Menang Corporation (M) Berhad

Company No : 5383-K

Annual Report 2013

Contents

Corporate Information

BOARD OF DIRECTORS

Group Executive Chairman
Y.Bhg. Dato' Abdul Mokhtar Ahmad

Group Managing Director/
Group Chief Executive Officer
Y.Bhg. Dato' Shun Leong Kwong

Non-Executive Group Deputy Chairman
Y.Bhg. Datin Mariam Eusoff

Non-Independent, Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™

Independent Non-Executive Directors
Mr. Chiam Tau Meng
Mr. Too Kok Leng

SECRETARY

Mr Ng Ah Wah
(MIA No. 10366)

REGISTERED OFFICE

8th Storey South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: (603) 2161 3366
Fax: (603) 2161 3393

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: (603) 2264 3883
Fax: (603) 2282 1886

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

PRINCIPAL BANKERS

AmBank (M) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Cheah Teh & Su
L-3-1, No. 2
Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

Rahman Too & Co
5, Jalan Wolff
70000 Seremban
Negeri Sembilan Darul Khusus

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty Nineth (49th) Annual General Meeting ("AGM") of the Company will be held at the Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 2nd December 2013 at 10.00 a.m. for the transaction of the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 30 June 2013. ***(Ordinary Resolution 1)***

2. To approve the payment of Directors' fees of RM30,000.00 for the financial year ended 30 June 2013. ***(Ordinary Resolution 2)***

3. To re-elect the following Directors who retire by rotation in accordance with Article 112 of the Articles of Association of the Company and being eligible, offer themselves for re-election:

   (a) Mr. Chiam Tau Meng ***(Ordinary Resolution 3)***
   (b) Mr. Too Kok Leng ***(Ordinary Resolution 4)***

4. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting:

   (a) Dato' Abdul Mokhtar Ahmad ***(Ordinary Resolution 5)***
   (b) Dato' Shun Leong Kwong ***(Ordinary Resolution 6)***

5. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. ***(Ordinary Resolution 7)***

Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. **Retention of Independent Non-Executive Director**

   "THAT subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Mr Too Kok Leng who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue act as Independent Non-Executive Director of the Company." ***(Ordinary Resolution 8)***

7. **Authority to 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 approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad." ***(Ordinary Resolution 9)***

Notice of Annual General Meeting (cont'd)

8. **Proposed Renewal of General Mandate for Substantial Property Transactions Involving Directors pursuant to Section 132E of the Companies Act, 1965**

"THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, such authority will continue to be in force until conclusion of the next Annual General Meeting." *(Ordinary Resolution 10)*

9. **Proposed Amendment to Article 136 of the Articles of Association of the Company**

"THAT the Company's Articles of Association be hereby amended by deleting the following existing Article 136 in its entirety and substituting with the following new Article 136:-

Existing Article 136

The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such income statements, balance sheets and reports, as are referred in the section. The interval between the close of the financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' report shall not exceed four (4) months. A copy of each of such document shall not less than twenty-one (21) days before the date of the meeting be sent to every Member and to every holder of debentures of the Company under the provisions of the Act or of this Article. The requisite number of copies of each such document shall at the same time be sent to the Bursa Malaysia Securities Berhad. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Registered Office.

New Article 136

The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such income statements, balance sheets and reports, as are referred in the section. The interval between the close of the financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' report shall not exceed four (4) months. A copy of each of such document **(which may be in printed form or in CD-ROM form or in such other form of electronic media)** shall not less than twenty-one (21) days before the date of the meeting be sent to every Member and to every holder of debentures of the Company under the provisions of the Act or of this Article. The requisite number of copies of each such document shall at the same time be sent to the Bursa Malaysia Securities Berhad. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Registered Office." *(Special Resolution)*

Notice of Annual General Meeting (cont'd)

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

NOTICE IS ALSO HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

(a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 25 November 2013 (in respect of shares which are exempted from mandatory deposit);

(b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 25 November 2013 (in respect of ordinary transfers);

(c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Ng Ah Wah (MIA No. 10366)
Company Secretary

Kuala Lumpur
8 November 2013

NOTES:

1. A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

2. The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

4. Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.

5. Explanatory Notes on Special Business:

   (i) Ordinary Resolution 8 – Retention of Independent Non-Executive Director

   The proposed Ordinary Resolution 8, if passed, will retain Mr Too Kok Leng as Independent Director of the Company to fulfil the paragraph 3.04 of the Main Market Listing Requirements. In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed the independence of Mr Too Kok Leng, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

Notice of Annual General Meeting (cont'd)

a Mr Too Kok Leng has fulfilled the criteria under the definition of Independent Non-Executive Director as stated in the Listing Requirements of Bursa Malaysia Securities Berhad, and hence, he would be able to provide an element of objectivity, independent judgement and balance of the Board;

b He performed his duty diligently and in the best interest of the Company through active participation in deliberations with independent judgement free from being influenced by the operational management.;

c He, having been with the Company for more than nine years, is familiar with the Company's business operations and has devoted sufficient time and attention to his professional obligations for an informed and balanced decision making process;

d His networking, working experience and familiarization with the business operations will provide a check and balance to the Executive Directors and management team of the Company;

e He has confirmed and declared that he is an independent director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

f The Board is of the opinion that he is an important independent director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his roles as independent director during his tenure.

(ii) Ordinary Resolution 9 – Authority to Allot and Issue Shares

The proposed Ordinary Resolution 9, if passed, will empower the Directors to issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company in a general meeting will expire at the next Annual General Meeting.

The general mandate sought for issue of shares is a renewal to the general mandate sought in the preceding year. As at the date of Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 48th AGM held on 20 December 2012 and hence no proceeds were raised therefrom.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and to avoid any delays and further cost involved in convening such general meeting to approve such issue of shares.

(iii) Ordinary Resolution 10 – Proposed Renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965

Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons any non-cash assets of the "requisite value" without prior approval of the Company in general meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction for the acquisition or disposal of the asset, its value is greater than Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000.00) or ten per centum (10%) of the net assets of the Company, subject to minimum of Ringgit Malaysia Ten Thousand (RM10,000.00).

Notice of Annual General Meeting (cont'd)

The proposed Ordinary Resolution 10, if passed, will authorise the Company or its related corporations to acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business.

(iv) Special Resolution - The rationale for the proposed amendment to the Company's Articles of Association under Special Resolution will allow the Company the flexibility to issue the Company's financial statements in CD-ROM form.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors who are standing for re-election pursuant to the Article 112 of the Articles of Association at the Forty Nineth Annual General Meeting of the Company are as follows:

   (a) Mr Chiam Tau Meng; and
   (b) Mr. Too Kok Leng

2. The Director who is standing for re-appointment pursuant to Section 129 (6) of the Companies Act, 1965 at the Forty Nineth Annual General Meeting of the Company are as follows:

   (a) Dato' Abdul Mokhtar Ahmad; and
   (b) Dato' Shun Leong Kwong.

   The details of the Directors standing for re-election and re-appointment at the forthcoming Forty Nineth Annual General Meeting are set out in the Directors' Profile on pages 8 to 10 of the Annual Report.

Directors' Profile

DATO' ABDUL MOKHTAR AHMAD

Group Executive Chairman

Dato' Abdul Mokhtar Ahmad, a Malaysian and a Bumiputra entrepreneur, aged 74, was appointed to the Board of Menang since 23 May 1989.

He has extensive experience in the building and construction industry. In fact, he has helmed a Bumiputra Class 'A' construction company that has successfully constructed several high-rise buildings in the heart of Kuala Lumpur in the 80's, such as the 34-storey Menara Bank Bumiputra (now known as Bank Muamalat), the 22-storey Bangunan Bank Rakyat, the 26-storey Bangunan Sri Mara, 24-storey Wisma Angkasa Raya and the Kota Raya Complex. In addition the said company has also acted as the local consultant/advisor to the South Korean main contractor for Malayan Banking Berhad's 58-storey Head Office building (known as Menara Maybank).

Dato' Ahmad Mokhtar has been the Group Executive Chairman of Menang Corporation (M) Berhad for the last 18 years. As a pioneer Bumiputra contractor with such illustrious track record and iconic developments under his belt, he has been an industry veteran and the driving force behind the Group's property construction projects todate. Responding to the changing landscape of property development in Malaysia, he has been a strong advocate of the Government's current push for Private Public Partnership(PPP) as the engine of growth. In this regard he has been actively involved in identifying and creating potential PPP projects for the Group. This has culminated in three Private Finance Initiatives (PFI) projects for the Group (with a combined Total Construction Cost of RM650 million) all of which are now under construction. One is expected to be completed by early 2014. It is hoped that these 3 PFI projects will set a benchmark for future PPP opportunities and serve to add values to the Group's future revenues and profitability.

DATO' SHUN LEONG KWONG

Group Managing Director/Group Chief Executive Officer

Dato' Shun Leong Kwong, a Malaysian, aged 75, was appointed to the Board of Menang on 29 June 1989 after an outstanding career in senior positions in the banking industry.

He holds a B.A. Econs. (Hons) from the University of Malaya.

Dato' Shun is and has been the Group Managing Director/Group Chief Executive Officer of Menang Group of Companies (Non-Independent Director) since 1989. With his vast experience and varied exposure, Dato' Shun has managed to navigate the Group through the various recessions without suffering major setbacks. He is the father of Non-Executive Director, Dr. Christopher Shun Kong Leng, CFP®, RFP™.

DATIN MARIAM EUSOFF

Non-Executive Group Deputy Chairman

Datin Mariam Eusoff, a Malaysian, aged 68, started her career as a lecturer at the Institut Teknologi Mara in 1969 before she joined Citibank NA, Malaysia in 1973 where she was Manager in the Public Sector Lending Division. In 1977, she was recruited by Bank Bumiputra Malaysia Berhad to head the International Banking Department covering foreign currency lending, overseas branch operations as well as correspondent banking. She was appointed on 1 July 1989 as Managing Director of Maztri Padu Sdn Bhd, the privatised developer for Kelana Jaya Urban Centre. She holds a B.A. (Hons) from the University of Malaya and a Master degree in Communications from the University of Washington, U.S.A.

Datin Mariam was appointed to the Board of Menang on 25 February 1991 and was subsequently appointed as Group Executive Director of Menang on 1 January 1992 (Non-Independent Director) and later became the Non-Executive Group Deputy Chairman on 1 July 2005. She was the alternate chairperson of the Group Management Committee in the absence of the Group Executive Chairman. As Non-Executive Group Deputy Chairman, she supervises legal, corporate and public communications of the Group. One of her principal responsibilities is in strategic planning and implementation of new property projects besides providing general administration of Group operations.

She is also a member of the Audit Committee of the Company.

Directors' Profile (cont'd)

MR CHIAM TAU MENG

Independent Non-Executive Director

Mr. Chiam Tau Meng, a Malaysian, aged 60, graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He was admitted as an Associate Chartered Accountant of the Institute of Chartered Accountants of New Zealand in 1980. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in 1976 as a Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as a Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as a General Manager of Corporate Services.

In 1989, he joined Bee Hin Holdings Sdn Bhd as General Manager-Corporate Finance in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 on Kuala Lumpur Industries Berhad.

In 1992, he joined the management consultancy practice of an international accounting organisation and in 1994, he set up his own consulting practice namely CTM Consulting.

He was appointed as an Independent Non-Executive Director of Menang on 21 October 2005. He is the Chairman of the Audit Committee and the Nominating Committee and a Member of the Remuneration Committee of Menang. He also sits on the Board of the following companies listed on the Bursa Malaysia Securities Berhad :-

Success Transformer Corporation Berhad
(Independent & Non-Executive)

KYM Holdings Berhad
(Independent & Non-Executive)

Seremban Engineering Berhad
(Independent & Non-Executive)

MR TOO KOK LENG

Independent Non-Executive Director

Mr. Too Kok Leng, a Malaysian, aged 54, holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company.

He also sits on the Board of TH Heavy Engineering Berhad listed on the Bursa Malaysia Securities Berhad as an Independent Non-Executive Director.

DR. CHRISTOPHER SHUN KONG LENG, CFP®, RFP™

Non-Independent Non-Executive Director

Dr. Christopher Shun Kong Leng, CFP®, RFP™, a Malaysian, aged 48, graduated from Boston University with a Bachelor of Science in Business Administration with Summa Cum Laude and Bachelor of Arts in Economics with Magna Cum Laude in May 1987. He pursued a Merchant Banking career with Hill Samuel Bank, London from 1987 to 1989. In 1991, he obtained his Master of Science in Management from the MIT Sloan School of Management, U.S.A. He subsequently joined Bankers Trust London as a Merger and Acquisition Associate. He was awarded the Advanced Postgraduate Diploma in Management Consultancy (Adv.Dip.C) from Henley Management College, United Kingdom in April 2000. He secured the Certified Financial Planner (CFP®) qualification by examination in February 2003. He was awarded the designation Registered Financial Planner (RFP™) on 18 July 2006. He completed his Doctor of Business Administration (D.B.A) from Henley Management College, Brunel University, United Kingdom in 2004. He was appointed Adjunct Professor at University Technology Malaysia in March 2013.

Directors' Profile (cont'd)

Dr. Christopher Shun was previously Senior Vice President, Economic Intelligence Division, Iskandar Regional Development Authority (IRDA) from 2012-2013. He was formerly the Risk Management Advisor to Perbadanan Putrajaya (PPJ) from 2008-2011. Dr. Christopher Shun was appointed in 2007 onto the National Property Research Economic Council (NAPREC) think tank under the oversight of the Ministry of Finance (MOF) advising the Government of Malaysia (GOM) on all matters pertaining to Real Estate policies and Macroeconomic impacts on the Malaysian economy.

Dr. Christopher Shun was appointed to the Board of Menang on 25 February 1991 and was made Executive Director on 1 April 1991 (Non-Independent Director). Subsequently, he was appointed as Group Executive Director on 1 January 1992 and he was promoted to Deputy Group Managing Director on 1 July 2005. On 31 December 2007, Dr. Christopher Shun was re-designated as Non-Executive Director. He is also a member of the Remuneration Committee of the Company.

Dr. Christopher Shun is the son of Dato' Shun Leong Kwong.

Notes:

1. **Family relationship with Director and/or major shareholder**

   Save as hereinabove disclosed, none of the Directors has any family relationship with the other directors and/or major shareholders of Menang Corporation (M) Berhad.

2. **Conflict of Interest**

   None of the Directors has any conflict of interest in the Company except for those transactions disclosed in Note 29 to the financial statements.

3. **Conviction for Offence**

   None of the Directors has been convicted of any offence within the past ten (10) years.

4. **Other Directorship of Public Companies**

   None of the Directors hold any directorship in any other public listed company, save as disclosed above.

5. **Securities Holdings in the Company**

   Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on pages 104 to 106 of the Annual Report.

Chairman's Statement

On behalf of the Board, I have pleasure in presenting the Annual Report of Menang Corporation and the Audited Financial Statements of the Company and the Group for the financial period ended 30 June 2013.

FINANCIAL REVIEW

The Group registered a profit before taxation of RM45.441 million for the year ended 30 June 2013, an increase of 116% compared to the previous 18 months financial period ended 30 June 2012 of RM31.531 million (which translates into an annualized amount of RM21.020 million).

For the year ended 30 June 2013, the Group posted a total revenue of RM238.197 million, an increase of 58% compared against the annualized revenue of RM 150.908 million for the previous 18 months financial period ended 30 June 2012.

The Construction Sector remains the leading contributor to the Group's overall performance, reporting a construction revenue and construction costs of RM226.922 million and RM156.138 million respectively. Appropriate senior management talents have been placed in the sector.

As at 30 June 2013, the Group's assets stood at RM703.954 million (FYE 2012: RM462.117 million) and shareholder's fund at RM178.244 (FYE 2012: RM160.889 million).

CORPORATE DEVELOPMENTS

Despite global uncertainties, the overall outlook of the country's economy remains satisfactory. The aggressive implementation of the Government Transformation Programme and Economic Transformation Programme initiatives contribute significantly to the strengthening of the business fundamentals of the country.

The construction of the RM300.0 million Seremban 3 UiTM Campus (designed to cater for 3 faculties with a target population of 5,000 students) is scheduled to complete by early 2014. Upon completion, the project will generate recurring income streams for the Group over a period of 20 years.

The construction of the RM260.0 million UiTM Campus at Puncak Alam, Selangor, (designed for 2 faculties with a total capacity of 3,000 students) will add to our increasing activities. At the date of this report, construction works is estimated at 24.4% completion.

The Group will further benefit from the construction of the RM101.0 million UiTM Training Institute at Nilai, Negeri Sembilan. This facility, with a capacity to accommodate 650 trainees, (designed for UiTM faculty and staff) is in the early stages of implementation.

The property sector also shows substantial movement. The Group recorded property revenue of RM11.080 million for the financial year, an increase of 52% against the annualized revenue of RM 7.304 million for the previous 18 months financial period ended 30 June 2012. As anticipated, the Seremban 3 UiTM Campus has become a major catalyst pushing demand and price levels higher for the whole Seremban 3 township. We expect increasing activities in this sector and senior management talents have been placed behind it.

Overall, the Group remain optimistic for the coming year.

Chairman's Statement (cont'd)

APPRECIATION

On behalf of the Board of Directors, I would like to convey my deep and sincere appreciation to our valued shareholders, business associates, consultants, bankers, customers, government agencies, local authorities for their continuing support.

I would also like to extend my sincere thanks and gratitude to my fellow members on the Board, management team and staff of the Group for their continuous dedication and contributions.

Dato' Abdul Mokhtar Ahmad
Executive Chairman
18 October 2013

Kuala Lumpur

Audit Committee Report

CHAIRMAN : **Mr Chiam Tau Meng**
(Independent Non-Executive Director)

MEMBERS : **Mr Too Kok Leng**
(Independent Non-Executive Director)

YBhg Datin Mariam Eusoff
(Non-Executive Group Deputy Chairman)

TERMS OF REFERENCE

Constitution

The Audit Committee of the Company comprising all non-executive directors, a majority of who are independent, has been established since 22 March 1994.

Objective

The primary objectives of the Audit Committee are:

1. to assist in the fiduciary duties of the Board in matters pertaining to business ethics, policies, financial management, internal controls, accounting policies and financial reporting of the Company and its subsidiaries;

2. to maintain and enhance a line of communication and independence between the Group and the external auditors;

3. to ensure a system of internal controls which will mitigate the likelihood of fraud or error.

The appointment of a properly constituted Audit Committee is an important step to assist the Board of Directors in raising the standard of Corporate Governance and observance of good Corporate Governance practices.

Composition

1. The Audit Committee shall be appointed by the directors from amongst themselves and this fulfils the following requirements:

   (a) the Audit Committee shall comprise of no fewer than three (3) members;

   (b) all the Audit Committee must be non-executive directors, with a majority of them being independent directors;

   (c) the Chairman of the Audit Committee shall be an independent director; and

   (d) at least one (1) member of the Audit Committee:

      (i) must be a member of the Malaysian Institute of Accountants (“MIA”);

      or

      (ii) if he is not a member of the MIA, he must have at least three (3) years’ working experience and:

         (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

         (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

      (iii) fulfils such other requirements as prescribed or approved by the Exchange.

Audit Committee Report (cont'd)

2. No alternate director shall be appointed as a member of the Audit Committee.

3. In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, the Company must fill the vacancy within three (3) months.

4. The Board of Directors of the Company must review the term of office and performance of an Audit Committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

Secretary to the Audit Committee

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

Meetings

1. The Audit Committee shall meet at least four (4) times a year or more frequently as circumstances require with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

2. The majority of members present must be independent directors to form a quorum.

3. The Group Accountant or the Finance Director and representative of external auditors shall normally attend the meeting.

4. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.

5. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the audit committee's invitation, specific to the relevant meeting.

6. The Committee shall meet with the external auditors without the executive Board at least twice a year.

7. The Committee actions shall be reported to the Board of Directors with such recommendations, as the Committee deemed appropriate.

Procedure of Audit Committee

The Audit Committee may regulate its own procedure, in particular:

(a) the calling of meetings;

(b) the notice to be given of such meetings;

(c) the voting and proceedings of such meetings;

(d) the keeping of minutes; and

(e) the custody, production and inspection of such minutes.

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.09 of the Bursa Securities Listing Requirements. The Committee is given the authority to investigate any matter of the Company and its subsidiaries within its terms of reference, the resources which are required to perform its duties, the authority to have full and unrestricted access to any information of the Company and the authority to have direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Committee shall obtain independent/ external professional advice and to be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Audit Committee Report (cont'd)

Functions and Duties

The functions of the Audit Committee are as follows:

1. To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

2. To discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;

3. To review:

   (a) with the external auditors, their audit plan;

   (b) with the external auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;

   (c) with the external auditors, the audit report;

   (d) the assistance given by the employees of the Company to the external auditors;

   (e) the quarterly results and year end financial statements of the Company, prior to the approval by the board of directors, focusing particularly on :

      (i) any changes in or implementation of major accounting policies and practices;

      (ii) significant adjustments arising from the audit and unusual events;

      (iii) the going concern assumption;

      (iv) compliance with accounting standards, other statutory and legal requirements;

   (f) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of control that raises questions of management integrity;

   (g) the external and internal auditor's management letter and management's response; and

   (h) any letter of resignation from the external auditors of the Company.

4. To recommend the nomination of a person or persons as external auditors;

5. To discuss problems and reservations arising from the interim and final audits and any other matters the auditors may wish to discuss;

6. To do the following where an internal audit function exists:

   (a) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry on its work;

   (b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

   (c) to review any appraisal or assessments of the performance of members of the internal audit function;

   (d) to approve any appointments or terminations of senior staff members of the internal audit function;

Audit Committee Report (cont'd)

(e) to inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resignation;

7. To consider the major findings of internal investigations and management's response;

8. To report promptly such matter to the Bursa Securities where the audit committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and

9. To consider other topics as defined by the Board.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five (5) Audit Committee meetings were held on 28 August 2012, 12 October 2012, 22 November 2012, 22 February 2013 and 7 May 2013 during the financial year ended 30 June 2013. The attendance record of each member during the financial year is as follows:

Audit Committee Members	Date of Meetings Held/Attended					Total Meetings Attended
	28.08. 2013	12.10. 2013	22.11. 2013	22.02. 2013	7.05. 2013	
Mr. Chiam Tau Meng	√	√	√	√	√	5/5
Mr. Too Kok Leng	√	√	√	√	√	5/5
Y.Bhg. Datin Mariam Eusoff	√	√	√	√	√	5/5

During the year, the external auditors have attended three (3) meetings, i.e. on 28 August 2012, 12 October 2012 and 7 May 2013.

ACTIVITIES

During the financial year under review, a summary of the activities undertaken by the Audit Committee in discharging their duties and responsibilities were as follows:

(i) Reviewed the external auditors' scope of work and their audit plan for the year;

(ii) Reviewed with the external auditors the results of their audit, the audit report, the management letter, including management's response and internal control recommendations in respect of control weaknesses noted in the course of their audit;

(iii) Reviewed the audited financial statements before recommending it for Board's approval;

(iv) Reviewed and recommended the audit fees payable to the external auditors for the Board's approval;

(v) Reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;

(vi) Reviewed the quarterly unaudited financial results, announcements and audited financial statements of the Company prior to submission for the Board's consideration and approval to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB;

(vii) Reviewed the internal audit function and risk management needs, programme and plan for the financial year under review and annual assessment of the internal audit function and risk management performance;

Audit Committee Report (cont'd)

(viii) Reviewed the audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and controls weaknesses noted in the course of their audit and management's responses thereto and ensuring material findings are adequately addressed by management;

(ix) Reviewed the Company's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of the Bursa Malaysia Securities Berhad Revamped Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and recommendations under the Code; and

(x) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report.

(xi) Reviewed related party transactions if any that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Company had outsourced the internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). The principal role of CGRM is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. It is the responsibility of CGRM to provide the Audit Committee with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

The total costs incurred for internal audit function of the Group in respect of the financial year from 01 July 2012 to 30 June 2013 amounted to RM27,034.80.

Further details of the activities of Internal Audit Function are set out in the Statement on Risk Management and Internal Control on pages 23 to 24 of the Annual Report.

Statement on Corporate Governance

INTRODUCTION

The Board of Directors ("the Board") of Menang Corporation (M) Berhad ("Menang" or "the Company") fully subscribes to the principles and recommendations embodied in the Malaysian Code on Corporate Governance 2012 ("the Code") and appreciates the importance of adopting high standards of corporate governance within the Group. Hence, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to maintain a high standard of corporate governance by ensuring full application of all the principles and recommendations as set out in the Code.

The Board is pleased to report that various affirmation steps and the outlines of how the Group has applied the principles laid down in the Code. Except of matters specifically identified, the Board has complied with the best practices set out in the Code throughout the financial year ended 30 June 2013.

A. DIRECTORS

A1. The Board

Board Responsibilities / Principle Duties

The Board takes full responsibility for the overall performance of the Company and the Menang Group by setting the vision and objectives, establishing goals for management and monitoring its achievement, directing the policies, strategic action plans and ultimately the enhancement of long term shareholders value.

The Board has established a Board Charter to ensure that all Board members are aware of their fiduciary duties and responsibilities, legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders and that good standards of corporate governance are applied on behalf of the Group.

Among others, the Board focuses mainly on the following major specific areas:

- The strategic action plans for the Group
- Evaluation of Company's business performance
- Identifying and management of principal risks
- Succession planning for senior management
- Developing and implementing an investor relations programme and shareholder communications policy
- Reviewing adequacy and integrity of Company's internal control systems and management information systems

Composition of the Board

The Board is made up of six (6) members, comprising the Group Executive Chairman, the Group Managing Director/Group Chief Executive Officer, Non-Executive Group Deputy Chairman, Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

The Board is still seeking a suitable candidate for an independent non-executive chairman.

Board Committee

The Board of Directors delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency. Currently, the Company has three (3) committees namely Audit, Nomination and Remuneration Committees to assist the Board in the execution of its duties. These three (3) committees consist of members from the Board. All the committees have their own written terms of reference and operating procedures. They report directly to the Board, the outcome of the Committee meetings as well as their recommendations.

Statement on Corporate Governance (cont'd)

Meeting

The Board meets at least four (4) times a year at quarterly intervals with additional meetings for particular matter convened as and when necessary. Five (5) Board meetings were held during the financial year to deliberate upon and considered a variety of matters including Group's financial results, issues of strategy, performance and resources, strategic decisions, business plan and direction of the Group.

The attendance record of each Director is as follows:

	No. of Meetings Attended/Held
Executive Directors	
Dato' Abdul Mokhtar Ahmad	3/5
Dato' Shun Leong Kwong	5/5
Non-Executive Directors:	
Datin Mariam Eusoff	5/5
Dr. Christopher Shun Kong Leng, CFP®, RFP™	5/5
Mr. Chiam Tau Meng	5/5
Mr. Too Kok Leng	5/5

A2. Board Balance

The current Board composition of two (2) Executive Directors, two(2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors complies with Para 15.02 of the Bursa Malaysia Securities Berhad Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

The Directors, with their different backgrounds and specializations, equipped with a wide range of knowledge and experience and with the support of the management team is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the Group's business and resources.

There is a balance in the Board membership with the presence of the Independent Non-Executive Directors who are credible individuals with vast and varied experience. Both the Independent Non-Executive Directors are independent of management and free of any relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Independent Non-Executive Directors are actively involved in various Board committees. They bring to bear objective and independent assessment and opinion to the decision making of the Board and provide a capable check and balance to the executive directors. Together with the executive directors who have intimate knowledge of the business, they provide an effective blend of entrepreneurship, business and professional expertise in general management and areas of the industries the Group is involved in.

The role of the Group Executive Chairman and the Group Managing Director/Group Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority. The Board has identified Mr. Chiam Tau Meng as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The specific areas of responsibilities of each director is shown in the Directors' profile on pages 8 and 10 of the Annual Report.

Representatives of a significant shareholder are also members of the Board.

The Board is satisfied that the current composition fairly reflects the investment of minority shareholders in the Company through the representation of the two (2) Independent Non-Executive Directors.

Statement on Corporate Governance (cont'd)

A3. Supply of Information

All the Board members have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meeting to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.

The Board papers which include the agenda and reports covering amongst others, areas of strategic, financial, operational, regulatory compliance matters that require the Board's approval.

Detailed periodic briefings on industry outlook, company performance and previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends and development.

The Board or the individual director has unfettered access to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations. In the event that the Company Secretary fails to fulfill his/her duties effectively, the terms of appointment permits his/her removal and appointment of a successor by the Board as a whole.

The Board of Directors, whether as a full board or in their individual capacities, is entitled to obtain independent professional advice or opinion where necessary and in appropriate circumstances, in furtherance of their duties at the Group's expense.

A4. Appointment to the Board

The Nomination Committee of the Company comprises exclusively of Independent Non-Executive Directors with the responsibility of recommending a suitable candidate with the necessary skills, experience and competences to be filled in the Board and Board Committees. Any new nomination received is put to the full Board for assessment and endorsement on an ongoing basis. The Company Secretary will ensure that all appointments are properly made and that all necessary information is obtained, as well as legal and regulatory obligations are met.

The Nomination Committee had a process to assess the performance and contribution of each Director and effectiveness of the Board as a whole and at the same time had reviewed the required mix of skills and experience of the Board. The Committee also keeps under review the Board structure, size and composition as well as considering the Board's succession planning.

There is a formal training programme for new directors as it is the Company's policy to appoint to the Board individuals of sufficient caliber and experience to carry out the necessary duties of a director. The Board is mindful of the code of best practice in this regard and will review the necessity for formal training from time to time.

All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors will continue to undergo relevant courses and seminars accredited by Bursa Securities under the Continuing Education Programme for directors of public listed companies to keep abreast with industry, regulatory and compliance issues, trends and best practices.

Trainings and seminars attended by all the directors in 2012/2013 comprised the following: -

- Limited Liability Partnership (LLP) : What is LLP, Tax Treatment of LLP and Conversion to LLP.
- Tax Incentives for Reviving Abandoned Housing Projects

Statement on Corporate Governance (cont'd)

A5. Re-election

In accordance with the Company's Articles of Association, all the Directors who are appointed by the Board are subject to retirement and are eligible for re-election by the shareholders at the next Annual General Meeting ("AGM") held following their appointments. There was no new appointment made during the financial year.

The articles also provide that at least one-third (1/3) of the Directors shall retire from the office at each AGM and shall be eligible to offer themselves for re-election provided always that all Directors including the Managing Director shall retire from office and stand for re-election at least once every three(3) years.

The Board wishes to highlight that although Mr. Too Kok Leng has served as an Independent Non-Executive Director for more than nine years, the Board, as recommended by the Nominating Committee, is fully satisfied that he demonstrates complete independence in character and judgement both in his designated role and as Board member and is of the opinion that he continues to bring independent view of the Company's affairs to the Board notwithstanding his length of of service. The Board believes that his in-depth knowledge of the Group's business and his extensive and expertise continue to provide invaluable contribution to the Board. As such, the Board recommends him to be retained as in Independent Non-Executive Director and would be seeking shareholders' approval for the same at the forthcoming annual general meeting.

B. DIRECTORS' REMUNERATION

The Remuneration Committee of the Company comprises the following Directors:

Mr. Too Kok Leng	-	Independent Non-Executive Director *(Chairman)*
Mr. Chiam Tau Meng	-	Independent Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™	-	Non Independent Non-Executive *Director*

The Remuneration Committee responsible for recommending the remuneration packages of the Executive Directors in accordance with the Company's policy and with reference to external benchmark reports to the full Board for consideration and approval. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them. The Board as a whole determines the remuneration of the Non-Executive Directors with the individual director affected abstaining from discussion and determination of his/her own remuneration package.

The remuneration package is necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The details of the remuneration for Directors received / receivable from the Company during the financial year from 1st July 2012 to 30th June 2013 are as follows:

(a) aggregate remuneration of Directors categorised into appropriate components:

	Fees RM'000	Salaries RM'000	Bonus & Incentives RM'000	Benefits -in-Kind RM'000	Others RM'000	Total RM'000
Executive Directors	10.000	24.000	–	–	–	34.000
Non-Executive Directors	20.000	252.000	–	2.682	–	274.682

Statement on Corporate Governance (cont'd)

(b) The number of Directors whose total remuneration falls within the following bands:

Range of remuneration (RM)	Number of Directors Executive	Non-Executive
Not more than 50,000	2	–
50,001 to 100,000	–	4

C. SHAREHOLDERS

The Company recognizes the importance of accountability to its shareholders through an effective and constructive communication policy that enables both the board and management to communicate effectively with its shareholders, stakeholders and the public generally about performance, corporate governance and other matters affecting shareholders' interest. The Company reaches out to its shareholders through its distribution of the annual reports and other explanatory circulars. Each year, the Company strives to produce a comprehensive annual report, which is not only informative with facts and figures but also reader-friendly. Timely announcement are made to the public with regards to the Company's corporate proposal, financial results and other required announcements.

All shareholders are encouraged to attend the Company's Annual General Meeting and to participate in the proceedings. Shareholders' suggestions received during the Annual General Meetings are reviewed and considered for implementation wherever possible. The shareholders are given every opportunity to enquire, raise questions and seek clarification on the business and performance of the Group. These would give investors a better appreciation of the Company's objectives, its potential problems, the quality of its management, enhance better understanding of corporate strategies while also making the Company aware of the expectations and concerns of the shareholders. This process helps to create a more stable shareholders base.

D. ACCOUNTABILITY AND AUDIT

D1. Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the Statement by Directors to enhance shareholders' understanding of the business operations of the Group.

The quarterly results announcements on these results also reflect the Board's commitment to give regular updated assessments on the Group's performances.

D2. Internal Control

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control on pages 23 to 24 of the Annual Report.

D3. Relationship with the Auditors

The Board through its Audit Committee maintains a formal and transparent arrangement with the Company's external auditors. A summary of activities of the Audit Committee during the financial year are included in the Audit Committee Report as detailed on pages 13 to 17 of the Annual Report.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Menang Corporation (M) Berhad is committed to maintain a sound system of risk management and internal control of the Group and is pleased to provide a statement on the state of risk management and internal control of the Group, which outline the nature and scope of risk management and internal control of the Group for the financial year ended 30 June 2013. This statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and has been prepared in accordance with the Principles and Recommendations relating to risk management and internal control provided in the Malaysia Code on Corporate Governance 2012.

BOARD OF DIRECTOR'S RESPONSIBILITY

The Board acknowledges its responsibility for the Group's systems of risk management and internal control and the need to review its adequacy and integrity regularly. The Group had established an ongoing process in identifying, evaluating and managing significant risks facing by the Group. However, such a system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives and the system by its nature can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

The systems of risk management and internal control are maintained to achieve the following objectives:-

1. Safeguard the shareholders' interest and assets of the Group
2. Ensure the achievement of corporate objectives
3. Ensure compliance with regulatory requirements
4. Identify and manage risks affecting the Group

RISK MANAGEMENT FRAMEWORK

During the year, the Board had endorsed the setting up of a committee and framework to systematically identify, assess and report the key risks areas of the Group. In addition, through monitoring of the Group's operational efficiency and profitability at its Board Meetings, the Board continually updated and identified the various risk factors that could have a potentially significant impact on the Group's business objectives within the risk tolerance level of the Group. Arising from this, a risk-based audit plan was developed and approved by the Audit Committee.

In addition, senior management personnel of the Group were responsible for the identification and management of significant operational risks and internal control areas affecting their respective business units. They were also involved in the formulation and implementation of appropriate risk management and control measures. This was done through internal resources and engagement of external professional firms on needs basis.

INTERNAL AUDIT

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). CGRM is an independent professional firm supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's systems of internal control.

During the year under review, CGRM assessed the adequacy and effectiveness of the Group's overall governance, risk assessment and system of internal control and compliance thereto. CGRM reports to the Audit Committee who in turn reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues.

Statement on Risk Management and Internal Control (cont'd)

KEY ELEMENTS OF INTERNAL CONTROL

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are as follows:-

1. The Group has a clear corporate vision and strategic objectives.
2. The Group has a well-defined organisational structure with clear lines of responsibility, reporting and accountability and is aligned to business and operations requirements.
3. Senior Management, comprising the Executive Chairman and Group Chief Executive Officer together with the Operations Director, assume an active management and decision making role in the daily operational activities of the Group.
4. Financial results are compared against the Board approved budget and are reviewed quarterly by the Audit Committee and the Board.
5. Exceptional and comparative reports were prepared for and reviewed by the Board as part of on-going monitoring of the Group's operations.
6. The Group maintains an effective reporting system to ensure timely generation of financial and operational information for Senior Management review.
7. Senior Management constantly monitors the gaps and highlighted issues reported by Internal Audit through follow-up and are committed to improve on current processes and internal controls.

CONCLUSION

Several internal control improvements were identified during the financial year ended 30 June 2013. These have been addressed to ensure the integrity of internal controls. None of the weaknesses have resulted in any losses, contingencies or uncertainties that would require mention in the annual report.

The Board received assurances from the Group Managing Director and the Senior Group Accountant that the Group's risk management and internal control system is operating adequately and effectively, in all the material aspects based on the risk management and internal control system of the Group.

The Board is of the view that the Group's system of risk management and internal controls is adequate to safeguard shareholder's investment and the Group's assets. The Board is conscious of the fact that the system of internal control and risk management practices must continuously evolve to support the Group's operations and changing business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management practices.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 18 October 2013.

Additional Compliance Information

1. **UTILISATION OF PROCEEDS**

   There were no proceeds raised from any proposal during the financial year.

2. **SHARE BUY-BACKS**

   There were no Share Buy-Backs during the financial year.

3. **OPTIONS OR CONVERTIBLE SECURITIES**

   There were no Warrants or Employee Share Option Scheme exercised during the financial year.

4. **DEPOSITORY RECEIPT PROGRAMME**

   There were no depository receipt programmes sponsored by the Company during the financial year.

5. **SANCTIONS AND/OR PENALTIES**

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

6. **NON-AUDIT FEES**

   During the financial year, the total non-audit fees payable to the external auditors for services rendered were RM6,000.

7. **VARIATION IN RESULTS**

   There were no variance between the results of the financial year and the unaudited results previously announced.

8. **PROFIT GUARANTEE**

   There was no profit guarantee given by the Company during the financial year.

9. **MATERIAL CONTRACTS**

   There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2013 or entered into since the end of the previous financial period.

10. **REVALUATION POLICY ON LANDED PROPERTIES**

    The Company revalues its landed properties every five (5) years and shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

11. **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE**

    There were no recurrent related party transactions of a revenue nature during the financial year.

12. **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

    The Group did not undertake any corporate social responsibility activities during the financial year ended 30 June 2013.

Statement of Directors' Responsibilities

In Respect of the Audited Financial Statements

The Directors are required to ensure that financial statements for each financial year or period are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and results of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgments and estimates that are prudent and reasonable in the circumstances; and
- ensured all applicable accounting standards have been followed.

The Directors are responsible for ensuring proper accounting records are kept 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.

The Directors have a general responsibility for taking such reasonable steps as are reasonably open to them: -

(a) to safeguard the assets of the Group and the Company; and

(b) to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 18 October 2013.

Financial Statements

Directors' Report

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	32,115	(1,291)
Profit/(Loss) attributable to:		
Owners of the parent	17,354	(1,291)
Non-controlling interests	14,761	–
	32,115	(1,291)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of 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 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 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 have 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.

Directors' Report (cont'd)

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 and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

No contingent or other liability of the Group and 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 for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

(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 OR DEBENTURES

During the financial year, no new issue of shares or debentures was made by the Company.

DIRECTORS

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

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Y. Bhg. Dato' Shun Leong Kwong
Y. Bhg. Datin Mariam Eusoff
Dr. Christopher Shun Kong Leng, CFP®, RFP™
Chiam Tau Meng
Too Kok Leng

Directors' Report (cont'd)

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2013 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	----------Number of Ordinary Shares of RM0.50 Each----------			
	At 1.7.2012	**Addition**	**Sold**	**At 30.6.2013**
The Company				
- Menang Corporation (M) Berhad				
Direct interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	9,000,000	–	–	9,000,000
Y. Bhg. Dato' Shun Leong Kwong	9,400	–	–	9,400
Y. Bhg. Datin Mariam Eusoff	23,004,200	–	–	23,004,200
Dr. Christopher Shun Kong Leng, CFP®, RFP™	25,010,000	335,400	–	25,345,400
Indirect interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	27,945,130	–	–	27,945,130
Y. Bhg. Dato' Shun Leong Kwong	27,945,130	–	–	27,945,130
Y. Bhg. Datin Mariam Eusoff	27,945,130	–	–	27,945,130

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 6A of the Companies Act, 1965 in Malaysia, Y. Bhg. Dato' Abdul Mokhtar Ahmad, Y. Bhg. Dato' Shun Leong Kwong, Y. Bhg. Datin Mariam Eusoff and Dr. Christopher Shun Kong Leng, CFP®, RFP™, are also deemed to be interested in the ordinary shares of all 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 of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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 any 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.

Directors' Report (cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution dated 25 September 2013.

Y. BHG. DATO' ABDUL MOKHTAR AHMAD

Y. BHG. DATO' SHUN LEONG KWONG

Statements by Directors

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 36 to 100 are drawn up in accordance with the 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 30 June 2013 and of their financial performance and cash flows for the financial year then ended.

The supplementary information as set out on page 101 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 ("Bursa Securities") Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Securities.

Signed on behalf of the Board in accordance with a resolution dated 25 September 2013.

Y. BHG. DATO' ABDUL MOKHTAR AHMAD

Y. BHG. DATO' SHUN LEONG KWONG

Statutory Declaration

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

I, **Ng Kim Fong**, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 36 to 100 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 25 September 2013

Before me

NG KIM FONG

ARSHAD ABDULLAH (N0. W550)
Commissiones for Oaths
No. 102 & 104 1st Floor Bangunan
Persatuan Yap Selangor
Jalan Tun HS Lee
50000 Kuala Lumpur

Independent Auditors' Report

To the Members of Menang Corporation (M) Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of 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 36 to 100.

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 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 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 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standard and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following:

(a) Note 2.30 to the financial statements which discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Company incurred a net loss of RM1,291,000 during the financial year ended 30 June 2013, and as at that date, the Group's current liabilities exceeded its current assets by RM40,642,000, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

(b) Note 3(a)(ii) to the financial statements which discloses the significant accounting judgement on classification of interest income resulting from the accretion of discount of operating financial asset in accordance with IC Interpretation 12 Service Concession Arrangements which was presented as other income in the previous financial period. During the financial year, the directors are of the opinion that the interest income shall be presented as "revenue" to better reflect the nature of the income which arises in the course of the ordinary activities of the Group.

Independent Auditors' Report (cont'd)

To the Members of Menang Corporation (M) Berhad

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 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 all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 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 preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) 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 101 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") 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 Securities Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

OTHER MATTERS

1. The financial statements of the Group and of the Company for the financial period ended 30 June 2012 which were prepared in accordance with the Financial Reporting Standards in Malaysia were audited by another firm of chartered accountants whose report dated 12 October 2012, had the following emphasis of matter paragraph on those financial statements:-

   "Without qualifying our opinion, we draw attention to Note 4.1 to the financial statements which discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group's current liabilities exceeded its current assets by RM83,944,000 as of 30 June 2012 and that the Company incurred a net loss of RM3,169,000 for the financial period from 1 January 2011 to 30 June 2012. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

   The directors are of the opinion that, barring any unforeseen circumstances, the Group and the Company will be able to successfully complete the development project as disclosed in Note 16(a) to the financial statements and operate profitably in the foreseeable future, successfully dispose off certain assets of the Group to repay certain bank borrowings, obtain continuing financial support from the lenders and shareholders and have adequate working capital to finance their development and other activities so as to generate positive cash flows and therefore continue as going concerns and accordingly, realise their assets and discharge their liabilities in the normal course of business.

Independent Auditors' Report (cont'd)

To the Members of Menang Corporation (M) Berhad

OTHER MATTERS (Continued)

In view of the foregoing, the directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate."

2. 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 Monteiro Heng
No. AF 0117
Chartered Accountants

Heng Ji Keng
No. 578/05/14(J/PH)
Chartered Accountant

Kuala Lumpur
25 September 2013

Statements of Financial Position
As at 30 June 2013

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	631	634	4	11
Investment properties	5	50,774	51,446	11,222	11,385
Land held for property development	6	66,945	126,372	–	–
Operating financial asset	7	454,605	214,418	–	–
Investments in subsidiaries	8	–	–	195,124	145,140
Investment in an associate	9	–	–	–	–
Other investments	10	7	6	–	–
		572,962	392,876	206,350	156,536
Current assets					
Property development costs	11	116,413	59,765	–	–
Inventories	12	4,505	6,017	–	–
Receivables	13	594	1,106	18,850	70,018
Cash and cash equivalents	14	9,480	2,353	546	1,054
		130,992	69,241	19,396	71,072
TOTAL ASSETS		703,954	462,117	225,746	227,608

Statements of Financial Position (cont'd)

As at 30 June 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	133,553	133,553	133,553	133,553
Reserves	16	44,691	27,336	80,544	81,835
		178,244	160,889	214,097	215,388
Non-controlling interests		36,967	12,342	–	–
TOTAL EQUITY		215,211	173,231	214,097	215,388
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	17	30,666	17,329	–	–
Payables	18	5,139	6,487	–	–
Borrowings	19	281,304	111,549	–	–
		317,109	135,365	–	–
Current liabilities					
Payables	18	103,029	90,406	10,646	10,214
Borrowings	19	68,605	63,115	1,003	2,006
		171,634	153,521	11,649	12,220
TOTAL LIABILITIES		488,743	288,886	11,649	12,220
TOTAL EQUITY AND LIABILITIES		703,954	462,117	225,746	227,608

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2013

	Note	Group 1.7.2012 to 30.6.2013 RM'000	Group 1.1.2011 to 30.6.2012 RM'000	Company 1.7.2012 to 30.6.2013 RM'000	Company 1.1.2011 to 30.6.2012 RM'000
Revenue	21	238,197	226,362	486	27
Cost of sales	22	(163,726)	(162,200)	–	–
Gross profit		74,471	64,162	486	27
Other income		965	980	13	780
Administrative expenses		(7,300)	(9,424)	(1,289)	(2,206)
Other expenses		(603)	(8,952)	(264)	(1,411)
		(7,903)	(18,376)	(1,553)	(3,617)
Profit/(Loss) from operations		67,533	46,766	(1,054)	(2,810)
Finance costs	23	(22,092)	(15,235)	(237)	(359)
Profit/(Loss) before tax	24	45,441	31,531	(1,291)	(3,169)
Tax expense	25	(13,326)	(15,635)	–	–
Profit/(Loss) for the financial year/period		32,115	15,896	(1,291)	(3,169)
Other comprehensive income					
Fair value adjustment of available-for-sale financial assets		1	4	–	–
Total comprehensive income for the financial year/period		32,116	15,900	(1,291)	(3,169)
Profit/(Loss) attributable to:					
Owners of the parent		17,354	3,833	(1,291)	(3,169)
Non-controlling interests		14,761	12,063	–	–
		32,115	15,896	(1,291)	(3,169)
Total comprehensive income attributable to:					
Owners of the parent		17,355	3,837	(1,291)	(3,169)
Non-controlling interests		14,761	12,063	–	–
		32,116	15,900	(1,291)	(3,169)
Earnings per ordinary share attributable to owners of the parent:					
Basic/Diluted (sen)	26	6.50	1.44		

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

For the Financial Year Ended 30 June 2013

	<-Attributable to Owners of the Parent->						
		<----Non-distributable---->					
	Share capital RM'000	Capital reserve RM'000	Available-for-sale reserve RM'000	Accu-mulated losses RM'000	Sub Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
Balance as at 1 January 2011	267,107	960	–	(111,015)	157,052	144	157,196
Comprehensive income							
Profit for the financial period	–	–	–	3,833	3,833	12,063	15,896
Fair value adjustment of available-for-sale financial assets	–	–	4	–	4	–	4
Total comprehensive income for the financial period	–	–	4	3,833	3,837	12,063	15,900
Transactions with owners							
Expiry of warrants 2006/2011	–	(960)	–	960	–	–	–
Capital reduction	(133,554)	84,044	–	49,510	–	–	–
Ordinary shares contributed by non-controlling interests of a subsidiary	–	–	–	–	–	135	135
Total transactions with owners	(133,554)	83,084	–	50,470	–	135	135
Balance as at 30 June 2012	133,553	84,044	4	(56,712)	160,889	12,342	173,231
Comprehensive income							
Profit for the financial year	–	–	–	17,354	17,354	14,761	32,115
Other comprehensive income	–	–	1	–	1	–	1
Total comprehensive income for the financial year	–	–	1	17,354	17,355	14,761	32,116
Transaction with owners							
Ordinary shares contributed by non-controlling interests of subsidiaries	–	–	–	–	–	9,864	9,864
Balance as at 30 June 2013	133,553	84,044	5	(39,358)	178,244	36,967	215,211

Statement of Changes in Equity (cont'd)

For the Financial Year Ended to 30 June 2013

Company	Share capital RM'000	Non-distributable Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1 January 2011	267,107	960	(49,510)	218,557
Comprehensive income				
Loss for the financial period	–	–	(3,169)	(3,169)
Total comprehensive income for the financial period	–	–	(3,169)	(3,169)
Transactions with owners				
Expiry of warrants 2006/2011	–	(960)	960	–
Capital reduction	(133,554)	84,044	49,510	–
Total transactions with owners	(133,554)	83,084	50,470	–
Balance as at 30 June 2012	133,553	84,044	(2,209)	215,388
Comprehensive income				
Loss for the financial year	–	–	(1,291)	(1,291)
Total comprehensive income for the financial year	–	–	(1,291)	(1,291)
Balance as at 30 June 2013	133,553	84,044	(3,500)	214,097

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

For the Financial Year Ended 30 June 2013

	Note	Group 1.7.2012 to 30.6.2013 RM'000	Group 1.1.2011 to 30.6.2012 RM'000	Company 1.7.2012 to 30.6.2013 RM'000	Company 1.1.2011 to 30.6.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		45,441	31,531	(1,291)	(3,169)
Adjustments for:					
Depreciation of investment properties		163	243	163	243
Depreciation of joint venture assets		9	17	–	–
Depreciation of property, plant and equipment		183	242	7	17
Interest income on operating financial asset		(29,077)	(11,950)	–	–
Forfeited income		–	(3)	–	–
Gain on disposal of property, plant and equipment		(13)	(1)	(13)	–
Impairment loss on:					
- investments in subsidiaries		–	–	16	19
- receivables		–	7	79	1,121
- property development costs, net of deferred tax		–	255	–	–
Interest expense		22,092	15,235	237	359
Interest income		(104)	(41)	–	(369)
Inventories written off		–	250	–	–
Property, plant and equipment written off		–	1	–	1
Provision for debt settlement on compensation for loss of profit		–	7,303	–	–
Operating profit/(loss) before working capital changes		38,694	43,089	(802)	(1,778)
Decrease in inventories		1,512	–	–	–
Decrease in land held for property development		–	5,149	–	–
Decrease in property development costs		3,288	3,972	–	–
Increase in operating financial asset		(211,110)	(202,468)	–	–
Decrease/(Increase) in receivables		552	6,968	(1)	(6)
Increase/(Decrease) in payables		9,569	45,543	(492)	432
Cash used in operations		(157,495)	(97,747)	(1,295)	(1,352)
Tax refund/(paid)		11	(7)	–	–
Interest received		18	37	–	–
Net cash used in operating activities		(157,466)	(97,717)	(1,295)	(1,352)

Statement of Cash Flows (cont'd)

For the Financial Year Ended 30 June 2013

	Note	Group 1.7.2012 to 30.6.2013 RM'000	Group 1.1.2011 to 30.6.2012 RM'000	Company 1.7.2012 to 30.6.2013 RM'000	Company 1.1.2011 to 30.6.2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of shares in subsidiaries by non-controlling interests		9,864	135	–	–
Proceeds from disposal of property, plant and equipment		13	1	13	–
Purchase of property, plant and equipment	4	(81)	(56)	–	(6)
Repayment from subsidiaries		–	–	1,090	986
Interest received		46	–	–	–
Net cash from investing activities		9,842	80	1,103	980
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from subsidiaries		–	–	924	1,542
(Repayment to)/Advances from corporate shareholders		(272)	829	–	–
Drawdown/(Repayment) of term loans		155,295	99,059	(1,003)	–
Interest paid		(240)	(716)	(237)	(453)
Repayment of finance lease payable		(32)	–	–	–
Net cash from/(used in) financing activities		154,751	99,172	(316)	1,089
Net increase/(decrease) in cash and cash equivalents		7,127	1,535	(508)	717
Cash and cash equivalents at beginning of financial year/period		2,353	818	1,054	337
Cash and cash equivalents at end of financial year/period	14	9,480	2,353	546	1,054

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

30 June 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 Securities.

The registered office and principal place of business of the Company are located at 8th Storey, South Block, Wisma Selangor Dredging, 142-A, Jalan Ampang, 50450 Kuala Lumpur.

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 25 September 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with FRSs 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 reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement 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 3.

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int")

(a) Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

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

Revised FRS

FRS 124	Related Party Disclosures

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 112	Income Taxes

New IC Int

IC Int 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int

IC Int 14	FRS 119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to 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 and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued 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 FRS		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
FRS 136	Impairment of Assets	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Int 21	Levies	1 January 2014
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to 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.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted (continued)

FRS 9 Financial Instruments

FRS 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 FRS 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.

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

Notes to the Financial Statements (cont'd)

30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted (continued)

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 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.

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

Amendments to FRS10, FRS12 and FRS127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Interpretations ("IC Int") (continued)

(c) MASB Approved Accounting Standards, MFRSs (continued)

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2015. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 January 2015. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 30 June 2016.

As at 31 December 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs financial statements.

2.3 Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all of its subsidiaries which are disclosed in Note 8 made up to the end of the financial year. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiaries are consolidated using the acquisition method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Where the present ownership interests in the acquiree and it entitles the holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Changes in the parents's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as reverse acquisition reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

2.4 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional and presentation currency.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office, renovation and signboards	10% - 25%

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of each item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period 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. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on 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 carrying amount is included in profit or loss.

2.7 Investment properties

Investment properties comprise freehold land and building which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transactions costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

For building, depreciation is charged to the profit or loss on a straight line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less accumulated impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

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

Accrued billings within receivables represent the excess of revenue recognised in profit or loss over billings to purchases. Progress billings within payables represent the excess of billings to purchasers over revenue recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Associates

An associate is an entity in which the Group exercises influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over these policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The Group's investment in associates includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.11 Joint venture

A joint venture is a contracted agreement whereby the Group and other parties have control over an economic activity.

The Group's interest in jointly controlled assets and liabilities arising from its joint venture arrangement is accounted for in the consolidated financial statements using proportionate share of assets and liabilities. In respect of their interest in the joint venture, the Group and the Company recognise in their financial statements their share of any liabilities which they have incurred, their share of any liabilities incurred jointly with the other venturers in relation to the joint venture, any income from the sale or use of their share of the output of the joint venture together with their share of any expenses incurred by the joint venture, and any expenses which they have incurred in respect of their interest in the joint venture.

The Group's share of the profit or loss of the joint venture during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. When necessary, adjustments are made to the financial statements of the joint venture to ensure consistency of accounting policies with those of the Group.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Joint venture (continued)

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the joint venture arising from changes in the joint venture's equity that have not been recognised in the joint venture's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

2.12 Operating financial asset

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specific period of time under a single contract or arrangement. The consideration receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately identifiable.

The allocation is performed by reference to the fair values of the services provided even if the contracts stipulate individual prices for certain services. This is because the amounts specified in the contract may not necessarily be representative of the fair values of the services provided or the prices that would be charged if the services were sold on a standalone basis. In practice, the operator might estimate the relative fair values of the services by reference to the costs of providing each service plus a reasonable profit margin.

When the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services, the financial asset model is used.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The Group accretes the discount to profit or loss using the effective interest rate method.

2.13 Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

Notes to the Financial Statements (cont'd)

30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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 years. The reversal of impairment loss is recognised in profit or loss.

2.15 Inventories

(a) Completed properties

Completed properties held for sale are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

(b) Other inventories

Cost of other inventories is stated at the lower of cost and net realisable value. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 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 has categorised the financial assets as loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise receivables including deposits and cash and cash equivalents.

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.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Financial assets (continued)

(b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at fair value through profit or loss, held-to-maturity investments and loans and receivables.

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 right to receive payment is established.

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 or is transferred to another party without retaining control or substantially all risks and rewards of the assets. 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.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

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.

2.17 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.

(a) 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.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Impairment of financial assets (continued)

(a) Receivables and other financial assets carried at amortised cost (continued)

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.

(b) 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 market are considerations to determine whether there is objective evidence that investment 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 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.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits, and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include deposits pledged that form an integral part of the Group's cash management.

2.19 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of 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.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the 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.

The Group's and the Company's other financial liabilities include trade payables, other payables including deposits and accruals, and borrowings.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

2.21 Borrowing costs

Borrowing costs are capitalised as part of a qualifying assets if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the assets for its intended use or sales are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.22 Leases

(a) Finance Lease – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

Notes to the Financial Statements (cont'd)

30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Leases (continued)

(b) 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.

(c) 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.

2.23 Revenue recognition

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.

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(b) Construction contracts

Revenue from construction contracts is accounted by the stage of completion method as described in Note 2.13.

Construction revenue in respect of service under the concession arrangements are recognised in accordance with FRS 111 Construction Contracts.

(c) Sale of properties

Revenue from sale of properties is recognised upon signing of the sale and purchase agreement, and completion of the agreement.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method. The notional interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is recognised in the profit or loss.

(e) Recreational facilities

Revenue from recreational facilities consists of the following:

(i) Registration fees

Revenue from registration fees are recognised upon registration and cash receipts.

(ii) Food and beverages and tournament fees

Revenue from food and beverages and tournament fees are recognised upon the sale of goods and services rendered.

(f) Dividend income

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

(g) Management fees

Management fee is recognised on an accrual basis.

(h) Rental income

Rental income is recognised on a straight line basis over the lease term of an ongoing lease.

2.24 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 year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior 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.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Tax expense (continued)

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.

2.25 Employee benefits

(a) *Short term employee benefits*

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) *Defined contribution plans*

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

2.26 Earnings per share

(a) *Basic*

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) *Diluted*

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

Notes to the Financial Statements (cont'd)
30 June 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 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.

2.28 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.29 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

2.30 Going concern assumption

The Company incurred a net loss of RM1,291,000 (1.1.2011 to 30.6.2012: RM3,169,000) during the financial year ended 30 June 2013, and as at that date, the Group's current liabilities exceeded its current assets by RM40,642,000 (2012: RM84,280,000), thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

As disclosed in Note 7, the Group has secured concession agreements under private finance initiative for the development of the Universiti Teknologi Mara ("UiTM") campuses. The concession agreements are expected to provide the Group with sustainable earnings going forward and to generate sufficient cash flows to meet its liabilities as and when they fall due.

Meanwhile, the Group intends to embark on an asset disposal programme which involves the proposed disposal of certain properties.

The directors are of the opinion that the Group and the Company will be able to operate profitably in the foreseeable future, successfully dispose of certain assets of the Group to repay certain bank borrowings, obtain continuing financial support from certain shareholders and have adequate working capital to finance their development and other activities and therefore continue as going concerns and accordingly, realise their assets and discharge their liabilities in the normal course of business.

In view of the foregoing, the directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements of the Group and of the Company require management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the directors have made the following judgement, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and property, plant and equipment (Notes 4 and 5)

The Group and the Company have developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Classification of interest income from concession agreements (Note 21)

As discussed in Note 7, the Group and UiTM entered into certain concession agreements with the Government of Malaysia as represented by Ministry of Higher Education Malaysia under private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Interest income resulting from the accretion of discount on operating financial asset in accordance with IC Int 12 Service Concession Arrangements was presented as other income in the previous financial period.

During the financial year, the directors are of the opinion that the interest income shall be presented as "revenue" to better reflect the nature of the income which arises in the course of the ordinary activities of the Group.

(b) Key sources of estimation uncertainty

(i) Useful lives of property, plant and equipment (Note 4)

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 4 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets and therefore, future depreciation charges could be revised.

Notes to the Financial Statements (cont'd)
30 June 2013

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) *Key sources of estimation uncertainty* (continued)

(ii) Impairment of investments in subsidiaries and impairment of amounts owing by subsidiaries (Notes 8 and 13)

The directors review the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of amounts owing by subsidiaries when the receivables are long outstanding. The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the fair value of the underlying assets as at the end of the reporting period, which comprised mainly investment properties, land held for property development, property development costs and inventories.

The fair value of these underlying assets are determined using fair value less cost to sell as estimated based on information on the current market values of similar properties in the vicinity of these properties. Changes in the economic outlook of the properties market may significantly affect the fair value of these assets.

(iii) Impairment of receivables (Note 13)

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

(iv) Impairment of other assets (Notes 4, 5, 6, 11 and 12)

The Group assesses impairment of property, plant and equipment, investment properties, land held for property development, property development costs and inventories when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the cost to sell or expected value in use of the relevant assets.

(v) Deferred tax assets (Note 17)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Key sources of estimation uncertainty (continued)

(vi) Fair values of borrowings (Note 19)

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(vii) Construction contracts/Property development (Note 21)

The Group recognises revenue from property development and construction activities and the related expenses in profit or loss by using the percentage of completion method. The percentage of completion is determined by the proportion that property development/ contract costs incurred for work performed-to-date compares to the estimated total property development/contract costs.

Significant judgement is required in determining the stage of completion, the extent of the property development/contract costs incurred, the estimated total property development/contract revenue and costs. Total property development/contract revenue also includes an estimation of variation works that are recoverable from customers. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

(viii) Interest income (Note 21)

Interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is described in Note 2.12.

Significant judgement is required in determining the profit margin used in estimating the relative fair values of various services provided in concession arrangements. In making the judgement, the Group evaluates by making reference to the current condition and operating environment of companies in the similar industry in Malaysia.

(ix) Tax expense (Note 25)

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

Notes to the Financial Statements (cont'd)
30 June 2013

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Total RM'000
Group								
2013								
Cost								
Balance as at 1 July 2012	10	689	1,553	929	2,517	326	201	6,225
Additions	–	–	74	99	7	–	–	180
Disposals	–	–	–	(63)	–	–	–	(63)
Written off	–	–	(1)	–	(33)	–	(3)	(37)
Balance as at 30 June 2013	10	689	1,626	965	2,491	326	198	6,305
Accumulated depreciation								
Balance as at 1 July 2012	–	394	1,381	861	2,428	326	201	5,591
Charge for the financial year	–	14	80	47	42	–	–	183
Disposals	–	–	–	(63)	–	–	–	(63)
Written off	–	–	(1)	–	(33)	–	(3)	(37)
Balance as at 30 June 2013	–	408	1,460	845	2,437	326	198	5,674
Net carrying amount	10	281	166	120	54	–	–	631
2012								
Cost								
Balance as at 1 January 2011	10	689	1,526	929	2,548	326	201	6,229
Additions	–	–	27	4	25	–	–	56
Disposals	–	–	–	(4)	(4)	–	–	(8)
Written off	–	–	–	–	(52)	–	–	(52)
Balance as at 30 June 2012	10	689	1,553	929	2,517	326	201	6,225
Accumulated depreciation								
Balance as at 1 January 2011	–	373	1,278	826	2,408	322	201	5,408
Charge for the financial period	–	21	103	39	75	4	–	242
Disposals	–	–	–	(4)	(4)	–	–	(8)
Written off	–	–	–	–	(51)	–	–	(51)
Balance as at 30 June 2012	–	394	1,381	861	2,428	326	201	5,591
Net carrying amount	10	295	172	68	89	–	–	634

Notes to the Financial Statements (cont'd)
30 June 2013

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
2013				
Cost				
Balance as at 1 July 2012	133	1,033	27	1,193
Disposals	(63)	–	–	(63)
Balance as at 30 June 2013	70	1,033	27	1,130
Accumulated depreciation				
Balance as at 1 July 2012	133	1,022	27	1,182
Charge for the financial year	–	7	–	7
Disposals	(63)	–	–	(63)
Balance as at 30 June 2013	70	1,029	27	1,126
Net carrying amount	–	4	–	4
2012				
Cost				
Balance as at 1 January 2011	133	1,028	27	1,188
Additions	–	6	–	6
Written off	–	(1)	–	(1)
Balance as at 30 June 2012	133	1,033	27	1,193
Accumulated depreciation				
Balance as at 1 January 2011	133	1,005	27	1,165
Charge for the financial period	–	17	–	17
Written off *	–	–	–	–
Balance as at 30 June 2012	133	1,022	27	1,182
Net carrying amount	-	11	-	11

* In the previous financial period, the accumulated depreciation of furniture, fittings and equipment written off was RM161.

(a) Freehold land and building of the Group with a total net carrying amount of RM305,000 in the previous financial period have been charged to a financial institution to secure a term loan facility granted to the Group. The term loan has been fully settled in November 2010 and the securities had been fully discharged during the previous financial period.

Notes to the Financial Statements (cont'd)

30 June 2013

4. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM180,000 (2012: RM56,000) which are satisfied by the following:

	Group 2013 RM'000	Group 2012 RM'000
Finance lease arrangement	99	–
Cash payments	81	56
	180	56

(c) Net carrying amount of property, plant and equipment of the Group held under finance lease arrangement is as follows:

	Group 2013 RM'000	Group 2012 RM'000
Motor vehicles	79	–

Details of the terms and conditions of the finance lease arrangement are disclosed in Note 20.

5. INVESTMENT PROPERTIES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Freehold land, at cost				
Balance as at 1 July 2012/ 1 January 2011	59,942	59,942	4,325	4,325
Reclassified to property development costs (Note 11)	(63)	–	–	–
Balance as at 30 June	59,879	59,942	4,325	4,325
Building, at cost				
Balance as at 1 July 2012/ 1 January 2011 and 30 June	8,114	8,114	8,114	8,114
Less: Accumulated depreciation				
Balance as at 1 July 2012/ 1 January 2011	(1,054)	(811)	(1,054)	(811)
Depreciation charge for the financial year/period	(163)	(243)	(163)	(243)
	(1,217)	(1,054)	(1,217)	(1,054)
Balance as at 30 June	6,897	7,060	6,897	7,060

Notes to the Financial Statements (cont'd)
30 June 2013

5. INVESTMENT PROPERTIES (continued)

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Development expenditure				
Balance as at 1 July 2012/ 1 January 2011	6,730	6,730	–	–
Reclassified to property development costs (Note 11)	(888)	–	–	–
Balance as at 30 June carried forward	5,842	6,730	–	–
Less: Accumulated impairment losses				
Balance as at 1 July 2012/ 1 January 2011	(22,286)	(22,286)	–	–
Reclassified to property development costs (Note 11)	442	–	–	–
Balance as at 30 June	(21,844)	(22,286)	–	–
	50,774	51,446	11,222	11,385

The fair values of the investment properties of the Group and of the Company were derived from the directors' assessment based on the current market value of similar properties in the vicinity, and where relevant, adjusted to reflect the different condition and location of these properties. Based on the directors' assessment, the fair values of the investment properties approximate their carrying amounts as at 30 June 2013.

Certain freehold land and building of the Group and of the Company with a total carrying amount of RM11,222,000 (2012: RM11,385,000) have been charged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 19.

Direct operating expenses arising from the above investment properties not generating rental income during the current financial year are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Repair and maintenance	966	234
Quit rent and assessment	105	165

Notes to the Financial Statements (cont'd)
30 June 2013

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2013 RM'000	Group 2012 RM'000
Freehold land, at cost		
Balance as at 1 July 2012/1 January 2011	136,359	144,629
Disposals during the financial year	–	(5,154)
Reclassified to property development costs (Note 11)	(55,785)	(3,116)
Balance as at 30 June	80,574	136,359
Development expenditure		
Balance as at 1 July 2012/1 January 2011	7,316	7,611
Additions during the year	–	5
Reclassified to property development costs (Note 11)	(3,642)	(300)
Balance as at 30 June	3,674	7,316
Less: Accumulated impairment losses		
Balance as at 1 July 2012/1 January 2011 and 30 June	(17,303)	(17,303)
	66,945	126,372

Certain freehold land with a total carrying amount of RM12,162,000 (2012: RM47,975,000) are pledged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 19.

Certain freehold land with a carrying amount of RM5,000,000, RM8,293,000 and RM3,359,000 respectively had been fully discharged in previous financial period.

7. OPERATING FINANCIAL ASSET

The Group and UiTM entered into certain concession agreements with the Government of Malaysia as represented by the Ministry of Higher Education Malaysia under private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Each concession agreement is for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works ("Maintenance Period").

UiTM will pay the Group throughout the Maintenance Period concession charges which comprise of availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements.

The amount, being the financial asset arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. It carries interest at rates ranging from 7.00% to 7.50% (2012: 7.00%) per annum and repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreements.

8. INVESTMENTS IN SUBSIDIARIES

	Group 2013 RM'000	Group 2012 RM'000
Unquoted shares, at cost	332,034	282,034
Less: Impairment losses		
At 1 July 2012/ 1 January 2011	(136,894)	(136,875)
Impaired during the financial year/period	(16)	(19)
At 30 June	(136,910)	(136,894)
	195,124	145,140

The recoverable amount was determined based on the fair value of the subsidiaries' net assets.

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of the Company	Interest in equity held by Company 2013 %	Company 2012 %	Subsidiaries 2013 %	Subsidiaries 2012 %	Principal activities
Subsidiaries					
Menang Development (M) Sdn. Bhd.	100.00	100.00	–	–	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	100.00	100.00	–	–	Leasing and hire purchase
Menang Management Services (M) Sdn. Bhd.	100.00	100.00	–	–	Management services
Menang Properties (M) Sdn. Bhd.	100.00	100.00	–	–	Property investment
Menang Aquatics Sdn. Bhd.	100.00	100.00	–	–	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	100.00	100.00	–	–	Property construction
Equitiplus Sdn. Bhd.	100.00	100.00	–	–	Investment holding
Hitung Panjang Sdn. Bhd. *	100.00	100.00	–	–	Investment holding
Temeris Holdings Sdn. Bhd.	100.00	100.00	–	–	Investment holding
Menang Industries (M) Sdn. Bhd.	100.00	100.00	–	–	Investment holding
Menang Plantations (M) Sdn. Bhd.	100.00	100.00	–	–	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	100.00	100.00	–	–	Operating recreational activities
Subsidiary of Hitung Panjang Sdn. Bhd.					
Maztri Padu Sdn. Bhd.	50.00	50.00	50.00	50.00	Management services and property development
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.					
Menang Finservices (M) Sdn. Bhd.	–	–	100.00	100.00	Licensed money-lender

Notes to the Financial Statements (cont'd)
30 June 2013

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (continued)

	Interest in equity held by				
	Company		Subsidiaries		
Name of the Company	2013 %	2012 %	2013 %	2012 %	Principal activities
Subsidiary of Menang Land (M) Sdn. Bhd.					
Menang Saujana Sdn. Bhd.	49.50	49.50	50.50	50.50	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.					
Menang Greens Sdn. Bhd.	–	–	100.00	100.00	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.					
Harapan Akuarium (M) Sdn. Bhd.	–	–	100.00	100.00	Investment holding
Menang Equities (M) Sdn. Bhd.	–	–	100.00	100.00	Investment holding
Subsidiary of Temeris Holdings Sdn. Bhd.					
Temeris Resorts Development Sdn. Bhd.	–	–	100.00	100.00	Property development
Subsidiaries of Menang Development (M) Sdn. Bhd.					
Menang Land (M) Sdn. Bhd.	0.02	0.02	99.98	99.98	Investment holding
Twin Version Sdn. Bhd. *	–	–	100.00	100.00	Investment holding
Charisma Cheer Sdn. Bhd. *	–	–	100.00	100.00	Investment holding
Inovatif Mewah Sdn. Bhd. ^	–	–	71.00	71.00	Concession arrangements
Rumpun Positif Sdn. Bhd.	–	–	51.00	51.00	Concession arrangements
Protokol Elegan Sdn. Bhd.	–	–	51.00	100.00	Concession arrangements

* Audited by another firm of chartered accountants
^ Including 20% held by Menang Industries (M) Sdn. Bhd.

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost #	–	–

This represent investment in an associate with a carrying amount of RM30 (2012: RM30).

The details of the associate which is incorporated in Malaysia are as follows:

	Equity interest		
Name of Associate	2013 %	2012 %	Principal activity
Pacific Bright Sdn. Bhd.*	30	30	To act as manager for a consortium

* Audited by another firm of chartered accountants

9. INVESTMENT IN AN ASSOCIATE (continued)

(a) The summarised financial information of the associate is as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Assets and Liabilites:		
Total assets	1,111	731
Total liabilities	1,113	725
Results:		
(Loss)/Profit for the financial year	(7)	19

(b) The Group has not recognised its share of profit or loss of the associate during the current financial year and previous financial period as the share of results is not material. The unrecognised results are as follows:-

	Group	
	2013 RM'000	**2012 RM'000**
(Loss)/Profit for the financial year	(2)	6
(Accumulated loss)/Retained earnings	(1)	1

10. OTHER INVESTMENTS

	Group	
	2013 RM'000	**2012 RM'000**
Available-for-sale financial assets		
- Shares quoted in Malaysia	7	6

Information on the fair value hierarchy is disclosed in Note 30.

Notes to the Financial Statements (cont'd)

30 June 2013

11. PROPERTY DEVELOPMENT COSTS

	2013 RM'000	2012 RM'000
Freehold land, at cost		
Balance as at 1 July 2012/1 January 2011	53,784	47,585
Addition during the financial year/period	–	3,083
Reclassified from land held for property development (Note 6)	55,785	3,116
Reclassified from investment properties (Note 5)	63	–
Disposals during the financial year/period	(4,897)	–
Balance as at 30 June	104,735	53,784
Leasehold land, at cost		
Balance as at 1 July 2012/1 January 2011 and 30 June	9,765	9,765
Development costs		
Balance as at 1 July 2012/1 January 2011	9,218	8,669
Additions during the financial year/period	2,001	249
Reclassified from land held for property development (Note 6)	3,642	300
Reclassified from investment properties (Note 5)	888	–
Disposals during the financial year/period	(392)	–
Balance as at 30 June	15,357	9,218
Less: Accumulated impairment losses		
Balance as at 1 July 2012/1 January 2011	(13,002)	(12,734)
Reclassified from investment properties (Note 5)	(442)	–
Addition during the financial year/period	–	(268)
Balance as at 30 June	(13,444)	(13,002)
	116,413	59,765

Certain freehold land with a total carrying amount of RM43,539,000 (2012: RM6,676,000) have been charged to financial institutions to secure term loan facilities granted to the Group as disclosed in Note 19.

Certain freehold land with a total carrying amount of RM3,608,000 (2012: Nil) have been charged to a third party to secure the advances to the Group as disclosed in Note 18.

Certain freehold land with a carrying amount of RM887,000 had been fully discharged in previous financial period.

Notes to the Financial Statements (cont'd)

30 June 2013

12. INVENTORIES

	Group 2013 RM'000	Group 2012 RM'000
At cost		
Completed properties	4,505	6,004
Others	–	13
	4,505	6,017

Certain completed properties with a total carrying amount of RM1,188,000 (2012: RM1,499,000) have been charged to a financial institution to secure term loan facilities granted to the Group as disclosed in Note 19.

In the previous financial period, a completed property with a carrying amount of RM250,000 was fully written off.

13. RECEIVABLES

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables					
Third parties	(a)	155	195	–	–
Non-trade receivables					
Amounts owing from subsidiaries	(b)	–	–	68,034	119,124
Other receivables		145	497	–	–
Deposits	(c)	212	724	18	18
Prepayments		89	97	17	16
		446	1,318	68,069	119,158
Less: Impairment losses					
- amounts owing from subsidiaries		–	–	(49,219)	(49,140)
- other receivables		(7)	(7)	–	–
- deposits	(c)	–	(400)	–	–
		(7)	(407)	(49,219)	(49,140)
		594	1,106	18,850	70,018

(a) These receivables are non-interest bearing and the normal trade credit terms granted by the Group ranging from 30 to 60 (2012: 30 to 60) days from date of invoice.

Notes to the Financial Statements (cont'd)
30 June 2013

13. RECEIVABLES (continued)

(b) These amounts owing from subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for an amount of approximately RM51,491,000 which carried interest at a rate of 0.28% per annum in the previous financial period.

(c) Included in deposits of the Group in the previous financial period was a deposit of RM400,000 paid to Tanco Land Sdn. Bhd. ("Tanco") in acquiring six parcels of land in Mukim Rasah, District of Seremban, Negeri Sembilan Darul Khusus. However, the agreement was subsequently terminated and the provision for loss of deposit has been made in the prior financial years.

Menang Development Sdn. Bhd. ("MDSB") had filed a suit against Tanco for the return of monies for alleged breach of a series of sale and purchase agreements. During the financial year, the Group had withdrawn its suit against Tanco and wrote off the entire deposit.

(d) Ageing analysis of trade receivables

The ageing analysis of trade receivables of the Group are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Neither past due nor impaired	9	5
1 to 30 days past due but not impaired	4	3
31 to 60 days past due but not impaired	4	3
61 to 90 days past due but not impaired	4	3
91 to 120 days past due but not impaired	4	3
More than 121 days past due but not impaired	130	178
	146	190
	155	195

<u>Receivables that are neither past due nor impaired</u>
Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

<u>Receivables that are past due but not impaired</u>
At the end of the reporting year, trade receivables of the Group arising from management service of shoplots amounted to RM146,000 (2012: RM190,000). These receivables are creditworthy debtors and the directors are of the opinion that the balances due can be fully recovered in the near future.

13. RECEIVABLES (continued)

(e) The reconciliation of movement in the impairment loss is as follows:

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Balance as at 1 July 2012/ 1 January 2011	407	400	49,140	48,019
Charge for the financial year/period	–	7	79	1,121
Written off	(400)	–	–	–
Balance as at 30 June	7	407	49,219	49,140

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Cash at bank	8,301	2,337	546	1,054
Cash in hand	10	16	–	–
Fixed deposits with a licensed bank	1,169	–	–	–
Cash and cash equivalents	9,480	2,353	546	1,054

The fixed deposits with a licensed bank of the Group bear interest at rates ranging from 3.00% to 3.10% (2012: Nil) per annum.

Included in fixed deposits with a licensed bank is an amount of RM38,000 (2012: Nil) pledged to a licensed bank as a security favouring a third party for providing and installing all the necessary materials in the substation building leased by a subsidiary of the Group.

Notes to the Financial Statements (cont'd)

30 June 2013

15. SHARE CAPITAL

	Group/Company			
	2013		2012	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each				
Authorised:				
Balance as at 1 July 2012/ 1 January 2011	2,000,000	1,000,000	2,000,000	2,000,000
Capital reduction	–	–	–	(1,000,000)
Balance as at 30 June	2,000,000	1,000,000	2,000,000	1,000,000
Issued and fully paid:				
Balance as at 1 July 2012/ 1 January 2011	267,107	133,553	267,107	267,107
Capital reduction	–	–	–	(133,554)
Balance as at 30 June	267,107	133,553	267,107	133,553

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16. RESERVES

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Accumulated losses		(39,358)	(56,712)	(3,500)	(2,209)
Non-distributable					
Capital reduction reserve	(a)	84,044	84,044	84,044	84,044
Available-for-sale reserve	(b)	5	4	–	–
		84,049	84,048	84,044	84,044
		44,691	27,336	80,544	81,835

(a) The capital reduction reserve arose from the capital reduction exercise done on 28 January 2011, pursuant to the requirements of Section 64 of the Companies Act, 1965.

(b) The available-for-sale reserve represents fair value changes, net of tax arising from financial assets classified as available-for-sale.

17. DEFERRED TAX LIABILITIES

(a) The movement of deferred tax liabilities during the financial year/period are as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Balance as at 1 July 2012/1 January 2011	17,329	1,714
Recognised in statement of comprehensive income	13,337	15,628
Reversal of deferred tax liabilities arising from impairment of property development costs	–	(13)
Balance as at 30 June	30,666	17,329

(b) This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Operating financial asset	28,965	15,628
Land held for property development	167	302
Property development costs	1,534	1,399
	30,666	17,329

Deferred tax liabilities of RM28,965,000 (2012: RM15,628,000) have been accrued in relation to the construction services delivered pursuant to the concession agreements as disclosed in Note 7. The tax bases that have been adopted by the Group's entities involved in service concession arrangements are as follows:

(i) the commencement date of the business for tax purposes will be regarded to be the date of signing of the concession agreement and all relevant expenditures will be claimed for tax deduction from such date onwards;

(ii) the availability charges receivable under the concession agreement shall be taxable in the basis period when they are received in year 4 to year 23 upon completion of the construction works ;

(iii) the maintenance charges receivable under the concession agreement shall be taxable in the basis period when they are received upon commencement of the Maintenance Period; and

(iv) the capital expenditure incurred in constructing the facilities and infrastructure under the concession agreement is qualifying capital expenditure and qualifies for Industrial Building Allowance purposes under the Income Tax (Industrial Building Allowance) (Building under the Privatisation Project and Private Financing Initiatives) Rules 2010 (P.U.(A) 119/2010).

Notes to the Financial Statements (cont'd)

30 June 2013

17. DEFERRED TAX LIABILITIES (continued)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Differences between the carrying amounts of property, plant and equipment and their tax base	1,345	1,223	(117)	(134)
Unutilised tax losses	143,969	132,251	24,805	24,257
Unabsorbed capital allowances	543	414	373	385
	145,857	133,888	25,061	24,508

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under the current tax legislation.

18. PAYABLES

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-Current					
Other payables	(a)	5,139	6,487	–	–
Current					
Trade payables					
Trade payables	(b)	25,205	26,380	–	–
Retention sum		20,759	9,211	–	–
		45,964	35,591	–	–
Other payables and accruals					
Amounts owing to subsidiaries	(c)	–	–	10,297	9,373
Amounts owing to corporate shareholders	(d)	608	873	–	–
Amounts owing to directors	(e)	3,498	3,148	202	595
Amount owing on a joint venture project	(f)	3,696	3,685	–	–
Other payables	(a), (g), (h), (i)	33,162	30,545	12	80
Accruals	(j)	7,381	7,929	135	166
Deposits		8,720	8,635	–	–
		57,065	54,815	10,646	10,214
		103,029	90,406	10,646	10,214

18. PAYABLES (continued)

(a) Included in other payables is an amount owing to a third party arising from debt settlement for compensation of loss of profit of totalling of RM6,487,000 (2012: RM7,303,000); of which the current and non-current amounts are RM1,348,000 (2012: RM816,000) and RM5,139,000 (2012: RM6,487,000) respectively.

The carrying amount of RM6,487,000 (2012: RM7,303,000) represents the present value of the settlement sum of RM8,000,000 (2012: RM9,700,000) discounted at the weighted average interest rate of 10.62% (2012: 10.62%) per annum.

(b) The normal trade credit terms granted to the Group ranging from 30 to 40 (2012: 30 to 40) days.

Included in trade payables is an amount of RM14,932,000 (2012: RM26,006,000), which bears late payment interest charge at a fixed rate of 8.10% (2012: 8.10%) per annum, chargeable after the normal trade credit terms are granted.

(c) Amounts owing to subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand in cash and cash equivalents.

(d) Amounts owing to corporate shareholders represent advances and payments made on behalf which are unsecured, bear interest at a fixed rate of 12.00% (2012: 12.00%) per annum and repayable upon demand in cash and cash equivalents.

(e) Amounts owing to directors represent advances and payments made on behalf which are unsecured. Included in amounts owing to director is an amount bear interest at a fixed rate of 12.00% (2012: 12.00%) per annum amounting to RM10,000 (2012: RM10,000) and repayable upon demand in cash and cash equivalents.

(f) Amount owing on a joint venture project represents the share of results for the joint venture project, which is unsecured, interest-free and repayable upon completion of the joint venture project.

(g) Included in current other payables is an amount of RM28,568,000 (2012: RM28,568,000) owing to a third party which arose from the settlement of the Islamic Facility in the prior financial years. The amount was made by the third party on behalf of the Group pursuant to the Consortium Agreement. This amount is repayable via the proceeds to be received from proposed disposal of designated landed property to third parties.

(h) Included in current other payables of the Group is a third party loan amounting to RM2,500,000 (2012: Nil), for which a caveat has been created against certain landed properties of the Group with a total carrying amount of RM3,608,000 (2012: Nil) as disclosed in Note 11. The loan bears interest at a fixed rate of 12.50% (2012: Nil) per annum and is repayable by 14 April 2014.

(i) Included in current other payables of the Group is a third party loan amounting to RM500,000 in the previous financial period, for which a caveat has been created against certain landed properties of the Group with a total carrying amount of RM4,246,000 as disclosed in Notes 6 and 11. The loan bears interest at a fixed rate of 18.00% per annum in the previous financial period. The third party was fully settled and the caveat was withdrawn during the current financial year.

Notes to the Financial Statements (cont'd)
30 June 2013

18. PAYABLES (continued)

(j) Included in accruals are the following:

	Group 2013 RM'000	Group 2012 RM'000
Conversion premium to convert Seremban 3 land from agriculture land to residential land and commercial land	5,627	5,627
Quit rent and assessment in respect of:		
- Seremban 3	848	335
- others	(15)	28

The conversion premium will be payable when the vacant land is due for development.

19. BORROWINGS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Secured				
Term loan I	17,148	15,446	–	–
Term loan II	50,450	45,663	–	–
Term loan III	1,003	2,006	1,003	2,006
Term loan IV	152,270	73,607	–	–
Term loan V	77,727	37,942	–	–
Term loan VI	51,243	–	–	–
Finance lease payable (Note 20)	68	–	–	–
	349,909	174,664	1,003	2,006
Repayable as follows:				
Current liabilities:				
Not later than one (1) year				
- Term loan I	17,148	15,446	–	–
- Term loan II	50,450	45,663	–	–
- Term loan III	1,003	2,006	1,003	2,006
- Finance lease payable (Note 20)	4	–	–	–
	68,605	63,115	1,003	2,006
Non-current liabilities:				
Later than one (1) year				
- Term loan IV	152,270	73,607	–	–
- Term loan V	77,727	37,942	–	–
- Term loan VI	51,243	–	–	–
- Finance lease payable (Note 20)	64	–	–	–
	281,304	111,549	–	–
	349,909	174,664	1,003	2,006

19. BORROWINGS (continued)

Terms and debt repayment schedule

(a) Term loan I and Term loan II bear interest at rates ranging from 10.50% to 11.00% (2012: 10.43% to 10.92%) per annum.

The term loans are secured over the following:

(i) investment properties of the Group and of the Company amounting to RM11,222,000 (2012: RM11,385,000) as disclosed in Note 5; and

(ii) land held for property development of the Group amounting to RM12,162,000 (2012: RM47,975,000) as disclosed in Note 6;

(iii) property development cost of the Group amounting to RM35,813,000 (2012: Nil) as disclosed in Note 11;

(iv) inventories of the Group amounting to RM1,188,000 (2012: RM1,499,000) as disclosed in Note 12; and

(v) corporate guarantee from the Company.

(b) Term loan III is repayable in full on 21 June 2014 and bears interest at a fixed rate of 12.00% (2012: 12.00%) per annum. Term loan III is secured by property development costs of the Group amounting to RM7,726,000 (2012: RM6,676,000) as disclosed in Note 11.

(c) Term loans IV, V and VI are secured over the following:

(i) all agreements in relation to the concession agreements;

(ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;

(iii) assignment over Designated Accounts; and

(iv) corporate guarantee from two (2) subsidiaries.

These loans are repayable based on a fixed terms of repayment. The actual payments shall be based on the prevailing Profit Rates of the financial institutions, which shall be issued by the financiers. The term loans bear interest at rates ranging from 6.30% to 7.50% (2012: 6.30% to 7.35%) per annum.

Significant covenant for the term loan IV is that the maximum Total Indebtedness to Equity ratio of 90:10 is not or will not be exceeded at all times.

Notes to the Financial Statements (cont'd)
30 June 2013

20. FINANCE LEASE PAYABLE

	Group 2013 RM'000	Group 2012 RM'000
Future minimum lease payments	76	–
Less: Future finance charges	(8)	–
Total present value of minimum lease payments	68	–
Payable within one year		
Future minimum lease payments	5	–
Less: Future finance charges	(1)	–
Present value of minimum lease payments	4	–
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	72	–
Less: Future finance charges	(8)	–
Present value of minimum lease payments	64	–
Total present value of minimum lease payments	68	–

The finance lease payable of the Group bears an interest at a rate of 2.55% (2012: Nil) per annum.

21. REVENUE

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Sale of properties	11,080	10,956	–	–
Management fees	100	150	486	27
Income from recreational facilities	94	1,173	–	–
Construction revenue	197,846	202,133	–	–
Interest income on operating financial asset	29,077	11,950	–	–
	238,197	226,362	486	27

Notes to the Financial Statements (cont'd)

30 June 2013

22. COST OF SALES

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Properties sold	7,280	9,480	–	–
Recreational facilities	308	1,180	–	–
Construction contracts	156,138	151,540	–	–
	163,726	162,200	–	–

23. FINANCE COSTS

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Interest expense on:				
- term loans	20,122	14,185	237	359
- other loans	1,969	1,050	–	–
- finance lease	1	–	–	–
	22,092	15,235	237	359

24. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Auditors' remuneration:				
- current financial year	129	187	28	48
- underprovision in prior financial period	2	–	–	–
Depreciation of investment properties	163	243	163	243
Depreciation of joint venture assets	9	17	–	–
Depreciation of property, plant and equipment	183	242	7	17
Directors' remuneration:				
- fees	30	45	30	45
- emoluments other than fees [Note (b)]	926	1,390	276	414
Employee benefits expense [Note (a)]	2,662	3,541	662	1,054

Notes to the Financial Statements (cont'd)
30 June 2013

24. PROFIT/(LOSS) BEFORE TAX (continued)

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

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	**1.1.2011 to 30.6.2012 RM'000**	**1.7.2012 to 30.6.2013 RM'000**	**1.1.2011 to 30.6.2012 RM'000**
Fair value adjustment of available-for-sale financial assets	(1)	(4)	–	–
Forfeited income	(680)	(3)	–	–
Gain on disposal of property, plant and equipment	(13)	(1)	(13)	–
Gain on disposal of shares for previous associate	–	(410)	–	–
Impairment loss on:				
- investments in subsidiaries	–	–	16	19
- receivables	–	7	79	1,121
- property development costs, net of deferred tax	–	255	–	–
Interest expense on:				
- term loans	20,122	14,185	237	359
- other loans	1,969	1,050	–	–
- finance lease payable	1	–	–	–
Interest income from:				
- advances to a subsidiary	–	–	–	(369)
- fixed deposits	(42)	–	–	–
- others	(62)	(41)	–	–
Inventories written off	–	250	–	–
Management fees receivable from subsidiaries	–	–	(486)	(27)
Property, plant and equipment written off	–	1	–	1
Provision for debt settlement on compensation for loss of profit	–	7,603	–	–
Rental of premises payable to:				
- a director	–	9	–	–
- others	323	461	–	–
Rental of equipment	–	8	–	–
Rental income on premises	(159)	(348)	–	–

Notes to the Financial Statements (cont'd)
30 June 2013

24. PROFIT/(LOSS) BEFORE TAX (continued)

(a) Employee Benefits Expense

	Group 1.7.2012 to 30.6.2013 RM'000	Group 1.1.2011 to 30.6.2012 RM'000	Company 1.7.2012 to 30.6.2013 RM'000	Company 1.1.2011 to 30.6.2012 RM'000
Salaries and wages	1,981	2,720	585	801
Defined contribution plan	254	311	69	92
Social security contribution	19	26	5	7
Other employee benefits	408	484	3	154
	2,662	3,541	662	1,054

(b) Included in directors' emoluments other than fees of the Group and of the Company are the Executive Directors' emoluments amounting to RM674,000 (2012: RM1,012,000) and RM24,000 (2012: RM36,000) respectively.

(c) The estimated monetary value of benefit-in-kind received by the directors otherwise than in cash from the Group and the Company amounted to RM82,000 (2012: RM113,000) and RM3,000 (2012: RM80,000) respectively.

25. TAX EXPENSE

	Group 1.7.2012 to 30.6.2013 RM'000	Group 1.1.2011 to 30.6.2012 RM'000	Company 1.7.2012 to 30.6.2013 RM'000	Company 1.1.2011 to 30.6.2012 RM'000
Current tax expense				
(Over)/Under provision in prior financial period/year	(11)	7	–	–
Deferred tax (Note 17):				
Origination of temporary differences	15,354	15,628	–	–
Over provision in prior financial period/year	(2,017)	–	–	–
	13,337	15,628	–	–
Tax expense	13,326	15,635	–	–

Notes to the Financial Statements (cont'd)
30 June 2013

25. TAX EXPENSE (continued)

The numerical reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Profit/(Loss) before tax	45,441	31,531	(1,291)	(3,169)
Tax at Malaysian statutory income tax rate of 25%	11,360	7,883	(323)	(792)
Tax effect on non-deductible expenses	1,002	4,656	185	860
Tax effect on non-taxable income	–	(103)	–	(103)
Deferred tax assets not recognised	2,992	3,192	138	35
(Over)/Under provision of tax expense in prior financial period/year	(11)	7	–	–
Over provision of deferred tax in prior financial period/year	(2,017)	–	–	–
	13,326	15,635	–	–

26. EARNINGS PER ORDINARY SHARE

(a) *Basic*

Basic earnings per ordinary share for the financial year/period is calculated by dividing the profit for the financial year/period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year/period as follows:

	Group	
	1.7.2012 to 30.6.2013	1.1.2011 to 30.6.2012
Profit for the financial year/period attributable to the owners of the parent (RM'000)	17,354	3,833
Weighted average number of ordinary shares in issue during the financial year/period ('000)	267,107	267,107
Basic earnings per ordinary share (sen)	6.50	1.44

(b) *Diluted*

The diluted earnings per ordinary share is equals to basic earning per ordinary share as all warrants and Employee Share Option Scheme had expired and lapsed in the previous financial period.

Notes to the Financial Statements (cont'd)

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27. OPERATING SEGMENTS

The Group is principally engaged in property development, project management and investment holding.

The Group has arrived at four reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	:	Development of residential and commercial properties.
Project management services.	:	Investment holding, letting out of properties and provision for management and investment holding
Concession arrangements	:	Construction and maintenance of facilities and infrastructure.
Others	:	Operating recreational activities, landscaping and turf farming and licensed money lending.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax but not including non-recurring losses.

All inter-segment transactions have been entered into the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Inter-segment pricing is determined based on the terms mutually agreed between the companies concerned.

Segment assets comprise mainly property, plant and equipment, investment properties, properties development costs, land held for property development, operating financial asset, inventories, receivables and operating cash, but exclude tax assets, if any.

Segment liabilities comprise operating liabilities and exclude tax liabilities.

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

Notes to the Financial Statements (cont'd)
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27. OPERATING SEGMENTS (continued)

	Project management and investment holding RM'000	Property development RM'000	Concession arragements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2013						
Business segments						
Revenue from external customers	101	11,080	226,922	94	–	238,197
Inter-segment revenue	486	–	–	–	(486)	–
Total revenue	587	11,080	226,922	94	(486)	238,197
Segment results	(1,509)	(1,052)	70,392	(402)	–	67,429
Finance cost	(237)	(7,770)	(14,085)	–	–	(22,092)
Finance income	40	63	1	–	–	104
Profit before tax						45,441
Tax expense						(13,326)
Profit for the financial year						32,115
Segment assets*	16,805	226,679	460,252	218	–	703,954
Segment liabilities	1,889	131,106	325,067	15	–	458,077
Capital expenditure	–	164	–	16	–	180
Depreciation of property, plant and equipment, joint venture assets, and investment properties	170	70	29	86	–	355
Other material items of (income)/expense included in the Group's profit or loss:						
- Gain on disposal of property, Plant and equipment	(13)	–	–	–	–	(13)

* Included in the segment assets of property development is investment in an associate of RM30.

Notes to the Financial Statements (cont'd)
30 June 2013

27. OPERATING SEGMENTS (continued)

	Project management and investment holding RM'000	Property development RM'000	Concession arragements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2012						
Business segments						
Revenue from external customers	150	10,956	214,083	1,173	–	226,362
Inter-segment revenue	27	–	–	–	(27)	–
Total revenue	177	10,956	214,083	1,173	(27)	226,362
Segment results	(2,141)	(12,786)	62,359	(707)	–	46,725
Finance cost	359	10,138	5,107	–	(369)	(15,235)
Finance income	373	37	–	–	(369)	41
Profit before tax						31,531
Tax expense						(15,635)
Profit for the financial period						15,896
Segment assets*	17,406	230,388	213,874	449	–	462,117
Segment liabilities	3,377	121,267	146,841	72	–	271,557
Capital expenditure	6	22	1	27	–	56
Depreciation of property, plant and equipment, joint venture assets, and investment properties	261	63	40	138	–	502
Other material items of (income)/expense included in the Group's profit or loss:						
- Provision for debt settlement on compensation for loss of profit	–	7,603	–	–	–	7,603
- Impairment loss on property development costs, net of deferred tax	–	255	–	–	–	255
Inventories written off	–	250	–	–	–	250
- Gain on disposal of shares for previous associate	–	(410)	–	–	–	(410)

* Included in the segment assets of property development is investment in an associate of RM30.

Notes to the Financial Statements (cont'd)
30 June 2013

27. OPERATING SEGMENTS (continued)

(a) Reconciliation of reportable segment assets and liabilities to the Group's corresponding amounts are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Assets		
Segment assets	703,954	462,117
Tax assets	–	–
Total assets	703,954	462,117
Liabilities		
Segment liabilities	458,077	271,557
Tax liabilities	30,666	17,329
Total liabilities	488,743	288,886

(b) Information about Major Customers

Revenue from transactions with a major customer who individually accounted for 10% or more of the Group's revenue is as follows:

	2013 RM'000	2012 RM'000	Segment
Customer A	226,922	214,083	Concession arrangements

28. CONTINGENT LIABILITIES

	Company 2013 RM'000	Company 2012 RM'000
Unsecured:		
Corporate guarantee given to licensed banks for facilities granted to a subsidiary	67,598	61,109

The directors are of the view that the chances of the financial institutions calling upon the corporate guarantees are remote.

29. RELATED PARTY DISCLOSURES

(a) *Identity of related parties*

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a related party relationship with its direct and indirect subsidiaries, associate, joint venture, corporate shareholders and directors.

The relationship between the Group and the related parties, other than those disclosed elsewhere in the financial statements are as follows:

(i) Corporate shareholder of the Company, Titian Hartanah (M) Sdn. Bhd.; and

(ii) Holding company of the corporate shareholder of the Company, Maymerge (M) Sdn. Bhd.

(b) *Related party transactions*

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year/period:

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000	1.7.2012 to 30.6.2013 RM'000	1.1.2011 to 30.6.2012 RM'000
Interest payable to Maymerge (M) Sdn. Bhd.	7	15	–	–
Rental payable to a director - Dr. Christopher Shun Kong Leng CFP®, RFP™	–	9	–	–
Subsidiaries				
Management fees receivable from:				
- Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	–	–	6	27
- Menang Development (M) Sdn. Bhd.	–	–	480	–
Interest income from:-				
- Menang Development (M) Sdn. Bhd.	–	–	–	369

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Notes 13 and 18.

Notes to the Financial Statements (cont'd)

30 June 2013

29. RELATED PARTY DISCLOSURES (continued)

(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, directly or indirectly, including any director of the Company.

The remuneration of the key management personnel during the financial year/period was as follows:

	Group		Company	
	1.7.2012 to 30.6.2013 RM'000	**1.1.2011 to 30.6.2012 RM'000**	**1.7.2012 to 30.6.2013 RM'000**	**1.1.2011 to 30.6.2012 RM'000**
Directors' remuneration:				
- fees	10	15	10	15
- emoluments other than fees	674	1,012	24	36
	684	1,027	34	51

30. FINANCIAL INSTRUMENTS

(a) *Capital management*

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since financial period ended 30 June 2012.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To remain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year/period ended 30 June 2013 and financial period ended 30 June 2012.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

Notes to the Financial Statements (cont'd)
30 June 2013

30. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and borrowings	349,909	174,664	1,003	2,006
Trade and other payables	108,168	96,893	10,646	10,214
Total liabilities	458,077	271,557	11,649	12,220
Less: Cash and bank balances	(9,480)	(2,353)	(546)	(1,054)
Net debts	448,597	269,204	11,103	11,166
Total capital	178,244	160,889	214,097	215,388
Net debts	448,597	269,204	11,103	11,166
Total capital plus net debts	626,841	430,093	225,200	226,554
Gearing ratio	72%	63%	5%	5%

(b) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of reporting period approximate their fair values except for the following:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2013				
Recognised				
Term loan III at fixed rate	1,003	1,000	1,003	1,000
Unrecognised				
Financial corporate guarantee	–	–	–	#
2012				
Recognised				
Term loan III at fixed rate	2,006	2,000	2,006	2,000
Unrecognised				
Financial corporate guarantee	–	–	–	#

The Company provides corporate guarantee to lenders for financing facilities extended to subsidiaries which are disclosed in Note 28. The fair value of the financial corporate guarantee is negligible as the probability of the subsidiaries defaulting on the financing facilities is remote.

Notes to the Financial Statements (cont'd)
30 June 2013

30. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Cash and cash equivalents, receivables and payables

The carrying amounts of cash and cash equivalents, receivables and payables are reasonable approximation of fair value due to the short-term nature of these financial instruments.

ii. Borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

iii. Other investments

The fair value of other investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

iv. Operating financial asset

The fair values of these financial instruments are estimated by discounting the expected future cash flows using effective interest rate method at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts are approximate to their fair values.

(d) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value on the statements of financial position:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2013				
Available-for-sale financial assets				
- Quoted shares in Malaysia	7	7	–	–
2012				
Available-for-sale financial assets				
- Quoted shares in Malaysia	6	6	–	–

There were no transfers between fair value measurements hierarchy for the financial year/period ended 30 June 2013 and 30 June 2012.

Notes to the Financial Statements (cont'd)

30 June 2013

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Group is exposed mainly to liquidity and cash flow risk, credit risk, interest rate risk and market price risk. Information on the management of the related exposures is detailed below.

(i) Liquidity and cash flow risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure that all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group maintains sufficient credit facilities to meet its operational needs and to enable the Group to continue as a going concern.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

2013	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group						
Financial liabilities:						
Borrowings	349,909	520,153	38,904	163,309	317,940	520,153
Trade and other payables	108,168	108,168	103,029	5,139	–	108,168
Total undiscounted financial liabilities	458,077	628,321	141,933	168,448	317,940	628,321
Company						
Financial liabilities:						
Borrowings	1,003	1,123	1,123	–	–	1,123
Trade and other payables	10,646	10,646	10,646	–	–	10,646
Total undiscounted financial liabilities	11,649	11,769	11,769	–	–	11,769
2012						
Group						
Financial liabilities:						
Borrowings	174,664	263,361	68,085	53,253	142,023	263,361
Trade and other payables	96,893	96,893	90,406	6,487	–	96,893
Total undiscounted financial liabilities	271,557	360,254	158,491	59,740	142,023	360,254
Company						
Financial liabilities:						
Borrowings	2,006	2,240	2,240	–	–	2,240
Trade and other payables	10,214	10,214	10,214	–	–	10,214
Total undiscounted financial liabilities	12,220	12,454	12,454	–	–	12,454

Notes to the Financial Statements (cont'd)
30 June 2013

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group. The Group seeks to invest cash assets safely and profitably. The Group considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of financial year, the maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancement for receivables is disclosed in Note 13.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segments profits of its trade receivables on an ongoing basis.

As at 30 June 2013, the Group and the Company have no significant concentration of credit risk except for the following:

(a) an amount owing from a single customer in respect of its concession arrangement activities constituting 99.87% (2012: 99.49%) of total receivables of the Group; and

(b) the amounts owing from subsidiaries of the Company constituting 99.81% (2012: 99.95%) of total receivables of the Company.

The maximum exposure to credit risk for the Group and for the Company is represented by the carrying amount of each financial asset recognised in the statements of financial position.

(iii) 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 has interest bearing financial assets, comprising the deposits that are short term in nature and are not held for speculative purposes but to earn a better yield than cash at banks.

Interest earning financial assets of the Company is mainly amounts owing from subsidiaries that attract interest income.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The Group and the Company have interest bearing financial liabilities, comprising the secured term loans, amount owing to a third party, corporate shareholders and amounts owing to directors as disclosed in Notes 18 and 19.

Interest rates on amounts owing to directors, advances from corporate shareholders, amount owing to a third party and secured term loan III are fixed. Interest rates for other term loans and deposits vary with reference to the base lending rates of the financial institutions.

Sensitivity analysis for interest rate risk

As at the end of the financial year, if the interest rates had been 50 basis points higher or lower and all other variables held constant, the Group's profit net of tax would decrease or increase by approximately RM1,308,000 (2012: RM647,000), arising mainly as a result of exposure to floating rate loans and borrowings.

Group 2013	Note	Effective interest rate %	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Fixed rates									
Trade payable	18(b)	8.10	14,932	–	–	–	–	–	14,932
Amounts owing to corporate shareholders	18(d)	12.00	608	–	–	–	–	–	608
Amounts owing to directors	18(e)	12.00	10	–	–	–	–	–	10
Amount owing to a third party	18(h)	12.50	2,500	–	–	–	–	–	2,500
Finance lease payable	20	2.55	4	18	18	18	10	–	68
Term loan III	19(b)	12.00	1,003	–	–	–	–	–	1,003
Floating rates									
Term loan I	19(a)	10.50	17,148	–	–	–	–	–	17,148
Term loan II	19(a)	11.00	50,450	–	–	–	–	–	50,450
Term loan IV	19(c)	6.30	–	4,855	13,082	9,728	10,397	114,208	152,270
Term loan V	19(c)	7.35	–	6,165	9,960	6,165	6,165	49,272	77,727
Term loan VI	19(c)	7.50	–	–	4,071	6,107	16,227	24,838	51,243
2012									
Fixed rates									
Trade payable	18(b)	8.10	26,006	–	–	–	–	–	26,006
Amounts owing to corporate shareholders	18(d)	12.00	873	–	–	–	–	–	873
Amounts owing to directors	18(e)	12.00	10	–	–	–	–	–	10
Amount owing to a third party	18(i)	18.00	500	–	–	–	–	–	500
Term loan III	19(b)	12.00	2,006	–	–	–	–	–	2,006
Floating rates									
Term loan I	19(a)	10.43	15,446	–	–	–	–	–	15,446
Term loan II	19(a)	10.92	45,663	–	–	–	–	–	45,663
Term loan IV	19(c)	6.30	–	–	2,307	7,912	4,591	58,797	73,607
Term loan V	19(c)	7.35	–	–	4,642	4,642	2,866	25,792	37,942

Notes to the Financial Statements (cont'd)
30 June 2013

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Company 2013	Note	Effective interest rate %	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Fixed rates									
Term loan III	19(b)	12.00	1,003	–	–	–	–	–	1,003
2012									
Fixed rates									
Amount owing from subsidiaries	13(c)	0.28	51,491	–	–	–	–	–	51,491
Term loan III	19(b)	12.00	2,006	–	–	–	–	–	2,006

(iv) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Securities. These instruments are classified as available-for-sale financial assets.

There has been no change to the Group's exposure to market price risk or the manner in which this risk is managed and measured.

<u>Sensitivity analysis for market price risk</u>

The Group has considered the sensitivity of the financial instruments to market price risk and is of the view that its impact is insignificant.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 3 July 2012, Protokol Elegan Sdn. Bhd. ("PESB") increased its authorised share capital from 100,000 shares of RM1 each to 1,000,000 ordinary shares of RM1 each and issued 10,000 ordinary shares of RM1 each, of which 5,100 shares were allotted to MDSB and the remaining 4,900 shares were allotted to a non-controlling shareholder.

(ii) On 23 July 2012, PESB issued 264,998 new ordinary shares of RM1 each and allotted 135,148 ordinary shares to MDSB and the remaining 129,850 ordinary shares were allotted to a non-controlling shareholder.

Notes to the Financial Statements (cont'd)
30 June 2013

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(iii) On 25 July 2012, PESB entered into a concession agreement with the Government of Malaysia and UiTM under a Private Financing Initiative basis to build, lease, maintain and transfer a UiTM Institute Latihan at Nilai for a contract sum of approximately RM101,000,000. Upon completion of the campus, the campus will be leased to the Government/UiTM for a period of 20 years and PESB will commence to maintain the facilities and infrastructure of the campus. The concession period of the concession agreement is therefore 23 years (inclusive of the 3 years of construction period).

(iv) On 29 August 2012, Rumpun Positif Sdn. Bhd. increased its authorised share capital from 1,000,000 ordinary shares of RM1 each to 10,000,000 ordinary shares of RM1 each and issued 4,724,998 new ordinary shares of RM1 each of which 2,409,748 ordinary shares were allotted to MDSB and the remaining 2,315,250 ordinary shares were allotted to a non-controlling shareholder.

(v) On 18 December 2012, MDSB issued 50,000,000 new ordinary shares of RM1 each and allotted to the Company fully.

(vi) On 15 April 2013, PESB issued 4,725,000 new ordinary shares of RM1 each and allotted 2,409,750 ordinary shares to MDSB and the remaining 2,315,250 ordinary shares were allotted to a non-controlling shareholder.

33. COMPARATIVE FIGURES

(a) The comparative period is from 1 January 2011 to 30 June 2012. Accordingly, the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes of the Group and of the Company are not in respect of comparable periods.

(b) The following comparative figures have been reclassified to conform with the current financial year presentation:

	Group		Company	
	As reclassified RM'000	As previously classified RM'000	As reclassified RM'000	As previously classified RM'000
Statement of financial position				
Non-current assets				
Operating financial asset	214,418	–	–	–
Receivables	–	214,082	–	–
Current assets				
Property development costs	59,765	60,101	–	–
Inventories	6,017	6,017	–	–
Receivables	1,106	1,106	70,018	70,018
Cash and cash equivalents	2,353	2,353	1,054	1,054
	69,241	69,577	71,072	71,072

Notes to the Financial Statements (cont'd)
30 June 2013

33. COMPARATIVE FIGURES (continued)

(b) The following comparative figures have been reclassified to conform with the current financial year presentation: (continued)

	Group		Company	
	As reclassified RM'000	As previously classified RM'000	As reclassified RM'000	As previously classified RM'000
Current liabilities				
Payables	90,406	90,406	10,214	10,214
Borrowings	63,115	63,115	2,006	2,006
	153,521	153,521	12,220	12,220
Net Current (Liabilities)/ Assets	(84,280)	(83,944)	58,852	58,852
Equity				
Reserves				
Accumulated losses	(56,712)	(57,672)	(2,209)	(3,169)
Capital reserve arising from warrants issue	–	960	–	960
Statement of comprehensive income				
Revenue	226,362	214,411	–	–
Other income	980	12,931	–	–
Administrative expenses	(9,424)	(9,861)	(2,206)	(2,217)
Other expenses	(8,952)	(8,515)	(1,411)	(1,400)

Notes to the Financial Statements (cont'd)
30 June 2013

34. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company as at 30 June 2013 is presented in accordance with the directive issued by Bursa Securities 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 Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2013		2012	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total (accumulated losses)/retained earnings of the Company and its subsidiaries:				
- Realised	(172,382)	106,649	(146,229)	107,940
- Unrealised	28,114	(110,149)	(16,238)	(110,149)
Less: Consolidation adjustments	104,910	–	105,755	–
Total Group/Company accumulated losses as per financial statements	(39,358)	(3,500)	(56,712)	(2,209)

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

List of Properties Held

As at 30 June 2013

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Geran No. 27917 Lot No. 48 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	73.56 acres	Vacant Industrial Land for Future Development	N/A	19,519	1998
HSD 97332 PT 25008 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	27.86 acres	Vacant Industrial Land for Future Development	N/A	2,516	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	41.25 acres	Vacant Industrial Land for Future Development	N/A	3,726	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	4,856	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,086	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.13 acres	Vacant Industrial Land for Future Development	N/A	1,058	1998
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	5,000	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	4,673	1998
665 & 666 Jalan RJ 1/15 Rasah Jaya 70300 Seremban Negeri Sembilan Darul Khusus	Freehold Land	3,600 sf	3 1/2 Storey Office Lots	31 years	292	1998
18 units of 3 Storey Office Mukim of Rasah, Seremban	Freehold Land	32,400 sf	Office Lots For Rental/Sale	16 years	4,275	1998
Rasah Jaya Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	8.01 acres	On Going Mixed Development Land	N/A	11,905	1998
Seremban 3 Various subdivided lots Negeri Sembilan Darul Khusus	Freehold Land	460 acres	On Going Mixed Development Land	N/A	159,420	2001

List of Properties Held (cont'd)

As at 30 June 2013

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus	Freehold Land	64.84 acres	Agricultural Land	N/A	5,101	2004
Lot 776, GM 33 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	11.75 acres	Vacant Commercial Land	N/A	7,601	2004
Lot 9555 & 9556, HS (D) 125699 & 125700 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	9.93 acres	Agricultural Land	N/A	1,729	2005
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	44,100 sf	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	87,121 sf	Agricultural Land	N/A	2,230	2004

Shareholders' Information

ANALYSIS OF SHAREHOLDINGS AS AT 11 OCTOBER 2013

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-Up Capital	:	RM133,553,500.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares of RM0.50 each	%
Less than 100	197	1.37	2,405	0.00
100 to 1,000	8,243	57.56	4,150,902	1.55
1,001 to 10,000	4,879	34.07	16,420,463	6.15
10,001 to 100,000	859	6.00	27,342,500	10.24
100,001 to 13,355,349	140	0.98	142,897,200	53.50
13,355,350* and above	3	0.02	76,293,530	28.56
	14,321	**100.00**	**267,107,000**	**100.00**

* 5% of issued shares = 13,355,350

SUBSTANTIAL SHAREHOLDERS (Excluding bare trustee)
(As per Register of Substantial Shareholders)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad	9,000,000	3.37	27,945,130 *	10.46
Dato' Shun Leong Kwong	9,400	0.00	27,945,130 *	10.46
Datin Mariam Eusoff	23,004,200	8.61	27,945,130 *	10.46
Dr. Christopher Shun Kong Leng CFP®, RFP™	25,345,400	9.49	–	–
Maymerge (M) Sdn Bhd	1,200	0.00	27,943,930 +	10.46
Titian Hartanah (M) Sdn Bhd	27,943,930	10.46	–	–

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

\+ Indirect interest through Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A (4)(c) of of the Companies Act, 1965

Shareholders' Information (cont'd)

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad in				
The Company	9,000,000	3.37	27,945,130 *	10.46
Maymerge (M) Sdn Bhd	118,977,400	20.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dato' Shun Leong Kwong in				
The Company	9,400	0.00	27,945,130 *	10.46
Maymerge (M) Sdn Bhd	267,699,150	45.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Datin Mariam Eusoff in				
The Company	23,004,200	8.61	27,945,130 *	10.46
Maymerge (M) Sdn Bhd	208,210,450	35.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dr. Christopher Shun Kong Leng, CFP®, RFP™ in The Company	25,345,400	9.49	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

THIRTY LARGEST SHAREHOLDERS AS AT 11 OCTOBER 2013

	Name	No. of Shares	%
1	Titian Hartanah (M) Sdn Bhd	27,943,930	10.46
2	Christopher Shun Kong Leng	25,345,400	9.49
3	Mariam Binti Mohamed Eusoff	23,004,200	8.61
4	Harasa Abadi Sdn Bhd	13,174,200	4.93
5	Pakatan Laksana Commercial Sdn Bhd	13,142,200	4.92
6	Tan Shoo Li	13,028,900	4.88
7	Ahmad Abas Bin Abdul Mokhtar	10,000,000	3.74
8	Abdul Mokhtar Bin Ahmad	9,000,000	3.37
9	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	6,261,400	2.34
10	Toh May Fook	5,519,500	2.07

Shareholders' Information (cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 11 OCTOBER 2013 (Continued)

	Name	No. of Shares	%
11	Tay Hock Soon	5,059,400	1.89
12	Liew Sook Pin	4,803,500	1.80
13	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Toh May Fook (MY0785)	4,761,400	1.78
14	Continuum Sanctuary Commercial Sdn Bhd	4,372,800	1.64
15	Robyn Lim Kit Yoong	3,258,800	1.22
16	Tan Yok Chu	3,044,800	1.14
17	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goh Kheng Peow	2,952,000	1.11
18	Lim Seng Chee	2,360,000	0.88
19	Tee Chee Chong	1,991,700	0.75
20	Toh May Fook	1,900,900	0.71
21	Ng Poh Lyn	1,680,000	0.63
22	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd For Quek Yuen Sum	1,631,900	0.61
23	Tan Tiong Hing	1,300,000	0.49
24	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Bee Kua (M57005)	1,200,000	0.45
25	Citigroup Nominees (Asing) Sdn Bhd Exempt An For UBS AG Singapore (Foreign)	1,130,000	0.42
26	Soong Ik Lin	991,000	0.37
27	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	988,100	0.37
28	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Tay Hock Soon (MY1055)	952,200	0.36
29	Chin Sook Yee	921,300	0.34
30	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Wong Kie Yik (MQ0179)	900,000	0.34
	Total	192,619,530	72.11

Menang Corporation (M) Berhad (5383-K)
Incorporated in Malaysia

CDS Account No.	Number of Shares Held

PROXY FORM

I/We ....
(Full Name in Capital Letters)

NRIC No./ID No./Company No. .... of ....

....
(Full Address)

being a member(s) of **MENANG CORPORATION (M) BERHAD** hereby appoint ....

.... NRIC No. ....
(Full Name in Capital Letters)

of ....
(Full Address)

or failing him the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Forty Nineth Annual General Meeting of the Company to be held at the Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 2nd December 2013 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:

Resolutions	**Ordinary Business**	**For**	**Against**
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports		
Ordinary Resolution 2	Approval of Directors Fees		
Ordinary Resolution 3	Re-election of Mr Chiam Tau Meng as Director pursuant to Article 112		
Ordinary Resolution 4	Re-election of Mr. Too Kok Leng as Director pursuant to Article 112		
Ordinary Resolution 5	Re-appointment of Dato' Abdul Mokhtar Ahmad as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 6	Re-appointment of Dato' Shun Leong Kwong as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 7	Re-appointment of Messrs Baker Tilly Monteiro Heng as the Company's Auditors.		
	Special Business		
Ordinary Resolution 8	Retention of Independent Non-Executive Director – Too Kok Leng		
Ordinary Resolution 9	Authorisation to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 10	Proposed renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965		
Special Resolution	Proposed Amendments to the Articles of Association of the Company		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ....day of.. 2013

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

(* Delete if not applicable)

NOTES:

(1) A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

(3) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(4) Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Company's Registered Office at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.

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Stamp

The Company Secretary
Menang Corporation (M) Berhad (5383-K)
Box #2, Wisma Selangor Dredging
8th Storey, South Block
142-A Jalan Ampang
50450 Kuala Lumpur

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