

**8. APPROVALS AND CONDITIONS****8.1 Approvals and Conditions**

The Restructuring Exercise was approved by the following authorities:

Authorities	Date
SC	The approval of the SC for the Restructuring Exercise was obtained on 24 December 2002 and 25 August 2003. SC had also vide its letter dated 20 February 2004, granted an approval for an extension of time from 2 March 2004 to 2 June 2004 for Tajo/ Mithril to complete its Restructuring Exercise.
FIC	The approval of the FIC for the Restructuring Exercise was obtained on 3 October 2002.
MITI	The approval of the MITI for the Restructuring Exercise was obtained on 8 October 2002.

The details of the conditions imposed by the authorities and status of compliance are as follow:-

	Conditions imposed by the SC	Status of Compliance
(i)	The agreed dividend of RM2.5 million as stated in the Saferay SPA will be forfeited if the profit guaranteed by Saferay amounting to RM18 million is not achieved. Any shortfall from the said profit guarantee, if any, shall be payable by Saferay's vendors as per the terms of the Saferay SPA;	To be complied with. In the event, the profit guarantee is not achieved, the agreed dividend of RM2.5 million will be forfeited and any shortfall from the said profit guarantee shall be payable by Saferay's vendors.
(ii)	The approval of the SC must be obtained by Tajo/Mithril for the utilisation of the excess proceeds amounting to RM25.4 million raised pursuant to the Proposed RCSLS Issue and Proposed ICULS Issue (due to the adjustment to the purchase consideration of the Proposed MAAKK1 Acquisition, Proposed MAAKK2 Acquisition, Proposed MAA Kuching Acquisition and Proposed MAA Penang Acquisition);	Complied with. PMBB, had on behalf of Tajo/Mithril sought the SC's approval for the utilisation of an additional RM9.1 million as working capital for the Mithril Group vide its letter dated 21 April 2003.  On 25 August 2003, the SC approved Tajo/Mithril's application to utilise an additional RM9.1 million to be raised from the Proposed RCSLS Issue as additional working capital for the Mithril Group.

**8. APPROVALS AND CONDITIONS (Cont'd)**

	<b>Conditions imposed by the SC</b>	<b>Status of Compliance</b>
(iii)	MAAH Group is required to implement a proposed placement or proposed offer for sale of Mithril Shares before the listing of Mithril to ensure that at least 25% of its issued and paid-up share capital are in the hands of the public upon the completion of the Proposed Listing Transfer;	To be complied with. MAAH Group will implement a placement or offer for sale, if required, to ensure that at least 25% of the issued and paid-up share capital of Mithril are in the hands of the public upon completion of the Proposed Listing Transfer.
(iv)	The duration of the lease-option agreement between Tajo/Mithril and Tokojaya is to be extended from 3 years to 5 years;	Not applicable. Tokojaya has decided not to proceed with the injection of MAAKK 2 into Tajo.
(v)	The lease-option agreement between Tajo/Mithril, MAA and Tokojaya should not have any clauses that would terminate the agreement before the end of a 5 year period;	Complied with. On 25 February 2004, Tajo/Mithril and MAA entered into lease agreements which does not have any clauses that would terminate the agreements before the end of the 5-year period.  As indicated above, Tokojaya has decided not to proceed with the injection of MAAKK 2 into Tajo, thus this condition does not apply to Tokojaya any more.
(vi)	Mithril is to ensure the release of guarantor on the credit facility amounting to RM6,555,000 offered to Saferay are fulfilled before the printing of the circular to shareholders. Tajo/Mithril are required to furnish SC the confirmation letter upon the completion of the release of guarantor of the credit facility;	To be complied with. PMBB, had on behalf of Tajo/Mithril sought the SC's approval for an extension of time to procure the release of the guarantors vide its letter dated 25 July 2003.  On 25 August 2003, the SC approved Tajo/Mithril's application to procure the release of the guarantors after the admission and quotation of the Mithril Shares on the Second Board of MSEB.  In this regard, Mithril is required to provide the SC with a written undertaking, to procure the release of the guarantors within a period of one (1) month from the date of the admission and quotation of the Mithril Shares on the Second Board of MSEB.

**8. APPROVALS AND CONDITIONS (Cont'd)**

	Conditions imposed by the SC	Status of Compliance
		Mithril had on 26 September 2003 provided the SC with an undertaking letter to procure the release of the guarantors within a period of one (1) month from the date of the admission and quotation of the Mithril Shares on the Second Board of MSEB.
(vii)	Tajo/Mithril is required to appoint an independent audit firm (which is experienced in investigative audit and has not been in the past and is not the current/past auditor of the Tajo Group) within two (2) months from the date of the letter of approval of SC to conduct an investigative audit on the past business losses of Tajo. Tajo/Mithril is also required to take necessary steps to recover such losses. Based on the findings of the investigative audit, Tajo/Mithril has to report to the relevant authorities if there has been any breach to any laws, rules, guidelines and/or Memorandum and Articles of Association by the directors of Tajo and/or other parties which resulted in the losses of Tajo. The investigative audit has to be completed within six (6) months from the date of the appointment of the said independent audit firm and the resultant findings have to be announced. Two (2) copies of the investigative audit report have to be submitted to the SC after completion of the investigative audit;	<p>Complied with. On 21 February 2003, Tajo appointed an audit firm, Messrs. Anuarul Azizan Chew &amp; Co. ("AAC") to conduct the investigative audit and PMBB informed the SC of the appointment of AAC on the same date. The investigative audit of Tajo Group commenced on 7 April 2003.</p> <p>Tajo had on 28 November 2003, forwarded to the SC two (2) copies of the investigative audit report.</p> <p>An announcement on the findings of the investigative audit has been made by Tajo on 3 December 2003.</p>
(viii)	<p>Full disclosure is required to be made in the circular to shareholders/prospectus of Tajo/Mithril in relation to the following matters:</p> <p>(a) status of the trade debts of Saferay together with the ageing analysis and directors comments/statements on the recoverability of the trade debts which exceed the credit period;</p> <p>(b) basis of determining the acquisition of Saferay and terms of the Saferay SPA; and</p> <p>(c) MAAH Group as the new major shareholders.</p>	<p>Complied with.</p> <p>Please refer to Section 5.3.6.5 of this Prospectus.</p> <p>A detailed explanation is disclosed in Section 5.3.6.4 and 5.3.6.2 respectively in this Prospectus</p> <p>Please refer to Section 7 of this Prospectus</p>

**8. APPROVALS AND CONDITIONS (Cont'd)**

	<b>Conditions imposed by the SC</b>	<b>Status of Compliance</b>
(ix)	<p>Full provisions has to be made on the following trade debts, where:</p> <p>(a) the amounts are in dispute;</p> <p>(b) legal proceedings that have been initiated or taken; and</p> <p>(c) have been outstanding for more than six (6) months</p>	<p>Complied with. No provision required.</p> <p>As at the date of this Prospectus, there are no trade debts of Saferay which requires full provisions to be made.</p>
(x)	The directors of Saferay are required to provide written confirmation to the SC that the trade debts which have exceeded their credit periods are recoverable and the provision for doubtful and bad debts have been incorporated into the accounts and financial forecast prior to the issuance of the circular to shareholders/prospectus of Tajo/Mithril;	Complied with. The directors of Saferay had on 20 February 2004 provided the SC with a confirmation letter.
(xi)	The Saferay Vendors are required to settle any bad debts which have not been provided for or disclosed on the completion date of the Saferay Acquisition;	To be complied with. The Saferay Vendors have furnished the SC with an undertaking on 4 February 2004, to settle any bad debts which have not been provided for or disclosed on the completion date of the Saferay Acquisition.
(xii)	To collect debt of RM1.4 million from the directors of Saferay before the completion of the Saferay Acquisition.	To be complied with. The Directors of Saferay will undertake to settle the debt of RM1.4 million before the completion of the Saferay Acquisition.
(xiii)	The acquisition of the MAA Building is free from all encumbrances;	To be complied with. The acquisition of MAAKK 1 and MAA Kuching will be acquired free from all encumbrances.
(xiv)	PMBB is required to comment on the reasonableness of the Saferay Acquisition in the circular to shareholders/prospectus;	<p>Complied with.</p> <p>PMBB has commented on the reasonableness of the Saferay Acquisition in Section 5.3.6.4 of this Prospectus.</p>

**8. APPROVALS AND CONDITIONS (Cont'd)**

	<b>Conditions imposed by the SC</b>	<b>Status of Compliance</b>
(xv)	<p>Moratorium is to be imposed on 50% of the new Mithril Shares to be received by the MAAH Group pursuant to the exchange or debt to equity whereby they will not be allowed to sell, transfer or assign their shareholdings for at least one (1) year from the date of the listing of the new Mithril Shares. Thereafter, MAAH Group will be allowed to sell, transfer or assign only up to a maximum of one third per annum of their shareholdings under moratorium. The said moratorium is also applicable to the ultimate shareholders of MAAH Group.</p> <p>In relation to the above, the ultimate shareholders of MAAH Group are required to provide an undertaking not to sell, transfer or assign their respective shareholdings in MAAH Group during the entire moratorium period. However, MAAH Group is allowed to follow the new SC Guidelines in relation to moratorium on the sale shares which will be announced in due course under disclosure-based regulation.</p>	<p>To be complied with.</p> <p>On 31 March 2003, the SC announced amendments to the SC's Guidelines, which states that "affected shareholders will not be allowed to sell, transfer, or assign their shareholdings for one (1) year from the date of admission of the company to either the Main Board or Second Board".</p> <p>Premised on the above, upon completion of the one (1) year period, the moratorium on the Mithril Shares to be received by MAAH Group, will be lifted.</p> <p>Please refer to Section 8.2 of this Prospectus for details on the moratorium.</p> <p>On 4 February 2004, the ultimate shareholders of MAAH Group, have furnished the SC with an undertaking not to sell, transfer or assign their respective shareholdings in MAAH Group during the entire moratorium period.</p>
(xvi)	<p>PMBB/Mithril is required to furnish the SC a final copy of the ESOS Bye-Laws;</p>	<p>PMBB/Mithril had on 5 March 2004 provided the SC a final copy of the ESOS Bye-Laws.</p>
(xvii)	<p>PMBB is required to furnish the SC a confirmation letter which states that Mithril has complied with the following:</p> <p>(a) all the conditions of SC's approval on the ESOS;</p> <p>(b) the ESOS Bye-Laws is not conflicting with the SC Guidelines on ESOS; and</p> <p>(c) comply with the requirements to obtain the approval and meeting the conditions from the relevant authorities.</p>	<p>PMBB had on 5 March 2004 provided the SC a confirmation letter which states that Mithril has complied with the following:</p> <p>(c) all the conditions of SC's approval on the ESOS;</p> <p>(d) the ESOS Bye-Laws is not conflicting with the SC Guidelines on ESOS; and</p> <p>(c) comply with the requirements to obtain the approval and meeting the conditions from the relevant authorities.</p>

**8. APPROVALS AND CONDITIONS (Cont'd)**

	<b>Conditions imposed by the SC</b>	<b>Status of Compliance</b>
(xviii)	Tajo/Mithril to obtain approval from the relevant parties pursuant to the proposed listing of Mithril on the Second Board of MSEB;	Complied with. The shareholders of Tajo had at an EGM held on 22 October 2003 approved the Listing Transfer and MSEB had vide its letter dated 11 December 2003 granted approval-in-principle for the listing of Mithril on the Second Board of MSEB.
(xix)	Tajo/Mithril must comply with the relevant requirements in the SC's Guidelines;	Tajo/Mithril will ensure compliance with the relevant requirements of the SC's Guidelines.
(xx)	PMBB to inform the SC of the composition of the board of directors of Mithril once it has been finalised.	Complied with. PMBB had vide its letter dated 1 December 2003, informed the SC on the composition of the board of directors of Mithril.
(xxi)	PMBB/Tajo/Mithril and the relevant parties are required to furnish the SC a written confirmation on compliance of all terms and conditions imposed by SC upon completion of the proposals.	To be complied with.

	<b>Conditions imposed by FIC</b>	<b>Status of Compliance</b>
(i)	Mithril is to have at least 30% Burniputera equity interest upon listing.	To be complied with.

	<b>Conditions imposed by MITI</b>	<b>Status of Compliance</b>
(i)	Approval of the SC is obtained.	Complied with. The approval of the SC have been obtained vide its letter dated 24 December 2002 and 25 August 2003.
(ii)	Approval of the FIC is obtained.	Complied with. The approval of the FIC have been obtained vide its letter dated 3 October 2002 and 13 June 2003.

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## 8. APPROVALS AND CONDITIONS (Cont'd)

### 8.2 Moratorium on Sale of Shares

As part of the Restructuring Exercise approved by the SC, a total of 20,986,288 Mithril Shares, representing 50% of the 41,972,575 Mithril Shares received by the MAAH Group pursuant to the exchange of debt to equity will be subjected to a moratorium ("Moratorium Shares") as follows: -

Shareholder	No. of Mithril Shares	No. of Mithril Shares under moratorium
MAAH Group	41,972,575	20,986,288

On 31 March 2003, the SC announced amendments to the SC's Guidelines, which states that "affected shareholders will not be allowed to sell, transfer, or assign their shareholdings of the nominal issued and paid-up capital for one (1) year from the date of admission of the company to either the Main Board or Second Board".

Hence, moratorium is to be imposed on 50% of the Mithril Shares to be received by the MAAH Group pursuant to the exchange of debt to equity whereby they will not be allowed to sell, transfer or assign their shareholdings for at least one (1) year from the date of the listing of the Mithril Shares. Thereafter, MAAH Group will be allowed to sell, transfer or assign their shareholdings under moratorium. The said moratorium is also applicable to the ultimate shareholders of MAAH Group. Please refer to Section 8.1 (xv) on conditions imposed by SC for further details.

### 8.3 Saferay Guaranteed Profit

As stated in Section 5.3.6.3 of this Prospectus, the Saferay Vendors represent, warrant and guarantee to Mithril that the aggregate profitability of Saferay for the financial years ending 30 April 2003 ("First Financial Year"), 30 April 2004 ("Second Financial Year") and 30 April 2005 ("Third Financial Year") (collectively referred to as "the Financial Years") shall not be less than RM18.0 million. The principal terms of the Profit Guarantee include, inter-alia, the following:

- (i) The profitability of Saferay shall be the net profit after taxation (if any) imposed by the Inland Revenue Board of Malaysia, and minority interest and after any extraordinary gains/losses as shown in the audited accounts of Saferay, for the relevant Financial Year (hereafter referred to the "Net Profit"), audited by an international reputable auditor mutually agreed by the Saferay Vendors and Mithril ("Agreed Auditors");
- (ii) The RCULS A to be issued pursuant to the Saferay Acquisition shall serve as security for the Saferay Guaranteed Profit during the period from the date of the Saferay SPA up to 30 April 2005 and are to be converted or cancelled in accordance with the terms of the Saferay SPA;
- (iii) Upon completion of the final audit of Saferay's accounts by the Agreed Auditors for each of the First Financial Year and the Second Financial Year, in the event that the Net Profit for the relevant Financial Year shall be or exceed RM5.0 million, the Saferay Vendors shall be entitled to convert such nominal amount of the RCULS (on the basis of RM1.00 nominal value of the RCULS for every RM1.00 in the Net Profit), as shall be of equivalent value to the Net Profit achieved for that relevant Financial Year, into such number of new Mithril Shares at an issue price of RM1.00 per Mithril Share, free from any moratorium, restrictions and encumbrances;

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**8. APPROVALS AND CONDITIONS (Cont'd)**

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- (iv) In the event that the profit warranty ceases to be applicable pursuant to the terms of the Saferay SPA, all the RCULS not converted shall be automatically converted into new Mithril Shares at an issue price of RM1.00 per Mithril Share;
- (v) Upon completion of the final audit of Saferay's accounts by the Agreed Auditors for the Third Financial Year and in the event that the aggregate Net Profit of Saferay for the Financial Years shall be less than the Saferay Guaranteed Profit (hereafter referred to as the "Profit Shortfall"), the Profit Shortfall shall be made good by either:
  - (a) payment by the Saferay Vendors to Mithril of the Profit Shortfall amount within twenty one (21) market days on demand from Mithril after receipt of a certified true copy of the audited accounts of Saferay for the Financial Years; or
  - (b) cancellation of such nominal amount of the remaining RCULS A on the basis of RM1.00 nominal value of the RCULS A for every RM1.00 in the equivalent value of the Profit Shortfall; ora combination of the above options.

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**9. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS**

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**9.1 Related Party Transactions/Conflict of Interest**

1. None of the Directors or substantial shareholder of Mithril has any interest, direct or indirect, in any business carrying on a similar trade as the Mithril Group which is not quoted on a recognized exchange.
2. There is no potential interest and/or conflict of interest between the Mithril Group and its Advisers, Underwriters, Valuers, Auditors and Reporting Accountants and Solicitors as set out in Section 1 of this Prospectus.

**9.2 Interest in Similar Business**

None of the Directors and/or substantial shareholder of Mithril has any interest, direct or indirect, in any business carrying on a similar business as the Mithril Group, being the manufacturing, distribution and selling of bricks, manufacturing and selling of architectural mouldings and decorative ornaments from polyurethane rigid foam business and property management.

**9.3 Declaration by the Advisers**

PMBB, Messrs Ernst & Young, Messrs Firdaus & Associates and Messrs Cheang and Ariff confirm that there is no issue of conflict of interest in respect of their respective advisory roles to the Company in relation to the Restructuring Exercise.

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**10. OTHER INFORMATION CONCERNING THE MITHRIL GROUP****10.1 Details of Landed Properties**

A summary of the details of the Mithril Group's landed properties is as follows:-

<b>Title/Location</b>	<b>Description</b>	<b>Approximate age of building years/Tenure</b>	<b>Land area/ Built-up area sq. ft.</b>	<b>NBV as at 30.09.03 RM</b>	<b>Cost of investment RM</b>
<b>Registered under Tajo Group</b>					
Lot PTD 7273, Mukim of Sedenak District of Johor Bahru Johor Darul Takzim	Industrial land with office building <sup>1</sup>	17/ Leasehold expiring on 14 January 2022	130,680/ 6,280	265,527	783,480
Batu 35%, Jalan Air Hitam Bukit Batu, 81000 Kulai Johor Darul Takzim					
Lot PTD 7274, Mukim of Sedenak District of Johor Bahru Johor Darul Takzim	Industrial land with factory <sup>2</sup>	18/ Leasehold expiring on 14 January 2022	435,600/ 271,432	3,362,043	9,593,492
Batu 35%, Jalan Air Hitam Bukit Batu, 81000 Kulai Johor Darul Takzim					
Lot PTD 7275, Mukim of Sedenak District of Johor Bahru Johor Darul Takzim	Quarry <sup>3</sup>	Nil/ Leasehold expiring on 14 January 2022	1,611,720/ Nil	328,984	728,679
Lot 9381 (MLO 2201), Mukim of Sri Medan District of Batu Pahat Johor Darul Takzim	Quarry <sup>3</sup>	Nil/ Freehold	387,235/ Nil	276,000	276,000
Lot PTD 11796, Mukim of Sedenak District of Johor Bahru Johor Darul Takzim	Quarry <sup>3</sup>	Nil/ Leasehold expired on 28 December 2001. Extension of lease is pending from the land office	228,112/ Nil	-	1,100
C.T. 4750 Lot 1130, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	218,236/ Nil	143,561	143,561
C.T. 4751 Lot 1131, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	218,236/ Nil	143,561	143,561
C.T. 4752 Lot 1132, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	218,236/ Nil	143,561	143,561
C.T. 4753 Lot 1133, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	112,385/ Nil	73,721	73,721
C.T. 4592 Lot 1312, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	198,198/ Nil	130,222	130,222
HS (M) 150 Lot MLO 206, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	217,800/ Nil	143,200	143,200
GM 168 Lot 1238, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	111,949/ Nil	73,400	73,400
GM 167 Lot 958, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	111,819/ Nil	73,311	73,311
GM 165 Lot 1124, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	263,538/ Nil	173,394	173,394
Grant 15643 Lot 223, Mukim of Bukit Kepong Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	261,360/ Nil	191,489	191,489
Grant 15644 Lot 224, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	68,743/ Nil	45,518	45,518

**10. OTHER INFORMATION CONCERNING THE MITHRIL GROUP (Cont'd)**

Title/Location	Description	Approximate age of building years/Tenure	Land area/ Built-up area sq. ft.	NBV as at 30.09.03 RM	Cost of investment RM
<b>Registered under Tajo Group (Cont'd)</b>					
Grant 031523 Lot 225, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land with factory <sup>4,5</sup>	3/ Freehold	2,475,950/ 183,598	16,635,680	22,017,751
Lot 225, Jalan Kampong Tui Mukim Bukit Kepong 84030 Muar, Johor					
EMR 339 Lot 194, Mukim of Bukit Kepong District of Muar, Johor Darul Takzim	Agricultural land	Nil/ Freehold	76,241/ Nil	51,127	51,127
<b>Registered under Saferay</b>					
PT 7003 No. HS (D) LM 3/84 Mukim of Asam Kumbang District of Larut dan Matang Negeri Perak	Industrial land with storage yard <sup>6</sup>	2/ Leasehold expiring on 3 January 2014	21,367/ 20,240	558,254	784,000
No. 8A, Jalan Damai, Kampung Boyan 34000 Taiping Perak					
PT 4192 No. HS (D) LM 5130 Mukim of Asam Kumbang District of Larut dan Matang Negeri Perak	Industrial land with factory building <sup>7</sup>	10/ Leasehold expiring on 29 November 2053	31,799/ 20,786	1,932,875	2,020,000
Lot 2286, Lorong 1, Kampung Boyan 34000 Taiping, Perak					
Lot 4193 No. HS (D) LM 5750 Mukim of Asam Kumbang District of Larut dan Matang Negeri Perak	Industrial land with storage building <sup>8</sup>	4/ Leasehold expiring on 22 July 2054	25,156/ 38,322	1,466,935	1,540,000
Lot 2286, Lorong 1, Kampung Boyan 34000 Taiping, Perak					
PT 496 No. HS (D) LM 844/84 Mukim of Asam Kumbang District of Larut dan Matang Negeri Perak	Industrial land with storage building <sup>6</sup>	15/ Leasehold expiring on 29 May 2014	16,282/ 17,212	374,487	460,000
Lot 2286, Lorong 1, Kampung Boyan 34000 Taiping, Perak					
PT 3642, No. I.I.S. (D) LM 934/88 Mukim of Asam Kumbang District of Larut dan Matang, Negeri Perak	Industrial land with factory building <sup>9</sup>	15/ Leasehold expiring on 13 June 2087	87,120/ 24,607	612,245	647,000
PT 3642, Jalan Perusahaan 34600 Kamunting, Taiping, Perak					
PT 9278, No. H.S. (D) LM 2146/89 Mukim of Asam Kumbang District of Larut dan Matang, Negeri Perak	2 storey shop lot <sup>10</sup>	9/ Leasehold expiring on 25 July 2088	1,200/ 1,200	236,458	250,000
No. 5, Jalan Medan, Taiping 5 34000, Taiping, Perak					
<b>Registered under MAA*</b>					
Menara MAA, No. 6, Lorong Api-Api 88000 Kota Kinabalu, Sabah	Twenty Nine (29) subsidiary parcels of commercial/ office space with 195 units of basement car park bays forming part of a 11 storey office building with 3-basement car park <sup>11</sup>	4/ Leasehold expiring on 31 December 2086	47,145.85/ 189,727	69,224,066	69,224,066
Under Master Title No. Town Lease 017545265, District of Kota Kinabalu, Sabah					

**10. OTHER INFORMATION CONCERNING THE MITHRIL GROUP (Cont'd)**

Title/Location	Description	Approximate age of building years/Tenure	Land area/ Built-up area sq. ft.	NBV as at 30.09.03 RM	Cost of investment RM
<b>Registered under MAA* (cont'd)</b>					
Menara MAA, Lot No. 86, Section 53, either along Jalan Ban Hock 93100 Kuching or along Jalan Central Timur 93300 Kuching, Sarawak	Eight (8) subsidiary parcels of commercial/ office space forming part of a 11 storey office building with basement floor and an open-air car park <sup>12</sup>	6/ Leasehold expiring 28 April 2051	56,005/ 50,653	17,040,842	17,040,842
Under Master Title No. 1LCLS125386 Kuching Town Land District, Sarawak					

*Note:*

1. *The certificate of fitness was issued on 27 June 1985.*
2. *The certificate of fitness was issued on 12 February 1984.*
3. *The clay reserve has been fully extracted and the quarries have ceased operations.*
4. *All the necessary approvals for the conversion of the agricultural land erected with a factory into an industrial land have been obtained by the Company and is currently only pending the payment of the conversion premium. In addition, the factory erected thereon has not been issued with a certificate of fitness. Letters of undertakings from Mithril and Tajo have been furnished to the SC stating that Mithril and Tajo will make all effort to obtain the certificate of fitness for the factory erected on the said land within one (1) year from the date of this Prospectus.*  
*In this regard, a portion of the proceeds raised from the Rights Issue, the RCSLS Issue and the ICULS Issue will be utilised by the Company to pay the conversion premium for the conversion of the said land from agricultural land to industrial land. Thereafter, the Company will make an application for the certificate of fitness.*
5. *The clay reserve is 6.53 million m<sup>3</sup> which is expected to last approximately 70 years based on current usage.*
6. *Applications for certificate of fitness will be made in due course. Letters of undertakings from Mithril and Saferay have been furnished to the SC stating that Mithril and Saferay will make all effort to obtain the certificate of fitness for the storage yard and building erected on the said lands within one (1) year from the date of this Prospectus.*
7. *Certificate of fitness was issued on 15 October 1993.*
8. *An application for certificate of fitness has already been made on 15 October 2003. The application for the certificate of fitness is pending approval. Letters of undertakings from Mithril and Saferay have been furnished to the SC stating that Mithril and Saferay will make all effort to obtain the certificate of fitness for the storage building erected on the said land within one (1) year from the date of this Prospectus.*
9. *Certificate of fitness was issued on 19 May 1993.*
10. *Certificate of fitness was issued on 19 May 1993.*
11. *Certificate of fitness was issued on 17 September 1999.*
12. *Certificate of fitness was issued on 6 September 1997.*
13. *MAA holds a legal charge against the 104.52 acres of freehold land, held under Lot Nos. 194, 223 – 225 (both inclusive), 958, 1124, 1130 – 1133 (both inclusive), 1238, 1312 and ML0206, Mukim of Bukit Kepong, District of Muar, Johor on land belonging to Tajo Bricks Industries Sdn Bhd, a wholly-owned subsidiary company of Tajo, together with the factory situated thereon and a first party first legal charge on 64.13 acres of leasehold land held under Lot Nos. PTD 7273 – 7275 (inclusive) and 11796, Mukim of Sedenak, District of Johor Bahru and Lot No. 9381, Mukim of Sri Medan (XVIII), District of Batu Pahat belonging to Tajo.*

\* *As at 30 September 2003, the MAAKK and MAA Kuching Acquisitions have not been completed, as such the disclosure of NBV and cost of investment above are based on MAA's records. The value as approved by SC will only be reflected upon completion of the abovementioned acquisitions in the financial statements of the Mithril Group for the financial year ending 31 December 2004.*

Save as disclosed in notes (4), (6) and (8) above, none of the existing use of the land in the above properties are in breach of the land-use conditions or permissible land use.