



# MUI Properties Berhad

Company No: 6113-W



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## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting of the Company will be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 26 June 2014 at 3.00 p.m. for the following purposes:-

### As Ordinary Business

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 December 2013.
2. To approve Directors' fees of RM144,000. **Resolution 1**
3. To consider and, if thought fit, pass a resolution that pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Khoo Kay Peng be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. **Resolution 2**
4. To re-elect Mr Christopher Martin Boyd who is retiring in accordance with Article 109 of the Company's Articles of Association. **Resolution 3**
5. Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act 1965, a copy of which is annexed as 'Appendix A' on page 5 of the Company's 2013 Annual Report, has been received by the Company for the nomination of Messrs Crowe Horwath, who have given their consent to act, for appointment as auditors and of the intention to propose the following Ordinary Resolution:-

"THAT Messrs Crowe Horwath be appointed as auditors of the Company for the financial year ending 31 December 2014 and that their remuneration be fixed by the Directors." **Resolution 4**

### As Special Business

To consider and, if thought fit, pass the following resolutions:-

6. Ordinary Resolution  
- Proposed Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965  
  
"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being." **Resolution 5**
7. Ordinary Resolution  
- Proposed Renewal of Authority for the Purchase of Own Shares by MUI Properties Berhad  
  
"THAT, subject to the Companies Act, 1965 and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company to purchase and/or hold such amount of ordinary shares of RM0.20 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities") provided that the aggregate number of ordinary shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at the time of purchase;



AND THAT the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the balances of the Company's retained earnings and share premium account. Based on the audited financial statements for the financial year ended 31 December 2013, the Company's accumulated losses and share premium account stood at RM8,895,506 and RM9,656,367 respectively;

AND THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution, and will, subject to renewal thereat, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution in a general meeting of shareholders of the Company), whichever occurs first and in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements and/or any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to:-

- (i) cancel the shares so purchased; or
- (ii) retain the shares so purchased as treasury shares; or
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them;

AND THAT the Directors be and are hereby authorized to do all such acts and things (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorization with full powers to assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Securities and all other governmental/regulatory authorities."

**Resolution 6**

8. To transact any other business of which due notice shall have been received.

By order of the Board

Soo-Hoo Siew Hoon  
Lee Chik Siong  
*Joint Company Secretaries*

Kuala Lumpur  
4 June 2014

*Notes:-*

1. *Only a member whose name appears on the Record of Depositors as at 16 June 2014 shall be entitled to attend and vote at the meeting or appoint proxies to attend and/or vote on his or her behalf. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
2. *A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. 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 nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.*
3. *Where a member and/or an exempt authorised nominee appoint two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*



## NOTICE OF MEETING (Cont'd)

### EXPLANATORY NOTES ON SPECIAL BUSINESS

1. The Ordinary Resolution proposed under item 6 is a renewal of the general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965 (“general authority to issue shares”). If passed, it will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

The Company has not issued any new shares under the general authority to issue shares which was approved at the Forty-Seventh Annual General Meeting held on 27 June 2013 and which will lapse at the conclusion of the Forty-Eighth Annual General Meeting to be held on 26 June 2014.

The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

2. The Ordinary Resolution proposed under item 7, if passed, will empower the Directors of the Company to purchase MUI Properties Berhad shares through Bursa Malaysia Securities Berhad up to ten per centum (10%) of the issued and paid-up share capital of the Company.



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

## APPENDIX A

### NOTICE OF NOMINATION OF AUDITORS

# MARCO POLO TRADING SDN BHD

(Company No. 86220-H)

Registered Office: Unit 3, 191 Jalan Ampang, 50450 Kuala Lumpur  
Tel: 03-21487696 Fax: 03-21445209

Date: 20 May 2014

The Board of Directors  
MUI PROPERTIES BERHAD  
Unit 3, 191 Jalan Ampang  
50450 Kuala Lumpur

Dear Sirs,

#### NOTICE OF NOMINATION OF AUDITORS

The Company, being a registered shareholder of MUI Properties Berhad, hereby give notice of our nomination of Messrs Crowe Horwath for appointment as auditors of MUI Properties Berhad at the forthcoming Annual General Meeting.

The Company hereby proposes the following resolution to be considered and passed:-

“THAT subject to their consent to act, Messrs Crowe Horwath be appointed as auditors of the Company for the financial year ending 31 December 2014 and that their remuneration be fixed by the directors.”

Thank you.

Yours faithfully  
For and on behalf of  
MARCO POLO TRADING SDN BHD

.....  
WONG NYEN FAAT



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

## CORPORATE INFORMATION

### Board of Directors

Tan Sri Dato' Khoo Kay Peng, *P.S.M., D.P.M.J., K.M.N., J.P., HonD Litt, Hon LLD, Hon Ph.D, Chairman & Chief Executive*  
Christopher Martin Boyd  
Abdul Rashid bin Ismail  
Tan Sri Dato' Dr Yeoh Oon Kheng  
Datin Ngiam Pick Ngoh

### Joint Company Secretaries

Soo-Hoo Siew Hoon  
Lee Chik Siong

### Auditors

Ernst & Young *Chartered Accountants*

### Principal Bankers

Malayan Banking Berhad  
CIMB Bank Berhad

### Registrar

Tricor Investor Services Sdn. Bhd.  
Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur  
Tel. No.: 03-22643883 Fax. No.: 03-22821886

### Registered Office

Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur  
Tel. No.: 03-21487696 Fax. No.: 03-21445209  
Website: [www.muiproperties.com.my](http://www.muiproperties.com.my)



## PROFILE OF DIRECTORS

### **Tan Sri Dato' Khoo Kay Peng**

Age 75. Chairman and Chief Executive of MUI Properties Berhad. Appointed as Director on 25 November 1977 and has been Chairman since 1979. Was conferred an Honorary Doctor of Letters by the Curtin University of Technology, Perth, Australia in 1993, Honorary Doctor of Law by Northwest University, Kirkland, Seattle, USA in 2000 and Doctor of Philosophy in Business Management (Honoris Causa) by UCSI University, Malaysia in 2011. In 1985, was awarded the Manager of the Year by the Harvard Business School Alumni Club of Malaysia and was also honoured with the Entrepreneur of the Year Award by the Asian Institute of Management Graduates' Association of Malaysia and the Association of Banks, Malaysia. In 2012, was awarded the Lifetime Achievement Award for 'Leadership in Global Business' by the Asian Strategy & Leadership Institute at the World Chinese Economic Forum. In 2013, was awarded the Lifetime Achievement Award for entrepreneurship by Enterprise Asia and the BrandLaureate Premier Brand ICON Leadership Award. Also in 2013, was conferred a medal by the United States Commission on International Religious Freedom, a Commission established by the United States Congress. Was the Chairman of the then Tourist Development Corporation (now known as the Malaysia Tourism Promotion Board), Vice Chairman of Malayan Banking Berhad (Maybank) and a trustee of the National Welfare Foundation. Currently, also the Chairman and Chief Executive of Malayan United Industries Berhad. He is also the Chairman of Pan Malaysian Industries Berhad, Laura Ashley Holdings plc and Corus Hotels Limited (formerly known as Corus Hotels plc), United Kingdom. Also sits on the Boards of Metrojaya Berhad, MUI Continental Berhad, SCMP Group Limited (South China Morning Post) and The Bank of East Asia Limited, Hong Kong. He is presently a trustee of Regent University, Virginia, USA, a board member of Northwest University, a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. A deemed substantial shareholder of MUI Properties Berhad. Attended all the four (4) Board Meetings held during the financial year.

### **Christopher Martin Boyd**

Age 67. Independent Non-Executive Director. Appointed as Director on 27 July 1994 and subsequently on 1 April 1995 was appointed as Managing Director. Relinquished his post as Managing Director on 1 February 2001, but remained as Non-Executive Director. Chairman of the Audit Committee and Nomination Committee. A member of the Remuneration Committee. Fellow of the Royal Institution of Chartered Surveyors and the Institution of Surveyor (Malaysia). Also a member of the Singapore Institute of Surveyors and Valuers and an Associate of the Australian Property Institute. Formerly, a partner of Jones Lang Wootton Malaysia from 1974 to 1981; a Director of Jones Lang Wootton Singapore from 1981 to 1985 and a partner of Knight Frank Baillieu Malaysia from 1986 to 1995; all of which are firms principally engaged in property valuation, agency, management and consultancy. Currently, he is the Chairman of CB Richard Ellis (Malaysia) Sdn Bhd, a firm engaged in property valuation, estate agency, property management and research. He also sits on the Board of Eastern & Oriental Berhad. Attended all the four (4) Board Meetings held during the financial year.

### **Abdul Rashid bin Ismail**

Age 43. Independent Non-Executive Director. Appointed as Director on 3 January 2007. Chairman of Remuneration Committee. A member of the Audit Committee and Nomination Committee. An Advocate and Solicitor of the High Court of Malaya. Holds an LLB (Hons) Degree from University of Exeter, England. He was admitted as a Barrister at Law of the Honourable Society of Lincoln's Inn, England in 1994. Admitted as an Advocate and Solicitor of the High Court of Malaya in 1995. Currently, he is a partner of the law firm, Messrs Rashid Zulkifli. Attended all the four (4) Board Meetings held during the financial year.



## PROFILE OF DIRECTORS (Cont'd)

### Tan Sri Dato' Dr Yeoh Oon Kheng

Age 61. Independent Non-Executive Director. Appointed as Director on 18 October 2011. A member of the Audit Committee. He graduated in Economics & Accounting from Monash University and did his practical accounting training with PricewaterhouseCoopers in Melbourne. He has attended the Harvard Business School, Aresty Institute of Wharton School in USA, the Melbourne Business School of Management and UCLA Andersen Graduate School of Management. He was conferred the Doctorate of Laws Honoris Causa by Britain's University of Nottingham. He is Vice-President of Malaysian Institute of Directors and Institute of Management Consultants, Malaysia, Member of the Institute of Directors, UK and Fellow of the Malaysian Institute of Management.

He is the Co-Founder & CEO of the Asian Strategy & Leadership Institute (ASLI). He is also Joint Secretary-General of the Malaysia-China Business Council, the ASEAN Business Forum and the Corporate Malaysia Roundtable. His management career covers over ten years' experience in the financial sector where he was Principal Adviser of Southern Bank Berhad. He was also a Director of SB Venture Capital Corporation Sdn Bhd, SBB Capital Markets Sdn Bhd, SBB Asset Management Sdn Bhd, Star Publications (Malaysia) Berhad, National Heart Institute, Wisma MCA Berhad and Executive Director, Organisational Resources Corporation/Formis Berhad, Huaren Holdings Sdn Bhd, Malaysian Strategic Consultancy Sdn Bhd and Sunway College/Asian Strategy & Leadership Institute. He had also served Multi-Purpose Holdings Berhad and PricewaterhouseCoopers, Melbourne in various capacities. He was appointed by the Prime Minister and Government of Malaysia to be Malaysia's Representative (with Ambassadorial status) on the new ASEAN High Level Task Force. Contributing his time to National Service, he served on the First and Second National Economic Consultative Council and NEAC Globalisation Task Force. He was appointed by the Prime Minister to the National Unity Advisory Panel and the Royal Commission on Police. He was a Commissioner on Malaysia's Human Rights Commission (SUHAKAM) and served as Chairman of its Economic, Cultural and Social Rights Working Group. In April 2011, he was appointed by the Prime Minister to be a Commissioner in Malaysia's newly established Competition Commission. He has written several books on Management, Leadership and Malaysian Politics. He also sits on the Board of Pan Malaysia Corporation Berhad. Attended three (3) Board Meetings held during the financial year.

### Datin Ngiam Pick Ngoh

Age 59. Independent Non-Executive Director. Appointed as Director on 16 November 2011. Holds a Bachelor of Arts (Hons) in Sociology & Anthropology, University of Malaya and a Diploma in Advertising and Marketing, Institute of Communication, Advertising and Marketing (CAM), United Kingdom. She currently sits on the Board of Star Publications (Malaysia) Berhad ("The Star"), Hong Leong Assurance Berhad, Guinness Anchor Berhad and Yayasan Sin Chew. She was appointed as Group Managing Director/Chief Executive Officer of The Star on 1 July 2008 and retired on 30 June 2011. She served as Deputy Group General Manager from 2004 until her appointment as Group Chief Operating Officer in The Star in 2005. Prior to this, she was General Manager, Advertising and Business Development (1985-2003). She is also a member of The Star Finance Committee.

She was a Board Member of the Audit Bureau of Circulations (ABC) Malaysia and Chairman of the Audit Bureau of Circulations (ABC) Content & Communications Committee and was the honorary secretary of the Malaysian Newspaper Publishers Association (MNPA) and Board Member of the Advertising Standards Authority Malaysia (ASA).

She also served as Chairman on the subsidiaries of The Star Group namely, Cityneon Holdings Ltd, Singapore, StarRfm Sdn Bhd, Rimakmur Sdn Bhd and Leaderonomics Sdn Bhd. Attended all the four (4) Board Meetings held during the financial year.

#### Note:-

*None of the Directors has any family relationship with any Director and/or major shareholders of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past ten (10) years.*

*All the Directors are Malaysians except for Mr Christopher Martin Boyd who is British with Malaysian Permanent Resident status.*



## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to the principles of corporate governance set out in the Malaysian Code on Corporate Governance 2012 (the “Code”).

The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the recommendations of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the principles and recommendations of the Code.

Set out below is the description on the manner in which the Company has applied the principles and recommendations of the Code.

### 1. Board of Directors

#### 1.1 Composition of Board

The Board is responsible for the overall performance of the Company and focuses mainly on strategies, performance, standards of conduct and critical business issues.

The Board currently consists of five (5) Directors:-

- One (1) Chairman and Chief Executive
- Four (4) Independent Non-Executive Directors

The Chairman functions both as Chairman of the Board and Chief Executive. The Board is mindful of the combined roles but is comfortable that there is no concern as all related party transactions are dealt with in accordance with the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

Recommendation 3.5 of the Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. Currently, the Board has a majority of Independent Directors.

The Board also complies with the Bursa Securities Listing Requirements that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The Board has reserved certain material matters for the collective review and decision by the Board. The roles and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group’s businesses. A brief description of the background of each Director is presented in pages 7 and 8 of the Annual Report.

Mr Christopher Martin Boyd has been identified as the Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 1. Board of Directors (Cont'd)

#### 1.1 Composition of Board (Cont'd)

The Report of the Audit Committee for the financial year ended 31 December 2013 is set out in pages 21 to 22 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out in Section 2.2 and Section 2.3 respectively of this Statement.

#### 1.2 Independence of Directors

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board.

The Board will continually evaluate from time to time the independence of each of its Independent Directors. In this regard, the Board will be guided by the criteria set out in the Bursa Securities Listing Requirements.

#### 1.3 Board Charter

The Board has established a Board Charter which prescribes, among other things, the roles of the Board, schedule of matters reserved for the Board's collective decision and a Code of Ethics and Conduct.

The Board Charter is subject to review by the Board from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current laws and practices.

The Board Charter is available in the Company's corporate website.

#### 1.4 Board Meetings

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda typically reaches the Board at least two (2) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Four (4) Board Meetings were held during the financial year ended 31 December 2013. Details of the attendance of the Directors are set out in the Profile of Directors appearing in pages 7 and 8 of the Annual Report.

#### 1.5 Appointments to the Board

The Nomination Committee has the responsibility to identify and evaluate potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The proposed appointment of each new Director will be deliberated by the Board based on the recommendation by the Nomination Committee.



The Board has taken note of the recommendation in the Code pertaining to the establishment of board gender diversity policy. The Board recognizes the importance of boardroom diversity and aims to ensure diversity in its composition. The Board currently has one (1) female director, namely Datin Ngiam Pick Ngho.

The Directors have direct access to the services of the Joint Company Secretaries who are responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Bursa Securities Listing Requirements and other regulatory requirements.

## 1.6 Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association, Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Articles of Association provide that at every Annual General Meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and shall be eligible for re-election. The Company's Articles of Association further provide that subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965.

## 1.7 Directors' Remuneration

The Remuneration Committee will review the remuneration of the Directors and submit its recommendations to the Board for approval. The individual director concerned will abstain from discussion of their own remuneration. Directors' fees are approved at the Annual General Meeting by the shareholders.

For the financial year ended 31 December 2013, the aggregate of remuneration of the Directors received from the Company and its subsidiaries categorized into appropriate components were as follows:-

	<i>Salaries</i> <i>RM'000</i>	<i>Fees</i> <i>RM'000</i>	<i>Benefits- in-kind</i> <i>RM'000</i>	<i>Others</i> <i>RM'000</i>	<i>Total</i> <i>RM'000</i>
<b>Executive Directors</b>					
Received from the					
- Company	360	48	27	126	561
- Subsidiary companies	-	-	-	-	-
	360	48	27	126	561
<b>Non-Executive Directors</b>					
Received from the					
- Company	-	146	-	15	161
- Subsidiary companies	-	10	-	-	10
	-	156	-	15	171
	360	204	27	141	732



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 1. Board of Directors (Cont'd)

#### 1.7 Directors' Remuneration (Cont'd)

The number of Directors of the Company whose remuneration during the year falls within the respective bands are as follows:-

	<i>Number of Directors</i>	
	<i>Executive</i>	<i>Non-Executive</i>
Range of Remuneration		
Below RM50,000	-	6
RM550,001 to RM600,000	1	-

#### 1.8 Supply of Information

The Board has unrestricted access to information necessary for the furtherance of their duties.

The Board is also updated by the Joint Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board papers are distributed to Board members prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

All Directors have access to the advice and services of the Joint Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

#### 1.9 Directorships in Other Companies

In accordance with the Bursa Securities Listing Requirements, each member of the Board holds not more than five (5) directorships in public listed companies. Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors are required to consult with the Chairman to ensure that the acceptance of the new directorships would not affect their commitments and responsibilities to the Group. Any acceptance of new directorship must be notified to the Company immediately and the Board is informed on changes to the directorships held by the Directors at the following Board meeting.

#### 1.10 Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the year, the Directors attended training that aids them in the discharge of their duties as Directors which included an in-house seminar on the subject of "Managing Effective Boardroom Dynamics Board Evaluation Mechanism In Making A Difference".

All Directors are encouraged to attend various training and programmes and seminars to ensure that they are kept abreast on various issues related to business of the Group, governance, compliance, risk management and sustainability.



## 2. Board Committees

### 2.1 Audit Committee

The Audit Committee comprises exclusively of Non-Executive Directors, and all are Independent Directors. The members of Audit Committee are as follows:-

Chairman	Christopher Martin Boyd	- Independent Non-Executive Director
Members	Abdul Rashid bin Ismail	- Independent Non-Executive Director
	Tan Sri Dato' Dr Yeoh Oon Kheng	- Independent Non-Executive Director

The terms of reference, attendance of members at the Audit Committee Meeting and activities of Audit Committee for the financial year ended 31 December 2013 are set out in Report of the Audit Committee in page 21 and 22 of the Annual Report.

### 2.2 Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors, and all are Independent Directors. The members of Nomination Committee are as follows:-

Chairman	Christopher Martin Boyd	- Independent Non-Executive Director
Member	Abdul Rashid bin Ismail	- Independent Non-Executive Director

The functions of the Nomination Committee are:-

- identifying and recommending new nominees for the Board and Board Committees;
- annually assessing the effectiveness of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis;
- annually reviewing the mix of skills, experience and other qualities, including core competencies of non-executive Directors; and
- annually reviewing the Board structure, size and composition.

The Nomination Committee met once during the financial year ended 31 December 2013 to carry out the annual assessment and is satisfied that the size of the Board is optimum and there is an appropriate mix of knowledge, skills, attributes, diversity and core competencies in the Board's composition.

### 2.3 Remuneration Committee

The Remuneration Committee comprises exclusively of Non-Executive Directors, and all are Independent Directors. The members of the Remuneration Committee are as follows:-

Chairman	Abdul Rashid bin Ismail	- Independent Non-Executive Director
Member	Christopher Martin Boyd	- Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of Executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of Executive Directors is a matter for the Board as a whole and individual Executive Directors are required to abstain from discussion of their own remuneration.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 2. Board Committees (Cont'd)

#### 2.3 Remuneration Committee (Cont'd)

The Remuneration Committee shall also recommend to the Board the remuneration of Non-Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board collectively.

### 3. Corporate Disclosure Policy

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors in accordance with the requirements under the Bursa Securities Listing Requirements.

### 4. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial reports provide shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by the Company by accessing Bursa Securities' website and the Company's corporate website.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session.

Shareholders and other interested parties may contact the Joint Company Secretaries for investor relations matter by writing or via telephone/facsimile as follows:

Postal Address : Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur  
Telephone number : 03-21487696  
Facsimile number : 03-21445209

The Board encourages poll voting at general meetings.

### 5. Accountability and Audit

#### 5.1 Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with the Companies Act, 1965 and the applicable financial reporting standards. The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board's approval are prepared in accordance with the Companies Act, 1965 and applicable financial reporting standards so as to present a true and fair view of the state of affairs of the Group.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out in page 32 of the Annual Report, and the Statement explaining the Directors' responsibilities for preparing the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Listing Requirements is set out in page 16 of the Annual Report.



## 5.2 Risk Management and Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognizes the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits. The Board has established an internal audit function who reports directly to the Audit Committee. Details of the internal audit function are set out in Report of the Audit Committee in page 23 of the Annual Report.

The Board recognizes that risks cannot be fully eliminated. As such, the Group has an Enterprise Risk Management ("ERM") framework in place to minimize and manage them. The Board has established a Risk Management Committee and guided by documented terms of reference and meetings are held regularly to deliberate on risk and control issues. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls and ERM framework in safeguarding the Group's assets.

Details of the Company's internal control system and risk management are set out in Statement on Risk Management and Internal Control in page 17 to 19 of the Annual Report.

## 5.3 Relationship with the External Auditors

The Company's external auditors, Messrs Ernst & Young has continued to report to members of the Audit Committee on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The Audit Committee met the external auditors three times during the financial year ended 31 December 2013 without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.

The Audit Committee is responsible for reviewing audit-related and non-audit services provided by the external auditors. The Audit Committee has reviewed the provision of non-audit services by the external auditors during the financial year ended 31 December 2013 and concluded that the provision of these non-audit services did not impair the independence of the external auditors as the amount of the fees paid were not significant compared to the total fees paid to the external auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee in pages 21 to 22 of the Annual Report.



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

## **DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable approved Financial Reporting Standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD'S RESPONSIBILITY

The Board of Directors ("Board") is responsible for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system includes financial, operational, regulatory and compliance controls. This system is designed to manage, rather than to eliminate, the risks in the pursuit of the Group's business objective as well as to safeguard shareholders' investments and Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement, loss or fraud.

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework. The Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") provides guidance for compliance with these requirements. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

## RISK MANAGEMENT

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks is in place. This process is carried out via the following risk management governance structure:-

- The Board – is fully responsible for the risk management of the Group and has carried out its duties by having regular Board meetings to review and approve business strategies, risk management policies and business performance of the Group.
- The Audit Committee – whose key function is to review the adequacy and effectiveness of internal control and governance systems of the Group. The Audit Committee's main role is to review, on behalf of the Board, the system of internal controls necessary to manage the key risks inherent in the business and to present its findings to the Board. The Audit Committee assumes its roles and responsibilities via the internal audit function.
- The Risk Management Committee ("RMC") – whose key function is to review the adequacy and effectiveness of risk management of the Group. The RMC's main roles is to review, on behalf of the Board, the system of risk management necessary to manage the key risks inherent in the business and to present its findings to the Audit Committee. The RMC shall meet on a quarterly basis. Additional meetings may be called as and when required by the RMC. The membership of the RMC comprises of the Chief Operating Officer, the Chief of Staff of Chairman's Office, the Financial Controller and the Head of Operations.

## RISK MANAGEMENT PROCESS

Risks are reported and monitored at the operational level using a Risk Register which captures risks, mitigating measures and risk ratings. Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks.

For risks that are material, the mitigating measures and KRIs are presented to the Management for review on a regular basis. Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

High and new risk areas are immediately flagged and reported to the Audit Committee whose comments and advice are noted for the full Board's information.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

### TYPES OF RISKS

The principal business activities of the Group are investment holding, property development, sale of oil palm fruits and property investment. There have been no significant changes in the nature of these activities during the financial year.

The significant risk exposure faced by the Group during the financial year can be broadly categorized into financial, operational, legal and external risks as follows:

#### Financial Risk

The risk of loss arising from:

- I. Impairment in investments
- II. Foreign exchange fluctuations

#### Operational Risk

The risk of loss arising from:

- I. Property development costs over-run
- II. Safety and quality of building works
- III. Project planning and implementation
- IV. Saleability of properties

#### Legal Risk

The risk of loss arising from:

- I. Non-compliance with Housing Development Act, building by-laws and other rules & regulations
- II. Legal suits and prosecutions

#### External Risk

The risk of loss arising from:

- I. More stringent end-financing approval requirements
- II. Fluctuation in building materials cost and CPO prices
- III. Emergence of new developments within close proximity

### KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system, that are regularly reviewed by the Board and are in accordance with the Guidelines, are described below:-

- Establishment of a conducive control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;
- Recruitment of experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that adequate controls are in place;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Documented policies, procedures and limits of approving authorities for key aspects of the business. This provides a sound framework of authority and accountability within the organization



and facilitates proper corporate decision making at the appropriate level in the organization's hierarchy;

- Establishment of segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Regular and comprehensive management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This allows for an effective monitoring of significant variances and deviations from standard operating procedures and budgets;
- Group Internal Audit function independently reviews the risk identification procedures and control processes implemented by Management, and reports to the Audit Committee on a quarterly basis. The Group Internal Audit function provides assurance over the operation and validity of the system of internal control in relation to the level of risk involved using Risk-Based-Auditing methodology; and
- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by the Group Internal Audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

## **ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM**

The Board has received assurance from the Chief Operating Officer and the Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

## **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the year ended 31 December 2013 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.



## OTHER INFORMATION

### 1. Utilisation of Proceeds raised from Corporate Proposal

The Company does not have any corporate proposal during the financial year ended 31 December 2013.

### 2. Share Buy-Back

The Company has not made any purchase, resale or cancellation of its own shares in the financial year ended 31 December 2013. As at 31 December 2013, 23,145,300 ordinary shares were held as treasury shares in accordance with section 67A of the Companies Act, 1965 and are stated at cost.

### 3. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued and exercised during the financial year ended 31 December 2013.

### 4. Sponsored Depository Receipt Programme

The Company did not sponsor any depository receipt programme.

### 5. Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

### 6. Non-Audit Fees

For the financial year ended 31 December 2013, non-audit fees paid to the external auditors amounted to RM19,000 (2012 : RM19,000).

### 7. Variation in Results

There was no material variances between the audited financial statements for the financial year ended 31 December 2013 and the unaudited results announced to Bursa Malaysia Securities Berhad on 25 February 2014.

### 8. Profit Guarantee

There was no profit guarantee for the financial year ended 31 December 2013.

### 9. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2013 or entered into since the end of the previous financial year except as disclosed in the financial statements.