinary Shares, no rights shall be attached until the same have been expressed in these Articles;*
- (d) *no Director shall participate in a scheme that involves a new issuance of shares to the employees unless the members of the Company in general meeting have approved of the specific allotment to be made to such Director.*

**Article 49**

*Without prejudice to any special rights previously conferred on the holders of any Share or class of Shares already issued but subject to the Act and these Articles, any shares in the Company (whether forming part of the original share capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time determine PROVIDED THAT:-*

- (a) *the rights attaching to Shares of a class other than Ordinary Shares shall be expressed;*
- (b) *the holder of a preference shares shall be entitled to the same rights as the holder of Ordinary Shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company;*

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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- (c) *the holder of a preference share shall be entitled to a right to vote at any meeting convened:-*
- (i) *where any resolution or proposal is to be submitted to the meeting:-*
    - (1) *for the purpose of reducing the share capital of the Company;*
    - (2) *for the disposal of the whole of the Company's property, business or undertaking;*
    - (3) *for the winding up of the Company; or*
    - (4) *which affects rights attached to the preference share;*
  - (ii) *when the dividend or part of the dividend on the preference share is in arrears for more than six (6) months; or*
  - (iii) *during the winding up of the Company,*
- (d) *the Company may issue further preference shares ranking equally with preference shares already issued but shall not issue further preference shares ranking in priority above preference shares already issued.*

**Article 50**

*Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed.*

**Article 51**

*The Company may from time to time by ordinary resolution:-*

- (a) *consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
- (b) *sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so however that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or*
- (c) *cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.*

**Article 52**

*The Company may from time to time by special resolution, reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.*

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article 53**

*The Company may from time to time by ordinary resolution passed at a general meeting of the Company whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the Company in general meeting directs.*

**Article 54**

*Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they deem most beneficial to the Company.*

**Article 55**

*In relation to Article 54, the Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors be conveniently offered in the manner provided under this Article.*

**Article 60**

*If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of at least 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 Members or any Member holding or representing by proxy or by attorney one-tenth (1/10) of the capital paid or credited as paid on the issued shares of that class and that any holder of shares of that class present in person or by proxy or by attorney may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from holders of at least three-fourths (3/4) of shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.*

**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article 61**

*The repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of at least three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.*

**13.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (a) The names, addresses and occupations of our Directors are set out in the Corporate Directory Section of this Prospectus.
- (b) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by the Company in general meeting.
- (c) Save as disclosed in Section 2.9 of this Prospectus, no commission, discounts, brokerages or other special terms have been paid, granted or are payable by our Company or our subsidiaries 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 or our subsidiaries or in connection with the issue or sale of any capital of our Company or any of our subsidiaries and none of our Directors, Promoters or experts is or are entitled to receive any such payment.
- (d) Save and except for dividend paid or payable, related parties transactions, salaries, remunerations and material benefits-in-kind for services rendered in all capacities to our Group as disclosed in Sections 2.3.1.2, 6.1.1, 6.2.1, 6.2.3, 6.7 and 8.1.1 of this Prospectus, there are no other amounts or benefits paid or intended or intended to be paid or given to any of our Promoters, substantial shareholders or Directors within two (2) years preceding the date of this Prospectus.
- (e) Save as disclosed in Sections 8.1, 8.3 and 13.5 of this Prospectus, none of our Directors and/or substantial shareholders have any interest in any contract or arrangement subsisting as at date of this Prospectus, which is significant in relation to the business of our Company or our Group taken as a whole.
- (f) Except as disclosed in Sections 6.1 and 6.2, our Directors and/or substantial shareholders are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

**13.4 LIMITATION OF RIGHTS**

There are no limitations on the right to own securities, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on the securities imposed by law or by the constituent documents of our Company.

### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

#### 13.5 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contract not being a contract entered into in the ordinary course of business of our Group, within two (2) years preceding the date of this Prospectus:-

- (a) Sale and purchase agreement dated 23 July 2013 between Solid Promenade Sdn Bhd as the proprietor, D.J.Design & Suppliers Sdn Bhd as the vendor and Ikhmas Jaya as the purchaser in respect of the sale of a property known as Parcel No. 9-1 within storey No. 9 held under Master Title GRN76768, Lot 20003, Seksyen 88 (formerly known as GRN12914, Lot 83, Seksyen 0088), Bandar and District of Kuala Lumpur, State of Wilayah Persekutuan for the total cash consideration of RM1,547,915.20. The sale and purchase agreement is to be completed within 36 months from 23 July 2013.
- (b) Sale and purchase agreement dated 13 September 2013 between Gourmate Industries (M) Sdn Bhd ("**Gourmate**") as the vendor, MM2 Building System as the purchaser, Ikhmas Jaya and Pang Kim Leen as the subscribers, in respect of the sale of machineries and tools owned by Gourmate to MM2 Building System for a total consideration of RM400,000. The total consideration of RM400,000 shall be paid in proportion to the percentage of increase in paid-up capital and converted into shares to be taken up by the parties in MM2 Building System as follows:-
  - (i) Ikhmas Jaya shall subscribe 60.0% of the paid-up share capital in MM2 Building System equivalent to 240,000 ordinary shares of RM1.00 each in cash and shall pay the cash to Gourmate for and on behalf of MM2 Building System; and
  - (ii) Pang Kim Leen shall subscribe 40.0% of the paid-up share capital in MM2 Building System equivalent to 160,000 ordinary shares of RM1.00 each and Gourmate authorised MM2 Building System to deduct the equivalent amount of RM160,000 from the total consideration as payment towards the said 160,000 shares.

The sale and purchase agreement had been completed on 27 January 2014.

- (c) Conditional share sale agreement dated 17 June 2014 between Ikhmas Berhad (as the purchaser) and the Vendors for the acquisition of the entire issued and paid-up share capital of Ikhmas Jaya comprising 30,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM98,499,900 satisfied wholly by the issuance of 196,999,800 ordinary shares of RM0.50 each at an issue price of RM0.50 each in Ikhmas Berhad.

Ikhmas Berhad and the Vendors have entered into a supplemental share sale agreement dated 29 August 2014 to amend the mode of satisfaction whereby the purchase consideration of RM98,499,900 is satisfied wholly by the issuance of 393,999,600 Ikhmas Berhad Shares at an issue price of RM0.25 per Ikhmas Berhad Share.

- (d) Conditional share sale agreement between Ikhmas Jaya (as the purchaser) and Rekavista (as the vendor) dated 17 June 2014 for the acquisition of the entire issued and paid-up share capital of Ikhmas Equipment comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM1,480,000.

### **13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (e) Conditional share sale agreement signed between Ikhmas Jaya (as the purchaser) and Ikhtisas Emas Sdn Bhd (as the vendor) dated 17 June 2014 for the acquisition of the entire issued and paid-up share capital of Ikhmas Land comprising 100 ordinary shares of RM1.00 each for a cash consideration of RM2.

On 13 January 2015, the parties hereto have executed a deed of termination to terminate the aforesaid conditional share sale agreement.

- (f) Conditional share sale agreement signed between Ikhmas Berhad (as the purchaser) and Ikhmas Jaya (as the vendor) dated 17 June 2014 for the acquisition of 60.0% of the issued and paid-up share capital of MM2 Building System comprising 240,600 ordinary shares of RM1.00 each for a cash consideration of RM260,000.
- (g) Conditional share sale agreement signed between MM2 Building System (as the purchaser) and Rekavista (as the vendor) dated 17 June 2014 for the acquisition of the entire issued and paid-up share capital of MM2 Builders comprising 100,000 ordinary shares of RM1.00 each for a cash consideration of RM2.
- (h) Conditional share sale agreement signed between IJ Holdings (as the purchaser) and Ikhmas Jaya (as the vendor) dated 17 June 2014 for the acquisition of the entire issued and paid-up share capital of Anjung Baiduri Development Sdn Bhd comprising 100,000 ordinary shares of RM1.00 each for a cash consideration of RM75,745.
- (i) Sale and purchase agreement dated 29 January 2015 between Jelas Puri Sdn Bhd as the vendor and Ikhmas Jaya as the purchaser in respect of the sale of a property known as Parcel No. A-16-2 within storey No. 16 of Block A and Accessory Parcel No. CCM53 & CCM55 within Block E of the building known as "AZURE RESIDENCE" for a total consideration of RM821,000 which is to be paid in instalments.
- (j) An Underwriting Agreement dated 8 June 2015 made between Ikhmas Berhad and Underwriter for the underwriting of 52,000,000 Public Issue Shares for an underwriting commission of 2.0% at the IPO Price.

#### **13.6 MATERIAL LITIGATION OR ARBITRATION**

As at the LPD, our Group was not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our Group's financial position. Our Directors have no knowledge of any proceedings pending or threatened against our Group or any fact likely to give rise to any proceeding which might materially and adversely affect our financial position and business.

#### **13.7 REPATRIATION OF CAPITAL AND PROFITS**

To the best knowledge of our Directors, there are no governmental laws, decrees, regulations or other requirements which may affect the repatriation of capital and the remittance of profit by or to our Group.

#### **13.8 GENERAL INFORMATION**

During the last financial year and the current financial year, there were no:-

- (a) public take-over offers by third parties in respect of our Company's shares; and
- (b) public take-over offers by our Company in respect of other companies' shares.

### **13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

#### **13.9 CONSENTS**

- (a) The written consent of the Principal Adviser, Underwriter, Placement Agent, Company Secretaries, Share Registrar, Solicitors for the IPO, Principal Bankers and Issuing House 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.
- (b) The written consent of the Reporting Accountants and Auditors to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the Proforma Consolidated Financial Information and audit reports 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.
- (c) The written consent of Messrs Lee Teck Leong & Co (being the auditors of Ikhmas Jaya, IJ Geotechnic, MM2 Builders and Rekavista Sarawak for the FYE 2011) to the inclusion in this Prospectus of their names and statements in the form and context in which such statements appear in the Accountants' Report has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (d) The written consent of Messrs Baker Tilly Monteiro Heng (being the auditors of Rekavista and Ikhmas Equipment for the FYE 2011) to the inclusion in this Prospectus of their names and statements in the form and context in which such statements appear in the Accountants' Report has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (e) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of their names and the Independent Market Research Report in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not been subsequently withdrawn.
- (f) The written consent of the Independent Registered Valuers to the inclusion in this Prospectus of their names and the Valuation Certificates in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not been subsequently withdrawn.

#### **13.10 DOCUMENTS FOR INSPECTION**

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

- (a) The M&A of our Company;
- (b) The Independent Market Research Report prepared by Vital Factor as set out in Section 5 of this Prospectus;
- (c) The Service Agreement(s) referred to in Section 6.7 of this Prospectus;
- (d) The Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 9.1 of this Prospectus;
- (e) The Accountants' Report as included in Section 10 of this Prospectus;
- (f) The Directors' Report referred to in Section 11 of this Prospectus;

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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- (g) The Valuation Certificates as set out in Section 12 of this Prospectus and the Valuation Reports prepared by Rahim & Co;
- (h) The material contracts referred to in Section 13.5 of this Prospectus;
- (i) The letters of consent referred to in Section 13.9 of this Prospectus; and
- (j) The audited financial statements of our Group for the past four (4) FYE 2011, FYE 2012, FYE 2013 and FYE 2014.

**13.11 RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by our Directors, Promoters and Offeror and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirmed there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

AmInvestment Bank, being the Principal Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

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## 14. PROCEDURES FOR APPLICATION AND ACCEPTANCE

### 14.1 OPENING AND CLOSING OF APPLICATION

Application will be accepted from 10.00 a.m. on 30 June 2015 to 5.00 p.m. on 7 July 2015 or for such further period or periods as our Directors, Promoters and Offer or together with our Underwriter in their absolute discretion may mutually decide. In the event that the closing date of the Application is extended, the dates for the balloting of the Application, allotment of the IPO Shares and the Listing will be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in a widely-circulated daily Bahasa Malaysia and English newspaper in Malaysia. **Late applications will not be accepted.**

### 14.2 METHODS OF APPLICATION

Application may be made using any of the following:-

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

### 14.3 PROCEDURES FOR APPLICATION

Applications shall be made in connection with and subject to the terms of this Prospectus and the M&A of our Company.

#### (a) Application by the Malaysian Public

Applications for the 26,000,000 Public Issue Shares made available for application by the Malaysian Public must be made on the **White Application Forms** provided or by way of Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for Shares by way of Electronic Share Application or Internet Share Application.

#### (b) Application by Our Eligible Directors, Employees and Business Associates of Our Group

Applications for the 26,000,000 Public Issue Shares reserved for our eligible Directors, employees and business associates of our Group must be made on the **Pink Application Forms** provided. The application **MUST NOT** be made on any other Application Forms or by way of Electronic Share Application or Internet Share Application.

Our eligible Directors, employees and business associates of our Group are not precluded from making additional applications using the **White Application Forms** under the Malaysian Public category. Our eligible Directors, employees and business associates of our Group who have been successfully allocated Public Issue Shares may also, at the discretion of our Directors and Offeror, be allocated Public Issue Shares under the Malaysian Public category.

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## 14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

### (c) Application by Selected Investors by Way of Private Placement

Selected investors being allocated the 74,000,000 Public Issue Shares and 56,000,000 Offer Shares under this category will be contacted directly by the Placement Agent and are to follow the instructions as communicated by the Placement Agent.

Selected investors under the Private Placement are not precluded from making additional applications using the **White Application Forms** under the Malaysian Public category. Selected investors who have been successfully allocated Public Issue Shares or Offer Shares under the Private Placement may also, at the discretion of our Directors and Offeror, be allocated Public Issue Shares under the Malaysian Public category.

### 14.4 APPLICATIONS USING APPLICATION FORMS

THE FOLLOWING RELEVANT APPLICATION FORMS ISSUED WITH THE NOTES AND INSTRUCTIONS PRINTED THEREIN ARE ENCLOSED WITH THIS PROSPECTUS AND ARE DEEMED TO FORM PART THEREOF:-

- (a) **White** Application Forms for application by the Malaysian Public;
- (b) **Pink** Application Forms for application by our eligible Directors, employees and business associates of our Group;

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

**Pink Application Forms** together with copies of this Prospectus will be sent out to eligible Directors, employees and business associates of our Group.

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

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

Only one (1) Application Form from each applicant will be considered and applications must be for **100 Shares** or multiples thereof. **Multiple applications** will not be accepted. A person who submit multiple applications in his own name or by using the name of others, with or without their consent, commits an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to 10 years under Section 182 of the CMSA.

Persons submitting applications by way of Application Forms or Electronic Share Applications or Internet Share Applications must have a CDS account.

The amount payable in full upon application is RM0.57 per Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications or Internet Share Applications and vice versa. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

#### 14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

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

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

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN HIS AUTHORITY CARD AND THE ADDRESS MUST BE THE ADDRESS OF HIS RESPECTIVE CAMP, BASE OR STATION.

IN THE CASE OF A CORPORATE/ INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN THE APPLICANT'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE THE REGISTERED ADDRESS.

No **acknowledgement** of the receipt of the Application Form or Application monies will be made by our Company and/ or the Issuing House.

##### 14.4.1 Terms and Conditions for Application Using the White and Pink Application Forms

Applications by way of White and Pink Application Forms shall be made on, and subject to, the terms and conditions set out below:-

- (a) Applicant who is an individual must be a Malaysian citizen residing in Malaysia, with a CDS account and a Malaysian address (**White Application Forms only**).

Applicant who is an individual must have a correspondence address in Malaysia, with a CDS account (**Pink Application Forms only**).

- (b) Applicants which are corporations/ institutions incorporated in Malaysia must have a CDS account and be subject to the following:-

(i) If the corporation/ institution has a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and

(ii) There is majority of Malaysian citizens on the board of directors/ trustee.

Applicants which are corporations/ institutions incorporated outside Malaysia must have a CDS account and provide a correspondence address in Malaysia (**Pink Application Forms only**).

- (c) Applicant which is a superannuation, co-operative, foundation, provident or pension fund must be established or operating in Malaysia and has a CDS account.

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (d) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/ institutions referred to in Sections 14.4.1(b) and (c) above or the trustees thereof.
- (e) Application must be made on the respective Application Forms issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall form a part of this Prospectus. Applications which **do not strictly** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted.
- (f) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE BY EITHER:-
  - (i) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
  - (ii) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
  - (iii) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD;

AND MUST BE MADE OUT IN FAVOUR OF "MIH SHARE ISSUE ACCOUNT NO.568" AND CROSSED "A/C PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

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

- (g) AN APPLICANT MUST STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND HE SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO THE CDS ACCOUNT TO THE ISSUING HOUSE/ OUR COMPANY.
- (h) THE NAME AND ADDRESS OF THE APPLICANT MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, MONEY ORDER OR POSTAL ORDER OR GGO.
- (i) Our Board reserves the right to require any successful applicant to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (j) The Issuing House, on the authority of our Board, reserves the right to reject Applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.

## 14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (k) The Issuing House, on the authority of our Board, reserves the right not to accept any Application or to accept any Application in part only without assigning any reason there for. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (l) The applicant shall ensure that his personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his registered or correspondence address last maintained with Bursa Depository.
- (m) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

**Malaysian Issuing House Sdn Bhd**

Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

**OR**

P.O. BOX 8269,  
Pejabat Pos Kelana Jaya  
46785 Petaling Jaya  
Selangor Darul Ehsan

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on 7 July 2015 or for such further period or periods as our Board, Promoters and/or Offeror together with the Underwriter in their absolute discretion may mutually decide.

- (n) Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for the Shares.
- (o) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO THE ISSUING HOUSE.

### 14.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION

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

- (a) Applicant must have an account with a Participating Financial Institution (as detailed in Section 14.5.2(p) below) and an ATM card issued by that Participating Financial Institution to access the account.
- (b) Applicant must have a CDS account.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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- (c) Applicant is to 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 in Section 14.5.2 below under the Terms and Conditions for Electronic Share Application. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-
- (i) Personal Identification Number ("PIN");
  - (ii) MIH Share Issue Account No.568;
  - (iii) CDS Account Number;
  - (iv) Number of Shares, applied for and/or the RM amount to be debited from the account; and
  - (v) Confirmation of several mandatory statements.

**14.5.2 Terms and Conditions for Electronic Share Application**

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "**Steps**"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 14.5.1 above. 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 Application set out below before making an Electronic Share Application.

**Only An Applicant Who is An Individual With A CDS Account is Eligible to Utilise the Facility.**

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institutions. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of his 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 the Issuing House. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the Shares, on 7 July 2015, at 5.00 p.m. or for such further period or periods as the Directors, Promoters and/or Offeror of our Company together with the Underwriter in their absolute discretion may mutually decide ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second (2<sup>nd</sup>) business day after the Closing Date and Time.

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one Application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one Application.

**AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING CONDITIONS.**

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

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the M&A of our Company.
- (b) The applicant is required to confirm the following statement (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
  - (i) I have attained 18 years of age as at the Closing Date of the application for the IPO Shares;
  - (ii) I am a Malaysian citizen residing in Malaysia;
  - (iii) I have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
  - (iv) This is the only Application that I am submitting; and
  - (v) I hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to myself and my account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 133 of the Financial Services Act, 2013 and Section 45 of the Central Depositories Act to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of the applicant's particulars to the Issuing House, or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE SHARES WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his 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.
- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of Shares or not to allot or allocate any Shares to the applicant, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key or button on the ATM) of the number of Shares applied for shall signify, and shall be treated as, his acceptance of the number of Shares that may be allotted or allocated to him and to be bound by the M&A of our Company.
- (f) The Issuing House, on the authority of our Directors reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason there for. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) 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 Application. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the Application monies without interest into the applicant's account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful Applications within two (2) Market Days after the balloting date. The applicants may check their accounts on the fifth (5<sup>th</sup>) Market Day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. 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 crediting into their accounts with the Participating Financial Institutions within ten (10) Market Days from the day of the final ballot. Should applicants encounter any problems in their Applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises our Company:-
  - (i) to credit the Shares allotted or allocated to the applicant into the CDS account of the applicant; and
  - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.



**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Issuing House or the Participating Financial Institution, irrevocably agrees that if:-
- (i) our Company or the Issuing House does not receive the applicant's Electronic Share Application; or
  - (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or the Issuing House,
- the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against our Company, the Issuing House or Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and our Company, the Issuing House and relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both Bursa Depository and relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application will be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered or correspondence address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:-
- (i) in consideration of our Company agreeing to allow and accept the making of any Application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Share Application is irrevocable;
  - (ii) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of the offer made by the applicant to subscribe for and purchase Shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares; and
  - (iv) the applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allotted or allocated to the applicant.

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (m) Our Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (n) Our Board reserves the right to require any successful applicant to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (o) The Issuing House, on the authority of our Board reserves the right to reject applications which do not conform to these instructions.
- (p) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
- (i) AFFIN BANK BERHAD;
  - (ii) AMBANK (M) BERHAD;
  - (iii) CIMB BANK BERHAD;
  - (iv) HSBC BANK MALAYSIA BERHAD;
  - (v) MALAYAN BANKING BERHAD;
  - (vi) PUBLIC BANK BERHAD;
  - (vii) RHB BANK BERHAD; OR
  - (viii) STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only)
- (q) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:-
- (i) Affin Bank Berhad – No fee will be charged for application by their account holders;
  - (ii) AmBank (M) Berhad – RM1.00;
  - (iii) CIMB Bank Berhad – RM2.50;
  - (iv) HSBC Bank Malaysia Berhad – RM2.50;
  - (v) Malayan Banking Berhad – RM1.00;
  - (vi) Public Bank Berhad – RM2.00;
  - (vii) RHB Bank Berhad – RM2.50; or
  - (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****14.6 APPLICATIONS USING INTERNET SHARE APPLICATION****(I) Steps for Internet Share Application**

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the Internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, the steps for an application for the IPO Shares via Internet Share Application may be as set out below. The steps set out the actions that the applicant must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

**YOU MUST HAVE A CDS ACCOUNT BEFORE YOU CAN MAKE ANY APPLICATION FOR THE IPO SHARES. PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.**

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which the applicant has an account.
- (b) Login to the Internet financial services facility by entering the applicant's user identification and PIN / password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the share counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) By confirming such information, the applicant also undertakes that the following information given are true and correct:-
  - (i) The applicant has attained 18 years of age as at the Closing Date of the application for the IPO Shares;
  - (ii) The applicant is a Malaysian citizen residing in Malaysia;
  - (iii) The applicant has, prior to making the Internet Share Application, received and/or has had access to a printed/ electronic copy of this Prospectus, the contents of which the applicant has read and understood;
  - (iv) The applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO shares;

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (v) The Internet Share Application is the only application that the applicant is submitting for the IPO Shares;
- (vi) The applicant authorises the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from the applicant's account with the Authorised Financial Institution;
- (vii) The applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 and Section 45 of the Central Depositories Act) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (viii) The applicant is not applying for the IPO Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (ix) The applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company or other relevant parties in connection with the IPO, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Applications services.
- (i) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment of the application money for the IPO.
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application money is being made.
- (k) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (l) The applicant is advised to print out the Confirmation Screen for reference and retention.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**(II) Terms and Conditions for Internet Share Application**

Applications for the IPO Shares may be made through the Internet financial services website of the Internet Participating Financial Institutions.

APPLICANTS ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

***Internet Participating Financial Institution***

Internet Share Applications may be made through the Internet financial services websites of the following Internet Participating Financial Institutions:-

- (i) Affin Bank Berhad at [www.affinOnline.com](http://www.affinOnline.com);
- (ii) Affin Hwang Investment Bank Berhad at [www.trade.affinhwang.com](http://www.trade.affinhwang.com);
- (iii) CIMB Investment Bank Berhad at [www.eipocimb.com](http://www.eipocimb.com);
- (iv) CIMB Bank Berhad at [www.cimbclicks.com.my](http://www.cimbclicks.com.my);
- (v) Malayan Banking Berhad at [www.maybank2u.com.my](http://www.maybank2u.com.my);
- (vi) Public Bank Berhad at [www.pbebank.com](http://www.pbebank.com); or
- (vii) RHB Bank Berhad at [www.rhbgroup.com](http://www.rhbgroup.com).

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out herein:-

- (a) An applicant making an Internet Share Application shall:-
  - (i) be an individual with a CDS Account and in the case of a joint account an individual CDS account registered in the applicant's name which is to be used for the purpose of the application if the applicant is making the application instead of a CDS account registered in the joint account holder's name;

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (ii) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. Applicant must have ready their user identification (User ID) and Personal Identification Numbers (PIN)/ password for the relevant Internet financial services facilities; and
- (iii) be a Malaysian citizen and have a mailing address in Malaysia.

Applicants are advised to note that a User ID and PIN/ password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

- (b) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Company's M&A.
- (c) The applicant is required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:-
  - (i) The applicant has attained 18 years of age as at the date of the application for the IPO Shares;
  - (ii) The applicant is a Malaysian citizen residing in Malaysia;
  - (iii) The applicant has, prior to making the Internet Share Application, received and/or has had access to a printed/ electronic copy of this Prospectus, the contents of which the applicant has read and understood;
  - (iv) The applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO;
  - (v) The Internet Share Application is the only application that the applicant is submitting for the IPO Shares;
  - (vi) The applicant authorises the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution;
  - (vii) The applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services Act, 2013 and Section 45 of the Central Depositories Act to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
  - (viii) The applicant is not applying for the IPO Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus; and

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

(ix) The applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company or other relevant parties in connection with the IPO, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

(d) The application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of the applicant's Internet Share Application, including the number of IPO Shares applied for which can be printed out by the applicant for his records.

Upon the display of the Confirmation Screen, the applicant shall be deemed to have confirmed the truth of the statements set out in Section 14.6(II)(c) herein.

(e) The applicant must have sufficient funds in the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.

(f) The applicant irrevocably agrees and undertakes to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted to the applicant in respect of the Internet Share Application. In the event that our Company decides to allot any lesser number of such IPO Shares or not to allot any IPO Shares to the applicant, the applicant agrees to accept any such decision of our Company as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, the confirmation by the applicant of the number of IPO Shares applied for (by way of the applicant's action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

(i) acceptance by the applicant of the number of IPO Shares that may be allotted or allocated to the applicant in the event that the applicant's Internet Share Application is successful or successful in part, as the case may be; and

(ii) The applicant's agreement to be bound by the M&A of our Company.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (g) The applicant is fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares of our Company will be rejected. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason there for. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (h) Where an Internet Share Application is unsuccessful or successful in part only, the Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Internet Share Application. Where an Internet Share Application is unsuccessful, the Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising there from) into the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from the Issuing House.

The Issuing House shall inform the Internet Participating Financial Institution of unsuccessful or partially successful applications within two (2) Market Days from the balloting date.

Where the Internet Share Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising there from) into the applicant's account with the Internet Participating Financial Institution within two (2) Market Days after receipt of written confirmation from the Issuing House. A number of applications will however be held in reserve to replace any successfully balloted applications that are subsequently rejected. In respect of such applications that are subsequently rejected, the application monies (without interest or any share of revenue or other benefit arising there from) will be refunded to applicants by the Issuing House by crediting into the applicant's account with the Internet Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot at the applicant's own risk.

For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application money (or any part thereof but without interest or any share of revenue or other benefit arising there from) into the applicant's account within two (2) Market Days after receipt of written confirmation from the Issuing House.

Except where the Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, applicants are strongly advised to consult the Internet Participating Financial Institution through which the application was made in respect of the mode or procedure of enquiring on the status of an applicant's Internet Share Application in order to determine the status or exact number of IPO Shares allotted, if any, before trading the IPO Shares on Bursa Securities.

- (i) Internet Share Applications will be closed at 5.00 p.m. on 7 July 2015 or for such further period or periods as the Directors, Promoters and/or Offeror of our Company together with the Underwriter in their absolute discretion may mutually decide. An Internet Share Application is deemed to be received only upon its completion, that is when the Confirmation Screen is displayed on the Internet financial services website. Applicants are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.



**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (j) The applicant irrevocably agrees and acknowledges that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution and our Company. If, in any such event, our Company, the Issuing House and/or Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the applicant's Internet Share Application and/or the payment there for, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, the applicant shall be deemed not to have made an Internet Share Application and the applicant shall have no claim whatsoever against our Company, the Issuing House or Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (k) All particulars of the applicant in the records of the relevant Internet Participating Financial Institution at the time of the Internet Share Application shall be deemed to be true and correct, and our Company, the Internet Participating Financial Institutions, Issuing House and all other persons who, are entitled or allowed under the law to such information or where the applicant expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

The applicant shall ensure that the personal particulars of the applicant as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical, otherwise the applicant's Internet Share Application is liable to be rejected. The notification letter on successful allotment will be sent to the applicant's address last registered with Bursa Depository. It is the responsibility of the applicant to notify the Internet Participating Financial Institution and Bursa Depository of any changes in the applicant's personal particulars that may occur from time to time.

- (l) By making and completing an Internet Share Application, the applicant is deemed to have agreed that:-
- (i) In consideration of our Company making available the Internet Share Application facility to the applicant, through the Internet Participating Financial Institution acting as agents of our Company, the Internet Share Application is irrevocable;
  - (ii) The applicant has irrevocably requested and authorised our Company to register the IPO Shares allotted to the applicant for deposit into the applicant's CDS account;
  - (iii) Neither our Company nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to the Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 3 of this Prospectus or to any cause beyond their control;

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iv) The applicant 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 the applicant's Internet Share Application by the Issuing House, our Company 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;
  - (v) The acceptance of the offer made by the applicant to subscribe for the IPO Shares for which the applicant's Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by or on behalf of our Company and not otherwise, notwithstanding the receipt of any payment by or on behalf of our Company;
  - (vi) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the applicant's Internet Share Application by our Company;
  - (vii) In making the Internet Share Application, the applicant has relied solely on the information contained in this Prospectus. Our Company, the Underwriter, the Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by the applicant in making the Internet Share Application; and
  - (viii) The acceptance of an applicant's Internet Share Application by our Company and the contract resulting there from under the IPO shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.
- (m) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:-
- (i) Affin Bank Berhad - No fee will be charged for applications by their account holders;
  - (ii) Affin Hwang Investment Bank Berhad – No fee will be charged by applications by their account holders;
  - (iii) CIMB Bank Berhad - RM2.00 for applicants with CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
  - (iv) CIMB Investment Bank Berhad - RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
  - (v) Malayan Banking Berhad - RM1.00;
  - (vi) Public Bank Berhad – RM2.00; or
  - (vii) RHB Bank Berhad – RM2.50.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**14.7 APPLICATION AND ACCEPTANCE**

The Issuing House, on the authority of our Board reserves the right not to accept any Application which does not strictly comply with the instructions or to accept any Application in part only without assigning any reason there for.

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

**ALL APPLICATIONS MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.**

In the event of an over-subscription, acceptance of Applications by Malaysian Public shall be subject to ballot to be conducted in the manner approved by the Directors of our Company and on a fair and equitable basis. Due consideration will be given to the desirability of distributing the Shares, to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the shares of our Company. Pursuant to the listing requirements of Bursa Securities, at least 25% of the enlarged issued and paid-up share capital of our Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each upon completion of the IPO and at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, our Company may not be allowed to proceed with the Listing. In the event there of, monies paid in respect of all Applications will be returned without interest if the said permission for listing and quotation is not granted. Applicants will be selected in a manner to be determined by the Directors of our Company.

In the event of an under-subscription by the eligible Directors, employees and business associates of our Group, such shares will be made available for Application by the Malaysian Public and/ or selected investors via the Private Placement. Thereafter, any unsubscribed Public Issue Shares will be made available for subscription by our Underwriter.

In the event of an under-subscription of the Public Issue Shares by the Malaysian Public, such Public Issue Shares not taken up will be made available for application by way of Private Placement to selected investors.

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

For the unsuccessful/ partially successful application, the application monies without interest will be refunded to the applicant in the following manner:-

**14.7.1 For Applications by Way of An Application Form**

- (a) The application monies or the balance of it, as the case may be, will be refunded to the applicant via the self-addressed and stamped Official "A" envelope provided by ordinary post (for fully unsuccessful applications) or by crediting into the applicants' bank account for purposes of cash dividend/ distribution if they have provided such bank account information to Bursa Depository or by ordinary post/ registered post to their last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot if they have not provided such bank account information to Bursa Depository.
- (b) If the application was rejected because the applicant did not provide a CDS account number, the application monies will be sent to the address stated in the NRIC or "Resit Pengenaln Sementara (KPPK 09)" or any valid temporary identity document issued by the National Registration Department from time to time at the applicant's own risk.

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (c) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants and partially successful applicants. These monies will be refunded by crediting into the applicants' bank account for purposes of cash dividend/distribution if they have provided such bank account information to Bursa Depository or by ordinary post/ registered post to their last address maintained with Bursa Depository if they have not provided such bank account information to Bursa Depository or as per item set out in (b) above (as the case may be) within ten (10) Market Days from the date of the final ballot.

**14.7.2 For Applications by Way of An Electronic Share Application**

- (a) The Issuing House 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 of monies or the balance of it will be credited without interest into the applicant's account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (b) The applicant may check their account on the fifth (5<sup>th</sup>) Market Day from the balloting date.
- (c) 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 the Issuing House by crediting into the applicant's account with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application monies (or any part thereof) without interest within two (2) Market Days after the receipt of confirmation from the Issuing House.

**14.7.3 For Applications by Way of An Internet Share Application**

- (a) The Issuing House 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 there from with the Authorised Financial Institution to refund the application monies or the balance of it into your account without interest or other benefit arising there from with the Authorised Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (b) The applicant may check their account on the fifth (5<sup>th</sup>) Market Day from the balloting date.
- (c) 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 the Issuing House by crediting into the applicant's account with the Internet Participating Financial Institution 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 credit the application monies (or any part thereof) into the applicant's account without interest within two (2) Market Days after the receipt of confirmation from the Issuing House.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**14.8 CDS ACCOUNTS**

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the securities of our Company as Prescribed Securities. In consequence thereof, the Shares issued through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with aforesaid Act and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the Central Depositories Act, all dealings in our Shares will be by book entries through CDS accounts. No share certificates will be issued to successful applicants.

Only an applicant who has a CDS account can make an Application by way of an Application Form. An applicant should state his CDS account number in the space provided on the Application Form and he/ she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to the Issuing House/ our Company. Where an applicant does not presently have a CDS account, he/ she should open a CDS account at an ADA prior to making an Application for the Shares.

In the case of an Application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application. The applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application require him to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-IPO online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the Application being rejected. If a successful applicant fails to state his/her CDS account number, the Issuing House on the authority of our Company will reject the Application. The Issuing House on the authority of the Directors of our Company also reserves the right to reject any incomplete and inaccurate Application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

**14.9 NOTICE OF ALLOTMENT**

The Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. A notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with Bursa Depository at the applicant's own risk prior to the Listing of our Company. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with Bursa Depository at the applicant's own risk prior to the Listing of our Company. This is the only acknowledgement of acceptance of the Application.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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All applicants must inform Bursa Depository of his/ her updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which, the notification letter on successful allotment shall be sent to the applicant's address last maintained with Bursa Depository.

Applicants may also check the status of their application by calling their respective ADAs at the telephone number as stated in Section 14.10 or by calling the Issuing House at +603 7841 8000 or +603 7841 8289, between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****14.10 LIST OF AUTHORISED DEPOSITORY AGENTS**

The list of the ADAs and their respective Broker codes are as follows:-

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>KUALA LUMPUR</b>		
AFFIN HWANG INVESTMENT BERHAD	BANK 2 <sup>nd</sup> Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BERHAD	BANK No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : 03-2287 2273	068-017
AFFIN HWANG INVESTMENT BERHAD	BANK Ground, Mezzanine & 3 <sup>rd</sup> Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BERHAD	BANK 38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BERHAD	Level 17, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	15 <sup>th</sup> Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-2078 2788	086-001
BIMB SECURITIES SDN BHD	Level 32, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-2261 8888	065-001

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No.5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No: 03-2288 1676	021-002
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad)	Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-2691 0200	066-006
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-9056 2921	054-007
JUPITER SECURITIES SDN BHD	Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 <sup>th</sup> -14 <sup>th</sup> Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-4297 8806	073-020



**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor West Wing ECM Libra Building 8 Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-2089 2888	073-021
KENANGA INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-2178 1133	073-029
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-2282 1820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No : 03-7983 9890	057-004
MALACCA SECURITIES SDN BHD	55-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100 Kuala Lumpur Tel No: 03-6241 8595	012-009
MAYBANK INVESTMENT BANK BERHAD	Level 5-13, Mayban Life Tower Dataran Maybank No.1 Jalan Maarof 59000 Kuala Lumpur Tel No : 03-2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	Level 21, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-2173 8888	026-001
PM SECURITIES SDN BHD	Ground, Mezzanine, 1 <sup>st</sup> & 10 <sup>th</sup> Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-2146 3000	064-001

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
PUBLIC INVESTMENT BANK BERHAD	27 <sup>th</sup> Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 3A, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-9287 3888	087-001
RHB INVESTMENT BANK BERHAD	12 <sup>th</sup> , 20 <sup>th</sup> & 21 <sup>st</sup> Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-2333 8333	087-018
RHB INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-2147 1888	078-010

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SELANGOR DARUL EHSAN</b>		
AFFIN HWANG INVESTMENT BERHAD	BANK 16 <sup>th</sup> , 18 <sup>th</sup> -20 <sup>th</sup> Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-5513 3288	068-002
AFFIN HWANG INVESTMENT BERHAD	BANK East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BERHAD	BANK 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Floor, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BERHAD	BANK Lot 229, 2 <sup>nd</sup> Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7729 8016	068-020
AFFIN HWANG INVESTMENT BERHAD	BANK 1 <sup>st</sup> Floor, 20-22 Jalan 21/12, SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78776229	068-022
AFFIN HWANG INVESTMENT BERHAD	BANK No. 79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-3322 1999	068-023
AMINVESTMENT BANK BERHAD	4 <sup>th</sup> Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7710 6613	086-001
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7717 3388	065-009

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
HONG LEONG INVESTMENT BANK BERHAD	Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7724 6888	066-002
JF APEX SECURITIES BERHAD	6 <sup>th</sup> Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-8736 1118	079-001
JF APEX SECURITIES BERHAD	15 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7620 1118	079-002
JF APEX SECURITIES BERHAD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No : 03-5879 0163	079-004
JUPITER SECURITIES SDN BHD	No. 42-46, 3 <sup>rd</sup> Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-5632 4838	055-004
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	55C, 2 <sup>nd</sup> Floor Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No : 03-8024 1773	073-006
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2 <sup>nd</sup> Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7725 9095	073-016

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-5621 2118	073-030
KENANGA INVESTMENT BANK BERHAD	35 (Ground & 1 <sup>st</sup> Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-3348 8080	073-035
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-5636 1533	012-002
MALACCA SECURITIES SDN BHD	No. 58 & 60, 1 <sup>st</sup> Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7876 1533	012-003
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut, Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-3050 8888	098-003
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7718 8888	098-004
PM SECURITIES SDN BHD	No. 157, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-3341 5300	064-007

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7873 6366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-8736 3378	087-045
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Ground Floor and First Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-8070 6899	087-049
RHB INVESTMENT BANK BERHAD	11-1 & 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No : 03-6148 3361	087-051
RHB INVESTMENT BANK BERHAD	Unit 1B & 2B Jalan USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-8022 1888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-5192 0202	096-001

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
SJ SECURITIES SDN BHD	101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-5631 7888	096-002
SJ SECURITIES SDN BHD	No. 47-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-3322 1915	096-004
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel No: 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2 <sup>nd</sup> Floor, Wisma TA No. 1A, Jalan SS20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel no : 03-7729 5713	058-007
<b>MELAKA</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898 800	065-006
KENANGA INVESTMENT BANK BERHAD	71 (A&B) & 73 (A&B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881 720	073-028
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372 550	073-034

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>MELAKA (Cont'd)</b>		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371 533	012-001
MERCURY SECURITIES SDN BHD	No.81, 81-A & 81-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921 898	093-003
PM SECURITIES SDN BHD	No. 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866 008	064-006
RHB INVESTMENT BANK BERHAD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2833 622	087-002
RHB INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825 211	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862 618	058-008
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No: 06-3352 511	078-014
<b>PERAK DARUL RIDZUAN</b>		
AFFIN HWANG INVESTMENT BERHAD	BANK 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066 688	068-003
AFFIN HWANG INVESTMENT BERHAD	BANK 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559 988	068-015



**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No 8, 8A-8C, Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 4 <sup>th</sup> Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422 828	073-022
KENANGA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222 828	073-026
KENANGA INVESTMENT BANK BERHAD	Ground Floor No.25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939 828	073-031
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419 800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No. 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453 400	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236 498	087-014

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921 228	087-016
RHB INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415 100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088 229	087-034
RHB INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651 261	087-044
RHB INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170 888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216 010	078-009
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30303 Ipoh Perak Darul Ridzuan Tel No: 05-2411 290	078-013

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PULAU PINANG</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372 882	068-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Barkath 21, Lebuh Pantai 10300 Georgetown Pulau Pinang Tel No : 04-2611 688	076-015
AMINVESTMENT BANK BERHAD	3 <sup>rd</sup> Floor, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261 818	086-001
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385 900	065-001
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8 <sup>th</sup> Floor Sentral Tower No. 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690 888	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No : 04-2289 118	079-005
JUPITER SECURITIES SDN BHD	20-1, Persiaran Bayan Indah Bayan Bay Sungai Nibong 11900 Bayan Lepas Penang Tel No : 04-6412 881	055-003
KENANGA INVESTMENT BANK BERHAD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283 355	073-023

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PULAU PINANG (Cont'd)</b>		
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817 611	057-005
M & A SECURITIES SDN BHD	216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Pulau Pinang Tel No : 04-2617 611	057-008
MALACCA SECURITIES SDN BHD	Suite 98-3-13A, 13B, 13C Prima Tanjung Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel No : 04-8981 525	012-004
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel No : 04-3905 669	012-006
MALACCA SECURITIES SDN BHD	No 17, 1 <sup>st</sup> Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel No : 04-6421 533	012-007
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, 1 <sup>st</sup> Floor Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel No : 04-2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2 <sup>nd</sup> Floor Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Pulau Pinang Tel No : 04-2639 118	093-004

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PULAU PINANG (Cont'd)</b>		
MERCURY SECURITIES SDN BHD	70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No : 04-6400 822	093-006
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273 000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900 022	087-005
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402 888	087-015
RHB INVESTMENT BANK BERHAD	834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831 888	087-032
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground-3 <sup>rd</sup> Floor & 5 <sup>th</sup> -8 <sup>th</sup> Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634 222	087-033
TA SECURITIES HOLDING BERHAD	3 <sup>rd</sup> Floor, Bangunan Heng Guan No 171, Jalan Burmah 10050 Pulau Pinang Tel No : 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1 <sup>st</sup> & 2 <sup>nd</sup> Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541 388	078-003

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PERLIS INDRA KAYANGAN</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangsar Perlis Indra Kayangan Tel No : 04-9793 888	087-060
<b>KEDAH DARUL AMAN</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256 666	068-011
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2 <sup>nd</sup> Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317 088	076-004
RHB INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204 888	087-017
RHB INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964 888	087-019
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1 <sup>st</sup> Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7322 111	078-007
<b>NEGERI SEMBILAN DARUL KHUSUS</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612 288	068-007

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>NEGERI SEMBILAN DARUL KHUSUS (Cont'd)</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	BANK No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553 188	068-013
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1 <sup>st</sup> Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7655 998	073-033
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7669 555	098-005
PM SECURITIES SDN BHD	Ground, 1 <sup>st</sup> -3 <sup>rd</sup> Floor 18-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623 131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641 641	087-024
RHB INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421 000	087-037
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461 234	087-046
<b>JOHOR DARUL TAKZIM</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222 692	068-004
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1 <sup>st</sup> Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717 922	076-006

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
AMINVESTMENT BANK BERHAD	18 <sup>th</sup> Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343 855	086-001
AMINVESTMENT BANK BERHAD	3 <sup>rd</sup> Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342 282	086-002
CIMB INVESTMENT BANK BERHAD	No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3405 888	065-011
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231 211	054-004
JUPITER SECURITIES SDN BHD	3.01 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3538 878	055-002
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (A & B) Ground & 1 <sup>st</sup> Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782 292	073-011



**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326 963	073-017
KENANGA INVESTMENT BANK BERHAD	Suite 16-02, 16-03 & 16-03A Level 16 Menara MSC Cyberport No. 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-2237 423	073-019
KENANGA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531 222	073-024
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678 885	073-025
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381 233	057-003
M & A SECURITIES SDN BHD	No. 27, 27A & 27B Jalan Molek 3/10, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3551 988	057-007
MALACCA SECURITIES SDN BHD	74, Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3351 533	012-005
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316 992	093-005

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
PM SECURITIES SDN BHD	Ground & 1 <sup>st</sup> Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333 608	064-008
RHB INVESTMENT BANK BERHAD	6 <sup>th</sup> Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788 821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380 288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538 262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor, No.119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577 628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321 543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769 655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626 288	087-035

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787 180	087-038
RHB INVESTMENT BANK BERHAD	No. 2, 1 <sup>st</sup> Floor, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256 881	087-039
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522 293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No : 07-9435 278	058-009
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6637 398	078-005
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70, Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121 633	078-008

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>PAHANG DARUL MAKMUR</b>		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1 <sup>st</sup> Floor B-400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057 800	065-007
JUPITER SECURITIES SDN BHD	2 <sup>nd</sup> Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2234 136	055-005
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09-5171 698	073-027
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2220 993	012-008
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173 811	087-007
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234 943	087-022
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914 913	087-041

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>KELANTAN DARUL NAIM</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430 077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432 288	058-004
UOB KAY HIAN SECURITEIS (M) SDN BHD	Ground & 1 <sup>st</sup> Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7473 906	078-015
<b>TERENGGANU DARUL IMAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1 <sup>st</sup> Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238 128	021-001
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583 109	087-027
RHB INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1 <sup>st</sup> Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261 816	087-055
<b>SARAWAK</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1 <sup>st</sup> Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341 999	068-005

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SARAWAK (Cont'd)</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 282, 1 <sup>st</sup> Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330 008	068-016
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1 <sup>st</sup> Floor, Jalan Abell 93100 Kuching Sarawak Tel No : 082-244 791	086-001
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-001
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No : 084-367 700	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No : 082-338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12, Ground & 1 <sup>st</sup> Floor Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No : 084-313 855	073-012
KENANGA INVESTMENT BANK BERHAD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel No : 086-337 588	073-018
MERCURY SECURITIES SDN BHD	1 <sup>st</sup> Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel No : 084-659 019	093-007

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SARAWAK (Cont'd)</b>		
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel : 082- 250 888	087-008
RHB INVESTMENT BANK BERHAD	2 <sup>nd</sup> Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329 100	087-013
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654 100	087-050
RHB INVESTMENT BANK BERHAD	Ground Floor & 1 <sup>st</sup> Floor No. 221, Park City Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311 770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 <sup>nd</sup> Floor, Bangunan Binamas Lot 138, Section 54 Jalan Padungan 93100 Kuching Sarawak Tel No : 082-236 333	058-006
<b>SABAH</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1 CPS Tower, Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-311 688	068-008

**14. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b>SABAH (Cont'd)</b>		
CIMB INVESTMENT BANK BERHAD	1 <sup>st</sup> & 2 <sup>nd</sup> Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328 878	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236 188	073-032
RHB INVESTMENT BANK BERHAD	2 <sup>nd</sup> Floor 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-269 788	087-010
RHB INVESTMENT BANK BERHAD	Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258 618	087-036
RHB INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229 286	087-057
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Tel No : 088-234 090	078-011
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178, Ground Floor Block 17, Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No: 089-218 681	078-012

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