
CI RESOURCES LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

DATE AND TIME OF MEETING

**Friday, 23 November 2018
10.00am (WST)**

PLACE OF MEETING

**Meeting Room 3 (M3)
Crown Towers
Great Eastern Highway
Burswood
Western Australia 6100
Australia**

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The Company's 2018 Annual Report can be accessed on the Company's website at www.ciresources.com.au or alternatively by requesting a hard copy from the Company Secretary.

Should you wish to discuss any matter in this Notice of Meeting please do not hesitate to contact the Company Secretary by telephone on +61 8 6250 4900.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 23 November 2018 at:

Meeting Room 3 (M3)
Crown Towers
Great Eastern Highway
Burswood
Western Australia 6100
Australia

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the *Corporations Act 2001*, each proxy may exercise one-half of the votes.

CORPORATE SHAREHOLDERS

Corporate Shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the corporate Shareholder's representative. The authorisation may be effective either for this Meeting only or for all meetings of CI Resources Limited. Shareholders can request for the "Appointment of Corporate Representation" form from the Company Secretary.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at Meeting Room 3 (M3), Crown Towers, Great Eastern Highway Burswood, Western Australia 6100 Australia on Friday, 23 November 2018 at 10.00am (WST) (**Meeting**).

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney time) on 21 November 2018.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

1. Financial Reports

To receive and consider the annual financial report, directors' report, declaration of the directors, Remuneration Report and auditor's report for the Company and its controlled entities for the financial year ended 30 June 2018.

Note: There is no requirement for Shareholders to approve these reports.

2. Resolution 1– Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act 2001 and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. **Resolution 2 - Re-election of Director – Dato' Sri Kamaruddin bin Mohamed**

To consider, and if thought fit, pass, with or without amendments, the following as an **ordinary resolution**:

"That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dato' Sri Kamaruddin bin Mohamed, a Director, retires by rotation and, being eligible, is re-elected as a Director."

4. **Resolution 3 - Re-election of Director – Mr Clive Morris Brown**

To consider, and if thought fit, pass, with or without amendments, the following as an **ordinary resolution**:

"That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Clive Morris Brown, a Director, retires by rotation and, being eligible, is re-elected as a Director."

5. **Resolution 4 – Approval of Motion of which notice given approving related party transaction for the acquisition of land in Klang to comply with Malaysian Companies Act.**

To consider, and if thought fit, pass, with or without amendments, the following as an **ordinary resolution**:

"That subject to receiving the necessary prior approval in accordance with section 433A of the National Land Code (Malaysia), for the purposes of Section 228 of the Companies Act 2016 (Malaysia) approval is given for the acquisition of leasehold industrial land by Phosphate Resources Malaysia Sdn Bhd, a wholly owned subsidiary of Phosphate Resources Ltd which in turn is a wholly owned subsidiary of the Company, from Mutiari Suci Sdn Bhd which is substantially owned by a substantial shareholder of the Company and thereby an associated party under 197 of the Companies Act 2016 (Malaysia), for the sum of RM11,684,794.45."

Voting Exclusion: The Company will disregard any votes cast in favour on this Resolution by a party to the transaction and any associate of that party (or those parties). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By Order of the Board



Elizabeth Lee
Company Secretary
23 October 2018

CI RESOURCES LIMITED

ACN 006 788 754

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Meeting Room 3 (M3), Crown Towers, Great Eastern Highway, Burswood, Western Australia 6100 Australia on Friday, 23 November 2018 at 10.00am (WST) **(Meeting)**.

The purpose of this Explanatory Statement to provide information, which the Board believes is material to Shareholders in relation to the Resolutions. The Explanatory Statement explains the Resolutions and identifies the Board's reasons for putting them to Shareholders.

Financial Reports

In accordance with the Constitution, the annual financial report, directors' report, declaration of the directors, Remuneration Report and auditor's report for CI Resources Limited for the year ended 30 June 2018 will be considered by the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman of the meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the management of CI Resources Limited. Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.ciresources.com.au>

Resolution 1 - Adoption of Remuneration Report

General

The *Corporations Act 2001* requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the directors of the company or the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

Voting consequences

Under changes to the *Corporations Act 2001* which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of the votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No direction given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions

Definitions

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;

- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the *Corporations Act 2001*.

Resolutions 2 and 3 - Re-election of Directors

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

In determining the number of Directors to retire, no account is to be taken of:

- (a) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
- (b) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has 7 Directors and accordingly 2 must retire.

Dato' Sri Kamaruddin bin Mohamed and Mr Clive Morris Brown, the Directors longest in office since their last election, each retire by rotation and seek re-election. Dato' Sri Kamaruddin bin Mohamed and Mr Clive Morris Brown were first appointed as Directors on 17 January 2013 and 9 March 2015 respectively.

A biography of both Dato' Sri Kamaruddin bin Mohamed and Mr Clive Morris Brown is set out in the Company's annual financial report for the year ended 30 June 2018.

The Board has considered Dato' Sri Kamaruddin bin Mohamed's independence and considers that he is an independent Director.

The Board has considered Mr Clive Morris Brown's independence and considers that he is an independent Director.

The Board supports the re-election of Dato' Sri Kamaruddin bin Mohamed pursuant to Resolution 2 and the re-election of Mr Clive Morris Brown pursuant to Resolution 3.

Resolution 4 – Approval of Motion of which notice given approving related party transaction for the acquisition of land in Port Klang to comply with Malaysian Companies Act.

General

On 4 October 2018, the Board of Directors approved the acquisition of land in Port Klang being Lot No.PT 64236 comprising 196,383.10 ft² (18,243.99 m²) leasehold Industrial land, under 99 years lease at RM18,792 p.a. until 24 February 2097 (**Land**). The acquisition will be made by Phosphate Resources Malaysia Sdn Bhd, a wholly owned subsidiary of Phosphate Resources Ltd which in turn is a wholly owned subsidiary of the Company.

The Land is held by Mutiari Suci Sdn Bhd which is substantially owned by Prosper Trading Sdn Bhd, a substantial shareholder of the Company and is thereby an associated party under the Malaysian Companies Act.

The land is adjacent to the current warehouse owned by Phosphate Resources Malaysia Sdn. Bhd. and is being acquired for future expansion of the existing operations of the warehouse.

The proposed acquisition price of RM11,684,794.45 (A\$3,930,832.90 based on the exchange rate of \$A1:RM2.9726 published by the Reserve Bank of Australia on 3 October 2018) was determined by an independent valuation carried out on behalf of Phosphate Resources Malaysia Sdn Bhd by KGV International Property Consultants (M) Sdn. Bhd. (copy attached).

In the event Shareholders approve Resolution 4, the transfer of the Land will be subject to obtaining prior approval from the relevant state authority under section 433B of the National Land Code (Malaysia).

ASX Listing Rule 10.1

ASX Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity. ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a substantial holder or one of its associates, without the prior approval of holders of the entity's ordinary shareholders.

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration to be paid for the asset is, or in ASX's opinion is, 5% or more of the equity interests of the listed entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Company's annual financial report for the period ended 30 June 2018 (as lodged with ASX on 29 August 2018) shows that its equity interests were approximately \$196,674,000, and 5% of equity interests is approximately \$9,833,700.

The value of the Land which is to be acquired is less than 5% of the equity interest of the Company. Accordingly, the Directors (other than Mr Tee Lip Sin and Mr Tee Lip Jen who have material personal interests in the acquisition of the Land, by virtue of being directors of Prosper Trading Sdn Bhd) consider that Shareholder approval pursuant to ASX Listing Rule 10.1 is not required in respect of the acquisition of the Land.

Chapter 2E of the Corporations Act (Australia)

The payment of the acquisition price in consideration for the acquisition of the Land from Mutiari Suci Sdn Bhd constitutes the giving of a financial benefit and Mutiari Suci Sdn Bhd is a related party of the Company by virtue of being controlled by Prosper Trading Sdn Bhd, of which Mr Tee Lip Sin and Mr Tee Lip Jen who are Directors of the Company are directors of.

The Directors (other than Mr Tee Lip Sin and Mr Tee Lip Jen who have material personal interests in the acquisition of the Land, by virtue of being directors of Prosper Trading Sdn Bhd) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not

required in respect of the acquisition of the Land because the acquisition would be reasonable in the circumstances if the Company and the related party were dealing at arm's length. In view of the scale of the acquisition and the independent valuation, the non-associated Directors of the Company are satisfied that it falls within this exception and have endorsed the transaction in accordance with Australian requirements.

Section 228 of the Companies Act 2016 (Malaysia)

Legal advice provided by the Company's Malaysian Solicitors, Rahmat Lim & Partners, confirms that the proposed acquisition of the Land requires the approval by the Shareholders of the Company because a person connected with the substantial holder of Phosphate Resources Malaysia Sdn Bhd is selling the Land to Phosphate Resources Malaysia Sdn Bhd. Therefore, shareholder approval sought by this Resolution 4 is required under Section 228 of the Companies Act 2016 (Malaysia), to comply with Malaysian law.

As the Proposed Transaction involves the transfer of the Land from Mutiari Suci Shd to Phosphate Resources Malaysia Sdn Bhd the transfer will be subject to obtaining prior approval from the State Authority under section 433B of the National Land Code (**Malaysia**).

Accordingly, the non-associated Directors of the Company recommend the approval of the transaction by the non-associated Shareholders of the Company.

Glossary

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

ASIC means Australian Securities and Investment Commission

Auditor's Report means the auditors' report on the Company for the period ended 30 June 2018, included as part of the Financial Report.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means CI Resources Limited (ACN 006 788 754).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Directors' Report means the Directors' report on the Company for the period ended 30 June 2018, included as part of the Financial Report.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report which forms part of the directors' report of the CI Resources Limited annual financial report for the financial year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

ANNUAL GENERAL MEETING

Lodge your vote to:

The Company Secretary
CI Resources Limited

By delivery:

6 Thorogood Street
Burswood WA 6100

By post:

PO Box 401
Victoria Park WA 6979

By facsimile:

+618 6250 4901

*** For your vote to be effective it must be received by 10.00am (Perth Time) on Wednesday, 21 November 2018, being 48 hours before the commencement of the meeting.**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box, your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in **Step 1** overleaf.

Attending the Meeting: Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign on the appropriate place to indicate the office held. Delete titles as applicable.

Please mark ☒ to indicate your directions.

Appoint a Proxy to /Vote on Your Behalf

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ² _____

OR:

☐

the Chair of the Meeting as my/our proxy,

or failing the person so named, or if no person is named, the Chair or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the Annual General Meeting of the Company to be held at Meeting Room 3 (M3), Crown Towers, Great Eastern Highway, Burswood, Western Australia 6100 Australia on Friday, 23 November 2018 at 10.00am (WST), and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to cast is * []% of the Shareholder's votes*/ [] of the Shareholder's votes.

(Additional Proxy Forms can be supplied by the Company upon request).

Items of Business

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of a Director – Dato' Sri Kamaruddin bin Mohamed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of a Director – Mr Clive Morris Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Motion of which notice given approving related party transaction for the acquisition of land in Port Klang to comply with Malaysian Companies Act.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and that your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions above to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of shareholder

²Insert name and address of proxy

*Omit if not applicable

REPORT AND VALUATION

**LOT NO PT 64236
MUKIM OF KLANG
DISTRICT OF KLANG
SELANGOR DARUL EHSAN
(CLIENT : MUTIARA SUCI SDN BHD)**



Our Ref : KGV 180937

September 18 2018

Mutiara Suci Sdn Bhd
1101, Block C
Kelana Business Centre
No 97, Jalan SS 7/2, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sir

Report and Valuation
Lot No PT 64236
Mukim of Klang
District of Klang
Selangor Darul Ehsan

Pursuant to your instructions to advise on the present Market Value of the abovementioned property for management purpose, we have inspected the same, made relevant investigations and herewith submit our report and valuation for your attention.

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The subject property was inspected on **September 6 2018** by Muhammad Fadzli Bin Hamdan who also drafted this report. The date of inspection is taken to be the date of valuation.

Property Valuers
Machinery Valuers
Property Managers
Project Managers
Auctioneers
Property Consultants
Real Estate Agents

Other Offices :

Johor Bahru

Unit 9-01, Level 9

Johor Bahru City Square

(Office Tower)

106-108, Jalan Wong Ah Fook

80000 Johor Bahru, Johor

Tel: (6)07-224 2022

Fax: (6)07-223 1366

Penang

12A-A, Jalan Todak 4

Pusat Bandar

Seberang Jaya

13700 Prai

Penang

Tel: (6)04-398 8111

Fax: (6)04-398 8181

Established since 1974

Regulated by RICS



KGV INTERNATIONAL PROPERTY CONSULTANTS (M) SDN BHD
(125852-D)

(formerly known as KGV-Lambert Smith Hampton (M) Sdn Bhd)

B-9-9, BLOK B, MEGAN AVENUE II, 12, JALAN YAP KWAN SENG, 50450 KUALA LUMPUR, MALAYSIA.

TEL: (6)03-2161 5355 TELEFAX: (6)03-2164 5355, 2164 1355.

E-mail: klvaluation@kgvi-property.com Website: www.kgvi-property.com

GST NO.: 000103153664

Our Ref : KGV 180937

This valuation report is prepared in accordance with the Malaysian Valuation Standards and is subject to the Limiting Conditions attached at the end.

- 1.0 THE SUBJECT PROPERTY** The subject property of this valuation comprises a piece of vacant industrial land identified as Lot No PT 64236, Mukim of Klang, District of Klang, Selangor Darul Ehsan.
- 2.0 PARTICULARS OF TITLE** We have made a title search at the relevant Government Office and extracted details of the title document as shown in Annexure 1.
- 3.0 LOCATION** The subject property is located along Jalan Perigi Nanas 7/2, Taman Perindustrian Pulau Indah, Klang, Selangor Darul Ehsan
- Access to the subject property is via Lebuhraya Shah Alam, turning onto Lebuhraya Pulau Indah, Jalan Perigi Nanas 7/1 and finally onto Jalan Perigi Nanas 7/2. Access is also possible via the South Klang Valley Expressway (SKVE).
- Geographically the subject property is approximately 11.0 km (6.9 miles) and approximately 19.0 km (11.9 miles) south-west of the Port Klang and Klang towns respectively.

Our Ref : KGV 180937

For the purpose of easy identification, the approximate location of the subject property is circled in red in the Location Plan marked Appendix A and A1.

4.0 SURROUNDINGS

The immediate surroundings comprise detached factories, semi-detached factories, warehouses and vacant industrial lands.

Notable industrial premises within the locality include those occupied by Phospate Resource Malaysia Sdn Bhd, Malconrep Logistics (M) Sdn Bhd, Jambatan Merah Depot Sdn Bhd, Kiwira Sdn Bhd, Baiduri Dimensi Sbn Bhd and Kontena Nasional Sdn Bhd.

Sited to the north-east of the locality is the Pelabuhan Klang Cruise Centre (Formerly Star Cruise Terminal) while the West Port Terminal is sited to the west of subject property. Developments in the larger neighbourhoods include North Port and South Port.

The surrounding developments also include Port Klang Free Trade Zone (PKFZ), Bandar Armada Putra and Laguna Park. The South-Klang Valley Expressway (SKVE) is connected to Pulau Indah at its south-eastern tip.

Our Ref : KGV 180937

5.0 DESCRIPTION OF PROPERTY

The subject property is a rectangular piece of land with a site area of approximately 18,243.99 sm (196,383.10 sf). The land has frontage along its north-western boundary onto Jalan Perigi Nanas 7/2 and is level with the said road.

We have not established the specific boundaries of the subject lot or any encroachment, as there are no obvious physical demarcations on the land. The subject locality is generally flat in terrain. At the time of inspection, the subject land is overgrown with bushes.

Appendix B gives the Site Plan with the subject lot edged in red while photographs of the subject locality and its surroundings are shown in Appendices C and C1.

6.0 SERVICES

Public utilities such as water and electricity are not connected to the subject property but are available in the locality.

Public transportation in the form of the buses and taxis is available along Lebuhraya Pulau Indah. However, movements in the locality are usually by means of private vehicles.

Our Ref: KGV 180937

7.0 TOWN PLANNING CONSIDERATIONS

The subject property is designated for industrial use as stipulated in the title document.

8.0 VALUATION

To arrive at our opinion of the present Market Value of the subject property, we adopt the Comparison Approach. Under this approach, the value of the property is determined by comparing it with recent sales and/or listings of similar properties in the vicinity, or if not available, within similar localities. As no two properties are often identical, adjustments are then made for differences in factors such as location, physical characteristics and time element. Professional judgement is called upon in interpreting available data and making the adjustments.

9.0 EVIDENCE OF VALUE

Our investigations revealed that industrial lands within the locality are being transacted/listed recently at prices ranging from RM538 to RM753 psm (approximately RM50 to RM70 psf) depending on the specific location, size, shape, terrain, accessibility, surrounding developments and extent of land improvements done. We noted in particular these comparables:-

Our Ref: KGV 180937

COMPARABLE 1	Lot No PT 64410 Mukim of Klang
LAND AREA	141,134 sf
TRANSACTION DATE	November 21 2017
CONSIDERATION	RM9,600,000
SOURCE	JPPH
REMARKS	Rate psf (over land area) @ RM68 psf Located within Kawasan Perindustrian Pulau Indah
COMPARABLE 2	Lot No 142453 Mukim of Klang
LAND AREA	217,856 sf
TRANSACTION DATE	July 24 2017
CONSIDERATION	RM13,071,693
SOURCE	JPPH
REMARKS	Rate psf (over land area) @ RM60 psf Located off Lebuhraya Pulau Indah, Telok Gong
COMPARABLE 3	Developer's Lot No 104620-4 Mukim of Klang
LAND AREA	164,221 sf
TRANSACTION DATE	November 11 2017
CONSIDERATION	RM9,225,947
SOURCE	JPPH
REMARKS	Rate psf (over land area) @ RM56 psf Located within Kawasan Perindustrian Pulau Indah

Our Ref: KGV 180937

COMPARABLE 4	Lot No PT 136846 Mukim of Klang
LAND AREA	171,587 sf
TRANSACTION DATE	September 8 2017
CONSIDERATION	RM8,751,035
SOURCE	JPPH
REMARKS	Rate psf (over land area) @ RM51 psf Located within Kawasan Perindustrian Pulau Indah
COMPARABLE 5	Lot No PT 121662 Mukim of Klang
LAND AREA	43,550 sf
TRANSACTION DATE	May 23 2017
CONSIDERATION	RM2,831,400
SOURCE	JPPH
REMARKS	Rate psf (over land area) @ RM65 psf Located within Kawasan Perindustrian Pulau Indah

Our Ref: KGV 180937

10.0 OPINION OF VALUE

Premised on the foregoing and with due consideration to all other factors relevant to our valuation, we are of the opinion that the present Market Value of the subject property (Lot No PT 64236, Mukim of Klang, District of Klang, Selangor Darul Ehsan) free from all encumbrances and with vacant possession is **RM11,780,000 (RINGGIT MALAYSIA ELEVEN MILLION SEVEN HUNDRED AND EIGHTY THOUSAND ONLY).**

Yours faithfully



Sr ANTHONY CHUA KIAN BENG

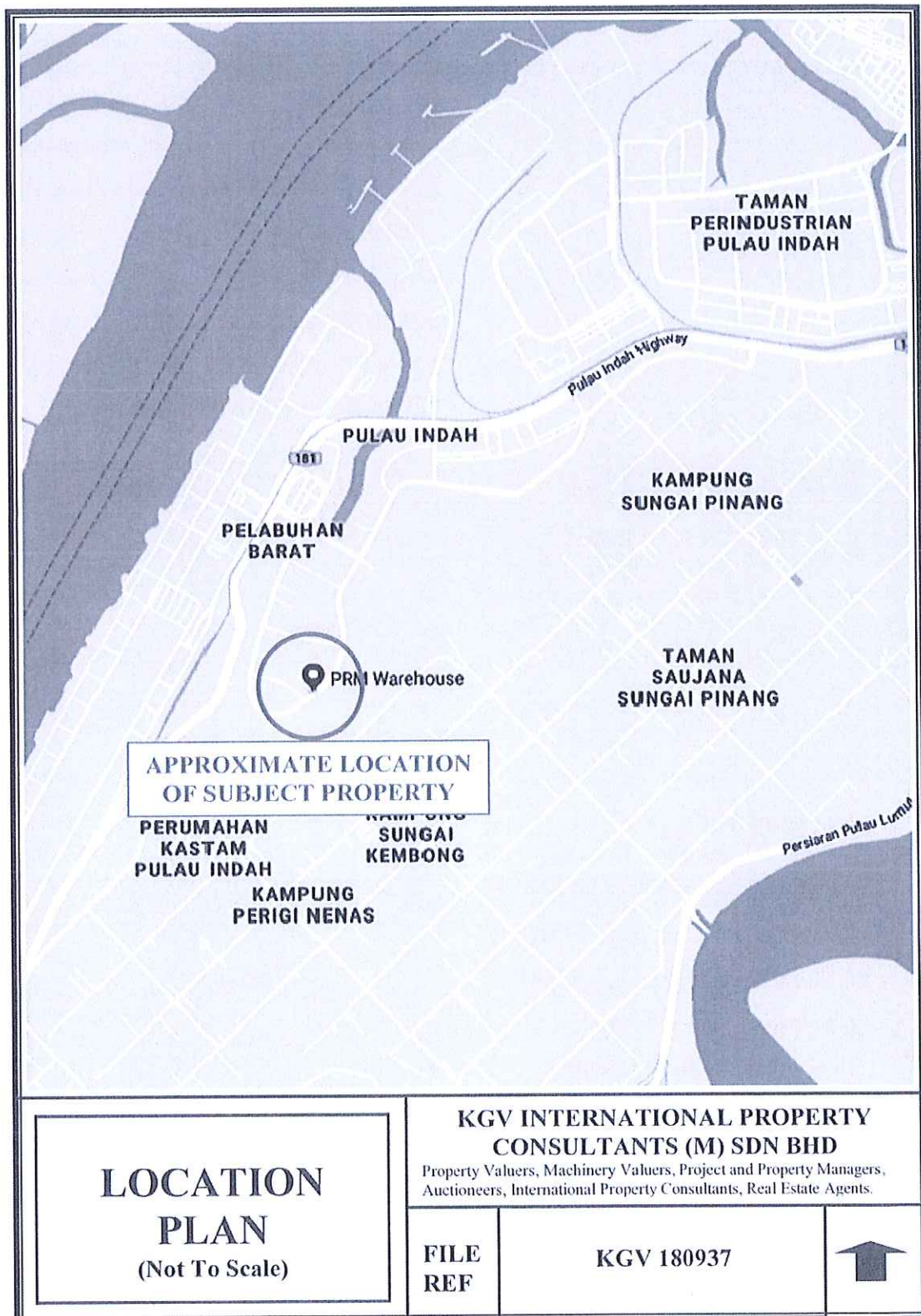
B Surv (Hons) Ppty Mgmt, MRICS

(Registered Valuer V445)

Executive Director (Valuation)

FDZ/LL/AC/pat

APPENDIX A



APPENDIX A1



**LOCATION
PLAN**
(Not To Scale)

KGV INTERNATIONAL PROPERTY CONSULTANTS (M) SDN BHD

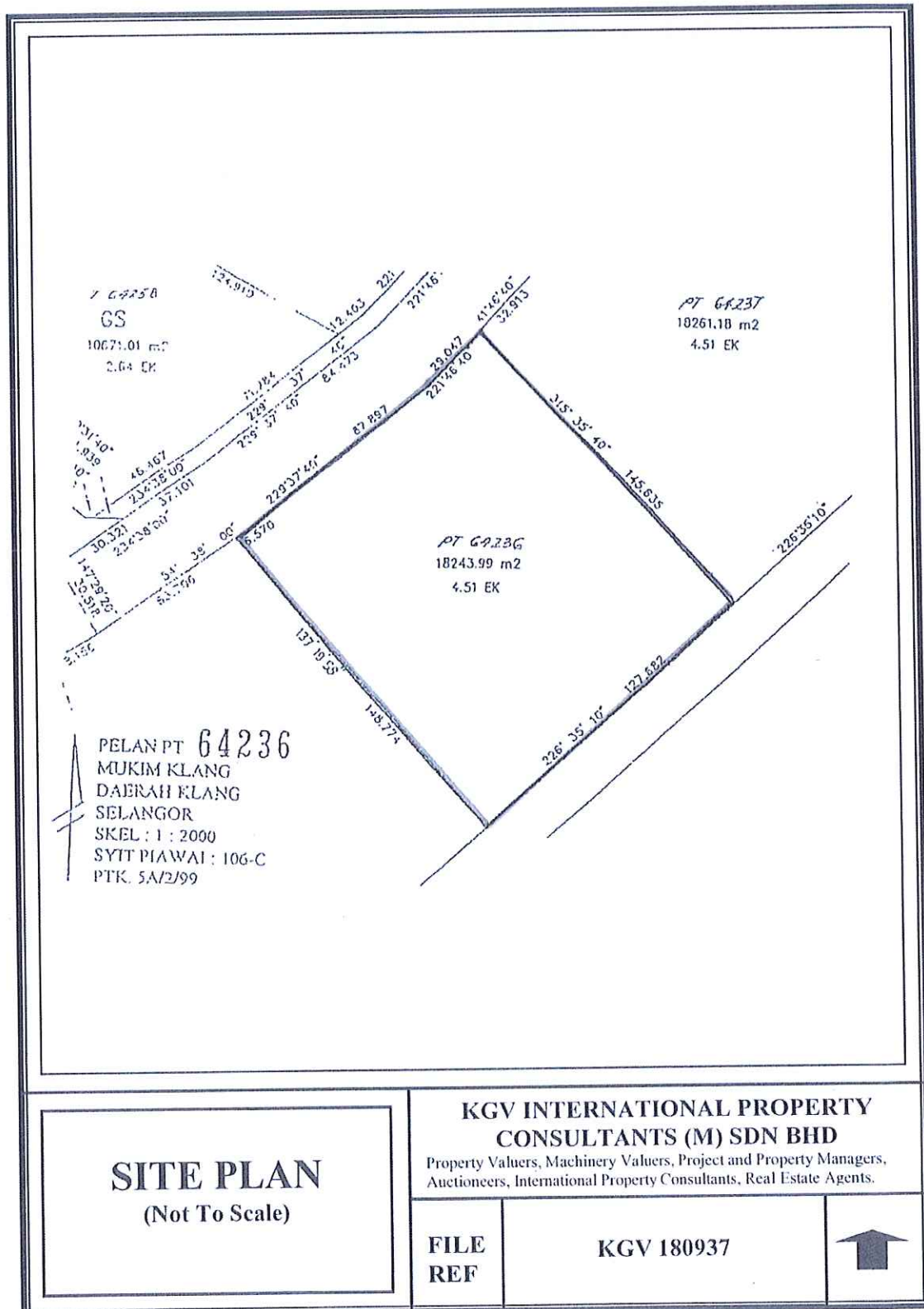
Property Valuers, Machinery Valuers, Project and Property Managers,
Auctioneers, International Property Consultants, Real Estate Agents.

**FILE
REF**

KGV 180937



APPENDIX B



APPENDIX C : PHOTOGRAPHS

View of Subject Locality



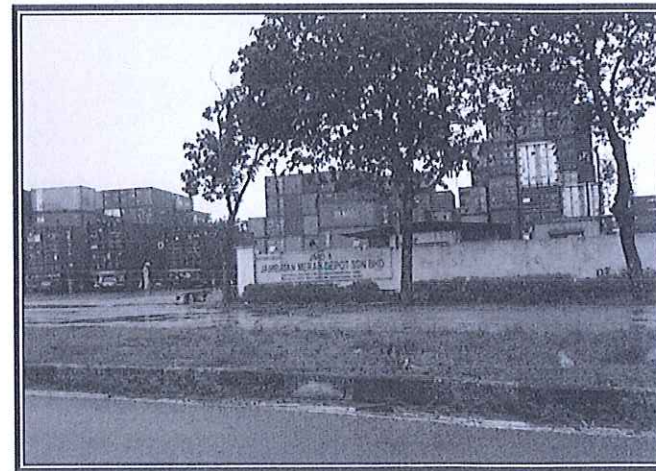
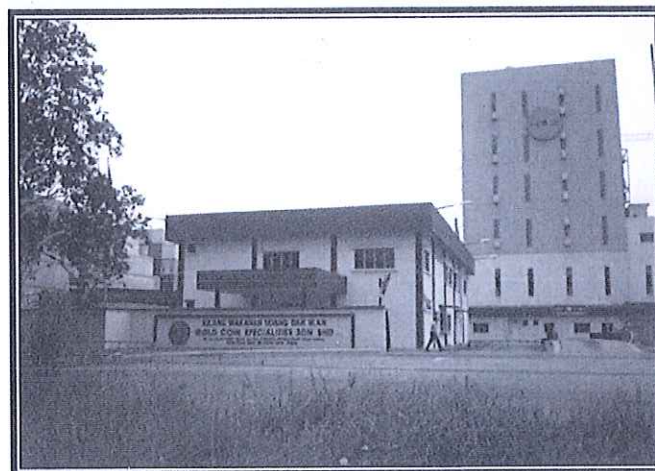
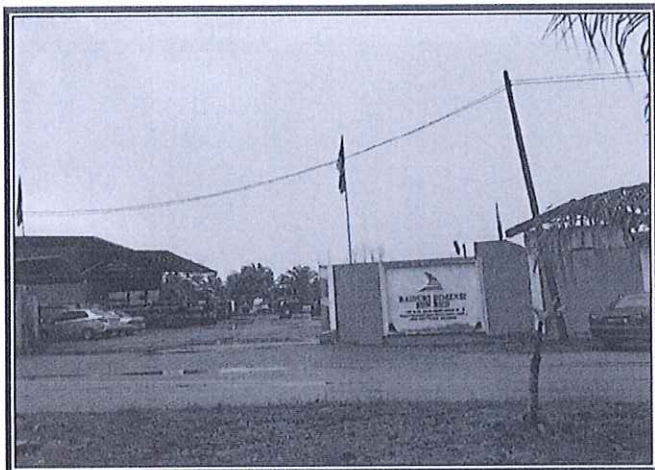
Another view of Subject Locality



KGV180882

APPENDIX C1 : PHOTOGRAPHS

Surroundings



ANNEXURE 1 - PARTICULARS OF TITLE

Property	Lot No PT 64236 Mukim of Klang District of Klang Selangor Darul Ehsan
Title	HSD 67516
Interest	99-year leasehold expiring on February 24 2097. The present unexpired term of the lease is approximately 79 years.
Land Area	18,243.99 sm (196,383.10 sf).
Annual Rent	RM18,792.00
Category of Land Use	Industry
Registered Proprietor	Mutiara Suci Sdn Berhad
Express Condition	Industry
Restriction-in-Interest	Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.
Encumbrances	Nil

For our valuation purpose, the above particulars are deemed to be correct. However, we recommend that they are further verified and confirmed by a solicitor.

Date of Title Search : September 12 2018

CATATAN CARIAN PERSENDIRIAN

Adalah diperakui bahawa suatu carian persendirian telah dibuat mengikut Seksyen 384, Kanun Tanah Negara berkenaan tanah berikut :

Jenis dan No. Hakmilik	: HSD 67516	Nombor Lot	: PT 64236
Bandar/Pekan/Mukim	: Mukim Klang	Tempat	:
Keluasan	: 18243.99 Meter Persegi	Daerah	: Klang
Nombor Syit Piawai	: 106-C	Nombor Pelan Akui	: Tiada
Taraf Pegangan (Selama-lamanya atau Pajakan)	: Pajakan 99 tahun	Tarikh Luput Pajakan:	24 Februari 2097 (Jika Berkenaan)
Kawasan Rizab (Jika Berkenaan)	: Tiada		
Tarikh Daftar	: 16 April 2001	Cukai Tanah	: RM 18,792.00

Bahawa pada tarikh dan waktu perakuan ini dikeluarkan,
butir-butir tanah tersebut adalah seperti berikut :

Kategori Kegunaan Tanah : Perusahaan
Syarat Nyata : Industri
Sekatan Kepentingan : Tanah yang diberi milik ini tidak boleh dipindah milik,
: dipajak atau digadai melainkan dengan kebenaran Pihak
: Berkuasa Negeri.

Pemilikan dan Alamat :

MUTIARA SUCI SDN BERHAD , No. Syarikat : 200333-X
Tertubuh di bawah Akta Syarikat 1965 , 1/1 bahagian
NO. 26, JALAN ISTANA KLANG 41000 Selangor

Tanggungjawab dan endosan-endosan lain :

Nombor Perserahan : 118201/2006 Pindahmilik Tanah
oleh PROSPER TRADING SDN. BERHAD, No. Syarikat : 144561-U , 1/1 bahagian
kepada MUTIARA SUCI SDN BERHAD, No sykt : 200333-X, 1/1 bahagian
NO. 26, JALAN ISTANA KLANG 41000 Selangor
Didaftarkan pada 27 Disember 2006 jam 03:30:00 petang
Surat Kebenaran : 27712/2006

Nombor Perserahan : 530036/2016 Pindaan Cukai Tanah
didaftarkan pada 15 Jun 2016 jam 04:45:36 petang

Hakmilik : 100102HSD00067516
Mukasurat : 1 [2]
Tarikh : 12 / 09 / 2018

Urusan-urusan dalam Perserahan yang belum didaftarkan : Tiada

Endosan-endosan yang terdahulu yang tidak berkuatkuasa lagi :

No Pers 18903/2003 Pindahmilik Tanah
oleh CENTRAL SPECTRUM (M) SDN BHD , 183136-D , 1/1 bahagian
kepada PROSPER TRADING SDN. BERHAD, 144561-U, 1/1 bahagian
26, JALAN ISTANA, KLANG 41000 Selangor
didaftarkan pada 4 April 2003 jam 11:45:02 pagi

No Pers 31418/2005 Pindaan Cukai Tanah
didaftarkan pada 10 Ogos 2005 jam 05:09:02 petang

Hakmilik yang terdahulu :
(Jika hakmilik sambungan)

Tarikh mula diberimilik	:	25 Februari 1998
Hakmilik Asal (Tetap atau Sementara)	:	Mukim Klang HSD 57900
Hakmilik Terdahulu daripada ini	:	Mukim Klang PN 7885

Perkara lain yang melibatkan hakmilik :

Cukai tanah dipinda dari RM 18792 kepada RM 18792
menurut Seksyen 101 Kanun Tanah Negara mulai dari 1 Januari 2017.
(No Warta SEL.P.U.6 bertarikh 17 Mac 2016.)

Dikeluarkan pada	:	1:08:00 petang	Tarikh	:	12 September 2018
Bayaran dijelaskan	:	RM 300.00	Nombor Resit	:	1809120011032979

Hakmilik : 100102HSD00067516
Mukasurat : 2 { 2 }
Tarikh : 12 / 09 / 2018

LIMITING CONDITIONS

1. This Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect to that purpose, but the Client shall not disclose the report to any other person.
2. Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of the Valuation Report, whether in part or in whole.
3. The opinion of value expressed in this Report shall only be used by the addressee for the purpose stated or intended in this Report. We are not responsible for any consequences arising from the Valuation Report being relied upon by any other party whatsoever or for any information therein quoted out of context.
4. Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office.
5. We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.
6. While due care has been taken to note building defects in the course of inspection, no structural surveys were made nor any inspection of woodwork or other parts of the structure which were covered or inaccessible were made. We are therefore unable to express an opinion or advise on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.
7. We have considered the property as if free and clear of all charges, lien and all other encumbrances that may be secured thereon. We also assumed the property is free of statutory notices and outgoings.
8. Where information has been supplied to us by our client or related party and such information is stated in the Report as taken to be correct, we cannot be held liable for any loss or damage in the event the information is found to be false, inaccurate or misleading.
9. The Valuation Report does not automatically bind us to attend court or give evidence before any government or statutory body unless specifically made known to us in writing by the client at the time of giving the instructions for the valuation.
10. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.
11. In the inventory, machinery and/or equipment is listed as complete working units, i.e. machinery and/or equipment is meant to include all parts and accessories normally comprising the unit. We have totally disregarded such items which, in our opinion have no practical take-up value or are normally charged as operating expense.