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**INFORMATION ON PRIDAMAN**


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**1. HISTORY AND BUSINESS**

Pridaman was incorporated in Malaysia as a private limited company under the Act on 7 May 2003 and commenced its operations on 15 July 2003. Pridaman is principally involved in property development and there has been no significant change in the nature of its principal activity since its incorporation. Pridaman previously undertook one property development project located at Bukit Tambun, Seberang Perai Selatan, Penang, known as Taman Seri Bayan which was completed on 8 August 2007. Since then, Pridaman had been dormant as there were no viable property development projects.

Currently, Pridaman owns a piece of land known as Lot No. 699, GM 100, Mukim 13, Seberang Perai Tengah, Pulau Pinang measuring a total area of approximately 378,161 sf (or about 8.68 acres) held for industrial development which had been launched in the first quarter 2011 as New Juru Industrial Park. Please refer to Section 2.3 of Part A of this Circular for the details of the proposed development of the said land.

Pridaman does not own any other assets or businesses outside its principal activity.

**2. SHARE CAPITAL****2.1 Authorised, and issued and paid-up share capital**

The authorised, and issued and paid-up share capital of Pridaman as at the LPD are as follows:

| Type                             | No. of ordinary shares | Par value (RM) | Amount (RM) |
|----------------------------------|------------------------|----------------|-------------|
| Authorised share capital         | 500,000                | 1.00           | 500,000     |
| Issued and paid-up share capital | 500,000                | 1.00           | 500,000     |

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of Pridaman and their respective shareholdings as at the LPD are as follows:

| Name of shareholders   | Nationality/Country of incorporation | Direct                 |       | Indirect               |       |
|------------------------|--------------------------------------|------------------------|-------|------------------------|-------|
|                        |                                      | No. of Pridaman Shares | %     | No. of Pridaman Shares | %     |
| Siram Permai           | Malaysia                             | 225,000                | 45.00 | -                      | -     |
| Amal Pintas            | Malaysia                             | 200,000                | 40.00 | -                      | -     |
| Sound Vantage          | Malaysia                             | 25,000                 | 5.00  | -                      | -     |
| Alpha Master           | Malaysia                             | 25,000                 | 5.00  | -                      | -     |
| Teh Eng Bew            | Malaysian                            | 25,000                 | 5.00  | -                      | -     |
| Ir. Teh Kiak Seng      | Malaysian                            | -                      | -     | <sup>(1)</sup> 225,000 | 45.00 |
| Tsai Yung Chuan        | Taiwanese                            | -                      | -     | <sup>(2)</sup> 200,000 | 40.00 |
| Tsai Chang Hsiu-Hsiang | Taiwanese                            | -                      | -     | <sup>(2)</sup> 200,000 | 40.00 |

| Name of shareholders         | Nationality/Country of incorporation | Direct                 |   | Indirect               |       |
|------------------------------|--------------------------------------|------------------------|---|------------------------|-------|
|                              |                                      | No. of Pridaman Shares | % | No. of Pridaman Shares | %     |
| Tsai Chia Ling               | Taiwanese                            | -                      | - | <sup>(2)</sup> 200,000 | 40.00 |
| Teh Gan Heong & Sons Sdn Bhd | Malaysia                             | -                      | - | <sup>(3)</sup> 25,000  | 5.00  |
| Teh Ching Ching              | Malaysian                            | -                      | - | <sup>(3)</sup> 25,000  | 5.00  |
| Tan Eng Siang                | Malaysian                            | -                      | - | <sup>(4)</sup> 25,000  | 5.00  |

(1) Deemed interested by virtue of his shareholdings in Siram Permai pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his/her shareholdings in Amal Pintas pursuant to Section 6A of the Act.

(3) Deemed interested by virtue of its/her shareholdings in Sound Vantage pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of his shareholdings in Alpha Master pursuant to Section 6A of the Act.

#### 4. BOARD OF DIRECTORS

The Board of Directors of Pridaman and their respective shareholdings as at the LPD are as follows:

| Name of Directors              | Nationality | Designation        | Direct                 |   | Indirect               |       |
|--------------------------------|-------------|--------------------|------------------------|---|------------------------|-------|
|                                |             |                    | No. of Pridaman Shares | % | No. of Pridaman Shares | %     |
| Ir. Teh Kiak Seng              | Malaysian   | Director           | -                      | - | <sup>(1)</sup> 225,000 | 45.00 |
| Tsai Yung Chuan                | Taiwanese   | Director           | -                      | - | <sup>(2)</sup> 200,000 | 40.00 |
| Tsai Chia Ling <sup>(3)</sup>  | Taiwanese   | Alternate Director | -                      | - | <sup>(2)</sup> 200,000 | 40.00 |
| Teh Theng Theng <sup>(4)</sup> | Malaysian   | Alternate Director | -                      | - | -                      | -     |

(1) Deemed interested by virtue of his shareholdings in Siram Permai pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his/her shareholdings in Amal Pintas pursuant to Section 6A of the Act.

(3) An alternate Director to Tsai Yung Chuan.

(4) An alternate Director to Ir. Teh Kiak Seng.

#### 5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, save as disclosed in Section 5.1 of Appendix V of this Circular, there is no other material commitments and contingent liabilities incurred or known to be incurred which upon becoming enforceable may have an impact on the profits or NA of Pridaman.

#### 6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, Pridaman does not have any subsidiaries or associated companies.

## 7. SUMMARY OF FINANCIAL INFORMATION

The financial information of Pridaman based on the audited financial statements of Pridaman for the past three (3) years are as follows:

| Pridaman   | Audited FYE 31 December |              |                          |
|--|-------------------------|--------------|--------------------------|
|  | 2008<br>(RM)            | 2009<br>(RM) | 2010<br>(RM)             |
| Turnover <sup>(1)</sup>  | 723,000                 | -            | 197,000                  |
| Profit/(loss) before tax but after minority interest ("MI") <sup>(1)</sup> | 264,086                 | 35,766       | (9,573)                  |
| PAT/(LAT) and MI <sup>(1)</sup>  | 339,065                 | 27,269       | (9,704)                  |
| Gross EPS/(Loss) per share ("LPS") (RM)                                    | 1.06                    | 0.14         | (0.02)                   |
| Net EPS/LPS (RM)   | 1.36                    | 0.11         | (0.02)                   |
| Paid-up share capital  | 250,000                 | 250,000      | 500,000                  |
| Shareholders' funds/NA <sup>(2)</sup>                                      | 2,828,971               | 856,240      | 896,536                  |
| NA per share (RM) <sup>(2)</sup>   | 11.32                   | 3.42         | 1.79                     |
| Current ratio (times)  | 9.84                    | 428.85       | 0.41                     |
| Total borrowings   | -                       | -            | 6,000,000 <sup>(3)</sup> |
| Gearing ratio (times)  | -                       | -            | 6.69                     |

- (1) The revenue for the FYE 31 December 2008 and 2010 of RM723,000 and RM197,000 respectively were derived from sales of inventories of completed project, namely Taman Seri Bayan, which was completed on 8 August 2007. This has translated to corresponding decrease in the profit before tax but after MI, and PAT and MI of Pridaman. There was no revenue recorded in FYE 31 December 2009 as there was only one (1) unsold unit available for sale and no new development or project launched during the year.
- (2) The shareholders' funds of Pridaman has decreased by approximately RM1.97 million or 69.73% from approximately RM2.83 million as at 31 December 2008 to approximately RM0.86 million as at 31 December 2009 mainly due to dividend declared and paid to the shareholders of Pridaman of RM2.0 million. This has translated to the decrease in the NA per share of Pridaman by RM7.90 or 69.79% from RM11.32 as at 31 December 2008 to RM3.42 as at 31 December 2009.
- (3) The borrowings recorded in FYE 31 December 2010 were in respect of a term loan taken by Pridaman to part finance the acquisition of the development land currently owned by Pridaman as detailed in Section 2.3 of Part A of this Circular. The said development land is currently charged to Malayan Banking Berhad.

There is no peculiar accounting policy adopted by Pridaman during the financial years under review. There has also been no audit qualification on the financial statements of Pridaman during the financial years under review.

## 8. AUDITED FINANCIAL STATEMENTS

The audited financial statements (together with the notes to the financial statements) and the Auditors' Report thereon of Pridaman for the FYE 31 December 2010 are attached in the ensuing pages.

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**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

| <b>CONTENTS</b>                             | <b>PAGE</b> |
|---|-------------|
| CORPORATE INFORMATION                       | 1           |
| DIRECTORS' REPORT                           | 2 - 6       |
| STATEMENT BY DIRECTORS                      | 7           |
| STATUTORY DECLARATION                       | 7           |
| STATEMENT OF FINANCIAL POSITION             | 8           |
| STATEMENT OF COMPREHENSIVE INCOME           | 9           |
| STATEMENT OF CHANGES IN EQUITY              | 10          |
| STATEMENT OF CASH FLOWS                     | 11 - 12     |
| NOTES TO THE FINANCIAL STATEMENTS           | 13 - 35     |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS | 36 - 37     |

Company No. 614370-M

**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

**DIRECTORS**

TEH KIAK SENG  
TSAI YUNG CHUAN  
TSAI CHIA LING (ALTERNATE  
TO TSAI YUNG CHUAN)  
TEH THENG THENG (ALTERNATE  
TO TEH KIAK SENG)

**SECRETARIES**

LEE PENG LOON  
P'NG CHIEW KEEM

**BUSINESS ADDRESS**

12-01 PENTHOUSE WISMA PANTAI  
JALAN WISMA PANTAI  
KAMPUNG GAJAH  
12200 BUTTERWORTH  
PENANG

**REGISTERED OFFICE**

51-21-A MENARA BHL BANK  
JALAN SULTAN AHMAD SHAH  
10050 PENANG

**AUDITORS**

UHY  
CHARTERED ACCOUNTANTS

**BANKERS**

PUBLIC BANK BERHAD  
MALAYAN BANKING BERHAD

**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended **31 December 2010**.

**PRINCIPAL ACTIVITY**

The Company is principally involved in property development.

There has been no significant change in the nature of this activity during the financial year.

**FINANCIAL RESULTS**

**RM**

Loss after taxation for the financial year 9,704

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

**DIVIDEND**

The dividend paid or declared by the Company since the end of previous financial year was as follows:

**RM**

In respect of the financial year ended 31 December 2010:

An interim dividend of RM 1.07 per share on 250,000 ordinary shares,  
less 25% of income tax, paid on 3 February 2010 200,000

The Directors do not recommend any payment of a final dividend for the current financial year.

## **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## **ISSUE OF SHARES AND DEBENTURES**

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM250,000 to RM500,000 by the issuance of 250,000 new ordinary shares of RM1 each at par as settlement of part of the amount owing to shareholders. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

## **SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company under options. As at the end of the financial year, no unissued shares of the Company were under options.

## **DIRECTORS**

The Directors who have held office during the period since the date of the last report are as follows: -

|                 |                                |
|-----------------|--------------------------------|
| Teh Kiak Seng   |                                |
| Tsai Yung Chuan |                                |
| Tsai Chia Ling  | (Alternate to Tsai Yung Chuan) |
| Teh Theng Theng | (Alternate to Teh Kiak Seng)   |

## **DIRECTORS' INTERESTS**

The shareholdings in the Company and its related corporations of those who are Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965 are as follows:-

| <u>Shareholdings in the Company</u> | Number of Ordinary Shares of RM1 each |               |             |                         |
|-------------------------------------|---------------------------------------|---------------|-------------|-------------------------|
|                                     | At<br><u>1-1-2010</u>                 | <u>Bought</u> | <u>Sold</u> | At<br><u>31-12-2010</u> |
| <b>Indirect interest</b>            |                                       |               |             |                         |
| Teh Kiak Seng                       | 112,500                               | 112,500       | 0           | 225,000                 |
| Tsai Yung Chuan                     | 100,000                               | 100,000       | 0           | 200,000                 |
| Tsai Chia Ling                      | 100,000                               | 100,000       | 0           | 200,000                 |

No other Director in office at end of the financial year held or dealt in shares in the Company and its related corporations during the financial year.

## **DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.



## OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (c) which would render the values attributed to current assets in the financial statements of the Company misleading; and
- (d) not otherwise dealt with in this report or financial statements, which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

**OTHER STATUTORY INFORMATION (CONTINUED)**

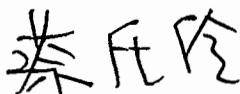
In the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

**AUDITORS**

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their Resolution,

  
**TEH KIAM SENG**  
Director

  
**TSAI CHIA LING**  
(Alternate to Tsai Yung Chuan)  
Director

Dated: 07 FEB 2011

Company No. 614370-M

**PRIDAMAN SDN. BHD.**

(Company No. 614370-M)

(Incorporated in Malaysia)

### STATEMENT BY DIRECTORS

The Directors of **PRIDAMAN SDN. BHD.**, state that, in their opinion, the financial statements set out on pages 8 to 35 are drawn up in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standard in Malaysia so as to give a true and fair view of the state of affairs of the Company as at **31 December 2010** and of the results and cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with their Resolution,

  
**TEH KIAK SENG**  
Director

  
**TSAI CHIA LING**  
(Alternate to Tsai Yung Chuan)  
Director

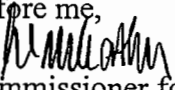
Dated: 07 FEB 2011

### STATUTORY DECLARATION

I, **TEH KIAK SENG**, being the Director primarily responsible for the financial management of **PRIDAMAN SDN. BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 8 to 35 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared )  
by the above named **TEH KIAK** )  
**SENG** at Georgetown in the State )  
of Penang this 07 FEB 2011 )

  
**TEH KIAK SENG**

Before me,  
  
Commissioner for Oaths

No. 53-3-05,  
JALAN SULTAN AHMAD SHAH,  
MBF TOWER,  
10050 PULAU PINANG



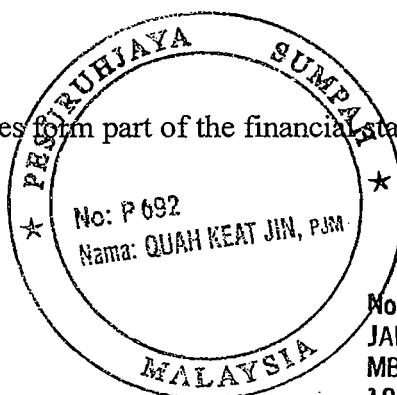
**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

|                                       | NOTE | 2010<br>RM       | 2009<br>RM     |
|---------------------------------------|------|------------------|----------------|
| <b>NON-CURRENT ASSETS</b>             |      |                  |                |
| Property, plant and equipment         | 5    | 1                | 540            |
| Land held for property development    | 6    | 9,126,624        | 0              |
|                                       |      | <u>9,126,625</u> | <u>540</u>     |
| <b>CURRENT ASSETS</b>                 |      |                  |                |
| Inventories                           | 7    | 0                | 159,047        |
| Deposits                              |      | 5,320            | 6,935          |
| Tax recoverable                       |      | 10,769           | 7,300          |
| Fixed deposits with a licensed bank   |      | 0                | 305,127        |
| Bank balances                         | 8    | 1,504,822        | 379,291        |
|                                       |      | <u>1,520,911</u> | <u>857,700</u> |
| <b>CURRENT LIABILITY</b>              |      |                  |                |
| Payables                              | 9    | 3,751,000        | 2,000          |
| <b>NET CURRENT (LIABILITY)/ASSETS</b> |      |                  |                |
|                                       |      | (2,230,089)      | 855,700        |
|                                       |      | <u>6,896,536</u> | <u>856,240</u> |
| <b>CAPITAL AND RESERVE</b>            |      |                  |                |
| Share capital                         | 10   | 500,000          | 250,000        |
| Retained profits                      |      | 396,536          | 606,240        |
|                                       |      | <u>896,536</u>   | <u>856,240</u> |
| <b>NON-CURRENT LIABILITY</b>          |      |                  |                |
| Term loan                             | 11   | 6,000,000        | 0              |
|                                       |      | <u>6,896,536</u> | <u>856,240</u> |

The annexed notes form part of the financial statements.

inilah Ekshibit bertanda .....  
Yang disebutkan di dalam Akuan  
Berkasun / Affidavit .....  
yang diikrarkan pada .....  
07 FEB 2011  
Pesuruhjaya Sumpah



No. 53-3-05,  
JALAN SULTAN AHMAD SHAH,  
MBF TOWER,  
10050 PULAU PINANG

**PRIDAMAN SDN. BHD.**

(Company No. 614370-M)

(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

|   | NOTE | 2010<br>RM            | 2009<br>RM           |
|---|------|-----------------------|----------------------|
| <b>REVENUE</b>                                  | 12   | 197,000               | 0                    |
| <b>COST OF SALES</b>                            |      | <u>159,047</u>        | <u>0</u>             |
| <b>GROSS PROFIT</b>                             |      | 37,953                | 0                    |
| <b>OTHER ITEMS OF INCOME</b>                    |      |                       |                      |
| Interest income                                 | 13   | 3,861                 | 49,579               |
| Other income                                    |      | 500                   | 600                  |
| <b>OTHER ITEMS OF EXPENSE</b>                   |      |                       |                      |
| Administrative expenses                         |      | (51,887)              | (14,413)             |
| <b>(LOSS)/PROFIT BEFORE TAX</b>                 | 14   | <u>(9,573)</u>        | <u>35,766</u>        |
| Tax expense                                     | 15   | (131)                 | (8,497)              |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>YEAR</b> |      | <u><u>(9,704)</u></u> | <u><u>27,269</u></u> |

The annexed notes form part of the financial statements.

**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

|                                  |             | <b>Share<br/>capital<br/>RM</b> | <b><u>Distributable</u><br/>Retained<br/>profits<br/>RM</b> | <b>Total<br/>RM</b> |
|----------------------------------|-------------|---------------------------------|---|---------------------|
|                                  | <b>NOTE</b> |                                 |   |                     |
| At 1 January 2009                |             | 250,000                         | 2,578,971   | 2,828,971           |
| Profit for the financial<br>year |             | 0                               | 27,269  | 27,269              |
| Dividend                         | 16          | 0                               | (2,000,000)   | (2,000,000)         |
| At 31 December 2009              |             | <u>250,000</u>                  | <u>606,240</u>  | <u>856,240</u>      |
| At 1 January 2010                |             | 250,000                         | 606,240   | 856,240             |
| Loss for the financial<br>year   |             | 0                               | (9,704)   | (9,704)             |
| Issuance of shares               | 10          | 250,000                         | 0   | 250,000             |
| Dividend                         | 16          | 0                               | (200,000)   | (200,000)           |
| At 31 December 2010              |             | <u>500,000</u>                  | <u>396,536</u>  | <u>896,536</u>      |

The annexed notes form part of the financial statements.

**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

|  | <b>2010</b> | <b>2009</b> |
|--|-------------|-------------|
|  | <b>RM</b>   | <b>RM</b>   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>     |             |             |
| (Loss)/Profit before tax                       | (9,573)     | 35,766      |
| Adjustments for:                               |             |             |
| Depreciation                                   | 539         | 540         |
| Interest income                                | (3,861)     | (49,579)    |
| Operating loss before working capital changes  | (12,895)    | (13,273)    |
| Land held for property development             | (9,126,624) | 0           |
| Inventories                                    | 159,047     | 0           |
| Receivables and deposits                       | 1,615       | 742,048     |
| Payables                                       | 3,749,000   | (300,029)   |
|  | (5,229,857) | 428,746     |
| Interest received                              | 3,861       | 49,579      |
| Tax paid                                       | (3,600)     | (33,597)    |
| Net cash flow from operating activities        | (5,229,596) | 444,728     |
| <b>CASH FLOW FROM INVESTING ACTIVITY</b>       |             |             |
| Changes in fixed deposits with a licensed bank | 0           | 20,741      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>     |             |             |
| Dividends paid                                 | (200,000)   | (2,000,000) |
| Proceeds from term loan                        | 6,000,000   | 0           |
| Proceeds from issuance of ordinary shares      | 250,000     | 0           |
| Net cash flow from financing activities        | 6,050,000   | (2,000,000) |

The annexed notes form part of the financial statements.

**PRIDAMAN SDN. BHD.**  
(Company No. 614370-M)  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

|   | <b>2010</b>      | <b>2009</b>    |
|---|------------------|----------------|
|   | <b>RM</b>        | <b>RM</b>      |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                      | 820,404          | (1,534,531)    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b> | 684,418          | 2,218,949      |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>       | <u>1,504,822</u> | <u>684,418</u> |
| Represented by:   |                  |                |
| Fixed deposits with a licensed bank                                 | 0                | 305,127        |
| Bank balances (Note 8)  | <u>1,504,822</u> | <u>379,291</u> |
|   | <u>1,504,822</u> | <u>684,418</u> |

The annexed notes form part of the financial statements.



**PRIDAMAN SDN. BHD.**

(Company No. 614370-M)

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

**1. GENERAL INFORMATION**

The Company is principally involved in property development.

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 12-01 Penthouse, Wisma Pantai, Jalan Wisma Pantai, Kampung Gajah, 12200 Butterworth, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on **07 FEB 2011**

**2. BASIS OF PREPARATION**

The financial statements of the Company are presented in Ringgit Malaysia ("RM") and have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards in Malaysia.

## 2. BASIS OF PREPARATION (CONTINUED)

### (a) Standards, amendments to published standards and interpretations that are effective

Prior to 1 January 2010, the Company adopted Private Entity Reporting Standards in Malaysia. On 1 January 2010, the Company adopted the following Financial Reporting Standards ("FRSs"), amended FRSs and Issues Committee Interpretations ("IC Interpretations") mandatory for financial periods beginning on or after 1 January 2010.

#### FRSs, amendments to FRSs and IC Interpretations

|  |  |
|--|--|
| FRS 1  | First-time Adoption of Financial Reporting Standards   |
| Amendments to FRS 1 and FRS 127                      | Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| FRS 2  | Share-based Payment  |
| Amendments to FRS 2                                  | Share-based Payment Vesting Conditions and Cancellations   |
| FRS 3  | Business Combinations  |
| FRS 5  | Non-current Assets Held for Sale and Discontinued Operations   |
| FRS 7  | Financial Instruments: Disclosures   |
| Amendments to FRS 139, FRS 7 and IC Interpretation 9 | Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives                                    |
| FRS 8  | Operating Segments   |
| FRS 101  | Presentation of Financial Statements   |
| FRS 102  | Inventories  |
| FRS 107  | Statement of Cash Flows (formerly known as Cash Flow Statements)   |
| FRS 108  | Accounting Policies, Changes in Accounting Estimates and Errors  |
| FRS 110  | Events after the Reporting Period (formerly known as Events after the Balance Sheet Date)  |
| FRS 112  | Income Taxes   |
| FRS 116  | Property, Plant and Equipment  |
| FRS 117  | Leases   |

## 2. BASIS OF PREPARATION (CONTINUED)

### (a) Standards, amendments to published standards and interpretations that are effective (Continued)

#### FRSs, amendments to FRSs and IC Interpretations (Continued)

|                                     |  |
|-------------------------------------|--|
| FRS 118                             | Revenue  |
| FRS 119                             | Employee Benefits  |
| FRS 120                             | Accounting for Government Grants and Disclosure of Government Assistance                                   |
| FRS 121                             | The Effects of Changes in Foreign Exchange Rates   |
| Amendment to FRS 121                | The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation                   |
| FRS 123                             | Borrowing Costs  |
| FRS 124                             | Related Party Disclosures  |
| FRS 126                             | Accounting and Reporting by Retirement Benefit Plans   |
| FRS 127 and<br>Amendment to FRS 127 | Consolidated and Separate Financial Statements   |
| FRS 128                             | Investments in Associates  |
| FRS 131                             | Interests in Joint Ventures  |
| FRS 132                             | Financial Instruments: Presentation (formerly known as Financial Instruments: Disclosure and Presentation) |
| Amendments to FRS 132               | Financial Instruments: Presentation  |
| FRS 133                             | Earnings Per Share   |
| FRS 134                             | Interim Financial Reporting  |
| FRS 136                             | Impairment of Assets   |
| FRS 137                             | Provisions, Contingent Liabilities and Contingent Assets   |
| FRS 138                             | Intangible Assets  |
| FRS 139                             | Financial Instruments: Recognition and Measurement   |
| FRS 140                             | Investment Property  |
| Amendments to FRSs                  | Improvement to FRSs (2009)   |

## 2. BASIS OF PREPARATION (CONTINUED)

### (a) Standards, amendments to published standards and interpretations that are effective (Continued)

#### **FRSs, amendments to FRSs and IC Interpretations (Continued)**

|   |  |
|---|--|
| IC Interpretation 9 and<br>Amendments to IC<br>Interpretation 9 | Reassessment of Embedded Derivatives   |
| IC Interpretation 10  | Interim Financial Reporting and Impairment   |
| IC Interpretation 11  | FRS 2: Group and Treasury Share Transactions   |
| IC Interpretation 13  | Customer Loyalty Programmes  |
| IC Interpretation 14  | FRS 119: The Limit on a Defined Benefit Asset,<br>Minimum Funding Requirements and their Interaction |

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company except for those discussed below:

#### FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Company's financial statements for the financial year ended 31 December 2010.

#### FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

## **2. BASIS OF PREPARATION (CONTINUED)**

### **(a) Standards, amendments to published standards and interpretations that are effective (Continued)**

#### FRS 101 Presentation of Financial Statements (Revised) (Continued)

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

The revised FRS 101 also requires the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital. (See Note 20).

The revised FRS 101 was adopted retrospectively by the Company.

#### FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Company has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. There is no effect arising from the adoption of this Standard.

**2. BASIS OF PREPARATION (CONTINUED)****(b) Standards and Interpretations issued but not yet effective**

At the date of authorisation for issue of these financial statements, the following FRSs, amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Company:

|  |  | <b>Effective for<br/>financial periods<br/>beginning on<br/>or after</b> |
|--|--|--|
| <b>FRSs, amendments to FRSs and IC Interpretations</b> |  |  |
| FRS 1  | First-time Adoption of Financial Reporting Standards                         | 1 July 2010  |
| Amendment to FRS 1                                     | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011   |
| Amendments to FRS 1                                    | Additional Exemptions for First-time Adopters                                | 1 January 2011   |
| Amendments to FRS 2                                    | Share-based Payment  | 1 July 2010  |
| Amendments to FRS 2                                    | Group Cash-settled Share-based Payment Transactions                          | 1 January 2011   |
| FRS 3  | Business Combinations  | 1 July 2010  |
| Amendments to FRS 5                                    | Non-current Assets Held for Sale and Discontinued Operations                 | 1 July 2010  |
| Amendments to FRS 7                                    | Improving Disclosures about Financial Instruments                            | 1 January 2011   |
| FRS 127  | Consolidated and Separate Financial Statements                               | 1 July 2010  |
| Amendments to FRS 132                                  | Financial Instruments: Presentation  | 1 January 2010/<br>1 March 2010  |
| Amendments to FRS 138                                  | Intangible Assets  | 1 July 2010  |
| Amendments to FRSs                                     | Improvement to FRSs (2010)   | 1 January 2011   |
| Amendments to IC Interpretation 9                      | Reassessment of Embedded Derivatives   | 1 July 2010  |
| IC Interpretation 12                                   | Service Concession Arrangements  | 1 July 2010  |
| IC Interpretation 15                                   | Agreements for the Construction of Real Estate                               | 1 January 2012   |
| IC Interpretation 16                                   | Hedges of a Net Investment in a Foreign Operation                            | 1 July 2010  |
| IC Interpretation 17                                   | Distributions of Non-cash Assets to Owners                                   | 1 July 2010  |
| IC Interpretation 18                                   | Transfer of Assets from Customers  | 1 January 2011   |

## 2. BASIS OF PREPARATION (CONTINUED)

### (b) Standards and Interpretations issued but not yet effective (Continued)

Except for the changes in accounting policies arising from the adoption of IC Interpretation 15 and the new disclosures required under the Amendments to FRS 7, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IC Interpretation 15 is disclosed below.

#### IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Company currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Company may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. As at 31 December 2010, there was no revenue arising from property development projects, as such, there is no impact on the implementation of this Interpretation.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies set out below are consistent with those applied in the previous financial year.

#### **3.1 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10.

Depreciation on property, plant and equipment is calculated to write off the cost on a straight line basis over the expected useful lives of the assets concerned. The annual rate of depreciation is as follows:

|           |     |
|-----------|-----|
| Computers | 20% |
|-----------|-----|

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognised in profit or loss.

#### **3.2 Property development activities**

##### **(i) Land held for property development**

Land held for property development consists of land on which no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and costs attributable to development expenditure. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

##### **(ii) Property development costs**

Property development costs comprise of cost of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.



### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.2 Property development activities (Continued)**

##### **(ii) Property development costs (Continued)**

When the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. When the financial outcome of the development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the properties sold are recognised as an expense when incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately. Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is shown as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in profit or loss is shown as progress billings within payables.

#### **3.3 Inventories**

Inventories represents completed properties and are stated at the lower of cost and net realisable value. Cost consist of land cost, direct building costs and other related development cost common to the whole project, including interest expense directly related to finance the development.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses necessary to make sale.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.4 Financial assets**

Financial assets are recognised on the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determine the classification of their financial assets at initial recognition, and the category includes the following receivables:

##### **(i) Receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the receivables are impaired, and through the amortisation process. The policy for the recognition and measurement of impairment is in accordance with Note 3.11.

Receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

#### **3.5 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fixed deposits with licensed banks which are pledged as security for banking facilities are not included as cash and cash equivalents.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.6 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument and the category includes the following payables:

##### **(i) Payables**

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **3.7 Share capital**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

#### **3.8 Income tax**

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.8 Income tax (Continued)**

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

#### **3.9 Revenue**

Revenue from sales of properties is accounted for by the stage of completion method as described in Note 3.2.

Interest income is recognised on a time proportion basis.

Dividend income is recognised when the Company's right to receive payment is established.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.10 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amount of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in used, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in profit or loss immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

#### **3.11 Impairment of financial assets**

The Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.11 Impairment of financial assets (Continued)**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable become uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

### **4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

There are no key assumptions concerning the future, and other sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

## 5. PROPERTY, PLANT AND EQUIPMENT

|                                    | <b>Computers</b>  |
|------------------------------------|-------------------|
| <b>At cost</b>                     |                   |
| At 1 January 2010/31 December 2010 | <u>2,700</u>      |
| <b>Accumulated depreciation</b>    |                   |
| At 1 January 2010                  | 2,160             |
| Current charge                     | <u>539</u>        |
| At 31 December 2010                | <u>2,699</u>      |
| <b>Net book value</b>              |                   |
| At 31 December 2010                | <u><u>1</u></u>   |
| <b>Net book value</b>              |                   |
| At 31 December 2009                | <u><u>540</u></u> |

## 6. LAND HELD FOR PROPERTY DEVELOPMENT [2010 ONLY]

|                     | <b>RM</b>               |
|---------------------|-------------------------|
| <b>At cost:</b>     |                         |
| - Freehold land     | 8,697,721               |
| - Development costs | <u>428,903</u>          |
|                     | <u><u>9,126,624</u></u> |

The freehold land has been pledged as security for a term loan (Note 11).

## 7. INVENTORIES

Inventories represent completed properties stated at cost.

## 8. BANK BALANCES

Included in the bank balances is an amount of RM Nil (2009: RM257,543) maintained under the Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Development (Housing Development Account) Regulations 1991 in connection with the Company's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchases, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

## 9. PAYABLES

|                              | 2010<br>RM       | 2009<br>RM   |
|------------------------------|------------------|--------------|
| Amount owing to shareholders | 3,750,000        | 0            |
| Deposit received             | 0                | 1,000        |
| Accrual                      | 1,000            | 1,000        |
|                              | <u>3,751,000</u> | <u>2,000</u> |

The amount owing to shareholders is unsecured, non-interest bearing and repayable on demand.

## 10. SHARE CAPITAL

|  | 2010<br>RM     | 2009<br>RM     |
|--|----------------|----------------|
| <b>Authorised</b>                        |                |                |
| 500,000 ordinary shares of RM1 each      | <u>500,000</u> | <u>500,000</u> |
| <b>Issued and fully paid</b>             |                |                |
| Ordinary shares of RM1 each              |                |                |
| At 1 January 2010/2009                   | 250,000        | 250,000        |
| Issued during the financial year, at par | <u>250,000</u> | <u>0</u>       |
| At 31 December 2010/2009                 | <u>500,000</u> | <u>250,000</u> |



# 11. TERM LOAN [2010 ONLY]

| Secured                 | RM               |
|-------------------------|------------------|
| Representing term loan: |                  |
| - current               | 0                |
| - non-current           | 6,000,000        |
|                         | <u>6,000,000</u> |

The term loan of the Company is repayable as follows:

|  |                  |
|--|------------------|
| - not later than 1 year                        | 0                |
| - later than 1 year and not later than 5 years | 6,000,000        |
|  | <u>6,000,000</u> |

The term loan is secured and covered by way of:

- A legal charge over a piece of the Company's development land as disclosed in Note 6 to the financial statements; and
- Joint and several guarantee by the Directors.

The term loan bears interest at the rate of 6.30% per annum.

# 12. REVENUE

Revenue represents sales of completed development properties.

# 13. INTEREST INCOME

|                             | 2010<br>RM   | 2009<br>RM    |
|-----------------------------|--------------|---------------|
| Interest on fixed deposits  | 1,303        | 19,481        |
| Interest on HDA             | 2,558        | 3,239         |
| Interest on stakeholder sum | 0            | 26,859        |
|                             | <u>3,861</u> | <u>49,579</u> |

#### 14. (LOSS)/PROFIT BEFORE TAX

|  | 2010<br>RM | 2009<br>RM |
|--|------------|------------|
| (Loss)/Profit before tax is arrived at after charging: |            |            |
| Audit fee  |            |            |
| - current year   | 1,000      | 1,000      |
| - overprovision in respect of prior year               | (200)      | (700)      |
| Depreciation   | 539        | 540        |

#### 15. TAX EXPENSE

|  | 2010<br>RM     | 2009<br>RM    |
|--|----------------|---------------|
| The major components of the tax expense are:                     |                |               |
| Current tax expense based on profit for the financial year       | 0              | 7,100         |
| Underprovision of tax expense in respect of prior financial year | 131            | 1,397         |
|  | <u>131</u>     | <u>8,497</u>  |
| Reconciliation of tax expense and accounting (loss)/profit:      |                |               |
| Accounting (loss)/profit before tax                              | <u>(9,573)</u> | <u>35,766</u> |
| Tax at the applicable tax rate of 25%                            | (2,400)        | 8,900         |
| Tax effect of:   |                |               |
| - expenses not deductible for tax purposes                       | 600            | 600           |
| - different tax rate for first RM500,000 of chargeable income    | 0              | (1,800)       |
| - utilisation of deferred tax assets previously not recognised   | 0              | (600)         |
| Deferred tax assets not recognised during the year               | 1,800          | 0             |
| Underprovision of tax expense in respect of prior financial year | 131            | 1,397         |
| Tax expense for the financial year                               | <u>131</u>     | <u>8,497</u>  |

## 15. TAX EXPENSE (CONTINUED)

The Malaysian Budget 2008 introduced a single tier income tax system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on 1 January 2008 whilst companies with tax credit are given an irrevocable option to elect for a switch to the new system during the transitional period of six years. All the companies will be in the new system on 1 January 2014. Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders.

The Company did not elect for the irrevocable option to switch to the new system. Accordingly, during the transitional period, the Company may utilise the credit in Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Malaysian Budget 2008. As at 31 December 2010, the Company has sufficient tax credit in Section 108 to pay franked dividends amounting to approximately RM222,696 out of its retained profits. If the balance of the retained profit of RM173,840 were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

## 16. DIVIDEND

Dividends declared was as follows:

|   | Gross<br>dividend<br>per share<br>RM | Amount of<br>dividend<br>RM |
|---|--------------------------------------|-----------------------------|
| <b>31 December 2010</b>                         |                                      |                             |
| Interim dividend, less 25% of income tax        | 1.07                                 | 200,000                     |
| <b>31 December 2009</b>                         |                                      |                             |
| Interim dividend, less 25% of income tax        | 5.33                                 | 1,000,000                   |
| Second interim dividend, less 25% of income tax | 5.33                                 | 1,000,000                   |
|   |                                      | <u>2,000,000</u>            |

## 17. DEFERRED TAX ASSET

The estimated amount of deferred tax asset calculated at the applicable tax rate which has not been recognised in the financial statements is as follows:

|                               | 2010<br>RM   | 2009<br>RM   |
|-------------------------------|--------------|--------------|
| <b>Subject to income tax:</b> |              |              |
| Property, plant and equipment | 2,100        | 2,100        |
| Unabsorbed business loss      | 1,800        | 0            |
|                               | <u>3,900</u> | <u>2,100</u> |

## **18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agree policies and procedures for the management of these risks, which are executed by the Managing Director and Executive Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from variable interest rate term loan.

As at the reporting date, the Company did not engage any interest hedging instruments in respect of such interest rate fluctuations.

## 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets, cash and bank balances, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sales and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments have been made. This is the normal industry practice currently.

### Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

| As at 31.12.2010                         |                                       |                            |                  |
|--|---------------------------------------|----------------------------|------------------|
|  | On demand or<br>within one year<br>RM | One to<br>five years<br>RM | Total<br>RM      |
| <b>Financial liabilities</b>             |                                       |                            |                  |
| Payables                                 | 3,751,000                             | 0                          | 3,751,000        |
| Term loan                                | 0                                     | 6,000,000                  | 6,000,000        |
| Total undiscounted financial liabilities | <u>3,751,000</u>                      | <u>6,000,000</u>           | <u>9,751,000</u> |

## 19. FINANCIAL INSTRUMENTS

### Financial assets

The Company's principal financial assets are bank balances and deposits.

The accounting policies applicable to the major financial assets are as disclosed in Note 3 to the financial statements.

### Financial liabilities and equity instruments

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the amount of the proceeds received.

The Company's principal financial liabilities are amount owing to shareholders, deposit received, accrual and term loan.

### Fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

|                         | <u>Note</u> |
|-------------------------|-------------|
| Payables (current)      | 9           |
| Term loan (non-current) | 11          |

The carrying amounts of these liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

## 20. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial year ended 31 December 2010.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep the gearing ratio within 100%. The Company includes within net debt, term loan less cash and cash equivalents.

|                                 | 2010<br>RM       |
|---------------------------------|------------------|
| Term loan                       | 6,000,000        |
| Less: Cash and cash equivalents | (1,504,822)      |
| Net debt                        | 4,495,178        |
| Total capital                   | 896,536          |
| Capital and debt                | <u>5,391,714</u> |
| Gearing ratio                   | 0.83             |



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRIDAMAN SDN. BHD.**

(Company No. 614370-M)  
(Incorporated in Malaysia)

**UHY** (AF1411)  
**Chartered Accountants**  
51-21-F, Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia.

Phone +60 4 227 6888  
Fax +60 4 229 8118  
Email [uhyppg@uhy.com.my](mailto:uhyppg@uhy.com.my)  
Web [www.uhy.com.my](http://www.uhy.com.my)

**Report on the Financial Statements**

We have audited the financial statements of **PRIDAMAN SDN. BHD.**, which comprise the statement of financial position as at **31 December 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 35.

*Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

A member of UHY, an international association of independent accounting and consulting firms

KUALA LUMPUR Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City,  
Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

JOHOR BAHRU 19-01, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru, Malaysia. Phone +60 7 222 2828 Fax +60 7 222 2829

Phone +60 3 2279 3088 Fax +60 3 2279 3099



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PRIDAMAN SDN. BHD. (CONTINUED)**

(Company No. 614370-M)

(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

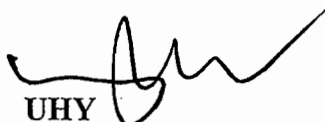
In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at **31 December 2010** and of its financial performance and cash flows for the financial year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY

No. AF-1411

Chartered Accountants

Penang

Dated : 07 FEB 2011



KOAY THEAM HOCK

No. 2141/04/11 (J)

Chartered Accountant

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**INFORMATION ON IKHTIAR BITARA**


---

**1. HISTORY AND BUSINESS**

Ikhtiar Bitara was incorporated in Malaysia as a private limited company under the Act on 15 May 2006. Ikhtiar Bitara is principally involved in property development and there has been no significant change in the nature of its principal activity since its incorporation. However, Ikhtiar Bitara has not commenced its operations since incorporation as Ikhtiar Bitara has not identified any viable property development project for its land.

Currently, Ikhtiar Bitara owns a piece of land known as Lot Nos. 829, 830, 832 and 833, GM Nos. 722, 723, 526 and 724 respectively, Mukim 4, Seberang Perai Tengah, Pulau Pinang measuring a total area of approximately 121,663 sf (or about 2.79 acres) held for residential development. Please refer to Section 2.3 of Part A of this Circular for the details of the proposed development of the said land.

Ikhtiar Bitara does not own any other assets or businesses outside its principal activity.

**2. SHARE CAPITAL****2.1 Authorised, and issued and paid-up share capital**

The authorised, and issued and paid-up share capital of Ikhtiar Bitara as at the LPD are as follows:

| Type                             | No. of ordinary shares | Par value (RM) | Amount (RM) |
|----------------------------------|------------------------|----------------|-------------|
| Authorised share capital         | 100,000                | 1.00           | 100,000     |
| Issued and paid-up share capital | 100,000                | 1.00           | 100,000     |

**3. SUBSTANTIAL SHAREHOLDERS**

The substantial shareholders of Ikhtiar Bitara and their respective shareholdings as at the LPD are as follows:

| Name of shareholders      | Nationality/Country of incorporation | Direct                       |       | Indirect                     |       |
|---------------------------|--------------------------------------|------------------------------|-------|------------------------------|-------|
|                           |                                      | No. of Ikhtiar Bitara Shares | %     | No. of Ikhtiar Bitara Shares | %     |
| Siti Shikha Binti Zakaria | Malaysian                            | 72,000                       | 72.00 | -                            | -     |
| Siram Permai              | Malaysia                             | 25,000                       | 25.00 | -                            | -     |
| Ir. Teh Kiak Seng         | Malaysian                            | -                            | -     | <sup>(1)</sup> 25,000        | 25.00 |

(1) Deemed interested by virtue of his shareholdings in Siram Permai pursuant to Section 6A of the Act.

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#### 4. BOARD OF DIRECTORS

The Board of Directors of Ikhtiar Bitara and their respective shareholdings as at the LPD are as follows:

| Name of Directors | Nationality | Designation | Direct                             |      | Indirect                           |       |
|-------------------|-------------|-------------|------------------------------------|------|------------------------------------|-------|
|                   |             |             | No. of<br>Ikhtiar Bitara<br>Shares | %    | No. of<br>Ikhtiar Bitara<br>Shares | %     |
| Ir. Teh Kiak Seng | Malaysian   | Director    | -                                  | -    | <sup>(1)</sup> 25,000              | 25.00 |
| Loo Ai Ting       | Malaysian   | Director    | 2,000                              | 2.00 | -                                  | -     |
| Jali Bin Mahmud   | Malaysian   | Director    | 1,000                              | 1.00 | -                                  | -     |

(1) Deemed interested by virtue of his shareholdings in Siram Permai pursuant to Section 6A of the Act.

#### 5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, there is no material commitments and contingent liabilities incurred or known to be incurred which upon becoming enforceable may have an impact on the profits or NA of Ikhtiar Bitara.

#### 6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, Ikhtiar Bitara does not have any subsidiaries or associated companies.

#### 7. SUMMARY OF FINANCIAL INFORMATION

The financial information of Ikhtiar Bitara based on the audited financial statements of Ikhtiar Bitara for the past three (3) years are as follows:

| Ikhtiar Bitara               | Audited FYE 31 October |              |              |
|------------------------------|------------------------|--------------|--------------|
|                              | 2008<br>(RM)           | 2009<br>(RM) | 2010<br>(RM) |
| Turnover                     | -                      | -            | -            |
| Loss before tax but after MI | (6,486)                | (6,020)      | (6,156)      |
| LAT and MI                   | (6,615)                | (6,080)      | (6,154)      |
| Gross LPS (RM)               | (0.06)                 | (0.06)       | (0.06)       |
| Net LPS (RM)                 | (0.07)                 | (0.06)       | (0.06)       |
| Paid-up share capital        | 100,000                | 100,000      | 100,000      |
| Shareholders' funds/NA       | 97,646                 | 91,566       | 85,412       |
| NA per share (RM)            | 0.98                   | 0.92         | 0.85         |
| Current ratio (times)        | 0.01                   | 0.01         | 0.02         |
| Total borrowings             | -                      | -            | -            |
| Gearing ratio (times)        | -                      | -            | -            |

Ikhtiar Bitara has yet to commence its development business for the financial years under review. As such, there was no major fluctuation for the financial years under review.

There is no peculiar accounting policy adopted by Ikhtiar Bitara during the financial years under review. There has also been no audit qualification on the financial statements of Ikhtiar Bitara during the financial years under review.

**8. AUDITED FINANCIAL STATEMENTS**

The audited financial statements (together with the notes to the financial statements) and the Auditors' Report thereon of Ikhtiar Bitara for the FYE 31 October 2010 are attached in the ensuing pages.

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**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2010**

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

|                                |   |  |
|--------------------------------|---|--|
| BOARD OF DIRECTORS             | : | Loo Ai Ting<br>Teh Kiak Seng<br>Jali Bin Mahmud  |
| SECRETARIES                    | : | Dato' Lee Wei Keat<br>Lee Phay Chian   |
| AUDITORS                       | : | GW Soon & Partners   |
| BANKER                         | : | Public Bank Berhad   |
| REGISTERED OFFICE              | : | 6623 & 6627, Jalan Mengkuang,<br>12200 Butterworth,<br>Pulau Pinang                              |
| PRINCIPAL PLACE<br>OF BUSINESS | : | 7135 First Floor,<br>Jalan Bagan Jermal,<br>Taman Bintang,<br>12300 Butterworth,<br>Pulau Pinang |

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2010**

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 October 2010.

**PRINCIPAL ACTIVITY**

The company has not yet commenced the business operation during the year and has intention to engage in property development.

**RESULTS**

RM

Net loss for the year

6,154**DIVIDENDS**

No dividend was paid or declared by the Company since the end of the previous year and the directors do not recommend any dividend for the current financial year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from the reserve and provision accounts during the year under review.

**DIRECTORS OF THE COMPANY**

Directors who served since the date of the last report are :

Loo Ai Ting

Jali Bin Mahmud

Teh Kiak Seng

Koay Kean Eng

Loo Chong Hee

Siti Shikha Binti Zakaria

(Appointed on 07.05.2010)

(Appointed on 07.05.2010; Resigned on 05.01.2011)

(Resigned on 07.05.2010)

(Resigned on 07.05.2010)

**DIRECTORS' INTEREST IN SHARES**

According to the Register of Directors' Shareholdings, the directors who have interest in the shares of the Company are as follows :-

|                 | Ordinary shares of RM1.00 each |                   |                          |                          |                          |
|-----------------|--------------------------------|-------------------|--------------------------|--------------------------|--------------------------|
|                 | Direct Interest                |                   | Indirect Interest        |                          |                          |
|                 | Balance at<br>01.11.2009       | Bought/<br>(Sold) | Balance at<br>31.10.2010 | Balance at<br>01.11.2009 | Balance at<br>31.10.2010 |
| Loo Ai Ting     | -                              | 1,000             | 1,000                    | -                        | -                        |
| Jali Bin Mahmud | 2,000                          | (1,000)           | 1,000                    | -                        | -                        |
| Teh Kiak Seng   | -                              | -                 | -                        | -                        | 25,000                   |

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**ISSUE OF SHARES**

There were no changes in the issued and paid-up capital of the Company during the year.

**OTHER STATUTORY INFORMATION**

The directors have taken reasonable steps to ascertain that :

- i) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors of the Company are not aware of any circumstances:

- i) that would render the values attributed to the current assets in the financial statements of the Company misleading;
- ii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; and
- iii) not otherwise dealt with in this report or in the financial statements that would render any amount stated in the financial statements of the Company misleading.



At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; and
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liabilities of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, the results of the operations of the Company for the financial year ended 31 October 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

#### AUDITORS

The auditors, Messrs. GW Soon & Partners, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors :



**LOO AI TING**  
Director



**TEH KIAK SENG**  
Director

Butterworth

Date : 28 JAN 2011

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**Statement by directors pursuant to Section 169 (15) of the Companies Act, 1965**

We, LOO AI TING and TEH KIAK SENG, being two of the directors of IKHTIAR BITARA SDN. BHD. state that, in the opinion of the directors, the financial statements of the Company set out on pages 7 to 13 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 October 2010 and of its results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the directors :



**LOO AI TING**

Director



**TEH KIAK SENG**

Director

Butterworth

Date : 28 JAN 2011

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**Declaration pursuant to Section 169 (16) of the Companies Act, 1965**

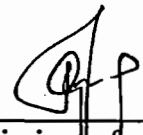
I, LOO AI TING (I/C No. 621028-07-5664), being the director primarily responsible for the financial management of IKHTIAR BITARA SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 7 to 13 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared )  
by the above-named at Butterworth )  
in the state of Pulau Pinang this )  
day of 28 JAN 2011 )



**LOO AI TING**

Before me :

  
Commissioner for Oaths

**LEONG FOO CHONG**

PESURUHJAYA SUMPAH  
6466 B KG. GAJAH,  
12000 BUTTERWORTH.

P081

LEONG FOO CHONG

MALAYSIA

**IKHTIAR BITARA SDN. BHD.**  
(Company No. 733585 - H)  
(Incorporated in Malaysia)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
IKHTIAR BITARA SDN. BHD.**

**Report on the Financial Statements**

We have audited the financial statements of Ikhtiar Bitara Sdn. Bhd., which comprise the balance sheet as at 31 October 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 13.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Head Office :** 1st Floor, 6627, Jalan Mengkuang, 12200 Butterworth, Penang.

**S.P. Office :** 32B, Lorong 24, Taman Patani Jaya, 08000 Sungai Petani, Kedah.

**K.L. Office :** 8-3-1, Jalan 3/50, Diamond Square, Off Jalan Gombak, 53000 Kuala Lumpur.

**BM Office :** 3B, Room 1, Jalan Tembikai, Taman Mutiara, 14000 Bukit Mertajam, Penang.

Tel : 04-3331790 Fax : 04-3321790

Tel : 04-4221790 Fax : 04-3321790

Tel : 03-40228868 Fax : 03-40228869

Tel : 04-5396243 Fax : 04-5306005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
IKHTIAR BITARA SDN. BHD. (Cont'd)**  
(Company No. 733585 - H)  
(Incorporated in Malaysia)

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 October 2010 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



GW Soon & Partners  
Firm No. : AF 1284  
Chartered Accountants



SOON GIM WOON  
Approval No. : 2062/08/12 (J)  
Partner  
Butterworth  
Date : 28 January 2011

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**BALANCE SHEET AS AT 31 OCTOBER 2010**

|                                | Note | 2010<br>RM  | 2009<br>RM  |
|--------------------------------|------|-------------|-------------|
| LAND HELD FOR DEVELOPMENT      | 3    | 1,469,408   | 1,452,818   |
| <b>CURRENT ASSETS</b>          |      |             |             |
| Cash at bank                   |      | 23,715      | 7,178       |
|                                |      | 23,715      | 7,178       |
| <b>CURRENT LIABILITIES</b>     |      |             |             |
| Other payables                 | 4    | 1,407,711   | 1,368,290   |
| Provision for taxation         |      | -           | 140         |
|                                |      | 1,407,711   | 1,368,430   |
| <b>NET CURRENT LIABILITIES</b> |      | (1,383,996) | (1,361,252) |
|                                |      | 85,412      | 91,566      |
| <i>Financed by :-</i>          |      |             |             |
| <b>SHARE CAPITAL</b>           | 5    | 100,000     | 100,000     |
| <b>RESERVE</b>                 |      | (14,588)    | (8,434)     |
| <b>SHAREHOLDERS' FUNDS</b>     |      | 85,412      | 91,566      |

*The notes set out on pages 11 to 13 form an integral part of,  
and should be read in conjunction with, these financial statements.*

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2010**

|                          | Note | 2010<br>RM | 2009<br>RM |
|--------------------------|------|------------|------------|
| REVENUE                  |      | -          | -          |
| Cost of sales            |      | -          | -          |
| GROSS PROFIT             |      | -          | -          |
| Administrative expenses  |      | (5,784)    | (5,153)    |
| Other operating expenses |      | (372)      | (1,150)    |
| OPERATING LOSS           | 6    | (6,156)    | (6,303)    |
| Other income             |      | -          | 283        |
| LOSS BEFORE TAX          |      | (6,156)    | (6,020)    |
| Tax income/(expense)     | 7    | 2          | (60)       |
| NET LOSS FOR THE YEAR    |      | (6,154)    | (6,080)    |

*The notes set out on pages 11 to 13 form an integral part of,  
and should be read in conjunction with, these financial statements.*

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2010**

|                       | Share<br>capital<br>RM | Accumulated<br>losses<br>RM | Total<br>RM |
|-----------------------|------------------------|-----------------------------|-------------|
| At 1 November 2008    | 100,000                | (2,354)                     | 97,646      |
| Net loss for the year | -                      | (6,080)                     | (6,080)     |
| At 31 October 2009    | 100,000                | (8,434)                     | 91,566      |
| Net loss for the year | -                      | (6,154)                     | (6,154)     |
| At 31 October 2010    | 100,000                | (14,588)                    | 85,412      |

*The notes set out on pages 11 to 13 form an integral part of,  
and should be read in conjunction with, these financial statements.*



**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2010**

|  | 2010<br>RM | 2009<br>RM |
|--|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |            |            |
| Operating loss before working capital changes          | (6,156)    | (6,020)    |
| Increase/(Decrease) in payables                        | 39,421     | (323)      |
| Cash generated from/(used in) operating activities     | 33,265     | (6,343)    |
| Tax paid   | (138)      | (2,749)    |
| Net cash generated from/(used in) operating activities | 33,127     | (9,092)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |            |            |
| Additions to land held for future development          | (16,590)   | -          |
| Net cash used in investing activities                  | (16,590)   | -          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>            | -          | -          |
| Net increase/(decrease) in cash and cash equivalents   | 16,537     | (9,092)    |
| Cash and cash equivalents at beginning of year         | 7,178      | 16,270     |
| Cash and cash equivalents at end of year               | 23,715     | 7,178      |

*The notes set out on pages 11 to 13 form an integral part of,  
and should be read in conjunction with, these financial statements.*

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS****1. PRINCIPAL ACTIVITY**

The company has not yet commenced the business operation during the year and has intention to engage in property development.

**2. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

The financial statements of the Company are prepared under the historical cost convention and in compliance with Private Entity Reporting Standards in Malaysia.

**(b) Land Held for Development**

Land held for future development are those which are not expected to be developed for sale within the next twelve months and are stated at cost. Cost includes land cost and related costs incurred subsequent to the acquisition. Interest costs on specific and identifiable borrowings to acquire the land are capitalised and carried forward as part of the cost of development.

When such land is converted for its intended use, the carrying value of the land is transferred to non-current development properties.

**(c) Taxation**

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the period.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefit is only recognised when there is a reasonable expectation of realisation in the near future.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

## 3. LAND HELD FOR DEVELOPMENT

|                                      | 2010<br>RM       | 2009<br>RM       |
|--------------------------------------|------------------|------------------|
| Balance at beginning of the year     |                  |                  |
| - Freehold land                      | 1,338,300        | 1,338,300        |
| - Development costs                  | 114,518          | 113,828          |
|                                      | <u>1,452,818</u> | <u>1,452,128</u> |
| Add : Costs incurred during the year |                  |                  |
| - Freehold land                      | -                | -                |
| - Development costs                  | 16,590           | 690              |
| Balance at end of the year*          | <u>1,469,408</u> | <u>1,452,818</u> |
| * This amount comprises :            |                  |                  |
| Land cost                            | 1,338,300        | 1,338,300        |
| Other outgoings                      | 131,108          | 114,518          |
|                                      | <u>1,469,408</u> | <u>1,452,818</u> |

## 4. OTHER PAYABLES

Included in the above are amounts of RM10,800 (2009 : RM1,366,491) and RM351,623 (2009 : RM Nil) owing to certain directors and an affiliated company respectively.

Both amounts are unsecured, interest-free and have no fixed terms of repayment.

## 5. SHARE CAPITAL

|                             | 2010<br>RM     | 2009<br>RM     |
|-----------------------------|----------------|----------------|
| Authorised :                |                |                |
| Shares of RM1 each          | <u>100,000</u> | <u>100,000</u> |
| Issued and Fully Paid :     |                |                |
| Ordinary shares of RM1 each | <u>100,000</u> | <u>100,000</u> |

## 6. OPERATING LOSS

|                                  | 2010<br>RM | 2009<br>RM |
|----------------------------------|------------|------------|
| Operating loss is arrived at :   |            |            |
| After charging :                 |            |            |
| Auditors' remuneration           | 1,100      | 900        |
| Directors' emoluments            | -          | 3,000      |
| and crediting :                  |            |            |
| Interest income on fixed deposit | <u>-</u>   | <u>283</u> |

The number of employees (excluding directors) of the Company at the end of the year was Nil (2009: Nil)

## 7. TAX (INCOME)/EXPENSE

|                               | 2010<br>RM | 2009<br>RM |
|-------------------------------|------------|------------|
| Current tax expense           |            |            |
| Based on results for the year | -          | 60         |
| Over provision in prior year  | (2)        | -          |
|                               | (2)        | 60         |
| Deferred tax expense          | -          | -          |
|                               | (2)        | 60         |

## Reconciliation of effective tax expenses

|  | 2010<br>RM | 2009<br>RM |
|--|------------|------------|
| Loss before tax  | (6,156)    | (6,020)    |
| Taxation at the statutory income tax rate of 20%       | (1,230)    | (1,200)    |
| Tax effect on expenses not deductible for tax purposes | 1,230      | 1,260      |
| Over provision in prior year                           | (2)        | -          |
| Tax (income)/expense for the year                      | (2)        | 60         |

## 8. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year's presentation.

**IKHTIAR BITARA SDN. BHD.**

(Company No. 733585 - H)

(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2010**

|                                  | 2010<br>RM | 2009<br>RM |
|----------------------------------|------------|------------|
| REVENUE                          | -          | -          |
| COST OF SALES                    | -          | -          |
| GROSS PROFIT                     | -          | -          |
| OTHER INCOME                     |            |            |
| Fixed deposit interest received  | -          | 283        |
|                                  | -          | 283        |
| LESS : OPERATING EXPENDITURE     |            |            |
| <i>ADMINISTRATIVE EXPENSES</i>   |            |            |
| Audit fee                        | 1,100      | 900        |
| Directors' allowance             | -          | 3,000      |
| Filing fee                       | 460        | -          |
| Printing and stationery          | 651        | -          |
| Secretarial and disbursement fee | 2,173      | 498        |
| Tax compliance fee               | 1,400      | 755        |
|                                  | 5,784      | 5,153      |
| <i>OTHER OPERATING EXPENSES</i>  |            |            |
| Bank charges                     | 40         | -          |
| Compound                         | 10         | 150        |
| Entertainment                    | 122        | -          |
| Red packet                       | -          | 1,000      |
| Sundry expenses                  | 200        | -          |
|                                  | 372        | 1,150      |
| LOSS FOR THE YEAR                | (6,156)    | (6,020)    |

*This statement has been included for management use only and  
does not form part of the audited statutory financial statements of the Company.*

## VALUATION CERTIFICATE ON THE LAND OWNED BY PRIDAMAN

**HENRY BUTCHER MALAYSIA**

Our Ref: V/BW/YHSB/11 (YIF)

Date: 8<sup>th</sup> February 2011**The Board of Directors**

M/s Tambun Indah Land Berhad  
51-21-A, Menara BHL Bank,  
Jalan Sultan Ahmad Shah,  
10050 Penang.

Dear Sirs,

**VALUATION CERTIFICATE OF A PARCEL OF DEVELOPMENT LAND LOCATED ALONG JALAN KEBUN BARU, JURU, IDENTIFIED AS LOT 699, HELD UNDER GM 100, MUKIM 13, SEBERANG PERAI TENGAH, PULAU PINANG WITH A LAND AREA OF 35,132.3757 SQUARE METRES (OR 378,161 SQUARE FEET).**

This valuation certificate has been prepared for inclusion in the circular to shareholders of Tambun Indah Land Berhad ("Tambun Indah") to be dated ..6..June..2011.....

In accordance with the instructions from Tambun Indah, we have valued the abovementioned property for Tambun Indah vide our Report and Valuation bearing Reference No. V/BW/YHSB/11 (YIF) for the purpose of submission to Bursa Malaysia Securities Berhad pursuant to the proposed acquisition of 500,000 ordinary shares of RM1.00 each in Pridaman Sdn Bhd ("Pridaman") representing the entire issued and paid-up share capital of Pridaman by Tambun Indah from Siram Permai Sdn Bhd, Amal Pintas Sdn Bhd, Sound Vantage Sdn Bhd, Alpha Master (M) Sdn Bhd and Teh Eng Bew for a cash consideration of RM4.65 million.

We have inspected the property on 1<sup>st</sup> February 2011 and this date is taken as the valuation date.

The basis of valuation is the Market Value of the subject property. The Market Value is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. We have valued the property using the Comparison and Residual Methods of Valuation in arriving at the Market Value of the subject property.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission and Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

We confirm that in our opinion the Market Value of the freehold unencumbered interest in its existing physical condition WITH vacant possession using the valuation methods stated above are as follows :-

**HENRY BUTCHER MALAYSIA (SEBERANG PERAI) SDN. BHD.** (226881-H)

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| <b>Identification of Property</b>                 | <p>Our Ref : V/BW/YHSB/11 (YIF)</p> <p>Title No. : GM 100</p> <p>Lot No. : 699</p> <p>Mukim : 13</p> <p>District : Seberang Perai Tengah</p> <p>State : Pulau Pinang</p> <p>Land Area : 35,132.3757 square metres</p> <p>Tenure : Freehold</p> <p>Category of Land Use : Nil</p> <p>Registered Owner : PRIDAMAN SDN. BHD.</p> <p>Express Condition : Grant Mukim First Grade</p> <p>Interest Valued : The legal freehold interest owned by Pridaman Sdn. Bhd.</p>  |                     |                         |                     |                         |   |    |                 |               |                             |   |                 |       |
|---|--|---------------------|-------------------------|---------------------|-------------------------|---|----|-----------------|---------------|-----------------------------|---|-----------------|-------|
| <b>General Description</b>                        | <p>The subject property is a parcel of development land located along Jalan Kebun Baru, Juru, Seberang Perai Tengah, Pulau Pinang. It is situated approximately 22km (13.7 miles) south-east of the Butterworth Ferry Terminal / Bus Station and about 8km (5 miles) south-west of the Bukit Mertajam town centre.</p> <p>The subject site is rectangular in shape and encompassing a land area of approximately 35,132.3757 square metres (8.681 acres).</p> <p>The terrain of the land is generally flat and lies at about the level of the frontage road.</p> <p>During our site inspection, we noted that the subject land is overgrown with bushes and trees.</p> <p>The subject property has been granted with a planning permission by the local authority, Majlis Perbandaran Seberang Perai (MPSP) on 26<sup>th</sup> January 2011 and the proposed development on the subject property as follows:-</p> <table><tr><th>Type</th><th>Units</th><th>Land Area (sq. ft.)</th><th>Built-up Area (sq. ft.)</th></tr><tr><td>1 ½-storey semi-detached light industrial factory</td><td>20</td><td>10,647 – 13,564</td><td>5,795 – 6,552</td></tr><tr><td>1 ½-storey bungalow factory</td><td>2</td><td>15,039 &amp; 15,943</td><td>7,672</td></tr></table> | Type                | Units                   | Land Area (sq. ft.) | Built-up Area (sq. ft.) | 1 ½-storey semi-detached light industrial factory | 20 | 10,647 – 13,564 | 5,795 – 6,552 | 1 ½-storey bungalow factory | 2 | 15,039 & 15,943 | 7,672 |
| Type  | Units  | Land Area (sq. ft.) | Built-up Area (sq. ft.) |                     |                         |   |    |                 |               |                             |   |                 |       |
| 1 ½-storey semi-detached light industrial factory | 20   | 10,647 – 13,564     | 5,795 – 6,552           |                     |                         |   |    |                 |               |                             |   |                 |       |
| 1 ½-storey bungalow factory                       | 2  | 15,039 & 15,943     | 7,672                   |                     |                         |   |    |                 |               |                             |   |                 |       |



### Valuation Methods

We have adopted the **Comparison Method** and counter checked with the **Residual Method** in formulating our opinion of the current Market Value of the subject property.

The Comparison Method is the Market Approach of comparing the subject land with other subject lands that were transacted within the same location or other comparable localities. In comparing these, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

The Residual Method of valuation involves the computation of the development value of the project, and deducting there from all expenses and costs to complete the project including a margin for developer's profit. The remainder or residual sum is then deferred over the period of time required for the completion of the project to arrive at the Market Value.

### METHOD OF VALUATION I – COMPARISON METHOD

Our comparables analysis is as per table below:-

| Comparables                        | 1   | 2   | 3   |
|------------------------------------|---|---|---|
| Lot No                             | PT 3228   | Lot 1817 (PT 20)  | Lot 347, 348, 349 & 958   |
| Title No                           | HSD 4563  | HSM 42  | GM 231, 677, 678 & 831  |
| Title                              | Non 1st Grade   | Non 1st Grade   | 1st Grade   |
| Address                            | along Jalan Perusahaan 4, Prai Industrial Estate  | off Jln Permatang Tinggi, Permatang Tinggi  | at Jalan Pengkalan, Bukit Tengah  |
| Source of comparable               | JPPH  | JPPH  | JPPH  |
| Land Area (acres)                  | 2.543   | 4.410   | 2.080   |
| Land Area (sq. ft.)                | 110,773.08  | 192,099.60  | 90,604.80   |
| Tenure                             | Leasehold   | Freehold  | Freehold  |
| Type of Land                       | Vacant Industrial Land  | Vacant Industrial Land  | Vacant Industrial Land  |
| Zoning and Surrounding Development | Industrial  | Industrial  | Industrial  |
| Share Transacted                   | 1.00  | 1.00  | 1.00  |
| Transacted Price                   | 2,879,656.00  | 3,200,000.00  | 2,219,817.00  |
| Transaction Date                   | 30th June 2009  | 15th January 2010   | 5th August 2009   |
| Analyzed per sq. ft.               | 26.00   | 16.66   | 24.50   |
| Adjustments                        | Positive adjustments made for time, tenure, title and final stage of planning permission.<br><br>Negative adjustments made for size and location. | Positive adjustments made for location, title and final stage of planning permission.<br><br>Negative adjustment made for size. | Positive adjustments made for time and final stage of planning permission.<br><br>Negative adjustments made for size. |
| <b>Adjusted Land Value psf</b>     | <b>27.17</b>  | <b>24.99</b>  | <b>22.91</b>  |

#### Note:

Having considered the above, we have chosen Comparable 2 as it is the most recent sale transaction and located nearest to the subject property. We have rounded up the land value to RM25 psf as the Market Value for the subject property.

The subject property was purchase at RM8,697,720.95 with vacant possession or analyzed at RM23 per square feet vide Sale & Purchase Agreement dated 11<sup>th</sup> June 2010. However, we have adopted the land value at RM25 per square feet due to the positive adjustment for time factor and the planning permission factor.

The market value deriving from Comparison Method is **RM9,450,000/-** (Ringgit Malaysia: Nine Million Four Hundred and Fifty Thousand Only).





## **METHOD OF VALUATION II – RESIDUAL METHOD**

We have counter checked the market value of the subject property with the “Residual Method” of valuation.

### **Justification on the Residual Method of Valuation**

1. The date of valuation is taken as at 1<sup>st</sup> February 2011.
2. The Gross Development Value (GDV) is estimated as RM30,707,355/-

| Type of Development                               | Selling Price Per Unit         | Estimated Total Sales Value | Justification  |
|---|--------------------------------|-----------------------------|--|
| 1 ½-storey semi-detached light industrial factory | RM1,266,840 to<br>RM1,539,160  | RM27,157,655                | We have adopted the selling price based on the transaction prices of similar properties in immediate vicinity:-  |
| 1 ½-storey bungalow factory                       | RM1,743,210 and<br>RM1,806,490 | RM3,549,700                 | 1) 2 adjoining units of 1 ½-storey semi-detached light industrial factory at Kawasan Industri Beringin, Juru was transacted at RM2,200,000 on 11/6/2010. |
| <b>Total</b>                                      |                                | <b>RM30,707,355</b>         | 2) 2 adjoining units of 1 ½-storey semi-detached light industrial factory at Taman Nagasari, Prai was transacted at RM1,780,000 on 03/06/2010.           |

3. The factor of bumiputra quota and discount are 30% quota and 5% discount as extracted from the Planning Permission Approval Letter dated 26<sup>th</sup> January 2011.
4. Total Gross Development Cost (GDC) is adopted at RM20,353,637/- inclusive 15% of developer’s profit.
5. The predevelopment cost of this project is as follow:-

| Items                     | Rate Adopted                               | Justifications   |
|---------------------------|--|--|
| Site Clearing & Earthwork | RM83,500 per acre                          | Cost of site clearing is taken at RM3,500 per acre and costs of earthwork is at RM80,000 per acre.   |
| Infrastructure            | RM2,033,248 (20% of the construction cost) | We have adopted the rate of 20% of the construction cost for the infrastructure which include road and drainage works, external street lightings and Telekom works, external sewer and plumbing works and TNB sub-station. |

Cost adopted is based on industry average cost as per our research and enquiries made with developer.

6. The construction cost adopted are as follow:-

| Item  | Rate Adopted | Justification  |
|---|--------------|--|
| 1 ½-storey semi-detached light industrial factory | RM70 psf     | The building costs are based on industry average costs by referring to the Jurukur Bahan Malaysia Construction Cost Handbook Malaysia 2009 and counter check with Quantity Surveyors. The building cost is based on the new construction cost of a similar building. |
| 1 ½-storey bungalow factory                       | RM70 psf     |  |
|   |              | We have also counter checked the estimated cost with the previous project’s expenditure by the client.   |



7. Other costs adopted are as follow:-

| Item               | Rate Adopted   | Justification   |
|--------------------|----------------|---|
| Financing Cost     | 8.3% per annum | <p>Bridging finance is taken at 30% of the building and infrastructure costs at 8.3% interest rate for 1.5 years (BLR 6.3% + 2%).</p> <p>We have checked with a few local banks such as EON Bank, Public Bank and Maybank, we were given to understand that the average loan interest rate for bridging loan as at 1<sup>st</sup> February 2011 was adopted within the range of BLR + 2%.</p> |
| Developer's Profit | 15% of GDV     | Our verbal checking with some local developers revealed that the developer's profit for medium to medium upper development is generally at the rate of 15% to 20% of GDV.   |
| Development Period | 2 years        | Industry standard of development period for landed properties is about 2 years. The development period is taken at 2 years for this subject development.  |
| Discount Rate      | 8.3%           | Present Value (PV) factor is taken as 8.3% (BLR 6.3%+ 2%) for 2 years which considered fair and reasonable for the project. The rate is in tandem with the financing cost based on our enquiries with financial institutions.   |

The Market Value deriving from the Residual Method is **RM8,830,000/-** (Ringgit Malaysia: Eight Million Eight Hundred and Thirty Thousand Only).



### OPINION OF VALUE

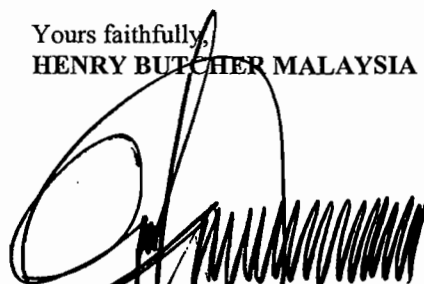
Summary of the Market Value by Comparison Method and Residual Method are as follows:-

|              | Comparison Method | Residual Method |
|--------------|-------------------|-----------------|
| Market Value | RM9,450,000/-     | RM8,830,000/-   |

In arriving at the market value of the subject property, **Lot 699, GM 100, Mukim 13, Seberang Perai Tengah, Pulau Pinang**, with **freehold** unencumbered interest in its existing physical condition WITH vacant possession, we have adopted the Comparison Method of valuation in this case as there are ample sales evidences available which can be used to justify the Market Value. The Residual Method is only a counter check method of valuation in this case as the subject property is still a parcel of development land and the construction work has yet to be started. We therefore are of the opinion that the Comparison Method is a more appropriate and suitable method of valuation to be used in assessing the market value of the subject property.

The Market Value of the subject property is **RM9,450,000/-** (Ringgit Malaysia: Nine Million Four Hundred and Fifty Thousand Only).

Yours faithfully,  
**HENRY BUTCHER MALAYSIA (SEBERANG PERAI) SDN. BHD.**

  
SI FOOK FONG HUAT (V 556)  
B. Sc. (HBP) Hons. M.I.S.M.  
Registered Valuer

## VALUATION CERTIFICATE ON THE LAND OWNED BY IKHTIAR BITARA

**HENRY BUTCHER MALAYSIA**

Our Ref: V/BW/YHSY/11 (KK/YIF)

Date: 8<sup>th</sup> February 2011**The Board of Directors**

M/s Tambun Indah Land Berhad  
51-21-A, Menara BHL Bank,  
Jalan Sultan Ahmad Shah,  
10050 Penang.

Dear Sirs,

**VALUATION CERTIFICATE OF A PARCEL OF DEVELOPMENT LAND LOCATED ADJOINING TAMAN KELISA EMAS IN THE LOCALITY OF SEBERANG JAYA, IDENTIFIED AS LOT NOS. 829, 830, 832 AND 833, GM NOS. 722, 723, 526 AND 724 RESPECTIVELY, MUKIM 4, SEBERANG PERAI TENGAH, PULAU PINANG WITH A TOTAL LAND AREA OF 2.793 ACRES**

This valuation certificate has been prepared for inclusion in the circular to shareholders of Tambun Indah Land Berhad ("Tambun Indah") to be dated ..6.. June .2011.....

In accordance with the instructions from Tambun Indah, we have valued the abovementioned property for Tambun Indah Land Berhad vide our Report and Valuation bearing Reference No. V/BW/YHSY/11 (KK/YIF) for the purpose of submission to Bursa Malaysia Securities Berhad pursuant to the proposed acquisition of 45,000 ordinary shares of RM1.00 each in Ikhtiar Bitara Sdn Bhd ("Ikhtiar Bitara") representing 45% of the issued and paid-up share capital of Ikhtiar Bitara by Tambun Indah Land Berhad from Siram Permai Sdn Bhd and Siti Shikha Binti Zakaria for a cash consideration of RM1.46 million.

We have inspected the property on 1<sup>st</sup> February 2011 and this date is taken as the valuation date.

The basis of valuation is the Market Value of the subject property. The Market Value is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. We valued the property using the Comparison and Residual Methods of Valuation in arriving at the Market Value of the subject property.'

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission and Manual of Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

We confirm that in our opinion the Market Value of the freehold encumbered interest in the subject property in its existing physical condition WITHOUT vacant possession using the valuation methods stated above are as follows :-

**HENRY BUTCHER MALAYSIA (SEBERANG PERAI) SDN. BHD.** (226881-H)

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|                                   |  |
|-----------------------------------|--|
| <b>Identification of Property</b> | <p> Our Ref : V/BW/YHSY/11 (KK/YIF)<br/> Title Nos. : GM Nos. 722, 723, 526 and 724<br/> Lot Nos. : 829, 830, 832 and 833<br/> Mukim : 4<br/> District : Seberang Perai Tengah<br/> State : Pulau Pinang<br/> Land Area : 2,015.3343 sq. m, 4,075.184 sq. m, 3,456.015 sq. m &amp; 1,756.3355 sq. m.<br/> Tenure : Freehold<br/> Category of Land Use : Nil<br/> Express : Grant First Grade<br/> Condition :<br/> Registered Owners : Ikhtiar Bitara Sdn Bhd – Full Share </p>  |
| <b>General Description</b>        | <p>The subject property is a parcel of development land located at the northern side of Lorong Kelisa Emas 3 and adjoining to the newly completed housing scheme of Taman Kelisa Emas at Seberang Jaya.</p> <p>The subject site comprises four adjoining lots of land. Together the land is irregular in shape and encompassing a total surveyed land area of approximately 11,303 sq. metres (2.793 acres). It has a direct frontage of approximately 127 metre (416sq.ft) onto Lorong Kelisa Emas 3.</p> <p>The terrain of the land is generally flat and lies at about the same level of the surrounding lands but slightly lower than the level of the frontage road.</p> <p>During our site inspection, we noted that the subject property is planted with some crops, vegetables and banana trees.</p> <p>There is also 1 unit of squatter house and a few sheds erected on the subject site.</p> <p>The subject property has been approved for a housing development by the local authority, Majlis Perbandaran Seberang Perai vide reference MPSP/70/39-34/22 dated 18<sup>th</sup> January 2011 and pending for building plan approval. The approved development comprises of a 11 storey condominium (total 142 units) and 6 units of double storey semi-detached houses</p> <p>The subject property is zoned for “<b>pembangunan sedia ada</b>” purposes. During our site inspection, we noted that the surrounding developments are basically of residential usage. The subject property has also been approved for a residential development by the local authority Majlis Perbandaran Seberang Perai (MPSP).</p> |



### Valuation Methods

We have adopted the **Comparison Method** and counter checked with the **Residual Method** in formulating our opinion of the current Market Value of the subject property. The Comparison Method is the Market Approach of comparing the subject land with other subject lands that were transacted within the same location or other comparable localities. In comparing these, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

The residual method of valuation involves the computation of the development value of the project, and deducting there from all expenses and costs to complete the project including a margin for developer's profit.

The remainder or residual sum is then deferred over the period of time required for the completion of the project to arrive at the market value.

### METHOD OF VALUATION I – COMPARISON METHOD

| Comparables  | 1  | 2  | 3  |
|--|--|--|--|
| Lot No   | 52   | 815  | 825  |
| Title No   | GM 23  | GM 381                                     | GM 12                                      |
| Title  | First Grade  | First Grade                                | First Grade                                |
| Address  | off Jln Permatang Pauh                                     | off Jln Permatang Pauh                     | off Jln Permatang Pauh                     |
| Source of Comparable                               | JPPH   | JPPH                                       | JPPH                                       |
| Land Area (acres)                                  | 6.450  | 1.192                                      | 1.647                                      |
| Land Area (sq. ft.)                                | 280,968.45   | 51,923.44                                  | 71,749.14                                  |
| Tenure   | freehold   | freehold                                   | freehold                                   |
| Type of land                                       | Vacant development land                                    | Vacant development land                    | Vacant development land                    |
| Zoning   | Development  | Development                                | Development                                |
| Share Transacted                                   | 1.00   | 1.00                                       | 1.00                                       |
| Transaction Date                                   | 15th October 2009  | 26th July 2010                             | 5th August 2010                            |
| Transaction price without vacant possession        | 7,866,936.00   | 1,329,242.00                               | 1,785,960.00                               |
| Estimated Compensation for squatter                | 120,000.00   | 30,000.00                                  | 60,000.00                                  |
| Estimated Transaction Price with vacant possession | 7,986,936.00   | 1,359,242.00                               | 1,845,960.00                               |
| Analyzed Land Value p.s.f.                         | 28.43  | 26.18                                      | 25.73                                      |
| Adjustments  | Positive adjustments made for time, size and accessibility | Positive adjustment made for accessibility | Positive adjustment made for accessibility |
| Adjusted Land Value psf                            | 39.09  | 30.10                                      | 29.59                                      |

#### Note:

Having considered the above, we have chosen Comparable 3 as the best comparable as it is the nearest to the subject property and the most recent sales comparable. We have rounded the land value to RM30.00 psf as the Market Value for the subject property.

The market value deriving from the Comparison Method is **RM3,600,000/- (Ringgit Malaysia: Three Million and Six Hundred Thousand Only)** without vacant possession where certain amount of compensation has been allowed to vacate the squatter house.

*We have allowed the compensation of RM30,000 for the squatter house on the subject property. We are of the opinion that this compensation is reasonable as it is of semi-permanent construction mainly of timber structures. We have also verbal checked with the local Quantity Surveyor on the replacement cost of the squatter house.*

*In analyzing the comparables, we have also allowed the similar compensation of RM30,000 per squatter in order to arrive at the market value with vacant possession.*



## **METHOD OF VALUATION II – RESIDUAL METHOD**

We have counter checked the market value of the subject property by the “Residual Method” of valuation.

### **Justification on the Residual Method of Valuation**

1. The date of valuation is taken as at 1<sup>st</sup> February 2011.
2. The Gross Development Value (GDV) is estimated as RM36,441,600.

| Type of Development               | Selling Price Per Unit       | Estimated Total Sales Value | Justification  |
|-----------------------------------|------------------------------|-----------------------------|--|
| Condominium                       | RM225,360<br>to<br>RM241,360 | RM32,082,553                | We have adopted the selling price based on the transaction prices of similar properties in the immediate vicinity:-<br><br>i) Condominium :<br>RM 210,000 to RM224,000 per unit<br><br>ii) Double storey semi-detached house<br>RM340,000 to RM668,000 |
| Extra Car Park                    | RM15,000                     | RM 1,140,000                |  |
| Double storey semi-detached house | RM473,670<br>to<br>RM559,910 | RM 3,219,047                |  |
| <b>Total</b>                      |                              | <b>RM36,441,600</b>         |  |

3. The typical size of the condominium unit is taken at 1,252 square feet.
4. The factor of bumiputra quota and discount are 30% quota and 5% discount is extracted from the Planning Permission Approval Letter dated 11<sup>th</sup> February 2011.
5. The total Gross Development Cost (GDC) is adopted at RM31,768,789 inclusive of 15% developer's profit.
6. The predevelopment cost of this project is as follow:-

| Items                     | Rate Adopted                                  | Justifications  |
|---------------------------|---|---|
| Site Clearing & Earthwork | RM130,000<br>per acre                         | Cost of site clearing is taken at RM4,000 per acre and costs of earthwork is at RM126,000 per acre.   |
| Infrastructure            | RM1,848,554<br>(10% of the construction cost) | The infrastructure cost including RC retaining wall and perimeter fencing.<br><br>We adopted the rate of 10% of the construction cost with the reason that the subject development is mainly stratified development which require less infrastructure cost. |

Cost adopted is based on industry average cost as per our research and enquiries made with developers.



7. The construction cost adopted are as follow:-

| Item                              | Rate Adopted  | Justification   |
|-----------------------------------|---|---|
| Condominium                       | RM85 psf  | Construction cost including building works, pilling work, fire fighting system, lift installation and security system.  |
| Double Storey Semi-Detached House | RM75 psf  |   |
| Car Park                          | RM40 psf  |   |
| Common Facilities                 | taken as total RM1,050,000<br>> Swimming Pool at RM500,000<br>> Multi purpose hall at RM180,000<br>> Guard House & Depo Sampah at RM120,000<br>> Landscaping, Children play ground & Gymnasium at RM250,000 | The building costs are based on industry average costs by referring to the Jurukur Bahan Malaysia Construction Cost Handbook Malaysia 2009 and counter check with Quantity Surveyors. The building cost is based on the new construction cost of a similar building.<br><br>We have counter checked the estimated cost with the previous project's expenditure by the client. |

8. Other costs adopted are as follow:-

| Item               | Rate Adopted   | Justification  |
|--------------------|----------------|--|
| Financing Cost     | 8.3% per annum | Bridging finance is taken at 30% of the building and infrastructure costs at 8.3% interest rate for 2.5 years. (BLR 6.3% + 2%).<br><br>We have checked with a few local banks such as EON Bank, Public Bank and Maybank, we were given to understand that the average loan interest rate for bridging loan as at 1 <sup>st</sup> February 2011 was at the range of BLR + 2%. |
| Developer's Profit | 15% of GDV     | Our verbal checking with some local developers revealed that, the developer's profit for medium to medium upper development is generally at the rate of 15% to 20% of GDV. The subject property is a medium upper residential development, Thus, 15% developer's profit is considered fair and reasonable.   |
| Development Period | 3 years        | Industry standard of development period for high-rise and landed properties is about 3 years. We have adopted the development period of 3 years for this subject development.  |
| Discount Rate      | 8.3%           | Present Value (PV) factor is taken as 8.3% (BLR 6.3%+ 2%) for 3 years which considered fair and reasonable for the project.<br><br>This rate is in tandem with the financing cost based on our enquiries with financial institutions.  |

The Market Value deriving from the Residual Method is **RM3,700,000/-** (Ringgit Malaysia: Three Million and Seven Hundred Thousand Only).





### OPINION OF VALUE

Summary of the Market Value by Comparison Method and Residual Method are as follows:-

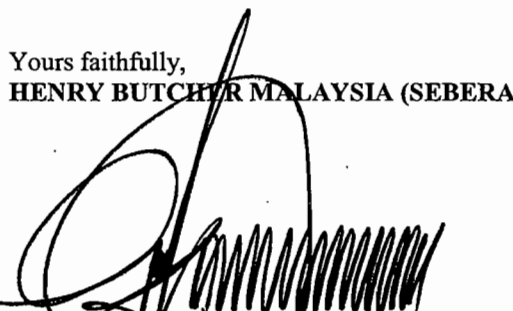
|              | Comparison Method | Residual Method |
|--------------|-------------------|-----------------|
| Market Value | RM 3,600,000/-    | RM 3,700,000/-  |

In arriving at the "Market Value" of the subject property Lot 829, GM 722, Lot 830, GM 723, Lot 832, GM 526 and Lot 833, GM 724, Mukim 4, Seberang Perai Tengah, Pulau Pinang with freehold encumbered interest in the subject property WITHOUT vacant possession in its existing physical, we have adopted the Comparison Method and counter checked with Residual Method in formulating our opinion of the current Market Value. The subject property is still a parcel of development land and the construction works have yet to be started and there are ample sales evidences available to justify the Market Value of the subject property by the Comparison Method. We therefore are of the opinion that the Comparison Method is a more suitable method of valuation to be used in assessing the market value of the subject property..

The Market Value of the subject property is RM3,600,000/- (Ringgit Malaysia: Three Million and Six Hundred Thousand Only)

Yours faithfully,

**HENRY BUTCHER MALAYSIA (SEBERANG PERAI) SDN. BHD.**

  
\_\_\_\_\_  
Sr FOOK TONE HUAT (V-556)  
B. Sc. (HBP) Hons. M.I.S.M.  
Registered Valuer

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**FURTHER INFORMATION**


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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

Information on Pridaman and Ikhtiar Bitara was extracted from publicly available documents and/or other documents provided by the management of Pridaman and Ikhtiar Bitara. The responsibility of the Board is therefore restricted to accurate reproduction of the relevant information on Pridaman and Ikhtiar Bitara as included in this Circular.

**2. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****2.1 Material commitments**

As at the LPD, save for the Proposed Acquisitions and as disclosed below, the Board is not aware of any other material commitments incurred or known to be incurred by the Tambun Indah Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial impact of the Tambun Indah Group:

|                              |                |
|------------------------------|----------------|
|                              | <b>RM'000</b>  |
| Purchase of development land | <u>235,321</u> |

**2.2 Contingent liabilities**

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Tambun Indah Group, which upon becoming enforceable, may substantially affect the Tambun Indah Group's ability to meet its obligations.

**3. CONSENTS AND CONFLICT OF INTEREST**

- (i) MIMB, the Adviser to Tambun Indah for the Proposed Acquisitions, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto where relevant, in the form and context in which they appear. MIMB has also confirmed that there is no conflict of interest exists or likely to exist in relation to its role in respect of the Proposed Acquisitions.
- (ii) KIBB, the Independent Adviser to Tambun Indah for the Proposed Acquisitions, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto where relevant, in the form and context in which they appear. KIBB has also confirmed that there is no conflict of interest exists or likely to exist in relation to its role in respect of the Proposed Acquisitions.
- (iii) Henry Butcher, the independent registered valuer to Tambun Indah for the Proposed Acquisitions, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, valuation certificate and all references thereto where relevant, in the form and context in which they appear. Henry Butcher has also confirmed that there is no conflict of interest exists or likely to exist in relation to its role in respect of the Proposed Acquisitions.

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#### **4. MATERIAL CONTRACTS**

##### **4.1 Pridaman**

As at the LPD, there are no material contracts (not being contracts entered into the ordinary course of business) that have been entered into by Pridaman within two (2) years immediately preceding the date of this Circular.

##### **4.2 Ikhtiar Bitara**

As at the LPD, there are no material contracts (not being contracts entered into the ordinary course of business) that have been entered into by Ikhtiar Bitara within two (2) years immediately preceding the date of this Circular.

#### **5. MATERIAL LITIGATION**

##### **5.1 Pridaman**

Save as disclosed below, as at the LPD, Pridaman is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position of Pridaman and the Board has no knowledge of any proceeding pending or threatened against Pridaman, or any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Pridaman:

- (i) Cheah Theng Chong and Cheah Sok Wah (hereinafter referred to as the “Plaintiffs”) have each filed a writ of summons on 31 March 2011 against Pridaman, each claiming for specific performance to compel Pridaman to execute a sale and purchase agreement for the sale of light industrial building lots (“Lots”) to the Plaintiffs. Each of the Plaintiffs alleged that he has entered into a valid and binding agreement with Pridaman for the purchase of the Lots intended to be developed by Pridaman at purchase consideration of RM1,465,000 and RM1,310,000 respectively, by virtue of signing reservation forms and payment of earnest deposit to Pridaman’s panel solicitors in the sale and purchase transactions. In addition to the specific performance, the Plaintiffs are claiming for damages (quantum not specified) against Pridaman.

Pridaman’s solicitors in both the above suits have filed a defence on 22 April 2011, pleading that there was no binding agreement between the Plaintiffs and Pridaman as the reservation forms only constitute offers from the Plaintiffs which have not been accepted by Pridaman. Pridaman had also explained to the Plaintiffs that Pridaman could not enter into an agreement prior to obtaining the necessary planning approval for the development purpose. Pridaman’s solicitors are of the view that Pridaman has a good case to defend the above suits.

Pridaman’s solicitors are of further view that the possible liability that Pridaman may incur is being compelled by court order to proceed with the sale of the above Lots to the Plaintiffs or payment of damages the amount of which is approximately RM20,000 to RM40,000 (the earnest deposit paid by each of the Plaintiffs is RM20,000) or any actual damages which may be successfully proved by the Plaintiffs.

The above actions have been fixed for a case management on 7 June 2011. Meanwhile, there is an ongoing negotiation between the plaintiffs and Pridaman for an amicable settlement but there is no conclusive outcome yet on the settlement as at the LPD.

##### **5.2 Ikhtiar Bitara**

As at the LPD, Ikhtiar Bitara is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position of Ikhtiar Bitara and the Board has no knowledge of any proceeding pending or threatened against Ikhtiar Bitara, or any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Ikhtiar Bitara.

## **6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of Tambun Indah at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang during normal business hours from Mondays to Fridays (except on public holidays) from the date of this Circular to the date of the EGM:

- (i) Memorandum and Articles of Association of Tambun Indah, Pridaman and Ikhtiar Bitara;
- (ii) the proforma audited financial statements of Tambun Indah for the FYE 31 December 2009, audited financial statements of Tambun Indah for the FYE 31 December 2010 and the unaudited financial statements of the Tambun Indah for the financial period ended 31 March 2011;
- (iii) the audited financial statements of Pridaman for the past two (2) FYE 31 December 2009 and 2010;
- (iv) the audited financial statements of Ikhtiar Bitara for the past two (2) FYE 31 October 2009 and 2010;
- (v) valuation reports and certificates from Henry Butcher, an independent registered valuer, dated 8 February 2011 on the land owned by Pridaman and Ikhtiar Bitara;
- (vi) letters of consent referred to in Section 3 above;
- (vii) the cause paper relating to the legal suit referred to in Section 5.1 above; and
- (viii) the SPAs and any supplemental agreements/letters relating thereto.

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**TAMBUN INDAH LAND BERHAD**

(Company No. 810446-U)

(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Tambun Indah Land Berhad ("Tambun Indah" or the "Company") will be held at Kapur Room, Level 1, Eastin Hotel Penang, 1 Solok Bayan Indah, Queensbay, 11900 Bayan Lepas, Penang on Friday, 24 June 2011 at 11.00 a.m., or immediately after the conclusion or adjournment (as the case may be) of the 3<sup>rd</sup> Annual General Meeting of the Company to be held at the same venue and on the same day at 10.00 a.m., whichever is the later or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

**ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION OF 500,000 ORDINARY SHARES OF RM1.00 EACH IN PRIDAMAN SDN BHD ("PRIDAMAN") REPRESENTING THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PRIDAMAN FROM SIRAM PERMAI SDN BHD ("SIRAM PERMAI"), AMAL PINTAS SDN BHD, SOUND VANTAGE SDN BHD, ALPHA MASTER (M) SDN BHD AND TEH ENG BEW ("PRIDAMAN VENDORS") FOR A CASH CONSIDERATION OF RM4.65 MILLION ("PROPOSED PRIDAMAN ACQUISITION")**

**"THAT**, subject to the approvals of all relevant authorities being obtained, authority be and is hereby given to the Company to acquire 500,000 ordinary shares of RM1.00 each in Pridaman representing the entire issued and paid-up share capital of Pridaman from the Pridaman Vendors for a purchase consideration of RM4.65 million, subject to adjustments, to be wholly satisfied in cash, subject to the terms and conditions of the Conditional Share Purchase Agreement for the Proposed Pridaman Acquisition dated 16 February 2011 and any other supplements thereof entered into between Tambun Indah and the Pridaman Vendors ("SPA") **AND THAT** the SPA be and are hereby approved, ratified and confirmed **AND THAT** the Directors of Tambun Indah be and are hereby authorised to take all steps and do all such acts and matters as they may consider necessary or expedient to give effect to the Proposed Pridaman Acquisition with full power to give notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Pridaman Acquisition and/or the SPA, to assent to any conditions, modifications, variations, arrangements and/or amendments to the Proposed Pridaman Acquisition and/or the SPA in any manner as may be approved, required and/or imposed by the relevant authorities (including assenting to any revision to the purchase consideration in accordance with the terms of the SPA) and to do all such things as they may consider necessary or expedient in the best interest of the Company **AND FURTHER THAT** authority be given for the Common Seal of the Company to be affixed to any agreements, deeds or documents to be entered into by the Company in connection to the Proposed Pridaman Acquisition, if so required, in accordance with the Articles of Association of the Company."

## ORDINARY RESOLUTION 2

**PROPOSED ACQUISITION OF 45,000 ORDINARY SHARES OF RM1.00 EACH IN IKHTIAR BITARA SDN BHD ("IKHTIAR BITARA") REPRESENTING 45% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF IKHTIAR BITARA FROM SIRAM PERMAI AND SITI SHIKHA BINTI ZAKARIA ("IKHTIAR BITARA VENDORS") FOR A CASH CONSIDERATION OF RM1.46 MILLION ("PROPOSED IKHTIAR BITARA ACQUISITION")**

**"THAT**, subject to the approvals of all relevant authorities being obtained, authority be and is hereby given to the Company to acquire 45,000 ordinary shares of RM1.00 each in Ikhtiar Bitara representing 45% of the entire issued and paid-up share capital of Ikhtiar Bitara from the Ikhtiar Bitara Vendors for a purchase consideration of RM1.46 million, subject to adjustments, to be wholly satisfied in cash, subject to the terms and conditions of the Conditional Share Purchase Agreement for the Proposed Ikhtiar Bitara Acquisition dated 16 February 2011 and any other supplements thereof entered into between Tambun Indah and the Ikhtiar Bitara Vendors ("SPA") **AND THAT** the SPA be and are hereby approved, ratified and confirmed **AND THAT** the Directors of Tambun Indah be and are hereby authorised to take all steps and do all such acts and matters as they may consider necessary or expedient to give effect to the Proposed Ikhtiar Bitara Acquisition with full power to give notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Ikhtiar Bitara Acquisition and/or the SPA, to assent to any conditions, modifications, variations, arrangements and/or amendments to the Proposed Ikhtiar Bitara Acquisition and/or the SPA in any manner as may be approved, required and/or imposed by the relevant authorities (including assenting to any revision to the purchase consideration in accordance with the terms of the SPA) and to do all such things as they may consider necessary or expedient in the best interest of the Company **AND FURTHER THAT** authority be given for the Common Seal of the Company to be affixed to any agreements, deeds or documents to be entered into by the Company in connection to the Proposed Ikhtiar Bitara Acquisition, if so required, in accordance with the Articles of Association of the Company."

BY ORDER OF THE BOARD

**LEE PENG LOON (MACS 01258)**  
**P'NG CHIEW KEEM (MAICSA 7026443)**  
Secretaries

Penang  
6 June 2011

Notes :

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in each securities account it holds which is credited with the ordinary shares of the Company.*
5. *For a proxy to be valid, the Proxy Form, duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.*
6. *In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*



**TAMBUN INDAH LAND BERHAD**

(Company No. 810446-U)  
(Incorporated in Malaysia)

**PROXY FORM**

\*I/We.....

(\*I/C No. / Passport No. / Company No. ....) of.....

.....  
.....

being a \*member/members of the abovenamed Company, hereby appoint.....

..... (\*I/C No. / Passport No. ....) of.....

.....or failing whom, the Chairman of the meeting as \*my/our proxy to vote for \*me/us on

\*my/our behalf at the Extraordinary General Meeting of the Company to be held at Kapur Room, Level 1, Eastin Hotel Penang, 1 Solok Bayan Indah, Queensbay, 11900 Bayan Lepas, Penang on Friday, 24 June 2011 at 11.00 a.m., or immediately after the conclusion or adjournment (as the case may be) of the 3<sup>rd</sup> Annual General Meeting of the Company to be held at the same venue and on the same day at 10.00 a.m., whichever is the later or at any adjournment thereof.

| RESOLUTIONS   | FOR | AGAINST |
|---|-----|---------|
| Ordinary Resolution 1- Proposed Pridaman Acquisition        |     |         |
| Ordinary Resolution 2 - Proposed Ikhtiar Bitara Acquisition |     |         |

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this .....day of....., 2011.

No. of shares held

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies :

|         | No. of Shares | %   |
|---------|---------------|-----|
| Proxy 1 |               |     |
| Proxy 2 |               |     |
|         |               | 100 |

.....  
Signature(s)/Common Seal of member(s)

**Notes:**

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in each securities account it holds which is credited with the ordinary shares of the Company.
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6. In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

\*strike out whichever is not desired.



Fold this flap for sealing

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Then fold here

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AFFIX  
STAMP

The Company Secretaries  
**TAMBUN INDAH LAND BERHAD (810446-U)**  
51-21-A, Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang

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