MALPAC

Malpac Holdings Berhad

(197424-V)

ANNUAL REPORT 2013

MALPAC

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of the Company will be held at Dewan Tuanku Ja'afar, Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Ma'amor, 70000 Seremban, Negeri Sembilan Darul Khusus on Tuesday, 10 June 2014 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2013. **(Resolution 2)**

3. To re-elect the following Director who retires in accordance with Articles 80 and 82 of the Company's Articles of Association:

   Encik Muhayuddin Bin Musa **(Resolution 3)**

4. To consider and if thought fit, pass the following Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   4.1 "That Mr. Chew Loy Chee, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." **(Resolution 4)**

   4.2 "That Mr. Tan Chon Sing @ Tan Kim Tieng, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." **(Resolution 5)**

5. To re-appoint Auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 6)**

6. As Special Business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions and Special Resolution:

   6.1 Authority to issue shares pursuant to Section 132(D) of the Companies Act, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approval of the relevant governmental/regulatory authorities (if any shall be required), the Directors be and are hereby empowered to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company." **(Resolution 7)**

6.2 Proposed renewal of authority to purchase its own shares by the Company.

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company ("Shares") and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

(i) The aggregate number of Shares bought-back and/or held does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company subject to the restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirement;

(ii) The maximum amount to be allocated for the buy-back of the Company's own Shares shall not exceed the retained profits and the share premium account of the Company;

(iii) As prescribed by the act, rules, regulations and orders made pursuant to the act and the requirements of Bursa Securities and any other relevant authority for the time being in force; and

(iv) Upon completion of buy-back by the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manner:-

(a) cancel the Shares so purchased; or

(b) retain the Shares so purchased as treasury shares and held by the Company; or

(c) retain part of the Shares so purchased as treasury shares and cancel the remainder,

and the treasury shares may be distributed as dividends to the Company's shareholders and /or resold on Securities Exchange and/or subsequently cancelled or any combination of the three and in any other manner.

The approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest; **(Resolution 8)**

7. To transact any other ordinary business of which due Notice shall have been received.

By Order Of The Board

NG BEE LIAN
Company Secretary

Seremban
16 May 2014

Notes:

1. A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

   The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.

3. Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.

4. Only members whose name appear in the Record of Depositors as at 2 June 2014 will be entitled to attend and vote at the meeting.

5. Where a member of the Company 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 respect of each securities account it holds which is credited with ordinary shares of the Company.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

   Explanatory Notes

   Ordinary Resolution No. 7
   Authority to issue shares not exceeding ten (10) per centum of the Issue Capital of Malpac Holdings Berhad

   The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/ diversification proposals involves the issue of new shares, the Directors, under certain circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

   In order to avoid any delay and costs involved in convening a general meeting to approve such issue of share, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions.

   No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 20 June 2013.

   Ordinary Resolution No. 8
   Proposed Share Buy-Back

   If passed, will provide the mandate for the Company to buy-back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of Director Standing for Re-Election.**

   Director who is standing for re-election at the 24th Annual General Meeting is as follows:-

   Articles 80 and 82 of the Company's Articles of Association:

   • Encik Muhayuddin Bin Musa

2. **Details of Directors Standing for Re-Appointment.**

   Directors standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 are as follows:-

   • Mr Chew Loy Chee
   • Mr Tan Chon Sing @ Tan Kim Tieng

   The details of the above Directors standing for re-election/re-appointment are set out in their respective profiles which appear on pages 7 to 9 of the Company's 2013 Annual Report.

3. **Details of Attendances of Directors at Board Meeting.**

   A total of five (5) Board of Directors' meetings were held at the Board Room, 4th Floor, Wisma Concorde, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur during the financial year. Details of attendances of Directors at the Board Meeting are set out in the Statement on Corporate Governance on pages 15 to 20 of the Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Encik Muhayuddin Bin Musa *Chairman*	Independent Non-Executive Director
Mr Chew Loy Chee *Deputy Chairman*	Non-Independent Non-Executive Director
Mr Lim Hong Liang	Non-Independent Executive Director
Mr Kan Ah Chun	Non-Independent Executive Director
Mr Tan Chon Sing @ Tan Kim Tieng	Non-Independent Non-Executive Director
Mr Gan Teck Chong @ Gan Kwan Chong	Non-Independent Non-Executive Director
Encik Johari Low Bin Abdullah	Senior Independent Non-Executive Director

Chief Executive Officer
Mr Ang Poo Guan

Audit Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Encik Muhayuddin Bin Musa

Remuneration Committee
Chairman: Mr Lim Hong Liang
Members: Encik Muhayuddin Bin Musa
Encik Johari Low Bin Abdullah

Nomination Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Encik Muhayuddin Bin Musa

Investment Committee
Chairman: Mr Lim Hong Liang
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Mr Kan Ah Chun
Mr Ang Poo Guan

Risk Management Committee
Chairman: Mr Lim Hong Liang
Members: Encik Muhayuddin Bin Musa
Encik Johari Low Bin Abdullah

Company Secretary
Ms Ng Bee Lian (MAICSA 7041392)

Registered Office
Chamber E, Lian Seng Courts
275 Jalan Haruan 1, Oakland Industrial Park
70200 Seremban
Negeri Sembilan Darul Khusus
Tel : 06-7623339
Fax: 06-7629693

Principal Place Of Business
2nd Floor, No. 23, Jalan Kong Sang
70000 Seremban
Negeri Sembilan Darul Khusus
Tel : 06-7653816 & 7653836
Fax: 06-7653815

Auditors
Baker Tilly AC
Chartered Accountants (AF. 001826)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tax Consultant
Baker Tilly AC Tax Consultants Sdn Bhd
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Solicitors
Logan Sabapathy & Co

Share Registrar
Sectrars Services Sdn Bhd
No. 28-1, Jalan Tun Sambanthan 3
Brickfields, 50470 Kuala Lumpur
Tel : 03-22746133
Fax: 03-22741016

Principal Bankers
CIMB Bank Berhad
Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad

Stock Exchange Listing
Bursa Malaysia Securities Berhad Main Market

Website
www.malpac.com.my

PROFILE OF BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

ENCIK MUHAYUDDIN BIN MUSA
Chairman

Encik Muhayuddin Bin Musa, Malaysian, aged 51, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 March 2005 and re-designated as Independent & Non-Executive Chairman on 14 August 2012. He is also a member of the Audit, Remuneration, Nomination and Risk Management Committees of the Company. He graduated with a Bachelor of Commerce (Hons) degree from the Carleton University, Ottawa, Canada.

He started his career as a Financial Officer with Lembaga Letrik Negara ('LLN') (1985 – 1987). Thereafter, he joined the banking industry and has held various positions in both local and foreign banks. Subsequently, in 1993 he joined Federal Furniture Holdings (M) Berhad as Corporate Affairs Manager and Managing Director of a subsidiary of Federal Furniture Holdings (M) Berhad.

En Muhayuddin is currently the Executive Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad, a post he continues to hold till today since 1998.

Encik Muhayuddin attended all of the five (5) Board Meetings held in the financial year 2013.

MR CHEW LOY CHEE
Deputy Chairman

Mr Chew Loy Chee, Singaporean/Malaysian Permanent Resident, aged 77, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board as Deputy Chairman on 31 May 1990.

He was engaged in the commercial banking sector for twenty years prior to being involved in the stockbroking industry and was a member of the KLSE (now known as Bursa Malaysia) from 1976 to 2001. He was a senior partner of Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia) from 1976 to March 1987. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr. Chew attended all of the five (5) Board Meetings held in the financial year 2013.

MR TAN CHON SING @ TAN KIM TIENG

Mr Tan Chon Sing @ Tan Kim Tieng, Malaysian, aged 75, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is a member of the Nomination, Investment and Audit Committees of the Company.

He graduated from Nanyang University in 1963 with a Bachelor of Commerce degree and was a banker for eleven years before joining the stockbroking industry in 1976 as Manager in Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia). He was admitted as a member of KLSE in 1987 (now known as Bursa Malaysia) and appointed as a Director of Seremban Securities Sdn. Bhd. (SSSB). The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

His directorship in other public listed company is in Three-A Resources Bhd. He also sits on the Board of several other companies within the Malpac Group as well as a few other private limited companies. He currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Tan attended all of the five (5) Board Meetings held in the financial year 2013.

PROFILE OF BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (CONT'D)

MR GAN TECK CHONG @ GAN KWAN CHONG

Mr Gan Teck Chong @ Gan Kwan Chong, Malaysian, aged 67, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He has been in the stockbroking business for more than twenty years. He commenced his career as a remisier with Chua & Co., Melaka, and joined Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia), in 1976 as Assistant Manager. He was admitted as a member of the KLSE (now known as Bursa Malaysia) and a partner of Chew & Teo in 1979. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Gan attended all of the five (5) Board Meetings held in the financial year 2013.

MR LIM HONG LIANG

Mr Lim Hong Liang, Malaysian, aged 55, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 16 October 1990. He is the Chairman of the Remuneration, Investment and Risk Management Committees of the Company.

He holds a Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Sydney. Before joining Malpac, he was employed in the commercial banking sector for six years.

He is a director of two other public listed companies, Kumpulan Powernet Berhad and APB Resources Berhad, and also sits on the Board of two other companies within the Malpac Group as well as several other private limited companies.

Mr Lim attended all of the five (5) Board Meetings held in the financial year 2013.

MR KAN AH CHUN

Mr Kan Ah Chun, Malaysian, aged 60, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 10 September 1996. He is a member of the Investment Committee of the Company.

After graduating from University of Malaya with a Bachelor of Science (Hons) Degree in 1977, he was attached to the teaching profession from 1978 to 1982. He then joined a commercial bank until 1996 when he joined Malpac Securities Sdn. Bhd.

He also sits on the Board of a company within the Malpac Group as well as several other private limited companies.

Mr Kan attended four of the five (5) Board Meetings held in the financial year 2013.

PROFILE OF BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (CONT'D)

ENCIK JOHARI LOW BIN ABDULLAH

Encik Johari Low Bin Abdullah, Malaysian, aged 64, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 May 2007. He is also the Chairman of the Audit and Nomination Committees and a member of the Remuneration and Risk Management Committees of the Company.

Encik Johari is a Fellow Member of The Institute of Chartered Accountants (England & Wales), the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of Mensa International.

He was previously an auditor with Coopers Lybrand London and Deloittes Kuala Lumpur, Executive Director of Ambank Group, Group Managing Director of Berjaya Group Berhad, CEO of KFC Holdings (M) Berhad and Deputy Chairman of Anglo Eastern Plantations PLC. He is currently the Chairman of the Rockwills International Group, a leading estate planning group in Malaysia. He is also a director of Amcorp Group Berhad.

Encik Johari attended all of the five (5) Board Meetings held in the financial year 2013.

NONE OF THE DIRECTORS HAS:

- Any family relationship with any other Director and/or major shareholder of Malpac Holdings Berhad.
- Any conflict of interest with Malpac Holdings Berhad.
- Any conviction for offences within the past 10 years other than traffic offences.

MR ANG POO GUAN
Chief Executive Officer

Mr Ang Poo Guan, Malaysian, aged 65, was appointed as Chief Executive Officer of Malpac Holdings Berhad on 1 March 2002. He also holds directorships in a few subsidiary companies of the Group. He is a member of the Investment Committee of the Company.

He graduated from the University of Malaya in 1972 with a Bachelor of Agric. Sc. (Hon.) degree. He joined a plantation management company for a short stint before joining an agricultural development bank in 1973. In 1980 he joined a foreign commercial bank where he rose to the position of Senior Vice President. In 1996, he left the banking sector to join Malpac Management Sdn. Bhd., a subsidiary of Malpac Holdings Berhad, where he was appointed Chief Executive Officer cum Director. He is also a director of a public company, Kai Peng Berhad, and several private limited companies.

Mr Ang attended all of the five (5) Board Meetings held in the financial year 2013.

Mr Ang does not have any family relationship with any director and/or major shareholder of Malpac Holdings Berhad, nor has he any conflict of interest with the Company. He has no convictions for any offences within the past ten years.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our Annual Report & Audited Financial statement for the financial year ended 31 Dec 2013 (FY2013).

ECONOMIC REVIEW

Global economic conditions remain uncertain and challenging in FY2013. On a positive note, the US and the European countries reported signs of recovery amidst new concerns on the slowing down of China's economy.

On the local front, FY2013 is a bullish year with our FBM KLCI benchmark index recording a rise of 10.54% higher than last year's close setting a fresh record high. Despite general concerns over the announcements on cooling measures and GST implementation, our country is expected to continue to see reasonable growth in the coming years.

OVERVIEW OF BUSINESS AND OPERATIONS

Malpac Holdings Berhad ("Malpac") is an investment holding company whereby the Company, through its subsidiaries, is principally engaged in operation of oil palm plantation and palm oil milling. Malpac is also actively exploring and reviewing investment opportunities locally and globally to grow the Company.

REVIEW OF FINANCIAL PERFORMANCE

Plantation Revenue

As highlighted in FY2012 annual report, the Company was involved in a material litigation pertaining to a lapsed sale and purchase agreement involving the Company's plantation assets in Teluk Intan. On May 2011, the Ipoh High Court ruled against the Company and the Plaintiffs withheld payment of the monthly plantation payments due to us from July 2011 till to date. Hence the Company has been reporting zero revenue since then. In Jan 2012, the Court of Appeal ruled in our favor upon our appeal but subsequently in Sept 2013, the Federal Court ruled in favor of the Plaintiffs. As advised by our solicitors, the Company then submitted an application for judicial review. Our case was heard on 4th March 2014 but was unsuccessful.

The Company is currently in consultation with our legal advisors on our next course of actions to safeguard our shareholders' interests, including but not limited to claiming all the revenue withheld by the Plaintiffs. The accumulated amount withheld to date is in excess of RM 30 million.

Other Operating Income

Other operating income which principally comprised of fair value gain and income from securities, investments and fixed deposits generated RM 8.107 million for the Company. The investment return improved by 134.12% as compared to FY2012 largely due to positive stock market performances in year 2013.

The FY2013 net profit recorded was RM 1.46 million or 1.90 sen on per share basis.

CHAIRMAN'S STATEMENT (CONT'D)

PROSPECTS

Given that all legal avenues for the current legal suit have been exhausted, the Company faces the grim prospects of falling under the ambit of the provisions of Practice Note 17 of Bursa's Listing Requirements in respect of insignificant level of operation if and when the sale of our plantation assets is realized. As mentioned earlier, the Board is currently seeking legal advice on this matter.

Concurrently, the Group is actively reviewing several investment proposals both local and abroad. In addition, we are in preliminary talks with several interested parties to unlock the values of the Group's existing assets and/or acquire investment properties that will further add value to the Group.

COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, we regard our social responsibility by complying with environmental and pollution standards. We have been managing our plantation in a manner consistent with internationally accepted standards and practices.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the year under review.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation to all the directors, management and staff for their strong commitment and contribution towards the continued success of the Group. My appreciation also goes to our valued shareholders, bankers and business partners for their continued support and confidence in the Group.

Encik Muhayuddin Bin Musa
Chairman

AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The Audit Committee comprises the following members and details of attendance of meetings held during the financial year ended 31 December 2013 are as follows:-

Name of Committee Member	No. of meetings attended
Johari Low Bin Abdullah - Chairman *[Senior Independent Non-Executive Director]*	5/5
Muhayuddin Bin Musa *[Independent Non-Executive Director]*	5/5
Tan Chon Sing @ Tan Kim Tieng *[Non-Independent Non-Executive Director]*	5/5

TERMS OF REFERENCE

Composition

- The Audit Committee shall be appointed by the Board from among the Directors and shall compose of no fewer than three (3) members, all must be non-executive directors with majority of them being independent directors.
- At least one (1) member of the committee must be:
  - i) a member of Malaysian Institute of Accountants (MIA); or
  - ii) if non-MIA member, a person who must have at least three (3) years working experience and have passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule; or
  - iii) a person who holds a degree/master/doctorate in accounting/finance with three (3) years' post qualification experience; or
  - iv) a person with at least seven (7) years experience being Chief Financial Officer.
  - v) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- No alternate director shall be appointed as a member of the Audit Committee.
- The members of the Audit Committee shall elect a chairman from among their member who shall be an independent director.
- In the event of any vacancy in the Audit Committee which results in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the vacancy must be filled within three (3) months.

Objectives

The objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities especially on the following:

- To oversee and appraise the quality of the audits conducted by the Company's internal and external auditors.
- To determine the adequacy of the Company's administrative, operating and accounting controls.
- To maintain open lines of communications among the Board, the Company's employees and external auditors and to exchange views and information.
- Ensure the independence of the external and internal audit functions.

Duties & Responsibilities

The duties and responsibilities of the Committee shall be:

- To review with the internal auditors, the scope, functions, competency and adequacy of resources, authority, internal audit programme and results, processes or investigation undertaken and the action taken on their recommendations.

Duties & Responsibilities (cont'd)

- To review the quarterly financial results and annual financial statements before submission to the Board for approval.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of other directors and management where necessary).
- To review the effectiveness of internal audit function.
- To identify and direct any special projects of investigations deemed necessary.
- To consider any related party transactions that may arise within the Group.
- To review the suitability of the external auditors for recommendation to the Board for re-appointment and the audit fee thereof.
- To review any resignation from external and internal auditors and to nominate external and internal auditors for the Group.

Authority

The Audit Committee is empowered to, in accordance with the procedures determined by the Board of Directors and at the cost of the Company:-

- Investigate any matters within its term of reference.
- Have full access to all information in relation to the Company and its subsidiaries.
- Have direct communication channels with the external auditors and internal auditors.
- To convene meetings with the internal auditors without the presence of Executive Directors and employees of the Company, whenever deemed necessary.
- To convene meetings with the external auditors at least twice a year without the presence of the Executive Directors and management staff.
- Obtain independent professional or other advice as necessary.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board of Directors on matter considered and its recommendations thereon, pertaining to the Group.

Meetings

The Committee will meet at least four times in a year. The quorum for the meeting shall consist of two members of which majority of members present must be Independent directors. The Directors, employees, auditors or others may attend meetings upon the invitation of the Audit Committee.

The Company Secretary shall be the Secretary to the Audit Committee.

Minutes

The Secretary shall maintain minutes of the proceedings of the meeting and circulate such minutes to all members of the Audit Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors.

SUMMARY OF ACTIVITIES

The following activities were carried out by members of the Audit Committee for the financial year under review:-

- Reviewed the quarterly financial results and the annual financial statements of the Company and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa.
- Reviewed with the external auditors, the audit plan and the nature and scope of audit.
- Reviewed the major findings of internal audit reports and their recommendations relating thereto as well as the management response.

SUMMARY OF ACTIVITIES (CONT'D)

- Reviewed the internal and external audit reports to ensure that appropriate and adequate remedial actions were taken by the Management on significant lapses in controls and procedures that were identified if any.
- Meeting with the external auditors in the absence of the Executive Directors.
- Assessed the performance of the auditors and make recommendations to the Board of Directors for their re-appointment.
- Reviewed the Audit Committee Report and Statement on Risks Management and Internal Control prior to its inclusion in the Annual Report.
- Evaluated the audit fees payable to the internal auditors and external auditors.

INTERNAL AUDIT FUNCTION

For Financial Year Ended 31 December 2013, the Group has outsourced its internal audit functions to an independent consulting firm. The principal role of the internal audit function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. The internal audit function reports directly to the Audit Committee and it is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports for their review and subsequently recommending to the Board for strengthening the internal controls and corporate governance of the Group.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 21 to 22 of the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the Board) of Malpac Holdings Berhad is committed to ensure the standards of corporate governance is used as a fundamental basis of the Board in discharging their fiduciary duties and responsibilities to protect and enhance shareholder values and the interests of other stakeholders.

The Board views corporate governance as an integral part of our business and the Board has committed in cultivating the culture of conformity, integrity, accountability and transparency within the Group to deliver long term strategic success for our shareholders. The Board and Management have also been constantly improving our risk management and internal control practices, reviewing auditors' quality and new relevant codes and laws mandated to ensure that the principles set out comply with the updated recommendations.

The latest Malaysian Code on Corporate Governance 2012 ("the Code") sets out principles, requirements and best practices on structures and processes that all corporate citizens should adopt in their operations towards achieving the optimal governance framework.

In line with the Code, the Board presents herewith the report on how the Group has applied the principles set out in the Code to its particular circumstances, having regard to the recommendations stated under each principle.

I. THE BOARD OF DIRECTORS

1. Board Responsibilities

The Board assumes full responsibilities for the overall performance of the Group by adopting a strategic plan and overseeing the conduct of the business in order to ensure that the business is being properly managed. The Board focuses on its financial performance and crucial business decisions, like identifying principal risks and their management, succession planning for senior management, developing and implementing shareholder communications policy, system for internal control and compliance with laws and regulations.

2. Board Charter

The Board has established a Board Charter whereby it provides guidance for the existing and prospective Board members and its Committees on their fiduciary duties and responsibilities. The Charter will be reviewed and updated periodically to ensure consistency with the Board's strategic plan. The Charter is made available at the Company's website at www.malpac.com.my.

3. Board Composition and Balance

There is a balance of power and authority in the Board with two executive non-independent directors, three non-executive non-independent directors and two non-executive independent directors. The Company is in compliance with the Listing Requirements of Bursa Malaysia which requires one-third of the Board members as independent non-executive directors.

All board members have extensive professional and business experience. Essentially, this meets the prerequisites of an effective board where the intimate business knowledge of the executive directors is combined with the broader views and objectivity that non-executive directors bring into the Board's deliberation and decision-making process.

The role of the Chairman and the Executive Directors are segregated. The Chairman is primarily responsible for the Board effectiveness and conduct, whilst the Executive Director together with the Chief Executive Officer are responsible for day to day running of business and implementation of Board policies and decisions. The Executive and Non-Executive Directors together ensure that the strategies proposed by the management are fully discussed and examined and the long-term interests of the shareholders are taken into account.

I. THE BOARD OF DIRECTORS (CONT'D)

3. Board Composition and Balance (cont'd)

The Board has conducted an assessment on the Independent Directors and none of them have served the Company exceeding a cumulative term of nine (9) years.

The Board supports the initiative to include woman representation on the Board to achieve a more gender diversified Board. Candidates that are competent, possess leadership qualities and suitable qualification with specialized knowledge that meet the Group's needs will be considered for appointment to the Board in the future.

4. Board Meetings

The Board meets on a quarterly basis, with additional meetings convened as and when necessary.

During the financial year, the Board met five (5) times. The numbers of meetings attended by each director are as follows:-

Name of Directors	No. of Meetings Attended
Muhayuddin Bin Musa	5/5
Chew Loy Chee	5/5
Lim Hong Liang	5/5
Tan Chon Sing @ Tan Kim Tieng	5/5
Gan Teck Chong @ Gan Kwan Chong	5/5
Kan Ah Chun	4/5
Johari Low Bin Abdullah	5/5

5. Board Committees

a. Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises of two (2) independent non-executive Directors and one (1) non-independent and non-executive Director. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report.

The Audit Committee meets quarterly. Additional meetings are held as and when required. For financial year ended 31 December 2013, five meetings were held.

The Audit Committee's meetings are always held before the Board's meetings. This is to ensure that all critical issues highlighted can be brought to the Board on a timely basis.

b. Nomination Committee

The Committee consists entirely of Non-Executive Directors with majority being Independent Directors. The Committee is chair by a Senior Independent Director and the members are as follows:

1) Johari Low Bin Abdullah – Chairman
2) Tan Chon Sing @ Tan Kim Tieng
3) Muhayuddin Bin Musa

The Nomination Committee is to assist the Board in assessing the effectiveness of the Board as a whole and Board Committees, and assessing the contributions of each individual Director including the Chief Executive Officer (CEO) on an annual basis.

I. THE BOARD OF DIRECTORS (CONT'D)

5. Board Committees (cont'd)

b. Nomination Committee (cont'd)

The Nomination Committee, with the guide of the nomination and election process, is also responsible for nominating the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board wherever the need arises. Details of the nomination and election process can be found at the Company's website.

The Committee held one meeting in the financial year for the purpose of making an assessment of the directors and board committee, the following criteria has been used in the assessment process:

<u>Board of Directors</u>
- Quality and Composition with the mix of skills and experience
- Board Roles and Responsibilities

<u>Board Committee</u>
- Quality and Composition
- Skills and Competencies

The Committee also reviewed and recommended to the Board the re-appointment and re-election of Directors.

c. Remuneration Committee

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members of the Remuneration Committee are:-

(i) Lim Hong Liang - Chairman
(ii) Johari Low Bin Abdullah
(iii) Muhayuddin Bin Musa

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, whilst the Board as a whole determines the remuneration of the Non-Executive Directors. Individual Directors do not participate in discussions or decisions concerning their own remuneration packages.

d. Investment Committee

The Committee consists of two Executive Directors, a Non-Executive Director and the Group CEO.

The members of the committee are as follows:-

(i) Lim Hong Liang - Chairman
(ii) Tan Chon Sing @ Tan Kim Tieng
(iii) Kan Ah Chun
(iv) Ang Poo Guan

The role of the Investment Committee is to assist the Board in assessing and approving all significant investment matters which include the capital budget, investment transactions and proposals on new investment capital. The significant issues and actions deliberated and decided in the Committee are tabled in the Board for review and approval.

The Investment Committee shall meet as and when required and shall report to the board on its proceeding on all matters within its duties and responsibilities.

There were six meetings held during the financial year.

I. THE BOARD OF DIRECTORS (CONT'D)

5. Board Committees (cont'd)

e. Risk Management Committee

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members of the Risk Management Committee are:-

(i) Lim Hong Liang - Chairman
(ii) Johari Low Bin Abdullah
(iii) Muhayuddin Bin Musa

The role of the Risk Management Committee is to identify, evaluate and manage various risks and monitor these risks constantly to ensure that risks are actively updated and effectively managed.

The Risk Management Committee meets as and when required or at least once a year.

6. Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

7. Supply of Information

Board members are provided with all relevant papers and reports in advance of each Board and Committee Meeting in accordance to the agenda for discussion. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings and expedites the decision making process. Senior management staff are invited to attend Board or Committee Meetings to present the financial performance, reports or other proposals affecting the business areas as at when and where necessary.

The Directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and the regulatory requirements are met.

The Directors are also given access to seek independent professional advice when necessary at the Company's expense.

8. Directors' Training

All the Directors have completed the Mandatory Accreditation Programme and attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Securities Listing Requirements. All Directors have attended at least one training course each that the Board considered relevant to the discharge of their duties as director. The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and knowledge to keep abreast with the changing business developments relevant to the industry within which the Group operates.

I. THE BOARD OF DIRECTORS (CONT'D)

8. Directors' Training (cont'd)

During the financial year ended 31 December 2013, the board members attended the following programmes:-

Directors	Courses/Seminars/Workshops attended
Muhayuddin bin Musa	Risk Management & Internal Control
Chew Loy Chee **Tan Chon Sing @ Tan Kim Tieng** **Gan Teck Chong @ Gan Kwan Chong**	Anti Money Laundering and Anti Terrorism Financing – A Practitioners Guide The Mind of the Investor – A Behavioral Finance Perspective
Lim Hong Liang **Kan Ah Chun**	2013 PLC Directors' Training - Family Business Dilemma - Highlights of Budget 2014
Johari Low Bin Abdullah	Getting Rich and Staying Rich Islamic Foundations Masterclass Anti-Money Laundering Corporate Governance Anti-Money Laundering Act

II. DIRECTORS' REMUNERATION

The remuneration policy of the Company for Executive Directors is structured to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned. Details of remuneration received/receivable by Directors from the Group for the financial year ended 31 December 2013 is as follows:-

	Fee (RM)	Salaries & Allowance (RM)	Other Emoluments & Benefits (RM)	Total (RM)
Executive Directors	24,000	188,200	183,950	396,150
Non-Executive Directors	36,000	300,880	216,050	552,930

The number of Directors whose remuneration falls into the respective bands is as follows:-

Range of Remuneration (RM)	Executive Directors	Non-Executive Directors
0 – 50,000	-	2
100,001 – 150,000	1	2
200,001 – 250,000	-	1
250,001 – 300,000	1	-

The Board recommends Directors' fee of RM24,000 for Executive Directors and RM36,000 for Non-Executive Directors to be payable for financial year 2013 subject to shareholders' approval at the forthcoming AGM.

III. INVESTORS RELATIONS & SHAREHOLDERS COMMUNICATION

1. Shareholders

The Group recognises the importance of accountability to its shareholders and investors through timely and proper communications. Press release and announcements for public dissemination are made as and when there are significant corporate events. The Board ensures timely release of financial results and its quarterly financial results, annual report and all its announcements can be accessed from the Company's corporate website at www.malpac.com.my or Bursa's website at www.bursamalaysia.com.

2. Annual General Meeting ("AGM")

Notice of the AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. The AGM serves as a principal forum for dialogue and interaction with all shareholders who are encouraged to participate in a question and answer session. The Chairman of the meeting or the CEO will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

IV. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board assists by scrutinizing the information to be disclosed to ensure accuracy and adequacy. A full Directors' Responsibility statement is set out on page 23 of the Annual Report.

2. Risk Management and Internal Control

The Board has established a Risk Management Committee to assess the various types of risks which might have an impact on the profitable operation of the Group's interest. This includes market price, counter party, credit and interest rate risks.

The Board also has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Statement on Risk Management and Internal Control is set out on pages 21 to 22. It provides an overview of the state of risk management and internal control within the Group.

3. Audit Committee

The Board is assisted by the Audit Committee, whose composition, duties and responsibilities and summary of its activities during the financial year are set out in the Audit Committee Report on pages 12 to 14 of the Annual Report.

4. Relationship with the Auditors

The Company has established transparent and appropriate relationship with the Company's internal and external auditors. The Audit Committee has the right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary. During the financial year the Audit Committee had conducted a meeting with the External Auditors without the presence of the Executive Directors, CEO and the management.

V. COMPLIANCE WITH THE CODE

The Group has complied with the Principles of Corporate Governance as contained in the Code except for the following that in the opinion of the Directors, adequately suit the circumstances.

For the non-disclosure of detailed remuneration of each director, the Board is of the view that the transparency of directors' remuneration has been sufficiently dealt with by 'band disclosure' presented in this statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Responsibility

The Board affirms their responsibilities for a sound system of internal control, quality risk management practices and for reviewing the Group's adequacy and integrity in these systems. The principal function of internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. The Board ensures that the effectiveness and integrity of the risk management and internal control system are reviewed on an ongoing basis and is of the view that the system in place is sound and sufficient to safeguard the Group's assets.

The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, systems can only provide reasonable but not absolute assurance against financial losses or uncertainties.

Risk Management

The Board regards risk management as an integral part of the Group's business operations and has established a Risk Management Committee that comprises the Executive Non-Independent Director and Non-Executive Independent Directors. The Risk Management Committee is entrusted with the responsibilities of identifying, evaluating and managing various types of risks which might have an impact on the profitable operation of the Group's business. These include market price risk, counter party, credit, legal and interest rate risks. The Risk Management Committee is currently in the preliminary stage of formalizing a risk management process to enable the Management to identify, analyze, control and monitor the principal business risks faced by the Group on an ongoing basis.

Internal Control

The outsourced internal auditors have on a semi-annual basis assessed the adequacy and effectiveness of the Group's system of internal control and compliance frameworks, and have subsequently reported their findings to the Audit Committee. The Audit Committee reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control.

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure.

The key elements of the Group's internal control system are:-

- Organization structure with clearly defined lines of authority and the appropriate levels of delegation.
- Policies and procedures are clearly communicated to all staff members.
- The Risk Management Committee would discuss the possible risk areas on the Group's operational and management issues as and when necessary.
- The CEO oversees the Group's operations and internal controls and reports to the Board on the key risks.
- The Audit Committee meets on a quarterly basis or as and when required to discuss on internal control and any other matter raised by the CEO.
- All major decisions are subject to detailed appraisal and review. The Board receives comprehensive information covering all decisions within the group on a quarterly basic.

The Board, together with the management will, when necessary put in place appropriate action plans to further enhance the Group's risks management and internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Control (cont'd)

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer and Finance Manager that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system is satisfactory and no material internal control failures resulted in material losses or contingencies during the financial year under review.

Review of the Statement by External Auditors

The external auditors, Messrs Baker Tilly AC, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2013 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

STATEMENT OF DIRECTORS' RESPONSIBILITY

This statement is made pursuant to paragraph 15.26(a) of Listing Requirements of Bursa Malaysia.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

OTHER INFORMATION

1. **Material contracts**
   There were no material contracts entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests, either still subsisting at the end of the financial year 2013 or which were entered into since the end of the previous financial year.

2. **Options, warrants or convertible securities**
   The Company has not issued any options, warrants or convertible securities during the financial year 2013.

3. **Imposition of sanctions/penalties**
   There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, directors and management by the relevant regulatory bodies during the financial year 2013.

4. **Non-audit fees**
   There were no non-audit fees paid to the external auditors for the financial year ended 31 December 2013.

5. **Variation in results**
   There were no variances of 10% or more between the results for the financial year 2013 and unaudited results previously announced.

6. **Profit guarantees**
   During the financial year 2013, there was no profit guarantee given by the Company.

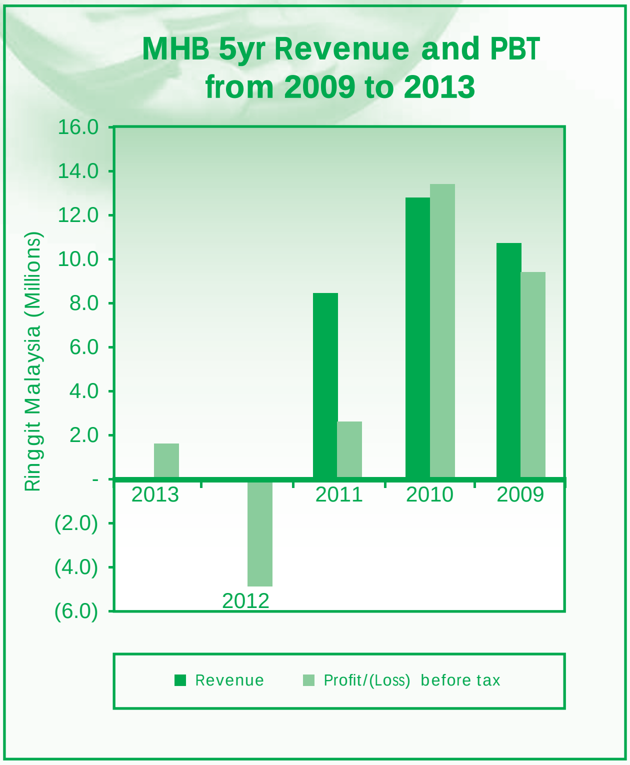
7. **American Depository Receipt ('ADR') or Global Depository Receipt ('GDR') Programme**
   During the financial year 2013, the Company did not sponsor any ADR or GDR programme.

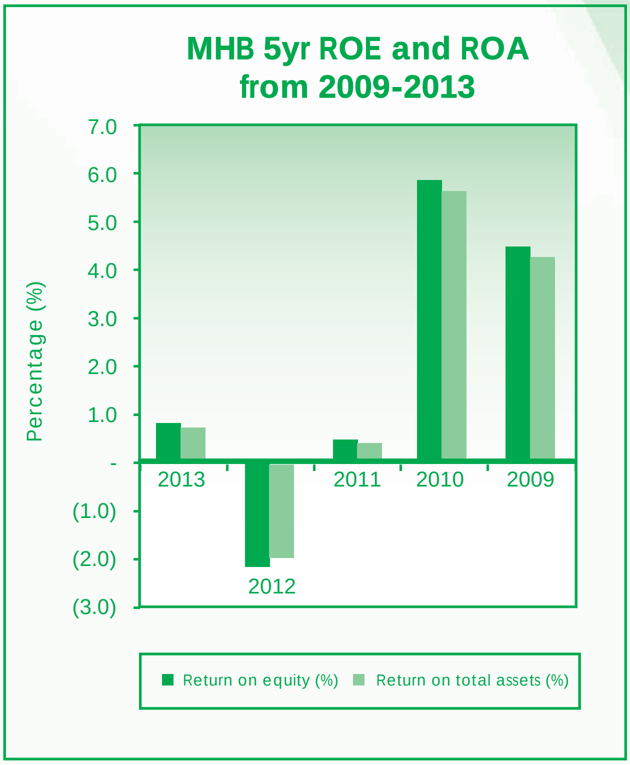
8. **Recurrent related party transactions of revenue nature**
   There were no recurrent related party transactions of revenue nature during the financial year 2013.

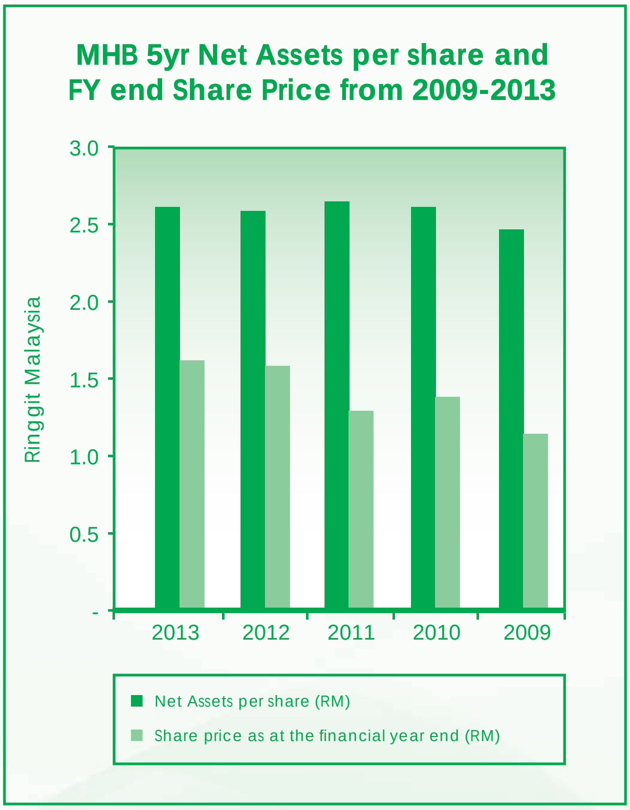
9. **Utilisation of proceeds raised from corporate proposal**
   There was no corporate proposal involving the raising of funds during the financial year 2013.

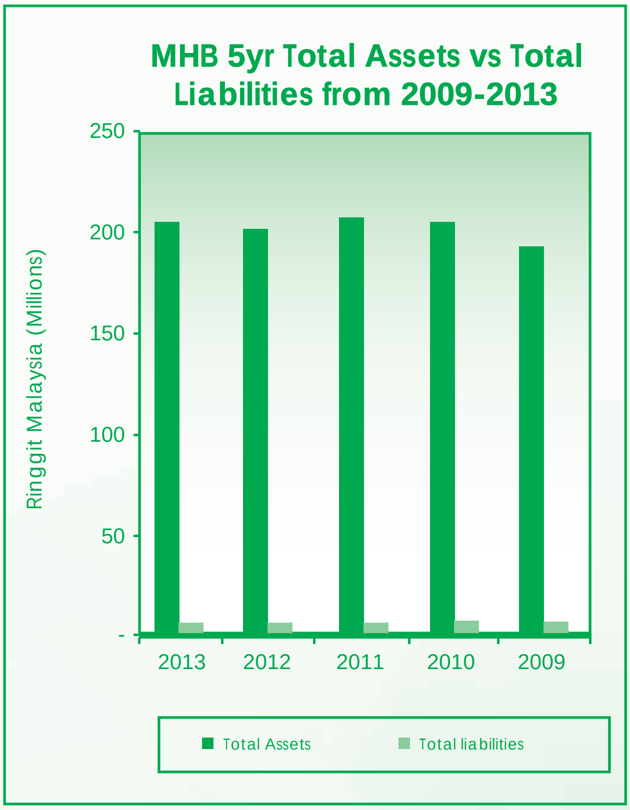
10. **Share buy back**
    The Company did not enter into any share buy-back transactions during the financial year.

5-YEAR FINANCIAL HIGHLIGHTS









5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

		2013 RM	2012 RM	2011 RM	2010 RM	2009 RM
A	**STATEMENT OF COMPREHENSIVE INCOME**					
1	Revenue	-	-	8,114,757	12,617,775	10,247,273
2	EBITDA	3,989,389	(1,732,753)	5,047,916	15,765,810	10,943,087
3	Profit/(Loss) before tax	1,608,703	(4,101,201)	2,804,900	13,509,305	8,709,477
4	Profit/(Loss) after tax	1,460,242	(4,104,524)	760,832	11,554,699	8,205,179
5	Net (loss)/profit attributable to equity holders	1,460,242	(4,104,524)	760,832	11,554,699	8,205,179
B	**STATEMENT OF FINANCIAL POSITION**					
1	Total assets	204,455,605	201,821,666	206,523,671	206,038,424	192,554,647
2	Total liabilities	8,166,182	6,992,485	7,589,966	7,842,856	6,510,105
3	Shareholders' equity	196,289,423	194,829,181	198,933,705	198,195,568	186,044,542
C	**FINANCIAL INDICATORS**					
1	Return on equity (%)	0.74	(2.11)	0.38	5.83	4.41
2	Return on total assets (%)	0.71	(2.03)	0.37	5.61	4.26
3	Earnings/(Loss) per share (sen)	1.95	(5.47)	1.00	15.40	10.90
4	Net assets per share (RM)	2.62	2.60	2.65	2.64	2.48
5	Price earning (PE) ratio (times)	78.37	(29.24)	130.00	9.09	10.64
6	Share price as at the financial year end (RM)	1.63	1.60	1.30	1.40	1.16

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, attributable to owners of the parent	1,460,242	13,677,526

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend payment 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 as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company 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 affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) 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 Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES

During the financial year, no new issuance of shares was made by the Company.

DIRECTORS OF THE COMPANY

The directors in office since the date of the last report are:

CHEW LOY CHEE

TAN CHON SING @ TAN KIM TIENG

GAN TECK CHONG @ GAN KWAN CHONG

LIM HONG LIANG

KAN AH CHUN

MUHAYUDDIN BIN MUSA

JOHARI LOW BIN ABDULLAH

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

The interests of the directors in office at the end of the financial year in the shares of the Company and of its related corporations during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965, are as follow:

	Number of Ordinary Shares of RM1 each			
	At 1.1.2013	Bought/ Transfer	Sold	At 31.12.2013
Direct Interest				
Chew Loy Chee	3,152,188	-	-	3,152,188
Tan Chon Sing @ Tan Kim Tieng	10,315,393	-	-	10,315,393
Gan Teck Chong @ Gan Kwan Chong	3,917,303	-	-	3,917,303
Lim Hong Liang	13,242,008	75,000	-	13,317,008
Kan Ah Chun	2,180,260	-	-	2,180,260
Deemed Interest				
Chew Loy Chee *	230,000	130,000	-	360,000
Tan Chon Sing @ Tan Kim Tieng *	2,209,300	-	-	2,209,300
Gan Teck Chong @ Gan Kwan Chong *	2,940,300	-	-	2,940,300
Lim Hong Liang **	3,691,900	-	-	3,691,900

* Deemed interested through spouse
** Deemed interested through a corporation in which the director has substantial financial interest

By virtue of their interests in the shares of the Company, the abovementioned directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END

Details of significant events during and subsequent to financial year end are disclosed in Note 30 to the financial statements.

AUDITORS

The auditors, Messrs. Baker Tilly AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2014.

TAN CHON SING @ TAN KIM TIENG **GAN TECK CHONG @ GAN KWAN CHONG**

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the directors of Malpac Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 34 to 81, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 82 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2014.

TAN CHON SING @ TAN KIM TIENG

GAN TECK CHONG @ GAN KWAN CHONG

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Tan Chon Sing @ Tan Kim Tieng, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 34 to 81 and the supplementary information as set out on page 82, 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 at
Kuala Lumpur in the Federal Territory
on 23 April 2014

TAN CHON SING @ TAN KIM TIENG
Before me

TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W 533)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALPAC HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Malpac Holdings Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 81.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 controls relevant to the Company's preparation of financial statements that give a true and fair view 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 controls. 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 30 to the financial statements which discloses the Federal Court's decision to allow the Plaintiffs' appeal and set aside the decision of the Court of Appeal and to affirm the decision of the Ipoh High Court on 4 September 2013. Further, on 4 March 2014, the Federal Court had dismissed the Company's application for a judicial review on the Federal Court's decision. The Board of directors of the Company is now in close consultation with the Company's solicitors in regard to the compliance of the Federal Court ruling.

We have considered the importance of this matter that is fundamental to the understanding of the financial statements and draw your attention to them, but our opinion is not qualified.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF MALPAC HOLDINGS BERHAD (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, except for the unaudited financial statements of a subsidiary which is indicated in Note 13 to the financial statements.

c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) Other than the subsidiary without the auditors' report as disclosed in Note 13, the auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 82 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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 contents of this report.

BAKER TILLY AC
AF 001826
Chartered Accountants

LEE KONG WENG
2967/07/15 (J)
Chartered Accountant

Kuala Lumpur
23 April 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM	2012 RM
Revenue	4	-	-
Other income		8,107,953	3,463,150
Administrative expenses		(6,473,896)	(6,386,665)
Other operating expenses		(25,354)	(1,177,686)
Profit/(Loss) before tax	5	1,608,703	(4,101,201)
Tax expense	8	(148,461)	(3,323)
Profit/(Loss) for the financial year, attributable to owners of the parent		1,460,242	(4,104,524)
Earnings per share attributable to owners of the parent:			
Basic earnings/(loss) per share (sen)	9	1.9	(5.5)
Diluted earnings/(loss) per share (sen)	9	1.9	(5.5)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 RM	2012 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	57,411,408	59,339,945
Investment properties	11	1,206,000	-
Prepaid land lease payments	12	32,974,015	34,622,716
Other investments	14	15,301,926	12,648,817
		106,893,349	106,611,478
Current assets			
Receivables and deposits	15	107,982	106,292
Tax recoverable		112,307	169,161
Other investments	14	7,450,967	6,955,547
Cash and cash equivalents	16	89,891,000	87,979,188
		97,562,256	95,210,188
Total Assets		204,455,605	201,821,666
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17	75,000,000	75,000,000
Reserves	18	121,289,423	119,829,181
Total Equity		196,289,423	194,829,181
Liabilities			
Non-current liabilities			
Provisions	21	242,330	340,670
Current liabilities			
Payables and accruals	20	4,629,078	4,406,199
Provisions	21	3,294,726	2,245,590
Tax payable		48	26
		7,923,852	6,651,815
Total Liabilities		8,166,182	6,992,485
Total Equity and Liabilities		204,455,605	201,821,666

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Share Capital RM	Non-distributable Shares Premium RM	Distributable Retained Earnings RM	Total Equity RM
At 1 January 2012	75,000,000	24,366,593	99,567,112	198,933,705
Comprehensive income				
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(4,104,524)	(4,104,524)
At 31 December 2012/ 1 January 2013	75,000,000	24,366,593	95,462,588	194,829,181
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,460,242	1,460,242
At 31 December 2013	75,000,000	24,366,593	96,922,830	196,289,423

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM	2012 RM
Cash Flows from Operating Activities			
Profit/(Loss) before tax		1,608,703	(4,101,201)
Adjustments for:-			
Amortisation of prepaid land lease payments	12	1,648,701	1,648,701
Depreciation of investment properties	11	27,000	-
Depreciation of property, plant and equipment	10	704,985	719,747
Distribution income from unit trusts		(2,633,285)	(2,452,154)
Dividend income		(720,271)	(292,719)
Interest income		(285,058)	(409,873)
Net fair value (gain)/loss on financial instruments:			
- Financial assets at fair value through profit or loss		(4,221,626)	966,056
Gain on disposal of property, plant and equipment		-	(35,781)
Property, plant and equipment written off		1,355	891
Provisions		1,302,576	607,682
Operating loss before working capital changes		(2,566,920)	(3,348,651)
(Increase)/Decrease in receivables		(1,690)	148,671
Increase/(Decrease) in payables		93,599	(684,101)
Cash used in operations		(2,475,011)	(3,884,081)
Tax refunded		120,387	-
Tax paid		(35,360)	(118,387)
Utilisation of provision		(222,500)	(492,000)
Net cash used in operating activities		(2,612,484)	(4,494,468)
Cash Flows from Investing Activities			
Distribution income received		2,633,285	2,452,154
Dividends received		543,659	273,297
Interest received		285,058	409,873
Proceeds from disposal of:			
- Financial assets at fair value through profit or loss		4,969,008	4,083,226
- Held-to-maturity investments		-	10,009,203
- Property, plant and equipment		-	543,633
Purchase of:			
- Financial assets at fair value through profit or loss		(3,895,911)	(9,754,593)
- Property, plant and equipment		(10,803)	(1,207,183)
Net cash from investing activities		4,524,296	6,809,610
Net increase in cash and cash equivalents		1,911,812	2,315,142
Cash and cash equivalents at beginning of the financial year		87,979,188	85,664,046
Cash and cash equivalents at end of the financial year	16	89,891,000	87,979,188

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM	2012 RM
Revenue	4	39,000	-
Other income		15,399,802	1,333,228
Administrative expenses		(1,752,735)	(1,646,965)
Other operating expenses		(8,541)	(4,020,367)
Profit/(Loss) before tax	5	13,677,526	(4,334,104)
Tax credit	8	-	1,098
Profit/(Loss) for the financial year, attributable to owners of the parent		13,677,526	(4,333,006)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	2013 RM	2012 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	57,002	66,068
Investment in subsidiaries	13	166,981,515	152,966,351
		167,038,517	153,032,419
Current assets			
Receivables and deposits	15	376,339	364,851
Tax recoverable		9,750	50,178
Cash and cash equivalents	16	42,546,295	42,803,501
		42,932,384	43,218,530
Total Assets		209,970,901	196,250,949
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17	75,000,000	75,000,000
Reserves	18	133,467,139	119,789,613
Total Equity		208,467,139	194,789,613
Liabilities			
Non-current liabilities			
Provisions	21	157,082	227,800
Current liabilities			
Payables and accruals	20	164,301	120,001
Provisions	21	1,182,379	1,113,535
		1,346,680	1,233,536
Total Liabilities		1,503,762	1,461,336
Total Equity and Liabilities		209,970,901	196,250,949

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Share Capital RM	Non-distributable Shares Premium RM	Distributable Retained Earnings RM	Total Equity RM
At 1 January 2012	75,000,000	24,366,593	99,756,026	199,122,619
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(4,333,006)	(4,333,006)
At 31 December 2012/1 January 2013	75,000,000	24,366,593	95,423,020	194,789,613
Loss for the financial year, representing total comprehensive income for the financial year	-	-	13,677,526	13,677,526
At 31 December 2013	75,000,000	24,366,593	109,100,546	208,467,139

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM	2012 RM
Cash Flows from Operating Activities			
Profit/(Loss) before tax		13,677,526	(4,334,104)
Adjustments for:-			
Depreciation of property, plant and equiment	10	13,868	13,502
Distribution income from unit trusts		(1,268,573)	(1,200,382)
Dividend income		(39,000)	-
Impairment losses on investment in subsidiaries		-	4,008,032
Impairment losses on amounts due from from subsidiaries	15	7,186	11,444
Interest income		(635)	(108,168)
Property, plant and equipment written off		1,355	891
Provisions		88,244	95,239
Reversal of impairment losses on investment in subsidiaries		(14,015,164)	-
Operating loss before working capital changes		(1,535,193)	(1,513,546)
Increase in receivables		(18,674)	(64,073)
Decrease in payables		(45,818)	(244,700)
Cash used in operations		(1,599,685)	(1,822,319)
Tax refunded		50,177	-
Net cash used in operating activities		(1,549,508)	(1,822,319)
Cash Flows from Investing Activities			
Distribution income received		1,268,573	1,200,382
Dividends received		29,250	-
Interest received		635	108,168
Proceeds from disposal of:			
- Held-to-maturity investments		-	10,009,203
Purchase of:			
- Property, plant and equipment		(6,156)	(7,034)
Net cash from investing activities		1,292,302	11,310,719
Net (decrease)/increase in cash and cash equivalents		(257,206)	9,488,400
Cash and cash equivalents at beginning of the financial year		42,803,501	33,315,101
Cash and cash equivalents at end of the financial year	16	42,546,295	42,803,501

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus. The principal place of business of the Company is located at 2nd Floor, 23 Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a Board of Directors' resolution dated 23 April 2014.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 (e).

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

(i) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

New MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

Revised MFRSs

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

2. BASIS OF PREPARATION (CONT'D)

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(i) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment

Amendments/Improvements to MFRSs (continued)

MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Amendments to MFRS 101 Presentation of Financial Statements

The amendments to MFRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012.

The amendments also introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

2. BASIS OF PREPARATION (CONT'D)

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(i) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the guidance in MFRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS13 has not materially impacted the fair value measurements of the Group. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 25.

(ii) New MFRS, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRS		
MFRS 9	Financial Instruments	To be announced by the MASB
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014

2. BASIS OF PREPARATION (CONT'D)

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(ii) New MFRS, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (cont'd)		
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 21	Levies	1 January 2014

A brief discussion on the above significant new MFRS, amendments/improvements to MFRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former MFRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

2. BASIS OF PREPARATION (CONT'D)

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(ii) New MFRS, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

2. BASIS OF PREPARATION (CONT'D)

(b) New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(ii) New MFRS, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

(c) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis except as disclosed in the significant accounting policies in Note 3.

(d) Functional and presentation currency

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

(e) Significant accounting estimates and judgements

The significant areas of estimation uncertainty and critical judgements in applying accounting principles that have significant effect on the amounts recognised in the financial statements are described as follows:

(i) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on investment properties. The Group has evaluated and determined that it retains all the significant risks and rewards of ownership of the investment properties which are leased out on operating leases, and thus account for the arrangements as operating lease.

(ii) Revenue recognition

The Group had suspended the recognition of income from the oil palm plantation and the lease rental from oil mill with effect from 1 July 2011 following the Ipoh High Court judgements as mentioned in Note 30. The Group has determined that there is a significant uncertainty as to the probability that the economic benefits associated with the plantation and oil mill flow to the Group.

2. BASIS OF PREPARATION (CONT'D)

(e) Significant accounting estimates and judgements (cont'd)

(iii) Useful lives of property, plant and equipment (Note 10) - The cost of property, plant and equipment depreciated on a straight line method over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years based on past experience with similar assets. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) Impairment loss on receivables (Note 15) – The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(v) Provision for legal fee (Note 21) – The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 30. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases. It is reasonably possible, that outcomes within the next financial year that are different from assumptions would require a material adjustment to the provision made.

(vi) Provision for retirement gratuity (Note 21) – The provision is determined based on the number of years of service of the employees and directors at the reporting date and their salaries over the past years. The retirement gratuity payable is vested upon the employees and directors reaching their retirement age. The provision is discounted at a rate of 4.3% (2012: nil).

(vii) Provision for unutilised leave (Note 21) – The provision is made based on the employees' salaries over the past years and the unutilised leave at the end of the year and will be reversed once the leave is utilised.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Accounting for business combinations (cont'd)

The Group measures goodwill at the acquisition date as:

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(v) Non-controlling interests

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

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

(vi) Transactions eliminated on consolidation

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

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of consideration due.

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Dividend income and distribution income

Dividend income and distribution income are recognised when the Group's right to receive payment is established.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

(iv) Oil palm plantation

Revenue from oil palm plantation is recognised on an accrual basis.

(c) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Employee benefits (cont'd)

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Retirement gratuity scheme

The Company established a retirement gratuity scheme in 2010 for employees and directors of the Group. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the services rendered up to the date of retirement. The retirement gratuity is calculated based on the basic salary over the tenure of employment to date. The retirement gratuity payable is vested upon the employees and directors reaching their retirement age.

(d) Leases

(i) Operating Lease – The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

(ii) Operating Lease – The Group as Lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(e) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior financial years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from 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 nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Tax expense (cont'd)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(f) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Buildings	2%
Plant and machinery	10%
Office equipment	10% - 12%
Computer equipment	20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised in profit or loss.

(h) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and 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 Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other losses or other income.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group classifies its investments in quoted equity instruments as financial assets at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(ii) Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and 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.

(iii) Held-to-maturity

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets

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

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor 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 Group's and 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 default 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.

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 becomes 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.

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and demand deposits with licensed banks and short term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(l) 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 MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Other financial liabilities

The Group's and the Company's other financial liabilities include other payables and accruals.

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

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

(m) Provisions

Provision for liabilities are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

(n) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Fair value measurement

From 1 January 2013, the Group adopted MFRS 13, Fair Value Measurement which prescribes that fair value of an asset or liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

For the purpose of fair value disclosures, the Group had determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4. REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Dividend income from a subsidiary	-	-	39,000	-

5. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Auditors' remuneration				
- Statutory audit	42,000	37,000	22,000	20,000
- Other services	8,000	18,000	8,000	18,000
Amortisation of prepaid land lease payments (Note 12)	1,648,701	1,648,701	-	-
Depreciation of property, plant and equipment (Note 10)	704,985	719,747	13,868	13,502
Depreciation of investment properties (Note 11)	27,000	-	-	-
Employee benefits expense (Note 6)	1,216,868	1,213,623	885,159	702,833
Non-executive directors' remuneration (Note 7)	516,880	1,107,075	354,880	400,160
Impairment losses on amounts due from subsidiaries (Note 15)	-	-	7,186	11,444
Impairment losses on investment in subsidiaries	-	-	-	4,008,032
Net fair value (gain)/loss on financial instruments:				
- Financial assets at fair value through profit or loss	(4,221,626)	966,056	-	-
Property, plant and equipment written off	1,355	891	1,355	891
Provision for legal fee	1,200,000	500,000	-	-
Rental of premises	212,880	212,880	193,680	193,680
Direct operating expenses from investment properties (including repair and maintenance) that generate rental income	31,032	-	-	-
Dividend income	(720,271)	(292,719)	(39,000)	-
Distribution income from unit trusts	(2,633,285)	(2,452,154)	(1,268,573)	(1,200,382)
Interest income from				
- Financial assets at fair value through profit or loss	(278,248)	(144,817)	-	-
- Held to maturity investment	-	(106,949)	-	(106,949)
- Short term deposits with licensed banks	(5,272)	(153,478)	(53)	(163)
- Others	(1,538)	(4,629)	(582)	(413)
Gain on disposal of property plant and equipment	-	(35,781)	-	-
Rental income	(61,200)	(55,000)	-	-
Reversal of impairment losses on investment in subsidiaries	-	-	(14,015,164)	-

6. EMPLOYEE BENEFITS EXPENSE

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Salaries and other emoluments	946,196	1,097,540	684,896	620,194
Employees Provident Fund	130,801	155,752	101,497	118,272
Other employee benefits				
- Current financial year	139,871	140,331	98,766	106,867
- Over provision in prior				
- financial year	-	(180,000)	-	(142,500)
	1,216,868	1,213,623	885,159	702,833

Included in employee benefits expense of the Group and of the Company are the following:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Executive directors' remuneration (excluding benefit in kind) (Note 7)	372,200	625,626	324,200	323,840
Provision for retirement gratuity *	80,015	78,775	64,775	64,145
Provision for unutilised leave	14,441	10,907	5,469	13,094

* Included in provision for retirement gratuity of the Group and of the Company is a provision for executive directors of the Company amounting to RM12,000 (2012: RM12,000) and RM12,000 (2012: RM12,000) respectively.

7. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by directors of the Company during the financial year are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Executive Directors:				
Salaries and other emoluments	336,200	589,626	288,200	287,840
Fees	24,000	24,000	24,000	24,000
Retirement gratuity benefits	12,000	12,000	12,000	12,000
Total executive directors' remuneration (excluding benefit in kind) (Note 6)	372,200	625,626	324,200	323,840
Estimated monetary value of benefit in kind	23,950	19,811	-	-
Total executive directors' remuneration (including benefit in kind)	396,150	645,437	324,200	323,840

7. DIRECTORS' REMUNERATION (CONT'D)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-executive Directors:				
Allowance and other emoluments	462,880	1,053,075	300,880	346,160
Fees	36,000	36,000	36,000	36,000
Retirement gratuity benefits	18,000	18,000	18,000	18,000
Total non-executive directors' remuneration (excluding benefit in kind) (Note 6)	516,880	1,107,075	354,880	400,160
Estimated monetary value of benefit in kind	36,050	251,659	-	-
Total non-executive directors' remuneration (including benefit in kind)	552,930	1,358,734	354,880	400,160
Total directors' remuneration	949,080	2,004,171	679,080	724,000

8. TAX EXPENSE/(CREDIT)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Current tax expense:				
Malaysian income tax:				
- current financial year	135,785	946	-	-
- under/(over) provision in - prior financial year	12,676	2,377	-	(1,098)
Tax expense/(credit) recognised in profit or loss	148,461	3,323	-	(1,098)

The reconciliation of the tax amount at statutory income tax rate of the Group's and of the Company's tax expense/(credit) are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Profit/(Loss) before tax	1,608,703	(4,101,201)	13,677,526	(4,334,104)
Tax at the Malaysian statutory income tax rate of 25%	402,200	(1,025,300)	3,419,400	(1,083,500)
Tax effect arising from:				
- Income not subject to taxation	(732,862)	(674,231)	(3,830,500)	(300,200)
Non-deductible expenses	1,009,147	1,100,077	392,300	1,424,100

8. TAX EXPENSE/(CREDIT) (CONT'D)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Deferred tax assets not recognised during the financial year	19,200	640,800	18,800	-
Effect of changes in deferred tax assets previously not recognised	(561,900)	(40,400)	-	(40,400)
Under/(Over) provision of income tax expense in prior financial year	12,676	2,377	-	(1,098)
Tax expense/(credit) recognised in profit or loss	148,461	3,323	-	(1,098)

The Group has:

(i) an estimated unutilised tax losses of RM2,612,900 (2012: RM2,406,000) available for set off against future taxable profits; and

(ii) an estimated unabsorbed capital allowance of RM390,100 (2012: RM217,500) available for set off against future taxable profits.

9. EARNINGS/(LOSS)PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing profit/(loss) for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares of RM1 each in issue during the financial year.

	Group 2013 RM	Group 2012 RM
Profit/(Loss) for the financial year, attributable to owners of the parent	1,460,242	(4,104,524)
Number of ordinary shares in issue	75,000,000	75,000,000
Basic earnings/(loss) per share (sen)	1.9	(5.5)

(b) Diluted

The Group has no diluted potential ordinary shares. As such, there is no dilution effect on the loss per ordinary shares of the Group for the financial year.

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Computer equipment RM	Plant and machinery RM	Others * RM	Total RM
Cost							
At 1 January 2013	53,367,232	3,566,000	1,527,285	40,426	3,656,887	323,365	62,481,195
Transferred to investment property	-	(1,350,000)	-	-	-	-	(1,350,000)
Additions	-	-	-	8,046	-	2,757	10,803
Written off	-	-	-	(24,283)	-	(1,859)	(26,142)
At 31 December 2013	53,367,232	2,216,000	1,527,285	24,189	3,656,887	324,263	61,115,856
Accumulated depreciation							
At 1 January 2013	-	242,468	528,288	34,927	2,253,069	82,498	3,141,250
Transferred to investment property	-	(117,000)	-	-	-	-	(117,000)
Depreciation charge for the financial year	-	44,320	264,263	3,464	365,689	27,249	704,985
Written off	-	-	-	(24,283)	-	(504)	(24,787)
At 31 December 2013	-	169,788	792,551	14,108	2,618,758	109,243	3,704,448
Net carrying amount							
At 31 December 2013	53,367,232	2,046,212	734,734	10,081	1,038,129	215,020	57,411,408

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Computer equipment RM	Plant and machinery RM	Others * RM	Total RM
Cost							
At 1 January 2012	53,785,402	3,566,000	857,808	36,596	3,656,887	239,028	62,141,721
Additions	-	-	1,117,886	3,830	-	85,467	1,207,183
Disposals	(418,170)	-	(448,409)	-	-	-	(866,579)
Written off	-	-	-	-	-	(1,130)	(1,130)
At 31 December 2012	53,367,232	3,566,000	1,527,285	40,426	3,656,887	323,365	62,481,195
Accumulated depreciation							
At 1 January 2012	-	171,148	636,428	30,022	1,887,380	55,491	2,780,469
Depreciation charge for the financial year	-	71,320	250,587	4,905	365,689	27,246	719,747
Disposals	-	-	(358,727)	-	-	-	(358,727)
Written off	-	-	-	-	-	(239)	(239)
At 31 December 2012	-	242,468	528,288	34,927	2,253,069	82,498	3,141,250
Net carrying amount							
At 31 December 2012	53,367,232	3,323,532	998,997	5,499	1,403,818	240,867	59,339,945

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicle RM	Computer equipment RM	Others * RM	Total RM
Cost				
At 1 January 2013	8,651	20,251	110,864	139,766
Additions	-	3,399	2,757	6,156
Written off	-	(8,757)	(1,859)	(10,616)
At 31 December 2013	8,651	14,893	111,762	135,306
Accumulated depreciation				
At 1 January 2013	2,900	19,312	51,486	73,698
Depreciation charge for the financial year	1,730	1,324	10,814	13,868
Written off	-	(8,757)	(505)	(9,262)
At 31 December 2013	4,630	11,879	61,795	78,304
Net carrying amount				
At 31 December 2013	4,021	3,014	49,967	57,002
Cost				
At 1 January 2012	3,700	20,251	109,911	133,862
Additions	4,951	-	2,083	7,034
Written off	-	-	(1,130)	(1,130)
At 31 December 2012	8,651	20,251	110,864	139,766
Accumulated depreciation				
At 1 January 2012	1,912	17,475	41,048	60,435
Depreciation charge for the financial year	988	1,837	10,677	13,502
Written off	-	-	(239)	(239)
At 31 December 2012	2,900	19,312	51,486	73,698
Net carrying amount				
At 31 December 2012	5,751	939	59,378	66,068

* Others comprise of renovation, electrical installation, office equipment and furniture and fittings.

11. INVESTMENT PROPERTIES

	Investment Properties RM
2013	
Cost	
At 1 January	-
Transferred from property, plant and equipment	1,350,000
At 31 December	1,350,000
Accumulated depreciation	
At 1 January	-
Charge for the financial year	117,000
Addition	27,000
At 31 December	144,000
Net carrying amounts	1,206,000
Estimated fair value	1,500,000

The investment properties with a net carrying amount of RM1,206,000 (2012: RMnil) are registered under the name of a third party company. The company is holding the assets in trust for the Group.

The Group's investment properties consists of 3 units of condominiums in Damansara Heights.

The estimated fair value of investment properties were arrived at by the directors of the Company by reference to similar properties in the locality and adjusting for size, present market trend and other differences.

12. PREPAID LAND LEASE PAYMENT

	Group	
	2013 RM	2012 RM
Cost		
At 1 January/31 December	46,163,622	46,163,622
Accumulated depreciation		
At 1 January	11,540,906	9,892,205
Charge for the financial year	1,648,701	1,648,701
At 31 December	13,189,607	11,540,906
Net carrying amount	32,974,015	34,622,716
Amounts to be amortised:		
- Not later than one year	1,648,701	1,648,701
- Later than one year but not later than five years	6,594,804	6,594,804
- Later than five years	24,730,510	26,379,211

The prepaid land lease payments have a remaining tenure of 20 years (2012: 21 years)

13. INVESTMENT IN SUBSIDIARIES

	Company 2013 RM	Company 2012 RM
Unquoted shares, at costs		
At 1 January	167,215,233	167,215,233
Less: Accumulated impairment losses		
At 1 January	14,248,882	10,240,850
Additions	-	4,008,032
Reversal	(14,015,164)	-
At 31 December	233,718	14,248,882
	166,981,515	152,966,351

Details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Principal Activities	Proportion of Ownership Interest /Voting rights 2013	Proportion of Ownership Interest /Voting rights 2012
Held by the Company:				
Malpac Capital Sdn. Bhd.	Malaysia	Cultivation of oil palm	100%	100%
Malpac Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Assets Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Land Sdn. Bhd.	Malaysia	Dormant	100%	100%
Discovery Assets Sdn. Bhd.	Malaysia	Dormant	100%	100%
Precious Way International Limited #	British Virgin Islands	Dormant	100%	100%
Held through Malpac Capital Sdn. Bhd.:				
Radiant Response Sdn. Bhd.	Malaysia	Dormant	100%	100%

All subsidiaries are audited by Baker Tilly AC.

Unaudited and was consolidated using management financial statements.

14. OTHER INVESTMENTS

	2013 Carrying amount RM	2013 Market of quoted investments RM	2012 Carrying amount RM	2012 Market value of quoted investments RM
Group				
Non-current				
Equity and debt instruments (quoted in Malaysia)	15,301,926	15,301,926	12,648,817	12,648,817
Current				
Equity and debt instruments (quoted in Malaysia)	7,450,967	7,450,967	6,955,547	6,955,547
Represented by:				
Equity instruments (quoted in Malaysia)	22,752,893	22,752,893	19,604,364	19,604,364

15. RECEIVABLES AND DEPOSITS

		2013 RM	2012 RM
Group			
Trade receivables			
Loan receivable		2,291,047	2,291,047
Amounts owing by clients		-	23,292,663
		2,291,047	25,583,710
Less: Allowance for impairment			
Loan receivable		(2,291,047)	(2,291,047)
Amounts owing by clients		-	(23,292,663)
		(2,291,047)	(25,583,710)
Trade receivables, net	(a)	-	-
Other receivables			
Advances to clients		-	8,508,045
Other receivables		43,012	31,522
Deposits		64,970	74,770
		107,982	8,614,337
Less: Allowance for impairment			
Advances to clients		-	(8,508,045)
Other receivables, net		107,982	106,292
Total trade and other receivables	(b)	107,982	106,292

15. RECEIVABLES AND DEPOSITS (CONT'D)

		2013 RM	2012 RM
Company			
Other receivables			
Amounts due from subsidiaries	(b)	400,744	381,770
Deposits		51,270	51,570
		452,014	433,340
Less: Allowance for impairment			
Amounts due from subsidiaries		(75,675)	(68,489)
Total other receivables	(b)	376,339	364,851

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days (2012: 30 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

Trade ageing analysis of the Group's trade receivables are as follows:

	2013 RM	2012 RM
Group		
Impaired	2,291,047	25,583,710

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The movement of allowance accounts used to record the impairment is as follow:

	2013 RM	2012 RM
Group		
At 1 January	25,583,710	25,583,710
Written off during the financial year	(23,292,663)	-
At 31 December	2,291,047	25,583,710

15. RECEIVABLES AND DEPOSITS (CONT'D)

(b) Other receivables

Amounts due from subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand by cash.

The movement of allowance account used to record the impairment of other receivables is as follows:

	2013 RM	2012 RM
Group		
At 1 January	8,508,045	8,508,045
Written off during the financial year	(8,508,045)	-
At 31 December	-	8,508,045
Company		
At 1 January	68,489	57,045
Provision for the financial year	7,186	11,444
At 31 December	75,675	68,489

16. CASH AND CASH EQUIVALENTS

	2013 RM	2012 RM
Group		
Unit trusts - highly liquid investments	89,452,317	87,663,219
Short term deposits with licensed banks	92,217	131,995
Cash at banks and on hand	346,466	183,974
Cash and cash equivalents	89,891,000	87,979,188
Company		
Unit trusts - highly liquid investments	42,383,413	42,699,517
Cash at banks and on hand	162,882	103,984
	42,546,295	42,803,501

The short-term deposits of the Group and the Company bear effective interest at a rate of 3.15% (2012: 3.15%) and nil (2012: nil); with maturity period of 90 to 92 days (2012: 90 to 92 days).

17. SHARE CAPITAL

	Group/Company 2013 RM	2012 RM
Authorised:		
200,000,000 ordinary shares of of RM1 each	200,000,000	200,000,000
Issued and fully paid:		
75,000,000 ordinary shares of RM1 each	75,000,000	75,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual interests.

18. RESERVES

	2013 RM	2012 RM
Group		
Non-distributable		
Share premium	24,366,593	24,366,593
Distributable		
Retained earnings	96,922,830	95,462,588
	121,289,423	119,829,181
Company		
Non-distributable		
Share premium	24,366,593	24,366,593
Distributable		
Retained earnings	109,100,546	95,423,020
	133,467,139	119,789,613

(a) Share premium

This reserve comprises premium paid on subscription of shares of the Company above par value of the shares.

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60 (3) of the Companies Act, 1965 in Malaysia.

(b) Retained earnings

The credit in the Section 108 balance as at 31 December 2013 expired in accordance with the Finance Act 2007. With effect from 1 January 2014, the Company will be able to distribute dividends out of its retained earnings under the single tier system.

As at 31 December 2013, the Company has tax exempt profits available for distribution of approximately RM708,300 (2012: RM708,300).

19. DEFERRED TAX ASSETS

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	2013 RM	2012 RM
Group		
Deferred tax assets		
Unabsorbed capital allowance	390,100	217,500
Unutilised tax losses	2,612,900	2,406,000
Fair value adjustment in respect of investment securities	1,378,900	5,036,000
Deductible temporary differences arising from expenses	3,178,500	2,072,400
	7,560,400	9,731,900
Company		
Deductible temporary differences arising from expenses	1,416,300	1,341,300

20. PAYABLES AND ACCRUALS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Other payables	4,265,798	4,261,388	1	1
Accruals	363,280	144,811	164,300	120,000
	4,629,078	4,406,199	164,301	120,001

Included in other payables of the Group is deposit received from a third party amounting to RM4,100,000 (2012: RM4,100,000) for the disposal of a subsidiary, Radiant Response Sdn. Bhd. and the leasehold plantation land. The proposed disposal is under litigation as disclosed in Note 30.

21. PROVISIONS

	Retirement gratuity RM	Unutilised leave RM	Legal fee RM	Total RM
Group				
At 1 January 2013	1,288,090	230,092	1,068,078	2,586,260
Additional provision	98,015	46,953	1,200,000	1,344,968
Utilisation of provision	-	(42,392)	(222,500)	(264,892)
Effect of discounting	(129,280)	-	-	(129,280)
At 31 December 2013	1,256,825	234,653	2,045,578	3,537,056
At 1 January 2012	1,191,315	219,185	1,060,078	2,470,578
Additional provision	96,775	45,719	500,000	642,494
Utilisation of provision	-	(34,812)	(492,000)	(526,812)
At 31 December 2012	1,288,090	230,092	1,068,078	2,586,260

21. PROVISIONS (CONT'D)

Provisions as at reporting date are shown as follow:

	2013 RM	2012 RM
Non-current	242,330	340,670
Current	3,294,726	2,245,590
	3,537,056	2,586,260

Company	Retirement gratuity RM	Unutilised leave RM	Total RM
At 1 January 2013	1,136,050	205,285	1,341,335
Additional provision	82,775	37,981	120,756
Utilisation of provision	-	(32,512)	(32,512)
Effect of discounting	(90,118)	-	(90,118)
At 31 December 2013	1,128,707	210,754	1,339,461
At 1 January 2012	1,053,905	192,191	1,246,096
Additional provision	82,145	37,550	119,695
Utilisation of provision	-	(24,456)	(24,456)
At 31 December 2012	1,136,050	205,285	1,341,335

Provisions as at reporting date are shown as follow:

	2013 RM	2012 RM
Non-current	157,082	227,800
Current	1,182,379	1,113,535
	1,339,461	1,341,335

(a) Retirement gratuity

Provision for retirement gratuity are for employees and directors. The details of the retirement gratuity scheme is disclosed in Note 2 (e)(vi). The provision is discounted at a rate of 4.30% (2012: nil).

(b) Unutilised leave

The provision for unutilised leave is made based on the employees' salaries over the past years and the unutilised leave at the end of the financial year and will be reversed once the leave is utilised.

(c) Legal fee

The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 30. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases.

22. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries and key management personnel.

(b) Related party transactions

	Group	
	2013 RM	2012 RM
Net carrying amount of motor vehicles disposed to directors of the Company	-	89,682

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, either directly or indirectly, including any directors of the Group.

The remuneration of the key management personnel are as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Salaries and other emoluments	988,080	1,863,201	778,080	854,500
Directors' fees	60,000	60,000	60,000	60,000
Retirement gratuity benefits	69,375	69,375	69,375	69,375
Estimated monetary value of benefits-in-kind	65,300	276,770	-	-
	1,182,755	2,269,346	907,455	983,875

Included in compensation of key management personnel of the Group and of the Company are directors' remuneration as disclosed in Note 7.

Information regarding outstanding balances arising from related party transactions as at 31 December 2013 is disclosed in Note 15.

23. COMMITMENTS

(a) Operating lease commitments – as lessee

In addition to the prepaid lease payments disclosed in Note 12 the Group have entered into non-cancellable operating lease arrangements for the use of buildings. These leases have an average tenure of between 1 and 3 years with option of renewal included in the contracts. There are no restrictions placed upon the Group and the Company by entering into these leases.

Minimum lease payments, including amortisation of prepaid lease payments recognised in profit or loss for the financial year ended 31 December 2013 for the Group and the Company amounted to RM1,861,581 (2012: RM1,861,581).

Future minimum rentals payable under non-cancellable operating leases (excluding prepaid lease payments) at the reporting date are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Not later than 1 year	208,080	144,320	193,680	129,120
Later than 1 year and not later than 5 years	139,520	-	129,120	-
	347,600	144,320	322,800	129,120

24. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group 2013	Fair value through profit or loss RM	Loans and receivables RM	Total RM
Financial assets			
Receivables and deposits	-	107,982	107,982
Other investments	22,752,893	-	22,752,893
Cash and cash equivalents	-	89,891,000	89,891,000
	22,752,893	89,998,982	112,751,875

Group 2013	Financial liabilities at amortised cost RM	Total RM RM
Financial liabilities		
Payables and accruals	4,629,078	4,629,078

24. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

Group 2012	Fair value through profit or loss RM	Loans and receivables RM	Total RM
Financial assets			
Receivables and deposits	-	106,292	106,292
Other investments	19,604,364	-	19,604,364
Cash and cash equivalents	-	87,979,188	87,979,188
	19,604,364	88,085,480	107,689,844

Group 2012	Financial liabilities at amortised cost RM	Total RM
Financial liabilities		
Payables and accruals	4,406,199	4,406,199

Company 2013	Loans and receivables RM	Total RM
Financial assets		
Receivables and deposits	376,339	376,339
Cash and cash equivalents	42,546,295	42,546,295
	42,922,634	42,922,634

Company 2013	Financial liabilities at amortised cost	Total RM
Financial liabilities		
Payables and accruals	164,301	164,301

Company 2012	Loans and receivables RM	Total RM
Financial assets		
Receivables and deposits	364,851	364,851
Cash and cash equivalents	42,803,501	42,803,501
	43,168,352	43,168,352

Company 2012	Financial liabilities at amortised cost RM	Total RM RM
Financial liabilities		
Payables and accruals	120,001	120,001

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follow:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(b) Quoted equity instruments

The fair value of these financial assets is determined by reference to the quoted closing bid price at the reporting date.

26. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December:

		Fair value measurement using	
	Total	**Level 1**	**Level 2**
	RM	**RM**	**RM**
Group			
Assets measured at fair value			
2013			
Financial assets at fair value through profit or loss			
- Quoted equity and debt instruments	22,752,893	22,752,893	-
2012			
Financial assets at fair value through profit or loss			
- Quoted equity and debt instruments	19,604,364	19,604,364	-
Assets for which fair value is disclosed (Note 11)			
2013			
Investment properties	1,500,000	-	1,500,000
2012			
Nil			

During the financial years ended 31 December 2013 and 2012, there was no transfer between Level 1 and Level 2 of the fair value measurement hierarchy.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group and the Company do not apply hedge accounting.

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

(a) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from interest bearing financial assets which are deposits placed with licensed banks. The deposits placed with licensed banks are short term in nature and are not held for speculation purpose but are placed to earn better yield than cash at banks. The deposits at fixed rate expose the Group and the Company to fair value interest rate risk.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company do not have any significant exposure to any individual customer at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain continuity of funding so as to ensure that all repayment and funding needs are met. As part of its liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The Group's and the Company's financial liabilities at the reporting date either mature within one year or are repayable on demand.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company is exposed to market price risk arising from its investment in quoted shares. These instruments are classified financial assets at FVTPL. The Group and the Company do not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

Sensitivity analysis for market price risk
At the reporting date, if the market prices had been 5% higher/lower, with all other variables held constant, the Group's loss/profit net of tax would have been RM853,200 (2012: RM735,200) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

28. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtaining borrowings.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2013 and 2012.

There were no bank borrowings for the current and previous financial year. Accordingly calculation of gross debt equity ratio is not meaningful to the Group and the Company.

The Group and the Company are not subject to any externally imposed capital requirements.

29. SEGMENT INFORMATION

The segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. The operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services.

The Group comprises the following business segments:

(i) Investment holding
(ii) Oil palm plantation

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Investment holding RM	Oil palm plantation RM	Total RM
2013			
Results:			
Profit/(Loss) before tax	3,623,093	(2,014,390)	1,608,703
Income tax expense			(148,461)
Loss, net of tax			1,460,242
Assets:			
Segment assets	170,443,461	34,012,144	204,343,298
Unallocated assets			112,307
Total assets			204,455,605
Liabilities:			
Segment liabilities	2,020,604	6,145,578	8,166,182
Other segment information:			
Additions to non-current assets (excluding deferred tax assets and financial instruments)	10,803	-	10,803
Depreciation and amortisation	366,296	2,014,390	2,380,686

29. SEGMENT INFORMATION (CONT'D)

2012	Investment holding RM	Oil palm plantation RM	Total RM
Results:			
Loss before tax	(2,086,811)	(2,014,390)	(4,101,201)
Income tax expense			(3,323)
Profit, net of tax			(4,104,524)
Assets:			
Segment assets	165,795,132	36,026,534	201,652,505
Unallocated assets			169,161
Total assets			201,821,666
Liabilities:			
Segment liabilities	1,824,407	5,168,078	6,992,485
Other segment information:			
Additions to non-current assets (excluding deferred tax assets and financial instruments)	1,207,183	-	1,207,183
Depreciation and amortisation	354,058	2,014,390	2,368,448

* The Group had suspended recognition of income from oil palm plantation and lease rental from oil mill with effect from 1 July 2011 as mentioned in Note 2(e).

Geographical information

The Group's operations are located only in Malaysia.

30. MATERIAL LITIGATION

On 5 April 2002, a wholly-owned subsidiary of the Company, Malpac Capital Sdn. Bhd. ("MCSB") entered into a Conditional Sale and Purchase Agreement ("the Agreement") to dispose of its subsidiary, Radiant Responses Sdn. Bhd. ("RRSB") together with 2 parcels of leasehold land to Yong Toi Mee and Cheang Kim Leong ("the Purchasers") for a consideration of RM2 and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000, as part of a composite transaction and encompassing the palm oil mill situated on part of the plantation by a lessee for a total consideration of RM53,000,002.

On 15 November 2002, a Subsequent Letter Agreement was executed by both parties recognising the Agreement had lapsed as not all approvals from the relevant authorities had been obtained and also negotiations to acquire the palm oil mill sited on the subject plantation had not been successful.

On 21 April 2007, the Purchasers (hereinafter also referred to as "the Plaintiffs") had filed a writ of summons and statements of claim against MCSB and RRSB seeking for specific performance of the Agreement.

On 5 May 2011, the Ipoh High Court delivered an oral judgement in favour of the Plaintiffs and ordered specific performance of the Agreement whereby MCSB and RRSB were required to complete the sale within three months from the date of receipt of the balance purchase price. Costs were ordered against the defendants.

30. MATERIAL LITIGATION (CONT'D)

The Plaintiffs tendered full payment of the balance purchase price for the plantation which MCSB's solicitors had rejected and was subsequently returned to the Plaintiffs on the grounds that MCSB's and RRSB's appeal to the Court of Appeals and application for stay of execution in the Ipoh High Court judgement were pending.

Effective 1 July 2011, MCSB had suspended recognition of income from oil palm plantation and palm oil mill since no income had been received from the oil palm plantation following the Ipoh High Court's decision given in favour of the Plaintiffs in the Civil Suit.

The Court of Appeal had on 17 January 2012 made a unanimous decision in MCSB's and RRSB's favour with costs awarded to MCSB. No plantation income have been received from the Plaintiffs despite demand from MCSB following the Court of Appeal's decision.

On 30 January 2012, the Plaintiffs filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision made on 17 January 2012. The Plaintiffs had been granted leave by the Federal Court to appeal against the Court of Appeal's decision.

On 4 September 2013, the Federal Court allowed their appeal, set aside the decision of the Court of appeal and affirmed the decision of the Ipoh High Court.

The Plaintiffs had again tendered full payment of the balance purchase price for the plantation which the Company's solicitors had submitted an application on 3 October 2013 to the Federal Court for a judicial review of or earlier decision.

On 4 March 2014, the Federal Court had dismissed the Company's application for a judicial review.

The Board is now in close consultation with the Company's solicitors in regard to the compliance of the Federal Court ruling.

As at 31 December 2013, the net carrying amounts of the 2 parcels of leasehold land and the palm oil mill were RM32.97 million and RM1.03 million respectively. Should the decision of the Courts be carried through to completion, the directors expect to realise a gain on disposal of RM18.99 million based on the financial statements of the Group for the financial year ended 31 December 2013.

31. COMPARATIVES FIGURES

The following comparative figures have been reclassified due to a change in the classification of the Group's unit trust as highly liquid investments.

Group	As reclassified RM	As previously classified RM
Consolidated statement of financial position		
Other investment (Current assets)	6,955,547	94,618,766
Cash and cash equivalents	87,979,188	315,969
Statement of cash flows		
Net cash from/(used in) investing activities	6,809,610	(5,741,481)
Cash and cash equivalents at beginning of financial year	85,664,046	10,551,918
Cash and cash equivalents at end of the financial year	87,979,188	315,969

31. COMPARATIVES FIGURES (CONT'D)

Company	As reclassified	As previously classified
Statement of financial position		
Other investment (Current assets)	-	42,699,517
Cash and cash equivalents	42,803,501	103,984
Statement of cash flows		
Net cash from investing activities	11,310,719	1,822,289
Cash and cash equivalents at beginning of financial year	33,315,101	104,014
Cash and cash equivalents at end of the financial year	42,803,501	103,984

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2013 and 31 December 2012 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at reporting date are analysed as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries:				
- realised	96,614	81,145	109,100	95,423
Add: Consolidation adjustments	309	14,317	-	-
Total retained earnings	96,923	95,462	109,100	95,423

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

LIST OF PROPERTIES HELD

as at 31 December 2013

Location	Description (Building Age)/ Existing Use	Tenure	Land Area/ Built-up Area	Net Book Value (RM'000)	Date of Acquisition
Lot No. 11644 Mukim Durian Sebatang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	1,266.05 hectares	20,531	4.8.2003
Lot No. 6863 Mukim Hutan Melintang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	767.33 hectares	12,443	4.8.2003
Lot P.T.65571 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Vacant commercial land	Freehold	6.74 hectares	37,364	9.9.2003
PTD 58152-58177 HS(D) 216990-217015 PTD 58179-58211 HS(D) 217016-217048 PTD 58213-58331 HS(D) 217049-217167 Mukim of Tebrau Daerah of Johor Bahru Johor Darul Takzim	178 vacant bungalow lots	Freehold	113,369.85 sq. metres	15,118	9.9.2003
Lot 491 Mukim & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	6.481 acres	679	5.10.2004
Lot 5142 Bandar & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	34.50 poles	206	5.10.2004
B-6-10, B-9-10, B-12-3A West Wing 10 Semantan No. 10 Jalan Semantan 50490 Kuala Lumpur	3 units of 2-bedroom condominium (5 years)/ Tenanted	Leasehold (expiring 3.6.2108)	980 sq. feet per unit	1,206	27.6.2008
No. 16.01 PT No. 200, Seksyen 1 Bandar Tanjong Tokong Daerah Timur Laut Pulau Pinang	A 4-bedroom condominium (4 years)/ Vacant	Freehold	6,300 sq. feet	2,046	11.2.2009

FINANCIAL CALENDAR

Financial Period From 1 January 2013 to 31 December 2013

RESULTS

First Quarter ended 31 March 2013	Announced On	10 May 2013
Second Quarter ended 30 June 2013	Announced On	21 August 2013
Third Quarter ended 30 September 2013	Announced On	20 November 2013
Fourth Quarter ended 31 December 2013	Announced On	25 February 2014

NOTICE OF ANNUAL GENERAL MEETING	16 May 2014
TWENTY-FOURTH ANNUAL GENERAL MEETING	10 June 2014

ANALYSIS OF SHAREHOLDINGS

as at 14 April 2014

Share Capital

Authorised share capital	:	RM200,000,000.00
Issued and paid-up capital	:	RM75,000,000.00
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote per ordinary share
No. of shareholders	:	1,999

Directors' Shareholdings

Name of Directors	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	13,317,008	17.76	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	2,940,300**	3.92
Chew Loy Chee	3,152,188	4.20	360,000**	0.48
Kan Ah Chun	2,180,260	2.91	-	-
Muhayuddin Bin Musa	-	-	-	-
Johari Low Bin Abdullah	-	-	-	-

Notes:

* *Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*

** *Indirect interest through family members.*

Size of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	14	0.70	461	0.00
100 - 1,000	705	35.27	685,687	0.91
1,001 - 10,000	1,105	55.28	4,201,200	5.60
10,001 - 100,000	131	6.55	3,813,300	5.08
100,001 - 3,749,999*	41	2.05	34,629,451	46.17
3,750,000 and above**	3	0.15	31,669,901	42.23
	1,999	100	75,000,000	100

* *Less than 5% of issued shares.*

** *5% and above of issued shares.*

ANALYSIS OF SHAREHOLDINGS (CONT'D)
as at 14 April 2014

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	13,317,008	17.76	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Advance Synergy Capital Sdn Bhd (ASCSB)	8,037,500	10.71	-	-
Advance Synergy Berhad (ASB)	-	-	8,037,500^	10.71
Dato' Ahmad Sebi Bakar	-	-	8,037,500+	10.71
Suasana Dinamik Sdn Bhd	-	-	8,037,500#	10.71
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	2,940,300**	3.92

Notes:
** Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*
*** Indirect interest through family members.*
^ Deemed interested by virtue of its interest in ASCSB, a wholly-owned subsidiary.
+ Deemed interested by virtue of his substantial shareholdings in ASB.
 # Deemed interested by virtue of its substantial shareholdings in ASB.

30 Largest Shareholders

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
1.	Lim Hong Liang	13,317,008	17.76
2.	Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75
3.	Advance Synergy Capital Sdn Bhd	8,037,500	10.71
4.	Wawasan Lembaran Sdn Bhd	3,691,900	4.92
5.	Chew Loy Chee	3,152,188	4.20
6.	Gan Teck Chong @ Gan Kwan Chong	2,917,303	3.89
7.	Ng Faai @ Ng Yoke Pei	2,209,300	2.95
8.	Kan Ah Chun	2,180,260	2.91
9.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Siew Lai (Margin)	2,088,200	2.78
10.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Garth Kevin Albuquerque	2,001,000	2.67
11.	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mary Tan @ Tan Hui Ngoh (B)	1,940,300	2.59

ANALYSIS OF SHAREHOLDINGS (CONT'D)
as at 14 April 2014

30 Largest Shareholders (cont'd)

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
12.	Goh Siang Kuan	1,802,100	2.40
13.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock (Margin)	1,582,400	2.11
14.	Loh Siew Hooi	1,402,700	1.87
15.	Teo Kwee Hock	1,329,100	1.77
16.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mary Tan @ Tan Hui Ngoh	1,000,000	1.33
17.	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gan Teck Chong @ Gan Kwan Chong	1,000,000	1.33
18.	Yee Quek Peng	933,700	1.24
19.	Chin Kian Fong	380,000	0.51
20.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Chee Wen	365,000	0.49
21.	Yap Ah Ngah @ Yap Neo Nya	360,000	0.48
22.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	344,000	0.46
23.	Goh Ah Peng	289,600	0.39
24.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Chin Hwa (Seremban-CL)	260,000	0.35
25.	Looi Lei Chow	247,700	0.33
26.	Tong Seow Mei	230,400	0.31
27.	Goh Peng Cheong	222,000	0.30
28.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Phng Hooi Siang @ Fong Hooi Siang	210,000	0.28
29.	Law Chee Pei	209,100	0.28
30.	Tan Akuan	203,000	0.27
	Total	64,221,152	85.63

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PROXY FORM

MALPAC
Malpac Holdings Berhad
(197424-V)

Number of Shares Held	

I/We, ____________________ NRIC No. / Company No. ____________________
(PLEASE USE BLOCK LETTERS)

of ____________________

being a member(s) of **MALPAC HOLDINGS BERHAD**, hereby appoint ____________________

NRIC No. ____________________ of ____________________

or ____________________ NRIC No. ____________________

of ____________________

or the Chairman of the meeting to be my/our proxy/proxies to attend and on a poll to vote for me/us on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held at Dewan Tuanku Ja'afar, Royal Sungai Ujong Club, 2A, Jalan Dato' Kelana Ma'amor. 70000 Seremban on Tuesday, 10 June 2014 at 10.00 a.m. or at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:

Resolution		For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2013 together with the Reports of Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2013.		
3.	To re-elect Encik Muhayuddin Bin Musa who retire pursuant to Article 80 and 82 of the Company's Articles of Association.		
4.	To re-appoint Mr Chew Loy Chee pursuant to Section 129 (6) of the Companies Act 1965.		
5.	To re-appoint Mr Tan Chon Sing @ Tan Kim Tieng pursuant to Section 129 (6) of the Companies Act 1965.		
6.	To re-appoint Auditors and to authorize the Directors to fix their remuneration.		
7.	Special Business (Ordinary Resolution): Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965. (Ordinary Resolution)		
8.	Special Business (Ordinary Resolution): Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)		

Date__________day of________, 2014

____
Signature/Common Seal

Notes:

1. A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

   The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.
2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.
3. Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.
4. Only members whose name appear in the Record of Depositors as at 2 June 2014 will be entitled to attend and vote at the meeting.
5. Where a member of the Company 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 respect of each securities account it holds which is credited with ordinary shares of the Company.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.
7. Please indicate with an "X" in the appropriate box how you wish your vote to be cast in respect of each resolution. If this proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain from voting at his discretion.
8. Any alteration made in this form must be initiated by the person who signs it.

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STAMP

THE COMPANY SECRETARY

MALPAC HOLDINGS BERHAD

(197424-V)

Chamber E, Lian Seng Courts
275 Jalan Haruan 1
Oakland Industrial Park
70200 Seremban
Negeri Sembilan Darul Khusus

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